



Third Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

42 Elizabeth II

*Published under the
authority of
The Honourable Denis C. Rocan
Speaker*



VOL. XLII No. 64B - 8 p.m., MONDAY, MAY 17, 1993

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
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ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
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<i>Vacant</i>	Rossmore	
<i>Vacant</i>	Rupertsland	

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 17, 1993

The House met at 8 p.m.

ORDERS OF THE DAY

(continued)

COMMITTEE OF SUPPLY (Concurrent Sections)

EDUCATION AND TRAINING

Mr. Deputy Chairperson (Marcel Laurendeau): Good evening. Will the Committee of Supply please come to order. The committee will be resuming consideration of the Estimates of the Department of Education and Training.

When the committee last sat, it had been considering item 1.(c)(1) on page 34. Shall the item pass?

Ms. Avis Gray (Crescentwood): Mr. Deputy Chairperson, I will talk about the issue of the students in a few moments, but I wanted to go back to something that we spoke about the other day, the Building a Solid Foundation for our Future, and I have had a chance to go over it again.

I guess one of my first questions that I would ask the minister is this appears to be a strategic plan from '91 to '96. I am wondering within that five-year time frame if there is any more specific time frames as to when these objectives are to be accomplished, and is there any further documentation as an update to this particular document?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Deputy Chairperson, the document that the member is referring to is our broad strategic plan. It is a statement of principle. It is a statement of policy intent and it is approached by government as government proceeds through its own budgetary process as well as its own policy development. In terms of the broad principles, I am not sure that I can give the member more specific dates on that particular issue.

However, I can say that we do have a number of issues which are ongoing now which flow from that document. I point to legislative reform which flowed from that document that formed The Public Schools Act. We have spoken during the Estimates process

about a time frame for the legislative reform looking to some reform of The Public Schools Act in the session 1994, and looking for feedback from the educational partners within the next few months while we make an analysis ourselves.

I also look at the Task Force on Distance Education which has very recently reported and which we will be providing their report to the field.

The university review is another of the initiatives which flows from that document, and the time frame for the university review is that it was set up last June, June of '92, and that we do look for an interim report in the summer of '93 with a completed report we look for in the fall of '93.

Then Francophone governance is another initiative the Supreme Court has required provincial governments across Canada to implement and that also falls in line with our strategic plan in terms of meeting that obligation. Our Labour Force Development strategy flows from that particular document as well.

* (2005)

Ms. Gray: I would like to ask the minister, it talks in the strategic plan about evaluation and evaluative mechanisms. Can she tell us or is there anything that she can table that shows exactly how this strategic plan is going to be evaluated? Does she have any interim evaluation for us, as we are about, I would suggest, two years into this particular plan?

Mrs. Vodrey: In listening to the member's question, I think she is asking: How do we measure our success as we go along in that strategic plan? One way that we have looked at measuring our success is by the initiatives that we now have ongoing which meet the principles of that particular plan.

I have pointed to some of those initiatives which are ongoing and which are measurable by the fact that they are implemented and also by public response. Then we do have the committee that we have spoken about in the Estimates process, which is a within-the-department committee. That committee also is responsible for looking at the strategic plans and looking at the initiatives of each of the areas within the total and then being able to

provide continued recommendations in terms of meeting the obligations of the plan.

Ms. Gray: Let us take perhaps a specific example. On page 10 of the plan under Implementing Priorities, the plan indicates "quality indicators, which are tangible and observable." I am quoting. For example, it talks about in regard to the "Kindergarten through Senior 4 and post-secondary education," and it talks about "increased respect among students and teachers."

How is that going to be evaluated, as an example?

Mrs. Vodrey: In looking at that particular recommendation, if the member is looking for a statistical measurement, we do not have a specific statistical measurement for that. However, we have looked to achieving that goal, partly through consultation that we have with the field on a regular basis. Also, when we look at Strategy 1 of Answering the Challenge, that speaks to providing some assistance for the learning environment. That is related to the recommendation that the member has just mentioned in the strategic plan.

We will be releasing to schools, within the next few months, a document on the learning environment. It will be able to be used by school divisions and by schools to look at effective kinds of learning environment. Flowing from that then, divisions and schools will then submit plans which will allow them to reflect also on the learning environment and meeting the most effective learning environment for children.

Somewhat enlarging on the particular recommendations which the member spoke about, we also collect survey information. That survey information will be collected from divisions. That will be focusing very much on the service element that we provide as a department to look at how we can support divisions in the most effective way.

Then, as I began my answer, we also do a number of consultations. We work with the field on some very specific issues such as task force representation. We also have the field represented on a number of committees. We make every effort to also keep the information flowing.

I know we will be talking a little bit later in the Estimates process about the new management information system which the Department of Education will be implementing. This is another way

that we will be able to do a much broader in-scope tracking of information on behalf of students.

In terms of the actual measurement of achievement, through the Council of Ministers of Education, we have been discussing the SAIPER, the School Achievement Indicators Project for 13- and 16-year-olds.

* (2010)

Ms. Gray: Mr. Deputy Chairperson, I was not necessarily looking for statistics. When one looks at that priority, as an example, increased respect among students and teachers, or another priority, increased public confidence in Education and Training programs and services, I guess I am wondering what is the methodology. What method are they using to actually determine if, at the end of a certain time period, they can say that they have met or partially met that particular goal or objective?

Mrs. Vodrey: Again, Mr. Deputy Chairperson, our efforts have been in a number of ways. One has to provide for the field, where possible, a document which would assist them in focusing on a particular area. One of the roles of the department is leadership, to provide some leadership in the area of thinking and planning in these particular areas. I did give an example of the one document on the learning environment. The learning environment has been an area where Manitobans have spoken to me a great deal about the learning environment for young people and how we could be looking at it.

One, we support through documents. Two, we also look at consultation, and we look to talk with the field in an ongoing communication. Three, we look to the field to be represented on a number of committees, where we would be working on a very specific issue in some cases, and we would be able to address that in more of a working-group style to look at how we can measure the effectiveness and also where the issues are.

Ms. Gray: Mr. Deputy Chairperson, does the department have any base line data for some of these indicators? If in five years one were to ask the question, was there an increased respect among students and teachers, I am assuming the only way one could answer that is to know where we were starting from, what the starting point was.

What kind of base line data is there? The minister referred to surveys. Are there surveys that are done throughout the schools? Is there some data collected that is now there? Right now, what is the

respect among students and teachers? Where does that fit into education today? What does increased respect mean? What do we want to achieve? How much?

* (2015)

Mrs. Vodrey: Mr. Deputy Chairperson, I just had wanted to make sure I could give the member as broad an answer and as complete an answer as I can. I would say that we do have base line information on a number of issues, and we have surveyed every public school in the province on seven indicators. Those seven indicators are ones which are being used by the student support branch and by way of example, issues such as migrancy, academic difficulty, language skills. Those are three of the seven. So we do have some base line data which we have been collecting, and then we will survey again to see where there have been changes.

In some of the areas, we do not have from each school a specific statistical type of data. We do have more data which was gathered again through interviews and which is gathered through consultations with schools. We have not developed yet a survey or an indicator that would be sensitive to the specific issue which the member has raised.

Just in summary of the range of mechanisms that we use to collect information, we do collect data from schools and school divisions and that is on areas in addition to the seven indicators like student enrollment, teacher information, school division demographics, financial accountability and then we also collect K to 12 assessment data. We look at the curriculum assessment results, and we also look at the designated high school final exam results. Then we also use other sources throughout the Department of Education to look at things such as labour force surveys.

So we use external measures and reporting so that we can then look at where the changes are. Some of the measurement is done, things such as labour force surveys which occur on Friday mornings towards the end of each month, that information is measured by Canada and is provided to the Department of Education and to the government of Manitoba, and we are able then to look at month-over-month kinds of comparisons.

Ms. Gray: Can the minister tell me then, and she gave some examples of some of the seven indicators, and this one intrigues me very much, the

increased respect amongst students and teachers, because we read about that so much in journals and magazines. I still have not quite figured out from the minister's answer, and it may just be my understanding of her answer, but how we are going to measure that? How are we going to know if there has been increased respect among students and teachers? Where is that now? What is the respect among students and teachers? Do we have any information or data that tells us something about that particular aspect?

* (2020)

Mrs. Vodrey: In the particular area of respect that the member references, that has been identified as an issue through the legislative reform hearings, and that was certainly identified by Manitobans as an issue, one that they would like to make sure that some attention is paid to in terms of the relationships. As the member may know, they have recommended in that report that there be a formalization of what the rights and responsibilities are of students, of teachers, of parents, so that people will be able to look specifically at what is the expected behaviour and what should it look like from the outside.

That has been a specific recommendation that flowed from the report, that flowed from The Strategic Plan, which we have been talking about. I would say that we are moving closer to the sort of database that the member does reference. This particular issue is one which would be, the database would likely be formed by surveys of teachers' observations, and perhaps we might widen that to include other kinds of observers too; it might be parents as well. So we do not have the specific database that is formed as a result of surveys. However, we have moved a step closer and, if I look at the legislative reform again, there has been a recommendation to identify certain types of behaviour that each person might be responsible for.

Ms. Gray: Mr. Deputy Chairperson, I thank the minister for that answer. I do not want to put words in her mouth, but I think then what she is saying is that when we look at some of these indicators, perhaps as far as where these priorities are along the strategic plan in terms of their implementation, some of them—and the one I used as an example, the respect issue—really have not started to be evaluated as yet and that in fact that evaluation will fall in with the results of whatever this government

decides they will do in regard to the education legislative reform package. Is that a correct assumption?

Mrs. Vodrey: Mr. Deputy Chairperson, again, I said to the member that if she was looking at observable mechanisms and how other Manitobans suggest we might approach this, that does occur in the Legislative reform. But I have also said that we are in the process of doing surveys throughout the province and that some of those surveys would be based on observable kinds of data. That would be one way in which we might be provided that information from teachers in the field.

Then the other part of that is the development of our management information system which will allow us then to manage the quantity of information which we would like to establish, because we have not had that capacity. Last year in the Estimates process, we spoke about the need to expand our management information capacity in the Department of Education, and we will be looking at that when we get to that line this year.

Ms. Gray: Mr. Deputy Chairperson, does the minister have any samples of the surveys that she is referring to, perhaps not with her tonight, that she could share with the members here that would give us an idea of sort of the kinds of surveys that are going to be used or are now being used?

Mrs. Vodrey: Mr. Deputy Chairperson, yes, I am informed we can table some of those surveys when we are sitting tomorrow.

* (2025)

Ms. Gray: Mr. Deputy Chairperson, I thank the minister for that.

Again, continuing on with this document, Building a Solid Foundation, on page 5, it talks about one of my favourite subjects, how governments have to put their house in order and be more responsible in public spending, et cetera, and it talks about possibly redefining how government does business. I cannot remember whether I have asked the minister questions on this before or whether it was the Minister of Family Services, but I am wondering what the department's plans are in regard to looking at their own department in terms of its efficiency, its efficacy. Are there any plans to evaluate the department and how the department does business with a view to, of course, providing the best quality service possible for Manitobans?

Mrs. Vodrey: Mr. Deputy Chair, in making sure that our own management practices in Education and Training are sound and are co-ordinated and are integrated, we have used a corporate approach to decision making. We have been looking to create an environment that is conducive to change and also shared decision making and open communication. That shared decision making has been a very important part of the process to involve all of those people who will then, in effect, be ones who will be putting into practice what the new plan is.

We have made also a number of efforts to be proactive rather than reactive. I will just give as a way of example the PDSS division of our department or the K to 12 side which is holding consultation meetings with major stakeholders in order to receive information regarding our own service delivery. In addition to that, staff are also looking at what the strengths and weaknesses are that they see were the areas of needed improvement.

So we have been looking on that side of the department, both internally for suggestions and recommendations from those who are part of the department and also externally holding consultations with stakeholders, to look at what the service is and how they receive information and so on and how to make us the most efficient.

In addition, we also have internal auditing as a process and the Treasury Board management practice review. We also have the provincial audit. We have been taking a number of steps to look at making our own internal functioning as efficient as we can.

I have given you the one example from the PDSS side. I would also point to the reorganization now in the division called Advanced Education and Skills Training, which is another reorganization to provide the service in the most efficient way. With that reorganization, we have brought programs which were previously with the Department of Family Services and the Department of Labour into Education and Training so that we do have that continuum of service within our department.

Our Schools Finance Branch has been reorganized and it has implemented Total Quality Management practices. It is looking to be very service oriented. It is using a consensus management practice and also a process review.

school trustees is, there has to be a better way to ensure fairness across the system.

That is the one thing that I have heard consistently in my meetings with people throughout the province. I recall asking a question when the minister provided her staff to sit down and go through Bill 16 about: Was there a different way of developing a funding formula so that there would seem to be more fairness across school divisions?—because that is one of the complaints that school divisions are talking about; that is one of the things that teachers are saying, is that if some school divisions are going to be losing administrative days and professional development days, they are feeling put upon because in the school division next door, that is not happening to those teachers.

I usually hate to give speeches in Estimates, but after all of that, I guess really what I am asking the minister is two questions. One is, is there a way to try to get back to school divisions, school trustees and teachers as a government, and say, okay, the communication perhaps has not been that good? We know that there are a lot of concerns out there. We are getting a lot of reaction.

What can the minister do and what can her department do now, given what is going on in Manitoba, to try to repair that damage that has certainly been caused, and so that we can try to get back to partnership? Maybe that is too ideal to ask that question, but I really think that there is a problem out there, and the only way that solutions are going to be reached is that there is some dialogue that goes on. So that would be the first question I would ask the minister.

Mrs. Vodrey: Mr. Deputy Chairperson, let me start by saying that I certainly understand very well what the role of the teacher is. I also understand very well what is happening in classrooms. I think that it is important that we help Manitobans know, as well, the changing kinds of students that we have in education and more about what the situation is in schools.

I have said many times that though I began my work teaching at the university level and then in a hospital, I did spend a number of years working directly in the school system. In those years, and it was over six years, I worked in the system from kindergarten through Grade 12. It gave me an opportunity to look at the issues of students, the

pressures of teachers and what is being required in the system at all levels.

I was not confined to working at particularly just an elementary level or a junior high level or a senior high level. I had an opportunity to work through the system, and I think that was very beneficial because it has allowed me to work also as part of a team. That is an approach that I have advocated. I have been using the term partnership.

I use that with great sincerity because it is in partnership and as a part of a team that I believe, in the work that I was part of within the school system—the team being the teacher, the parent and the speech therapist, and in my case, the psychologist did have an opportunity to work on behalf of a student and to look at forming a plan and making a difference.

So I can tell you that I certainly do have an appreciation of the issues within the school system and, particularly, within the classroom. That is where I have spent a great deal of time in terms of working with students and also families on behalf of students.

So I think that is one place for us to say that I have really made a great effort to integrate that knowledge and that information into all of the decision making and the discussion that I have had as minister. Since I have been minister, I have not worked as a school psychologist, obviously, but I have spent a great deal of time in schools.

I am very comfortable in the schools in this province. I have spent a great deal of time actually being in the classroom, having a chance to speak with teachers, having a chance to speak with students, and that is students of all age ranges as well. As I said earlier this afternoon, I have spoken with students who are in kindergarten and Grade 1, and I have spoken with students who are in their graduating year in Grade 12 and students in between. So I can also look at what students hope for as well. That is certainly a point of view that I have brought to the issues and to the approach that I have taken with all the partners in education, whether it is working again with teachers in the classroom, in schools or with the formal organization.

I think that that does allow us to make sure that our communication remains open. That would be very important. I think that it is important that that communication continue. I want to remind the member, too, that in all the communication that I

have had with teachers, because she did speak about teachers specifically, I have let teachers know that they have not been targeted.

I have asked teachers to look, first of all, around this province, as a matter of fact, even as closely as within their own community, and to look to people within their own community and to look at the changes that many people have had to make, and it might even be within their own family. When we were at the Principals' Forum a couple of weeks ago, there was a teacher there who said, well, in my family—the spouse in that family was undergoing a major salary reduction in the work that that spouse was doing. The teacher knew first-hand that the efforts being made in many sectors across this province did not target teachers alone but that there were being efforts made, both in the public sector and the private sector, where there had to be a control of spending.

* (2050)

So what I have said to teachers is, first of all provided an appreciation of the work that they do, but then wanted to remind them that they have not been targets, that adjustments have been required within their own neighbourhood, with parents of students that they teach within this province. Then we only have to look across Canada and around the world at the restructuring that is being required to say that it is not one group alone that is being asked to make the adjustments and make the changes.

So we did institute, as a result of a very difficult series of budget decisions, two ways in which we wanted to look at the fiscal situation of this province, and we have attempted, through Bill 22, through looking at the in-service days, to preserve the quality of education in the classroom and also an attempt to save positions. It was one way that we could look at attempting to preserve the quality of education that we looked for in Manitoba.

I would say, too, that there are a lot of Manitobans that have given me the same message as the member said that she has received. This is our situation. We cannot afford to pay more. Let us look at how we can do the very most and the very best with the money that we have available. Many Manitobans have said, more money does not mean necessarily a better quality, because we know a great deal of that money does not necessarily flow directly into programs, but instead it flows into areas such as salary, which we spoke about this

afternoon, also potentially into such areas as administration. So this year we did direct that administration be reduced so that the money available was actually available for students.

In terms of the funding model and fairness, and the fairness that I think the member is speaking about, we attempted to introduce fairness when we introduced our new funding model. In the past, the way schools were funded was not fair. It was very much on an ad hoc basis. It did not provide a degree of certainty. Now, with the new funding formula, it does provide a degree of certainty in school funding because schools now know what they will be funded for, what is the foundation of education.

When we introduced that funding formula, we agreed it would be subject to review, that we would look at it to make it the most efficient formula we could. We formed and continued the Education Advisory Committee, which had been operating in the development of the formula and which continues to operate now. Where school divisions have concerns and issues which they would like to have considered in terms of the funding formula, they are submitted to that committee. That committee reviews them. That committee is representative and it reviews it in terms of a geographical light and educational concerns. That committee did make recommendations this year, and I have said several times, we accepted those.

Ms. Gray: Mr. Deputy Chairperson, what I want to ask the minister, though—I mean, she talks about communication and her understanding of teachers and what it is like for them. I do not dispute that. I am not about to sit here and judge the minister in terms of what her feelings are or her thoughts are in regard to teachers and their ability to do the job.

Again, it does not matter in some ways what the minister or her department feels in terms of the kind of job that they have done to try to communicate to the partners in education what is going on. The point is, there is a terrible lack of understanding out there in the education community about the funding decisions, why they were made, whether one group is targeted or whether another group is not targeted. Perception, as they say, oftentimes becomes reality.

So we have the Teachers' Society, we have teachers in general, we have the Manitoba Association of School Trustees, we have administrators in school divisions, we have town

councillors, we have city councillors, particularly in the area of Brandon, who are feeling that they are not being listened to in terms of, where should education go, where should the dollars be spent and how should it be spent?

We have at the bottom of the rung these teachers who feel that in fact they are the brunt of everything, and we have parents out in the community who are feeling that the children perhaps are not getting the best education, in some of the comments that we hear, or they are in support of the teachers and saying that the teachers have a very difficult task and do not have the resources at their disposal to do the job.

My question for the minister is: What can she do, unless she does not think that there is a problem out there in terms of communication? Where are we going now in education? What does she feel she can do as a minister with her senior department to try to repair some of that damage out there and to go back—

Hon. Albert Driedger (Minister of Highways and Transportation): There is no damage.

Ms. Gray: There is damage out there. I mean, I have heard it enough. The Minister of Highways says, there is no damage. I disagree, because there are too many letters coming in, there are too many people making phone calls, there are too many comments by people in various sectors of society who are involved in education. It does not matter whether they agree with the government in terms of the government's decisions on funding or whether they do not agree because they are still saying the same thing. They are saying, we have to do a better job of working as partners and we are not doing a good job.

I have sat in meetings where school trustees are pitted against teachers, and yet I know that really their goal is the same. They want to see quality education for children, but they are sitting there arguing with each other, and I think we have pit some of these groups against each other, and I do not see that as very productive for education here in Manitoba.

So I would ask the minister—and this question is not necessarily judging or prejudging what has happened so far in education or what she has done or what her department has done or what this government has done, all that aside, whatever you think about that, the point is there is damage out

there. There are misconceptions possibly. There is not a partnership. So given that, what can we do to change that?

Hon. Gary Filmon (Premier): Mr. Deputy Chairperson, the member referred to statements I have made and comments that I have made, and I thought that perhaps it might be appropriate since the focus of the comments that the member for Crescentwood is making—and I want to say that I compliment her on taking a very constructive tack. I mean, I think she genuinely sees that there is conflict and that there is a degree of unhappiness among those in the public school system, and that this is something that obviously cannot help in providing a better quality and a better atmosphere for education in Manitoba unless it is addressed. So I think we all come from the viewpoint of wanting to solve that problem, the minister, her colleagues in government, and I am pleased to see the critic from the Liberal Party. That is a very constructive point of view.

I think a number of things should be addressed, and one is that I would hope that those who are involved in the education system would see themselves as part of the greater community and not something that is in some way isolated from the rest of the community and immune to the same pressures, be they social or economic, that affect everybody else in the community. It is my view that only if they see themselves as being part of the same broader community and subject to the same economic pressures as everyone else can they take an objective and positive view of the circumstances that face funding for education in the '90s.

Because the reality is that all governments of any political persuasion, in any province in this country, will be facing a situation of shrinking revenues vis-à-vis any other time period in recent history, whether you look at the '70s when government revenues by way of personal income taxes and consumption taxes were growing at a rate of 13 percent a year, or whether you look at the 1980s in which they were growing at just under 8 percent per year. You look at the '90s and the best estimates that we have is that they will not grow at any greater rate than 3 percent per year, so a quarter of the rate or less than a quarter of the rate that they did in the 1970s.

That means that all government departments in all areas that government is responsible to fund have to be part of any solution, unlike this afternoon,

when the member for Dauphin (Mr. Plohman) suggested that if we were going to try and reduce expenditures, we did not have to deal with the salaries of those people who work in education. When that is more than 70 percent of the component of the cost of education, that is impossible to deal with.

So you have today the situation where we have to in some way engage the education community in the understanding that the funding that is available to them is going to be under the same pressures as the funding available to everyone else. For five straight budgets, we have made a priority of essentially isolating Health, Education and social services from the realities of reductions in spending of all other government departments.

* (2100)

The problem is that those three departments collectively represent 65 percent of the total spending of this government, and if you add to it another 10 percent of spending, that is the cost of interest on the debt, you are left with only 25 percent that you have to play with. So you can do as we have done in other years and reduce spending in some departments by 10, 12 percent or in all other areas reduce spending overall over a course of five years, and you still cannot cope with the shrinking revenues unless you take Health, Education and Family Services into the tent and say, you have to be a part of any solutions that we find vis-à-vis control of government spending.

Once you conclude that that is inevitable, and I might say governments of all political stripes in all provinces in Canada have arrived at the same conclusion, then you have to go to those people who are in Education and say, the solution is either to reduce the numbers of people who are involved in Education to reduce the payroll cost or have everybody take a little less. Now, that is not a novel solution. That is a solution that has been fixed upon by everybody throughout the rest of society, be they public sector or private sector.

In private sector, the reductions in incomes have been significant in many cases, in many industries, wholesale reductions that people are taking and in cases that never would have been thought possible. The airline industry and others that have been well-paid professions are globally taking reductions and saying it is a part of staying in business, and,

therefore, it is the way in which I am going to protect my job.

There seems to be a different thought when it comes to certain fields of endeavour in the public sector, where people say, well, there is a bottomless pit out there and all we have to do is tax more or run the deficit up and everything will be okay. Well, that obviously has come to an end, not only in this province but in every other province in Canada, and so we are faced with the inevitability of facing reality and deciding whether or not we are going to solve the problem together or we are going to do it on a basis of conflict and confrontation.

We would prefer to do it together, and we would prefer to offer alternatives and have people, such as school boards, in positions of responsibility, work out whatever is the best choice with their employees, whether that is a voluntary rollback of their wages, whether that is a reduction in the number of days that they work or a variety of different options, but the inevitability is that they have to get by with a reduced payroll.

We do not prefer to be that way that they go out and have a conflict with their employers, the school divisions or attempt to engage in conflict with the provincial government or conflict with their students over it. We would prefer that the employees, that is the teachers and all of the support staffs and administration, find a way of coming to grips with reality and recognizing reality all around them. The member opposite says that she has heard comments on phone-in talk shows in which people are being negative toward the teachers. I regret that just as she does, because I think that it does not need to come to that.

I for one understand why the teachers are being held responsible, because every study that has ever been done with respect to education suggests that the real critical part of education is always in the interface between the teacher and the student, and that is where all the most important things in an education take place. Therefore, much as we can talk about the responsibility of administrations, of school boards, of all sorts of other people, that interface between the teacher and the student is still the critical point at which this education does take place. That is why the teacher is being held responsible.

The second aspect to that comment is that people who live in the real world, out in society, are all

looking around and seeing their friends, their neighbours, their families having to take reduced incomes or having to take temporary layoffs, or losing their jobs and they say, nobody is immune to this. Why should anybody in society, whether they be in education or health or anything else, feel that they are automatically entitled, that they have some predisposed right to get more money all the time, above the rate of inflation and above the ability of the society to pay for that, and all the rest of us have to suffer, and, in fact, suffer doubly, because not only do we have reduced incomes but we are asked to pay more taxes in order to fund that.

Obviously, there are a lot of people out there who are hurting and who are making comments about that hurt and directing it to those people who are making demands that they see as being unreasonable. So that is the situation that is being faced today. That is reality, and if the member opposite, the member for Crescentwood or the member for Wolseley (Ms. Friesen), whom I see shaking her head, have better solutions, then I would like to hear those solutions. I would like to see what they say is a better way of doing it and how we can isolate those in our education system from the realities of the economy or the rest of society.

But, if not, then I think that what we have to do is sit down, knowing that those realities exist, examining options that are available to us to deal within those areas and try and come up with a collective solution. But if the only solution is to say no, we do not have to reduce, and, no, we do not have to take less income, that is not possible. It is not possible for most of society and it is not possible for those people who depend upon the taxpayer for their income from society.

Ms. Gray: Mr. Deputy Chairperson, I would ask the minister, because she is part of cabinet then—and the First Minister spoke of other options or suggestions. My question would be, given that Education and Training is certainly seen as very important and has been indicated as very important as far as the throne speech, were there other options that were looked at outside of the Department of Education in terms of savings that could have been found within other departments, or even looking at merging other departments, or perhaps not even having all those departments there? Were there some suggestions that were made that, for whatever reason, were not used, so that in fact there could be savings in other

departments? I mean, what kind of options were looked at?

Mr. Filmon: Mr. Deputy Chairperson, we are probably out of order in talking about other departments while we are in the midst of Education, but since that is clearly a question that cannot be answered by the minister, but has to be answered by somebody from Treasury Board or from the other areas, the reality is that for the previous five years, the overall cuts in government were all in all of those other departments. All of the savings in administration, all of the reductions in staff, almost 10 percent of the total provincial civil service, primarily, were in those other areas of government.

It is not possible, when 65 percent of the entire expenditures in government comes from those three departments, that any three departments could be isolated, especially those that account for two-thirds of the spending.

Ms. Gray: Mr. Deputy Chairperson, one of the comments made this evening was the importance of the interface between students and teachers. I certainly agree with that.

One of the difficulties, I think, that the teachers are also facing, and, in fact, some of the parents have commented on, is that whether teachers are facing a cutback in salary or whether they—a couple of things are happening: they are losing professional development days; and they also feel that over the last number of years—and this does not necessarily just mean five, but over the last 10 years—the resources that are available to them in the classroom are diminishing.

I specifically refer mostly to teachers who have children with special needs in their classroom. I use that term "special needs" very broadly because there are a lot of children now in the classroom who have behavioural problems, never mind the children who have special needs and medical problems. The teachers are saying and the parents are saying, it is very difficult for teachers to be able to do a good job in the classroom because they feel they do not have the resources or the supports available.

When you have a situation where not only are a group of professionals asked to take fewer professional development days or not have professional development days, and where they may be asked to have their salaries rolled back, but you combine that with them feeling that they do not have the same amount of control in their classrooms

because they do not have the resources available to them, I think that the issues that teachers are facing in the classroom today and over the last five years are certainly more complex than what we might have seen 10 years ago, because of a number of things such as deinstitutionalization, et cetera.

* (2110)

I would ask the minister how she might reconcile that particular aspect, particularly because it certainly has been in need. I have not heard one teacher that I have talked to who has not brought up the issue of lack of resources in the classroom.

Mrs. Vodrey: Mr. Deputy Chairperson, I would like to speak about special needs for a moment because we certainly have examined special needs with a great deal of seriousness, and we have done several things that I would like to point to as very concrete steps to assist the field in the area of special needs students.

First of all, our funding, we have very dramatically increased our funding in special needs. We have increased the funding in the past two years from \$53 million to approximately \$81 million. That is a significant dollar amount attached to a commitment to special needs children and the resources required in the area of special needs. I would also like to say that for the emotionally, behaviourally disordered young person, this year it is true. In the past, those young people were not recognized for resources or recognized at the highest level for the child in most severe need.

This year, one of the recommendations that came from our Ed Finance Committee was to look at funding both at Level II and Level III, depending upon the severity, those emotionally, behaviourally disordered young people, and we have done that. We have now included the funding for young people who have that emotional behavioral disorder in our funding formula. It is not being done for the first time, a real recognition for the need for support in that area.

(Mrs. Shirley Render, Acting Deputy Chairperson, in the Chair)

The third point I would like to stress is that we have last year in February 1992 founded the Student Support branch within the PDSS division and the Department of Education and Training. That is the only branch of its kind which deals with students at risk. It is the only one in Canada which has been formed to look at students at risk. That

particular branch works directly with schools across this province. When the member has spoken about actually being able to be in touch with teachers, and look at what teachers' recommendations and solutions would be, that is exactly what occurs within that branch.

We have funded that branch to approximately \$10 million, and individual schools put forward plans and recommendations. With those recommendations, that means that the individual schools can look at their own regional needs, their specific needs as the result of the demographics within that school, and they are able to look at how they would like to begin to solve the problem. That is a real grassroots approach. It is an approach that deals with a great deal of respect with the professionals who are working in that area and in that particular school.

So that is three very strong commitments that this government has made in the past few years in the special needs areas. As I said, we have increased the funding level significantly. We increased it quite significantly in '92-93 with the new funding formula. Then, again, as I said, we made an additional modification this year for students with emotional and behavioural disorders, and we have a position for a consultant in special education which has been reprioritized to increase consultative programming support to school divisions. We are providing, as I said, Level III support in this area. Our Child Care and Development Branch and Curriculum Services and Native Education and the Student Support branch are all collaborating to provide some professional development activities for schools districts and divisions in the area of prosocial skill development.

I would also like to remind the member that we do still provide, through our funding formula, funding for professional development, and that works that a school may then have a teacher come and we will pay the substitute cost to assist in the area of curriculum where there have been changes and to assist school divisions to the extent that we can. So that is also, I think, another commitment.

I would just like to close in that answer by giving a quote to the member, because we did gather a number of quotes from eligible schools across this province in response to the programs initiated by those schools funded by our Student Support branch. This one person said: I chose to evaluate the success of our efforts by having all staff respond to a questionnaire. If you skim through the

comments, you will find that co-operative learning is now entrenched in this particular school and has been implemented at all levels. Needless to say, we feel a little smug about our accomplishments, justifiably, I think. A sincere thank-you to you for your support, encouragement and, of course, money.

Ms. Gray: Madam Acting Deputy Chairperson, the minister referred to an increase from \$53 million to \$81 million. Was that Levels I, II and III? With those extra dollars, will that then mean that so many more children will be able to receive special needs funding, or is that increased funding for existing children?

Mrs. Vodrey: Madam Acting Deputy Chairperson, yes, it is funding for Levels I, II and III. It is funding which we now provide through the funding formula.

In the past, sometimes it has been school divisions who have funded in those particular areas. We are now funding, so it is not the responsibility of the local school division. In some cases, it is not a matter of funding additional numbers of children but rather having the funding being done by funding that flows through our Ed funding formula rather than funding which would have been done alone by the school division.

Ms. Gray: Madam Acting Deputy Chairperson, perhaps the minister does not have them with her this evening, but I am assuming the minister has detailed statistics, et cetera, on the various levels of funding and how they are used that she could table, by school division.

Mrs. Vodrey: Madam Acting Deputy Chairperson, I do have that detailed information which might be best made available when we actually get to that budget line.

Ms. Gray: Madam Acting Deputy Chairperson, the minister referred the other day to workweek reduction and talked about professional development days and administrative days. I am wondering if the minister could tell us the rationale behind deciding that administrative days and professional development days perhaps should be options that school divisions should look at in terms of saving dollars.

Mrs. Vodrey: Madam Acting Deputy Chairperson, we looked at days in which there was no contact—which was not a teaching day—between, on a teaching basis, the teacher and the student. When we looked at the reduction we did not want to reduce the number of teaching days within the

school calendar. However, there are, within the school calendar, 10 days which are in fact not designated as teaching days, so those were the days.

In our effort to protect the classroom and to protect the students and the quality of education within the classroom, we suggested that school divisions might look at those particular days, those days without student contact in terms of a workweek reduction.

* (2120)

Ms. Gray: Does the minister see professional development as part of a strategic plan, either for professionals and teachers or for staff within her own department?

Mrs. Vodrey: Madam Acting Deputy Chairperson, professional development is an important part of development for people in their work. We do know that a number of teachers use the summertime for instance, when they are on holidays in that two-month period, to increase their level of certification to take courses so they can increase their level from perhaps a Level IV to a Level V. That then brings with it, for teachers, increased salary and benefits. We do know that there are many ways in which teachers are able to look at professional development.

Ms. Gray: Madam Acting Deputy Chairperson, does the minister feel that an employer, whether that employer be a school division or whether that employer be a government department, that employers have a role to play in ensuring that their employees do receive a certain amount of professional development or staff training and development?

Mrs. Vodrey: Madam Acting Deputy Chairperson, from the day of the funding announcement, we did say to school divisions that school divisions were the employing authority, and as the employers they had the opportunity and the option to negotiate directly with their employees about any changes they believed that they needed to make.

However, we also did provide for them, with Bill 22, enabling legislation where, if they were not able to come to an agreement in terms of salary and benefits through negotiation as employer to employee, that then we, as government, were looking at the workweek reduction and we would provide enabling legislation, should school divisions

wish to also take advantage of a version of the workweek reduction.

But in terms of the professional development or the in-service, we do believe that there are a number of effective ways that staff development programs can be accomplished. A number of ways which are already operating now are the summer institutes, where teachers concentrate on a specific teaching strategy, and they do so for up to five days in a very intensive way to look at strategies which they will believe will be effective.

We also look at Training for Trainers programs, where division staff—where a trainer can then work with division staff and work with classroom teachers in a classroom setting to provide the ongoing support to teachers. The Training for Trainers program has been a very popular one. Also, trainers or facilitators can demonstrate a teaching strategy for classroom teachers. They can observe the classroom teachers and coach classroom teachers in classrooms.

In addition, study groups can be established and some have been established, I am told, after school hours for every two to four weeks with a discussion leader. Teacher select a topic, and they determine what they already know about an area and what they would like to know about an area. They design ways to gather information and to assist each other in implementing the strategies in their classroom.

Then, as I have also said before, Manitoba Education and Training has provided school divisions with an opportunity to access professional development activities by providing several grants through our funding formula. It is a \$450 to \$500 grant per eligible instructional unit for professional and staff development, and a \$2,500 grant per division in support of professional development activities related to the provision of courses using distance education technology. That was a new one this year; that one was another that was seen as very important in response to our Distance Education task force. Divisions then decide, with that professional development money, how they would like to use it.

So when the members asks what is the responsibility of an employer, Manitoba Education and Training, through the funding formula, does provide money. It is up to school divisions to decide how they would like to use that money. Some divisions, I am informed, use it to send a staff

member away and then bring that staff member back to train staff who are in the schools now, or they may wish to use it in any number of ways, but we have provided for the money within the funding formula to assist employers as they determine what their priorities might be.

The Student Support Branch also has provided staff development opportunities for schools with very high concentrations of students at risk. The school staff identify the teaching approach that they want to implement on a school-wide basis and develop a staff development plan for one to three years, and comments from the staff, and I did read you one, about the use of this comprehensive school-based staff development approach have been very positive. The approach has been successful and teachers have been volunteering to attend sessions during the summer and on Saturdays.

Ms. Gray: Madam Acting Deputy Chairperson, these staff development opportunities that are done on a school-wide basis, are those then conducted during the regular school day or when do they occur?

Mrs. Vodrey: Some of this is done with the total staff outside of school hours. However, others are also done within school hours. The coaching and the mentoring of teachers is done while teachers are conducting their classes to assist the teachers on an ongoing basis and to help them while they are actually doing their work.

I did mention for the member that we do provide funding through the school funding model, and approximately \$4 million will still be provided in support of professional development. In total, school divisions spend approximately \$5.3 million or .5 percent of their budgets on professional development, and a large amount of that budget is provided through the ed funding model, a large amount of the money which is being used.

I would also like to speak for just a moment on summer institutes because these also take place. As I said, they are intensive, and just for the member's information, 35 workshops were offered and sessions on computer-assisted learning at all grade levels. There was quite a large client group from regions across Manitoba, including the Interlake, south central, Parkland, north, Winnipeg, and so there have been some very effective ways in which professional development has been

conducted at times other than on those days that had been designated as in-service days by divisions.

Ms. Gray: Can the minister tell us what is the number of teachers who participate in the summer institutes as well as the other staff development opportunities that she has referred to? Does she have a number for us in terms of the number of teachers across the province?

Mrs. Vodrey: Madam Acting Deputy Chair, in order to get the member the numbers, we would have to go through our list of summer institutes and then calculate each of the institutes and numbers for each of the regions. In the example that I just gave the member, a session on computer-assisted learning for all grade levels, I can give her some of the numbers: from the Interlake, 26; from south central Manitoba, 21; from the North, 15; from Winnipeg, 127.

Ms. Gray: This information she said her staff would have to get, is that a complicated process? Is that easy enough to compile for the next sitting?

Mrs. Vodrey: Madam Acting Deputy Chair, I am informed it is a fairly major collating job, and we would not be able to have it for tomorrow.

* (2130)

Ms. Gray: How many hours are we talking about to get that information?

Mrs. Vodrey: Madam Acting Deputy Chair, we could certainly have the information available by next week if that would be helpful to the member.

Ms. Gray: I would only ask for the information provided it does not take a lot of hours of some person's time to get the information. Otherwise, I do not think it is worth it. So I will leave that to the discretion of the minister's staff.

Could the minister tell us what type of staff training and development plan that she has within her own department for her staff?

Mrs. Vodrey: Madam Acting Deputy Chair, our department does have a human resource development policy and a human resource development plan. I do not have it at this moment, but I can look to provide it to the member as quickly as possible.

Again, with this policy, we look for this policy to enhance the organizational environment for decision making. The policy contains a commitment to build an organizational environment which

operates on some principles which we have been speaking about: fostering trust and respect and integrity, and a way to recognize excellence, and also fostering a shared sense of purpose among employees. That was in giving examples of some of the work that is being done directly with staff within, for instance, PDSS. We spoke about that earlier tonight in terms of looking at strengths and areas of improvement. That is one way, in a concrete way, in which we have been looking at that plan.

Ms. Gray: Can the minister tell us, is the expectation then as staff enter into professional development activities within the department that they do so on their own time, or do they do that within government hours?

Mrs. Vodrey: Madam Acting Deputy Chair, we look for our staff to do both.

Ms. Gray: Can the minister elaborate on what she means by "do both"?

Mrs. Vodrey: Madam Acting Deputy Chairperson, some of the professional development which the staff engages in on their own time and at their own expense are various areas of management training, for instance, which they might do. Some do that through management institutes. Others are pursuing advanced degrees and training at the university level or at the college level. Again, a number of people do that on their own time and at their own expense.

(Mr. Deputy Chairperson in the Chair)

In terms of some of the short-term professional development which occurs, some of that involves meeting with counterparts across Canada who do a similar type of job. Those may be short-term professional developments again which require a meeting, and that would be done within the scope of the days at work.

Ms. Gray: Is the expectation that when a professional development or a staff development plan is worked out with an employee that it is clearly identified that some of the training, depending on what their career goals are, will occur outside of work hours and on their own time and at their own expense?

Mrs. Vodrey: Through our human resource development policy, there is a growth section. In that growth section, managers are expected to sit down with staff and discuss steps of where they see themselves, and what kind of skills they would like to develop, and how that person himself or herself

intends to reach that point, and what we could also do to help that person reach that particular goal.

Ms. Jean Friesen (Wolseley): Mr. Deputy Chairperson, I wanted to proceed from where I had left off, and it is discussing the policy functions of this particular unit.

The minister had said last time that of the five to eight people—we never really I think determined how many actually did work on policy, but certainly of those who do in this section, they spent approximately, over the long haul, about a third of their time on post-secondary issues.

I wonder if the minister could give me a list of policy papers, position papers, discussion papers that look at the long-range planning of the department in this area that perhaps have been conducted in the last year, last two years.

Mrs. Vodrey: We do not have a list of those activities here at the moment, but we could certainly draw up that list and provide it to the member.

Ms. Friesen: Could the minister perhaps give me an indication of one or two papers that have been produced?

Mrs. Vodrey: We have spoken about the Task Force on Distance Education and Technology; and, as I have said, the Planning and Policy Development area did provide support for this task force. It included assistance in the development of the task force's reports.

As a second example, I would speak about Adult Basic Education where preparatory work was completed by a departmental committee in the area of Adult Basic Education, and Planning and Policy Development chaired the committee and assisted in compiling and analyzing the relevant information. We have also spoken about—and I have provided the member with a copy of it—the departmental submission to the Northern Manitoba Economic Development Commission, and again this was a departmental presentation made to the commission where Planning and Policy Development prepared a paper called *Contributing to Economic and Social Prosperity in the North* for this purpose.

Ms. Friesen: Then my sense is that the role of this group is co-ordination and compilation, chairing of meetings and compilation of final reports from others rather than the initiation of long-range planning, in the case that I am discussing, for post-secondary education.

* (2140)

Mrs. Vodrey: We have spoken about this part of the department as, in some ways, corporate organizers where they do perform the co-ordinating function which the member has spoken about.

We do operate, as frequently as we can, with cross parts of the department working together and being able to put together ideas, because we have spoken about the goals, needing to make sure that there was more than just one person who was aware of the goals of a particular area or of a particular initiative.

In this way, the Planning and Policy Development is able to draw on strengths that are available across the department and also from the community. They also take the major role in terms of preparing a report, but I am also informed that that is a process whereby the report is also then again looked at by senior managers or by those people who have been a part of the work to make sure that it reflects, really, what the members believe has been accomplished.

Ms. Friesen: Can I proceed from that to the other area that I finished up discussing? That was the sense that we are left with—taking in sum all of the minister's actions in the post-secondary education area over the last few months, we are left with the sense with that the government's policy is to take from those that have the least.

The arguments that I have made, of course, have given as examples: the ACCESS programs, the Student Social Allowances, the New Careers programs, the transition to loans rather than bursaries. All of those programs seem to hit at those people who, first of all, are at the lowest level on the educational rung, who are trying to get a step into a very long system for them, and second of all, people who also seem to have very few alternatives.

So it is in both of those senses that I suggest the government's actions reflect a policy which may or may not have been consistently articulated, but certainly appears to be one that is taking from those who have the least.

I wonder if the minister could comment upon the policy role of her department and essentially coming to those conclusions and initiating and substantiating policies that have taken from those who have the least and who have no other alternatives.

For example, are there policy papers that have dealt with the implications of each of these

changes? Are there policy papers which have looked at the alternatives for those who are the recipients of these particular kinds of attacks? Are there policy papers which have looked at the choices within the department of what other kinds of changes could have been made? Are there policy papers which look at the implications of these cuts for the long-term economic future of Manitoba? Are there policy papers which look at these for the economic future of the labour force in Winnipeg, for example?

Mrs. Vodrey: Mr. Deputy Chairperson, let me start by rejecting the words of the member in terms of attack, and let me just reject some of the notions that she has put forward.

What I would like to tell her is that in a number of the changes that we have made, first of all, there is a reality in which we have had to look at a number of difficult decisions. I have said that and prefaced each answer that I have given her with that.

However, I would also say that we have maintained a commitment in a number of areas, and as we get to that budget line in each of these areas, it will be clear to the member that there has been a commitment which has been retained in the areas in which she has spoken about.

I know in the time that we have been discussing in Estimates, she has spoken about northern issues and concerns there. I have been able to demonstrate to her the efforts that we have made to assist northern people in terms of their education and was able to give her a number of concrete examples.

Earlier this evening we were also talking about how we do collect data and we do collect information about education in Manitoba and we do collect data from colleges and universities. We look for financial accountability also.

We also collect information from external data sources and I have spoken earlier this evening about labour force surveys, and how we as a government are able to use that information within our department and also to examine the statistics.

We also use Statistics Canada reports and census data. We also use CMEC publications and data collection. So we are able to use some external sources in the process of developing policy and looking at the way that this government will make plans and will look to make sure that programs are available for Manitobans.

I also point to the reorganization of the Advanced Education and Skills Training area, which does provide for a very broad range of programming in one place where it has not been provided before, and where Manitobans had to look before in a number of places if they were able to be steered to the right place. With this reorganization, we have been able to put those together so Manitobans will be more knowledgeable.

In addition to that, staff will also be more knowledgeable in terms of being able to discuss what is available with Manitobans and in the programs that they are working.

Ms. Friesen: Mr. Deputy Chairperson, perhaps we can save time in the rest of Estimates by saying that as an opposition party, we made the amalgamation of post-secondary education and training as one some time before this government did. So I do not think we need another recitation—I think it is about the third time I have heard it—of the importance of having amalgamated education and training. Let us take that one off the list. Now the second—

Mr. Deputy Chairperson: Order, please.

Point of Order

Mrs. Vodrey: On a point of order, Mr. Deputy Chairperson, it is not the amalgamation of education and training I have been speaking about. It is the amalgamation and the reorganization in the Advanced Education and Skills Training division of this department which has now incorporated programs which previously were in the Department of Family Services and were in the Department of Labour.

Mr. Deputy Chairperson: Order, please. The honourable minister did not have a point of order. It is a dispute over the facts.

* * *

Ms. Friesen: Mr. Deputy Chairperson, yes, the minister wants to reiterate it yet again.

The second answer she gave me seemed to be redoing, revisiting questions that I had asked some time ago, on the north, on the collection of data and statistics, but that was not what I was asking.

The question I was asking was—the government's policy, and I am giving them the benefit of the doubt, appears to be attacking those who have no alternatives and who have the least. Was there a policy statement? Was there policy evaluation

which essentially looked at a range of choices, and said, yes, that is who we are going after. That is what we are going to do and here are the consequences. We are going to take that risk and we are going to do that because we have evaluated it and we have said, yes, those are the people who are most expendable.

* (2150)

If we have difficult choices to make, these are the people who are going to go because the appearance of the policy so far, the most severe cuts and the ones that from my perspective are certainly final in the sense that people do not have an alternative, are leaving us with, I think, a very harsh perspective on this government, and I am giving the minister the opportunity to say: Yes, we did do some policy research; we did in this group co-ordinate all the people in the department; we looked at discussions with people outside the department—all of the things that she says they do. Did they do it for this line of policy?

Mrs. Vodrey: Mr. Deputy Chairperson, I would like to start by saying to the member that the Advanced Education and Skills Training Division has a budget of approximately \$91 million. In that budget we have preserved ACCESS programs. ACCESS programs account for approximately 10.9 percent of that budget; in addition, literacy programs account for approximately 1.3 percent. Student Financial Assistance accounts for approximately 13.2 percent of the budget. Employability Enhancement Programs account for approximately 12.9 percent of the budget. Each one of those programs, in effect, works with and looks to assist Manitobans who are in need of—

Mr. Deputy Chairperson: Order, please. Could I ask those honourable members wanting to yell across, back and forth on this table to step out in the hall and do it?

Mrs. Vodrey: Again, I would like to say to the member that we have, in those areas—I have named four of them, four areas where we believe that Manitobans need support—preserved a budget line. I have also explained to her the percentage of the budget in the Advanced Education and Skills Training Division which is devoted to those programs, so we have made sure that we have been able to continue to provide accessibility in the areas of ACCESS Programs and Student Financial

Assistance and literacy programs and Employability Enhancement Programs.

Ms. Friesen: Mr. Deputy Chairperson, but did the minister's policy staff do any policy evaluations that looked at the impact of the cuts in each of these lines?

Mrs. Vodrey: Again, I can say to the member who consistently seems to be believing somehow that these have disappeared. They have not disappeared, and I have explained to the member that there is still a commitment in each of these areas to support Manitobans. That commitment is fairly significant in the light of the budget. The programs that I have named are specifically aimed at the Manitobans that I think she is referencing, Manitobans who need some support in accessing post-secondary education, in the funding for their post-secondary education.

In some cases with the literacy programs it might be the first time a Manitoban has re-engaged in a program as a learner for some time, and these literacy programs are community-based programs. They are programs which allow Manitobans—we look for a successful experience. Then we also have maintained the Employability Enhancement Programs. These programs are still available, and we still look to serve Manitobans in those areas and others because they are a part now of the wider department of Advanced Education and Skills Training.

Ms. Friesen: Mr. Deputy Chairperson, if I had meant elimination, I would have said elimination. I said cut. In each of the areas that the minister made a reference to, there are reduced opportunities for Manitobans, and, in some cases, there are no opportunities for Manitobans where previously there was.

Yes, the minister has what she calls a commitment. I think probably she has expressed it better this last time which is essentially preserving a line on the budget, and that, I think, is what commitment means in this case.

I assume from my now having asked the question three or four times that the minister did not do research or the minister's policy group did not do research on the implications of the cuts, the reduction in these lines to the people who have the least and for whom there is no alternative.

Mrs. Vodrey: Mr. Deputy Chairperson, again, the member has not had this experience before. She

speaks from a position of simply just no experience in the making of decisions, unlike her colleagues across Canada of her same party who have had to make decisions. Had she had the experience of the budgetary process, she would know that in an Estimates process government and staff always weigh the possible effect of program deliveries on recipients.

In looking at those concerns, we were able to make sure that we have retained funding in those four areas that I have mentioned, which, I thought, were of particular interest. When the member speaks of a budget line, we are in the Estimates process when we are looking at the funds allocated. I point to that budget line in terms of the funds allocated to reassure her that, yes, there is still a commitment to these programs.

Ms. Frlesen: Then, if the minister says that these issues have been weighed—and I am quite happy to believe her—could she then table the reports that do weigh, in the balance, the cuts to these programs?

Mrs. Vodrey: Mr. Deputy Chairperson, again, as we have discussions and as we consider the effects, and as we consider the decisions, those are a process of decision making which is done by government, and the process is often one which takes quite a lot of time and which involves always adding new information or looking at new and creative ways to think about the issue.

Ms. Frlesen: So I gather that the answer is no. The minister is not prepared to table those kinds of reports.

Could I move on then to look at particularly the ACCESS programs and the specific decisions that are being made in a policy basis in those ACCESS programs? It seems to me that we seem to be at a turning point in the ACCESS programs. Again, I am concentrating on the policy perspective here and what the long-term plans are for the ACCESS programs.

We have asked this question a couple of times in the House already, and there has been no response on the long-term prospects for ACCESS. I do not think I have to, perhaps, go into a great deal of detail, but the origin of the ACCESS programs was an attempt to find a way to lead to success for people who, for a variety of reasons, but largely systemic reasons, have not had the opportunity or have not had the opportunity to be successful in university

and post-secondary education programs. It was based upon research, I think, which was done in this department in earlier administrations which said—

Mr. Deputy Chairperson: Order, please. Could I please ask the honourable members to tone it down a little bit. I am having trouble hearing the honourable member, and she is sitting next to me.

Ms. Frlesen: I was suggesting that the ACCESS programs were based upon some principles of philosophy that said, large scale—that the best way to enhance accessibility was in fact through very special programs which targeted selection, recruitment and constant supports to students while they were in a program, that was what ensured the broader accessibility in university and post-secondary education programs. What we are seeing now in the ACCESS programs, it seems to me, is a reduction in a number of those principles.

Again, I am asking from the point of view of long-term policy. Is the minister intending these changes to be a long-term policy, or is this a short-term difficulty that the minister anticipates for a couple of years? Is there going to be a change in the overall programs in ACCESS? For example, what we are seeing now—I think what we will see at the end of this year is that recruitment cannot be on as broad a scale as it has been, and that recruitment has been one of the key aspects of the success of the ACCESS programs.

* (2200)

When you are forced, as it seems to me as what is happening, that when you are forced to only take students who are funded by outside agencies—and in particular, the main agencies which have the ability to fund students at the moment are band governments, although not all of those—then in fact you are reducing the range of your recruitment. That is one principle.

A second principle, I think, is the amount of supports that are available to students once they get into the program, even those from a reduced capacity. The minister has talked a number of times about reducing the administration costs of the program, and I am not clear in my own mind, that when the minister talks about administration costs whether in fact she is not really talking about the educational supports. That has been a second principle of the success of the ACCESS programs. So when we start to change that mix, are we also

changing the basic principles of the ACCESS programs?

Recruitment and academic supports seem to be changing. Is this a long-term policy change in ACCESS?

Mrs. Vodrey: Mr. Deputy Chairperson, I do not think I need to remind the member that ACCESS programming and the funding for ACCESS programming has changed and that the federal government has withdrawn their funding for ACCESS programming. We have made every effort to support those students who are currently in ACCESS programs, and we have in fact maintained a commitment to ACCESS programs and maintained funding to ACCESS programs.

I know when we get to the budget line where we can discuss the ACCESS programming in detail, I will be able to talk to the member again about more specifics in terms of the action in ACCESS programs, the action that I have taken in terms of the federal minister and how I have been attempting to encourage the federal government to again support ACCESS programs. Again, when we speak about whether or not the programs are valued, the programs do continue to be funded by this government, so they are seen as important programs.

We are, again, looking to—and I continue to speak about the reorganization that is taking place in the post-secondary side of my department. With this reorganization, we will be looking at the whole range of programming which will be available to Manitobans and the needs of the groups will be very important.

So, in summary, I think that the detail under this budget line that I can provide her with is simply to say again that we know that those programs have retained funding, that this government has continued its commitment to these programs and that the federal government has not maintained its commitment to these programs.

Mr. Deputy Chairperson: Order, please. The hour is now a little bit after ten o'clock. I understand there was a willingness to go till midnight. Would there be a willingness to take just a 10-minute break to stretch our legs? [agreed]

* * *

The committee recessed at 10:04 p.m.

After Recess

The committee resumed at 10:17 p.m.

Mr. Deputy Chairperson: Order, please. The committee will reconvene.

Ms. Friesen: Mr. Deputy Chairperson, when we were last speaking, we were looking at the ACCESS programs, and I was trying to find out something about the long-term prospects for ACCESS that the government was looking at, and the minister replied in terms of funding. Now I particularly had not asked the question about funding at this stage. If the minister prefers, we could certainly discuss that, but maybe that would be more appropriate on the actual ACCESS line.

What I am really looking for here is an issue of policy and what seems to me to be a crossroads in ACCESS programs. Certainly, yes, as a result of funding decisions that have been made this year, but I am not particularly addressing those funding decisions. I am looking at the consequences that flow from them or in the terms of this particular line, the focus on results of the management in this area.

There are consequences that flow from the particular cuts that have been made this year and last year to ACCESS, and the understanding of people who are dealing in the ACCESS programs is that they will only be able to take students who are funded by external agencies. Now that seems to me to represent a different kind of policy for ACCESS, first of all, in the level of recruitment. I indicated two areas that I was concerned about; one was recruitment and the other was academic supports.

So perhaps we could take them one at once then and the minister could perhaps discuss for us whether in fact she is making a long-term change in ACCESS programming at the level of recruitment, or is it a short-term change that perhaps she thinks might only last for a couple of years.

Mrs. Vodrey: Mr. Deputy Chair, I just want to clarify for the member that in the area of recruitment it is universities and colleges which also have responsibility for the recruitment of students, and I am not sure whether she has taken that into the thinking that she has been doing about ACCESS programming.

Ms. Friesen: Yes, of course, it is the university that does do the selection, but when you are only able to select from a smaller pool—that is, only people who have band funding, as seems to be the case,

or other types of funding, while band funding is the most common—then your range of recruitment and your ability to select is somewhat changed, diminished.

Mrs. Vodrey: The member has said several times that ACCESS students will only be band-funded students, and I think she is mistaken in that area. I can say that there will be, with the figures that I have presently, 712 continuing students in the ACCESS family of programs. We have approximately 128 students which are expected to graduate in the '93-94 ACCESS programs, and so of those students, all of those students are not band-funded students. I think that we better clear up right now any suggestion that the only ACCESS students are band-funded students.

* (2220)

Ms. Friesen: Mr. Deputy Chair, yes, the minister is right to clarify that. Students who are in the program do come from a variety of types of funding. The difficulties that people are finding in ACCESS now, and which is why I am pursuing the idea of a long-term policy, is that the new recruits, the new selection and particularly, for example, the new intake of students at the Winnipeg Education Centre which should have begun May 3—the fear is that under the present conditions people will only be able to have access to ACCESS programs if they have external funding.

Mrs. Vodrey: As I have said several times, I have had meetings between the universities and the colleges, between those ACCESS institutions which provide ACCESS programming and members of my staff. We are at those meetings looking at a number of issues, and I hope that, when those meetings are concluded, I will be able to provide the member with some more detailed information that I think she would like to have.

Ms. Friesen: Is it the minister's understanding then that the fears of people involved in the ACCESS program are indeed that they will only be able to take funded students? Is that what she is hearing in these policy discussions with the institutions involved in ACCESS?

Mrs. Vodrey: Mr. Deputy Chairperson, as I said, members of my department, representatives of my department are having meetings with the institutions, the universities and the colleges, which provide the ACCESS programming. I can tell the

member that there will be both funded and unfunded intakes into these programs.

Ms. Friesen: Could the minister elaborate on what she means by "unfunded" students?

Mrs. Vodrey: The unfunded are those students who are not receiving funds from the province and are therefore providing their own funds or other funding.

Ms. Friesen: Mr. Deputy Chairperson, can the minister perhaps give me a more precise description of whom these people are who are able to obtain funding that is not band funding and which enables them to proceed under the ACCESS label?

Mrs. Vodrey: Mr. Deputy Chairperson, again, I am informed, and I would like to tell the member the kinds of funding. Some students do have band funding. Some students do have ACCESS funding, and some students who do not qualify specifically for the ACCESS funding may go through the institution and may then access other student financial assistance.

Ms. Friesen: The one I want to focus upon then is the ACCESS funding. Yes, I understand that everybody believes there will be band-funded students in that program. There may, in some instances, be people who are able to get funding from the institution, relatively few, I would think, but certainly some.

The ACCESS funding is the one that is the issue. Again, I come back to the context, which is the long-term policy for ACCESS and what the fears are of people involved in ACCESS programming—are that that category of ACCESS-funded students, which enabled that broader range of selection and recruitment, is the one that is disappearing. That is the origin of my concerns about a crossroads, really, in the ACCESS programs.

Mrs. Vodrey: Again, I can say about the ACCESS programs that we have provided funding for ACCESS. We will make sure that students in the program will be seen through. I can say too that was a commitment which we assisted with last year when the federal government withdrew its funding and the province stepped in and made sure that those students did receive funding. The amount was over \$1 million that the province came forward with.

I can tell her too that we are, as I have said, still negotiating with the institutions, still in discussion with the institutions, so I am not at this time able to provide her with some of the other details.

Finally, in the area of skills enhancement training, I have spoken about this whole area of skills enhancement training as one in which we are looking at through the reorganization of our department, and which, when that reorganization is completed, I will have more information on exactly how that continuum of skills training, that whole spectrum of skills training will fit together and how Manitobans will be able to access it.

Ms. Friesen: That last part came out of left field. I was talking about university and college education, and the minister is putting that in the context of skills enhancement training, which is an interesting perspective, and I look forward to her reports on that.

Could I get at, again, the long-range planning for ACCESS? The minister says—we have established, I think, that it is the issue of how many students, if any, will be able to be funded by ACCESS in the future. Again, I relate that to the availability of recruits and the nature of selection or at least the extent of selection.

Could the minister give us a sense of how those discussions are proceeding and what kind of timetable she thinks that we are on for that?

* (2230)

Mrs. Vodrey: Those talks are proceeding very well. They are very amicable. In fact, I am informed that the department has received a number of compliments from the institutions for taking this team approach and for involving institutions in the discussion process. We will be concluding those talks as soon as possible. I think it is important for me to let the member know that the talks are ongoing now.

Ms. Friesen: Perhaps the record should show that I was not questioning at all the nature of the talks or the tenor of the discussion but simply the timetable. The timetable is important because, as the minister knows, I have raised this in the House, in the context of the Winnipeg Education Centre, which was anticipating having an intake which should have started May 3. In order to select the people for that May 3 entrance, they should have given their selectees notice at least two weeks before that so they could give two weeks' notice to their employers if they were employed.

Everything is very much backed up at the Winnipeg Education Centre. It affects students not only who are expecting to be brought into the program, but those students who are in existing and

continuing programs and who find that the range of courses that should have been available to them is not yet available.

So the timetable is of some concern. Again, I ask the minister, in the context of the long-range policy, what is the timetable for the discussions on ACCESS?

Mrs. Vodrey: Mr. Deputy Chair, again, the talks are going quite well and staff in the institutions are working very hard. I do see the position of the Winnipeg Education Centre and it being the only one of the institutions which had an intake which was to occur in May, the others with an intake in the fall. Because of that pressure and acknowledgement of that pressure, we are working as quickly as we can to bring to conclusion the talks that we are having with the institutions.

Ms. Friesen: Given the difficulty that both groups seem to be having in coming to a policy statement, which I think is what it is on ACCESS, is there any way that the Winnipeg Education Centre can be taken out of that discussion and dealt with in a separate way to address the issues of continuing students and the question of new entrants?

Mrs. Vodrey: Mr. Deputy Chair, the answer is no, the allocation of money does affect all institutions and all the institutions do need to be treated with the same measure of respect and also the same measure of respect for process so, unfortunately, that is not possible.

Ms. Friesen: Well, is the minister planning to make any allowances for those students who, in effect, are being denied the range of courses they had anticipated when they had come into the program?

(Mrs. Shirley Render, Acting Deputy Chairperson, in the Chair)

Mrs. Vodrey: Madam Acting Deputy Chairperson, I would ask the member to clarify her question, because I am having trouble seeing what she is referring to as the reduced options.

Ms. Friesen: The particular example I am thinking of is a student who is already in the program, who was ready on May 3 to begin a new unit of courses and, because there had not been a new intake, because those decisions had not been made, the courses which would have been prepared for the new entrants were not prepared and there are no teachers in place. Hence, those students already in the program who had expected that range of

courses to become available to them as well, find that they are not available.

Mrs. Vodrey: Again, I think the best answer I can give the member at this time is to say that we are proceeding with those discussions, and we are looking to bring them to conclusion as quickly as possible for the benefit of students. We look to continue those discussions to bring them to that conclusion as quickly as we can.

Ms. Friesen: Just to conclude this discussion on ACCESS, I began with the assumption that we are at a crossroads in the ACCESS programs. It is partly a result of federal funding; it is partly as a result of the choices of this government. I wonder if the minister—again I am trying to get at the sense of it, is it time, given those conditions, to make different assumptions and provide different roles for ACCESS funding? Or is the minister assuming that essentially we are on the same course, fulfilling the same needs, with more or less the same kind of program, and that is the long-term strategy?

Mrs. Vodrey: Madam Acting Deputy Chairperson, as we have discussed in the many parts of my department when we have looked at the strategic plan and also a number of specific issues, we are always examining the needs of the client population and the specific needs and interests of clients.

We also continue to examine the environment, and by that I mean the environment in terms of what is needed and what people have expressed as needed. That has been ongoing, flowing from the discussion that we had on the strategic plan. However, in this case, I can say that we are, as in all cases, doing our best to provide programming to the client population and with the kind of programming that is the most appropriate for that client population.

In terms of ACCESS programming, we have continued funding this year. Last year we did add supplementary funding, additional funding for the ACCESS programs. We will be continually looking at what the client groups' needs are and looking for the most efficient way to serve the client groups, but I think it is important that the member not misunderstand and that she see and recognize that there has been a support to ACCESS this year.

* (2240)

Ms. Friesen: I think there has been a change in the support to ACCESS this year, and I wonder if the

minister could define for the record who the client group is.

Mrs. Vodrey: The client group would include individuals who are aboriginal, women. It would include members who are immigrants or English second language. It would include those Manitobans who would be perhaps described as undereducated. It would also include those Manitobans who might be described as economically disadvantaged, and I believe that is the basis of the target group for the ACCESS programming.

Ms. Friesen: Does the minister have figures which would give us an idea of the proportions of each of those client groups who are in existing programs?

Mrs. Vodrey: We do have some figures in that area. I wonder if they would be most appropriately discussed under the budget line area where we are looking at ACCESS programming.

Ms. Friesen: Well, we are looking at policy issues here, and how the department's policy is being applied to the particular client groups of the ACCESS programs. I would be happy if the minister wanted to table them or bring them to another session.

Mrs. Vodrey: I can give the member some percentages in terms of the ACCESS programs and the target groups served. Approximately 71 percent were aboriginal, and that was from all of the ACCESS programs. Approximately 8 percent were visible minority. Approximately 65 percent were female, and of that, approximately 45 percent were aboriginal female.

Ms. Friesen: So the minister does not then keep numbers on immigrants, English as a second language, the undereducated or economically disadvantaged which were the other categories she listed, or should we conclude that those people are not part of the composition of existing ACCESS students?

Mrs. Vodrey: We have not classified these particular statistics in the way of educationally disadvantaged or economically disadvantaged. That was not part of our calculations with this particular statistical series of figures.

Ms. Friesen: So just to be clear, Madam Acting Deputy Chairperson, the only areas that you in fact designate as collectable statistics are aboriginal, visible minority, female and I suppose from that, necessarily, aboriginal female.

Mrs. Vodrey: Madam Acting Deputy Chairperson, I am informed by the department that we can access those statistics from the chart that I read for the member tonight because she did want to cover it in this particular area. Those figures were not available on that chart.

Ms. Friesen: Again, to clarify, does that mean that the government does in fact collect the other numbers or you do not collect them?

Mrs. Vodrey: Again, as I said to the member in exactly the same words, let me say it again. Yes, we can provide access to those statistics and to that information. It was the chart that I had before me tonight that I provided her with the statistics that I did. Those statistics could be broken down further as the member might want and would be best discussed under that budget line.

Ms. Friesen: I will try and remember that when we get to the right line. Of the 71 percent aboriginal, could the minister tell us how many of those are band funded or, should we say, members of—no, let us say band funded?

Mrs. Vodrey: Madam Acting Deputy Chairperson, again, we do have that information. We do not have it with us this evening. We will be happy to provide that information under the budget line.

Mr. Dave Chomiak (Kildonan): Will the minister be prepared to table a list of projects that are undertaken by the Planning and Policy Development branch?

Mrs. Vodrey: Yes, I will be happy to table the next time we are together the list of completed projects.

I have this evening given a number of those projects by name, and I will be happy to list them for the member of the completed projects by the Planning and Policy Development area of the department. We have completed projects and strategic objectives and an Estimates linkage.

We also have a report on legislative reform process, a report, a completed project on the Task Force on Distance Education and Technology, one on Adult Basic Education, one on the human resource development plan, another which I have already tabled on the departmental submission to the Northern Manitoba Economic Development Commission, and CMEC elementary-secondary profile publication and a series which I will be happy to table for the member.

Mr. Chomiak: Madam Acting Deputy Chairperson, the Task Force on Distance Education and Technology, was that report tabled in the House?

Mrs. Vodrey: No, it has not been tabled yet. It has not been released yet. I am looking to release that report very shortly.

Mr. Chomiak: Can the minister define what she refers to by very shortly? Is it a question of weeks or months?

Mrs. Vodrey: Certainly within the next few weeks, because I know that it is going to be a report that will be of interest to Manitobans.

Mr. Chomiak: The report on adult basics, I believe, the minister indicated—can the minister just briefly outline for me what that report entails and when that will be tabled?

* (2250)

Mrs. Vodrey: Madam Acting Deputy Chairperson, the Adult Basic Education is a report which was done for the department. It was preparatory work completed by a departmental committee in the area of adult basic education. Planning and Policy Development chaired the committee and assisted in compiling and analyzing the information.

In Building a Solid Foundation for Our Future, which is the department's strategic plan, there is a section which said that this department would look at basic education for adults to ensure that adults in Manitoba have opportunities to meet their education and training needs and that a review of basic education for adults would be undertaken.

The purpose of this review will be to establish a co-ordinated approach for the development of basic education for adults who require upgrading to pursue post-secondary education to participate in skills development programs or to participate in the workforce. That is the basis of the report which was done for the department to assist us in that policy development.

Mr. Chomiak: Who undertook that report? The minister indicated it was by a departmental committee co-ordinated—who undertook the report?

Mrs. Vodrey: It was the minister through the strategic plan which asked for this report to be done. Planning and Policy were the co-ordinators of the work, and there was representation on the committee. That representation came from BEF, the bureau or the française part of our K to 12 side of

this department; also, PDSS, which is the Program Development and Support Services part of this department.

There was also representation from the post-secondary side, the adult continuing education part of the department, and the work that they did was to look at developing an inventory of all possible areas where adult basic education was occurring. This was a preliminary—it was a start, and from that we look to continue developing the policy. We think that this policy will also be able to assist us in the labour market planning.

The role of the committee, which was operative, is to explore all forms of basic education programming for nonsequential adult learners 18 years of age or older. Such educational programming includes instruction in reading, writing, mathematics, science and technology, oral communication, interpersonal communication and critical thinking skills. Not included in this area are the general interest courses or any form of skills training courses at the post-secondary level.

Mr. Chomlak: Madam Acting Deputy Chairperson, can the minister define Total Quality Management as she understands it in the department, and can she indicate where it is being applied?

Mrs. Vodrey: Madam Acting Deputy Chairperson, Total Quality Management, I know the member and I did discuss in the Estimates of last year. As he knows from our discussion at that time, it is seen as a way of making decisions, and in fact one of the more important features is that it is a shared decision-making process. It does allow then for the development of a corporate view. It is best applied where members of a department can be involved in the decision making. One very good example of where this has been applied is in our Schools Finance branch which I was discussing earlier this evening.

In this particular branch, we are looking very strongly at a client focus. We also look at the work that people do in a cross-functional way, and what Total Quality Management has allowed us to do in this area is to use the expertise of all of the people. With that cross-functional way, though we can use the expertise of all of the people, that expertise can become shared. Then when members of the department are out in the field, they are able to speak with a much broader sense of exactly what

the goals are, and they have more information than just their one little pocket.

It has also been applied very effectively in the Instructional Resources area of my department. We will have a chance to talk about this when we get to the budget line. That area of the department has undergone some reorganization because this has been a very successful way to look at the skills and the expertise that is available and to be looking at, again, client focus and also to involve the department in the process of decision making.

Total Quality Management, as the member also knows, is something that is best applied when there is an acceptance and an interest on behalf of the staff, not necessarily in an imposed style but rather a style in which people begin to see the benefits for use in the development of the corporate view.

Mr. Chomlak: Is Total Quality Management being practised across the entire department, or is it confined to only specific branches of the department?

Mrs. Vodrey: Madam Acting Deputy Chairperson, our senior staff have been looking at the use of Total Quality Management. They certainly use it as frequently as possible. I also would like to just speak about the development of the funding model and the use of Total Quality Management in the development of the funding model.

The funding model, under other circumstances, would have been developed alone by the Finance Branch. With Total Quality Management as a method, the new funding model was developed with the Curriculum Services Branch involved, with the Finance Branch involved, and we were able to look at, again, much more of a corporate view and where the areas of important expertise lie.

I think that was a very important point when the funding model was introduced last year because we were able to speak about the financial side and the curriculum side, for instance, or the program side being able to have some ways now to speak to each other.

* (2300)

Total Quality Management is used very frequently by modeling, and certainly its use is encouraged by senior staff. Areas of the department are looking at ways they can apply it. Total Quality Management, as I have said, also works with a client focus.

Over the course of the evening, I have been speaking about the PDSS division. In that, there has been an effort to look at a client focus. I have spoken about the surveys that have been sent out by that particular division in which they are asking stakeholders about the services they receive from the department.

They are asking for feedback on how the department can improve its services and, in addition to that, asking also among the staff of the Department of Education and Training so that the staff are involved in the process of providing the most efficient service and the most beneficial, as well as information coming from the field about how they would like to see the service and where they see the improvements.

Total Quality Management, as the member knows, I am sure, is not achieved overnight. It is important that it be introduced throughout in all levels. It does require an exposure to its principles through senior staff. That is what we are doing, making sure that senior staff are familiar with the principles and are able to provide modelling within the department. Different divisions are at different stages in the implementation of Total Quality Management.

(Mr. Deputy Chairperson in the Chair)

Mr. Chomlak: Does the minister envision the Total Quality Management being expanded to include outside of the department?

Mrs. Vodrey: Mr. Deputy Chairperson, the Schools Finance Branch, by way of example, is very much focused on the issue of client need and client service, and we have really looked to ensure that through the frame reporting and also through the electronic transfer of data. School divisions, I think, were really quite impressed with the amount of information which could be delivered to them very quickly and that particularly following the school funding announcement. Because school divisions have seen how Total Quality Management and the client-oriented service model have worked with our department, some of those school divisions have expressed an interest themselves and will be looking at it.

Again, our department is looking at providing leadership and looking at providing some information and also the effect of that model to the partners in the field. Then they will make some decisions about whether or not it would be

applicable. Then, as I said in my previous answer, PDSS is doing an outside survey of its clients, and that is another example of looking at the client service-oriented interest of Total Quality Management. We are asking clients how we are being seen by them in order to make sure that our service is the most efficient for people of Manitoba.

Mr. Chomlak: Has the department engaged in focus groups?

Mrs. Vodrey: No. The department does not operate with focus groups.

Mr. Chomlak: There is \$133,000 in professional fees. Can the minister outline what those professional fees are for?

Mrs. Vodrey: Mr. Deputy Chairperson, in the line which says \$133,000 in the area, Professional Fees, a good portion of that, almost \$97,000, will be used in the area of education reform and also provision for the educational fora which we have been talking about to take place in the next while, certainly by the fall.

Also, there is approximately \$36,000 which would be allocated for various research which might be required, particularly in terms of other provinces, what is happening in other provinces, and to provide us with information of what is happening. I use that by way of example of information from other provinces.

Mr. Chomlak: The \$97,000 in professional fees to be used for education reform and provision for the forum, will that be to outside individuals and people to plan and co-ordinate those activities?

Mrs. Vodrey: Again, the whole area of education reform is a very exciting one, a very large one, and we do look to explore certain initiatives in the area of education reform. This will allow us to bring in some experts and to have them assist us with some particular tasks.

Mr. Chomlak: Can the minister kind of illustrate perhaps for me what kind of outside experts she is referring to? I will help perhaps clarify it. Are these consultants? Are these media people? Are these researchers?

Mrs. Vodrey: Again, I can look at one example, a specialist who is in the area of change process. Change process in education reform will be an important one, and there is a person who works at the University of Toronto whom we may be

interested in contacting regarding the change process.

* (2310)

Mr. Chomiak: Mr. Deputy Chairperson, just to clarify, the minister earlier on said the money would be expended. Am I correct in stating on educational reform and for the educational forum to be held in the fall? Did I get that correct?

Mrs. Vodrey: Yes, in terms of exploring the issues of reform, we look for this money to provide us with information, to provide some background research and also to help us identify the issues, to acknowledge current initiatives and to look to ideas for future action, but we also have said that we would like to have an educational fora, and I use the term "fora" because it is in the plural.

We are looking for a way to involve Manitobans in regional fora which would allow us to provide and receive information, to discuss the issues and to identify potential action recommendations.

Mr. Chomiak: Can the minister outline where she is anticipating these fora to take place?

Mrs. Vodrey: I will be making announcements further to the regional fora as the time comes closer.

Mr. Chomiak: How is the department doing on the MASBO, MAST, MTS report that the minister was to provide a response to by December of 1991?

Mrs. Vodrey: We have discussed this at length through the Estimates process, and what I have described as having occurred so far is that the ministers of the departments involved had set up a committee and the committee had two parts. There was a deputy minister's level which provided the steering committee function, and then there was a working group level with our staff of our departments.

That working group did a number of tasks. They reported then to the deputy ministers, and the deputy ministers have now provided the report to the ministers, and the ministers will be looking at the report. Then we will have to determine what the next step in terms of our action will be.

It is an issue that I can tell the member we have taken seriously. There are four ministers involved, so we will be looking at it now as ministers in terms of the next most appropriate and effective step.

Mr. Chomiak: Have the ministers met as a group to review the report?

Mrs. Vodrey: As I have reported in this Estimates process so far, no, we have not because we have only recently received the information, but we will be looking to meet as soon as possible.

Mr. Chomiak: Can the minister outline how many protocols are in existence in her department at present?

Mrs. Vodrey: Mr. Deputy Chairperson, I have described during the Estimates process a number of the protocols and also some of the shared services which are already in action among the four departments and also other departments. Just to give the member some ideas as well, among the four departments, particularly three of the four departments, some we have discussed even earlier today—the 24-hour intervention plan, that being particularly for students who are emotionally or behaviourally disordered and need some continuity between school and home, because we know in terms of management of their behaviour that continuity would be an important one.

We also have a protocol for transitional planning and that transitional planning from school to work, and that is another important one as we look at Manitobans moving from school into a successful workplace.

We also have other protocols involving a Curriculum Services Branch, which is involved in following joint initiatives with external jurisdictions. I mention these because one of the issues that has been raised is, are we co-operating, are we working alone in Manitoba or do we have contact with our counterparts in other provinces.

There is the Western Canadian Consortium for Computer-Assisted Learning in Mathematics, which our Curriculum Services Branch is involved in. There is also the Western Canadian Protocol on the Sharing of Curriculum and Learning Resources, and that is another of the areas which Manitobans have asked us to look at. Then, there is also the Manitoba Government Libraries Council and the Manitoba Library Consortium.

* (2320)

So through this list, I am attempting to provide some of the protocols that are currently in place. Some of these, again, have applied to our Instructional Resources Branch. Some of them have applied to areas of our department which deal directly with students, and others deal with areas which look more specifically at curriculum.

Mr. Chomlak: Mr. Deputy Chairperson, how many of those have been entered into in the last year?

Mrs. Vodrey: The newest one is the Western Canadian Protocol on the Sharing of Curriculum and Learning Resources. At a meeting of the Western Canadian Directors of Curriculum in February of '93, several potential areas of collaboration were identified and from this, four areas of support for collaboration were identified.

Mr. Chomlak: I would term that particular protocol an "intergovernmental protocol," but notwithstanding that, presumably it would be a correct statement to say that no new protocols have been entered into by the department in the last year. Is that correct?

Mrs. Vodrey: Mr. Deputy Chairperson, the examples which I have given so far are examples which have been ongoing. I have also given some examples in the House during Question Period of examples where there is co-operation, and those have been ongoing also. I say that because there seems to be a sense that there has not been co-operation and there has not been some work already ongoing in the area of co-operation between departments or among departments.

I point to those which have been ongoing and which have had measures of success in terms of that co-operation. With the report that the deputy ministers have just provided to us, we look for recommendations for further co-operation. I believe that was part of the basis of what the working group will have provided us, and the ministers will now look at these additional ways that we might begin to co-operate.

Mr. Chomlak: So the answer to my question is yes, there are no new protocols that have been entered into in the last year despite the existence of the MASBO report, et cetera, and despite our going over this over and over again in Estimates to see what progress has been made by the department.

Without taking away from the past accomplishments of the department, the minister has to agree that they have made no movement forward, and I would venture to say that if we are here next year, we will probably have a report that the minister is going to have some hearings on or is going to have forums on with respect to this particular aspect of departmental activities despite comments by the minister and the First Minister that this is a high priority area.

Mrs. Vodrey: Mr. Deputy Chairperson, I gather from the member's comments that hearings would not be something that he would be in support of. In fact, he would probably like to make decisions completely at arm's length and based strictly here without the input of Manitobans. We have in many areas provided Manitobans an opportunity to have input into the process.

In terms of this particular development and work that has been done by this committee, the committee has been a working committee, and I think it has worked very hard over the past year. It has met frequently, and I certainly call that progress.

I certainly call the report to the ministers progress, so I find it very hard to see that the member seems to not understand that work has been done. Work most certainly has been done, and we look to do the next step of that work as soon as possible.

Ms. Friesen: Mr. Deputy Chairperson, I want to come back to the original context that I was looking at for the policy line in this department, and that was that the apparent policy of the government appears to have been to cut in areas where people had the least resources and where they had the fewest alternatives once the government had reduced or cut their support.

I want to address particularly now the Student Social Allowances Program, perhaps to begin by asking the minister what the rationale or what the justification was in the government's mind, because I realize this comes, in effect, between two departments, so what was the government's rationale for the elimination of this program?

Mrs. Vodrey: Again, that Student Social Allowances Program is the responsibility of my colleague the Minister of Family Services (Mr. Gilleshammer), and that minister is the person who would be best able to describe the changes that were made by his department.

Ms. Friesen: Mr. Deputy Chairperson, I understand that the Minister of Family Services did not answer questions on this and indicated that it was the policy of this department and this government to answer those questions. In any case, it seems to me that this is a minister responsible for education, a member of a government, a member of a cabinet which has cut and eliminated student social allowances.

So, if the minister is refusing to answer questions on it, I find that extremely disturbing, and I wonder

if perhaps the minister would like to reflect on that again since she did answer questions in the House on this and has appeared to have been in the last few weeks certainly the spokesperson for the government on this issue. Is that a change of policy?

Mrs. Vodrey: I wonder if the member is speaking of the student financial assistance and not the student social assistance. Student social assistance is the responsibility of my colleague the Minister of Family Services, (Mr. Gilleshammer). I believe that he has answered questions on that, and he did respond to the member in the House.

I was not present at all of his Estimates, so I am not sure how many times he answered this question in Estimates. But the member did, I know, explain that we were the only province in Canada who provided this program, and that, again, there were very difficult decisions to be made, and this was a decision that was made.

(Mr. Bob Rose, Acting Deputy Chairperson, in the Chair)

If the member would like any further background on the process of making that decision, again, my colleague the Minister of Family Services is the person who could provide more of the detail in terms of that decision making.

Ms. Frlesen: Perhaps we can address this from the context of process. Was the Minister of Education consulted in the elimination of the Student Social Allowances Program?

Mrs. Vodrey: I want to clarify again with the member that my department does provide training for social assistance recipients and we do provide that training through a number of the employability enhancement programs which we have discussed and which do fall under my department. The living allowance portion has fallen under the Department of Family Services and my colleague (Mr. Gilleshammer), who is the minister of that department.

* (2330)

Ms. Frlesen: Mr. Acting Deputy Chair, the question I asked was, in the elimination of that program, what kind of consultation was there with a Minister of Education?

Mrs. Vodrey: Mr. Acting Deputy Chair, again, very difficult decisions had to be made. We had to look at making decisions when there was only a limited budget available, and decisions again had to be

reached by ministers and then there was a very difficult process throughout all of this time.

The member, had she been in government, would be more familiar with the process. She has not been in government. Therefore, she is not familiar with the process that goes on in terms of a budget.

Ms. Frlesen: Mr. Acting Deputy Chair, well, I am disappointed to see the minister take those kind of personal kinds of responses. I do not think it is particularly worthy of you. My job is to act as opposition critic. My job is to ask these kinds of questions. I do not criticize the minister personally. We deal with this in terms of issues.

My question was, and it was a relatively simple one, was there any discussion, any consultation between the Minister of Education and the Minister of Family Services (Mr. Gilleshammer) when this decision was taken?

Mrs. Vodrey: Mr. Acting Deputy Chair, my response to the member was one of fact. There is a budgetary process which goes on within government, and it is exactly that, it is a process, and it was this time, a very difficult process. There are within that process a number of steps which are taken and then decisions are reached, and all of that is the work of government.

Ms. Frlesen: So the answer then, Mr. Acting Deputy Chair, is that there were no specific consultations, but the decisions took place under the normal conditions of cabinet and Treasury Board discussion. I assume that is what the minister wanted to say.

Could I ask the minister then what the implications of this decision are for the planning in this department? Because essentially what has happened, and I am sure she is aware of this, is that, as I said in Question Period, we have taken 1,200 students approximately and we have essentially, in terms of the policy of this government, turned them away from schools, from trying to complete the education, the path that they have been on.

I tried to demonstrate this in Question Period by saying that this is the equivalent of closing down three inner city high schools—certainly, albeit, the smaller ones of Gordon Bell, of Children of the Earth and Argyle. But that is really quite a dramatic undertaking for any government to take that number of students and to essentially say that this program is closed, you must now find other alternatives to try and complete your Grade 12 education.

What concerns me about this policy is that so many of these students have no alternative, and I am sure the minister is hearing this from many of these students as we are in the opposition. I know that many people have signed petitions upon this. I know that many letters and phone calls have been made certainly to me and, I am sure, to the minister as well.

As Minister of Education, the minister participated in this discussion in a collegial way, but she is, as minister, essentially stuck with the implications and the long-term issues that flow from this decision. I wonder if she could tell us something about what alternatives she thinks are available for the students.

Mrs. Vodrey: Mr. Acting Deputy Chairperson, as Minister of Education, I certainly am prepared to say that the institutions which provide the programming are funded through my department. The fact that those institutions are available is an important part of my work as Minister of Education, to make sure that is possible.

Where there are other arrangements to be made in terms of living allowances, I know my colleague the Minister of Family Services (Mr. Gilleshammer) has ongoing communication within the community. I am sure that minister is doing his best, from his side, in terms of looking at what is available for students.

As Minister of Education, again I stress that my role as minister, and the member did ask what is my role, is to ensure that the educational institutions are available and that the programming is available. I would say to the member that where she would like further information on the Minister of Family Services and the side of the funding that he provides, he would be the most appropriate person for her to question. I cannot speak for my colleague the Minister of Family Services.

Ms. Frlesen: But the Minister of Education (Mrs. Vodrey) does have to deal with the long-term implications of the decisions that her government has made. What we have here are, certainly at face value, 1,200 students who were proceeding anywhere, I think, from a Grade 9 to a Grade 12 level in high school. Now those students, because of the decisions of this government, are no longer able to proceed in, at the best, a full-time manner. Some of them may have the opportunity, if they are able to get one of the few part-time jobs that is out there that

is available to people with a Grade 9 or 10 education, to proceed on a slower basis in a part-time kind of education.

In any case, what we have, obviously, are a large number of people who want to complete Grade 12 and have been unable to. Many of them are, let us say they are older students—I do not know enough to be able to put age groups on them. It seems to me that there is a long-term implication for a Minister of Education if we have this large group of students who now can no longer proceed on a full-time basis. They have to proceed at best on a part-time basis or simply go on to welfare.

What are the implications for the education system across the province and, I would say, particularly in Winnipeg, but not just Winnipeg No. 1, with the continuing attendance of older students in large numbers for a longer period of time before they are able to graduate? What kind of planning is going into that?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, earlier this evening I spoke about the Adult Education Policy Development Committee. We do recognize that there are some nonsequential students and so we do have this committee which will look at adult education.

* (2340)

The role of the committee is to explore all forms of basic education programming for nonsequential adult learners 18 years of age or older. Such educational programming includes instruction in reading and writing, mathematics, science and technology, oral communications, interpersonal communications, critical thinking skills. Not included in this area of adult education is the general interest course or any form of skills training at the post-secondary level but, instead, we are looking at adults who perhaps would be coming back for high school education.

The next step for the department is to develop a framework for the adult basic education policy. The results of this internal review which we looked at provided useful information, and it will contribute along with relevant issues and recommendations from other departmental initiatives such as legislation reform and Distance Ed task force. The University Review will add to the further development of policy and action in the areas of adult basic education and adult education.

Ms. Frlesen: Could the minister tell us when that committee began and when its final report will be completed? Could she also tell us what the composition of the committee is?

Mrs. Vodrey: The committee began its work approximately one year ago and completed Phase 1 and now it has begun work again, began its work on the next phase, which I have just reported to the member, began that work on April 5, '93. The people who are involved in that committee are Devron Gaber, who is chairing the committee, and he is the Director of the Literacy area; it includes representatives from the Advanced Education and Skills Training committee, Terry Lumb and Reta Owens; it also has representation from the Program Development and Support Services division, Milt Reimer and Barbara Foreman; and also the Administration and Finance division, Gerald Farthing, and also Beth; the Bureau de l'Education française and that is Anna Labelle [phonetic]; and the planning and policy development branch, Dallas Morrow; and also a representative from Internal Audit, Jane Holatko.

Ms. Frlesen: A year ago the department began Phase 1. Could the minister be more precise about what was involved in the planning in Phase 1? It took a year, and what were the conclusions?

Mrs. Vodrey: The work of the first phase of that committee was to provide demographic information on adult education. I am informed that that certainly was quite time consuming, and it also looked at what was happening in other provinces. Then it had to provide a conceptualization of options and delivery.

The main task for the committee was to conduct the preparatory work of compiling and analyzing relevant departmental information. Detailed information was contributed by all the branches in the department which directly or indirectly deal with the adult learner.

Ms. Frlesen: What was there in that report that could lead to the conclusions that 1,200 people who are in Adult Basic Education should no longer be in Adult Basic Education?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, the member's questions were to me: What as Minister of Education was I providing? The information that I have been giving to the member is what I as Minister of Education have been looking at. The member's questions have focused on adult students, and what kind of work that we have done

in terms of the adult and perhaps nonsequential student, and that is the information that I have provided her with so far.

(Mr. Deputy Chairperson in the Chair)

Again, where she would like to ask more specifically about decisions made by the Department of Family Services, it is the Minister of Family Services (Mr. Gilleshammer) who would be best able to provide that information. I have said that my responsibility specifically as Minister of Education, which I have been speaking to her about, has been in the area of programming and also in the area of planning, to look at how to accommodate these students. That is the information that I have been providing the member with.

Ms. Frlesen: I appreciate the minister providing that information, but I am still puzzled by a decision which was taken about the education, about the educational future of 1,200 people who wanted to be in school. The minister sat at a cabinet table which essentially closed the doors to those students. It seems to me to do it also in the middle of what seems to me to be a commendable process of analysis of the issue; that seems to me even more difficult to understand. If you are beginning to understand the process, to look at the demographics, to look at comparable policies, that is a good start. Why do you stop in the middle of that? Why was the government taking a decision to close the doors on 1,200 students?

Mrs. Vodrey: Mr. Deputy Chairperson, again, the Minister of Family Services (Mr. Gilleshammer) did explain to the member how the decisions were reached from his department, and again I believe that he is the one who is the best able to look at how the decisions have been arrived at. What I have been able to speak to the member about are the issues of education. The question that she has been asking is in the area of social allowance or living allowance, and that particular issue, again, I can say, is best discussed in detail by my colleague the Minister of Family Services. I think that it would be really not appropriate for me to attempt to answer in his place.

Ms. Frlesen: Mr. Deputy Chairperson, well, can I get back then to the educational aspects of this? I am disappointed in the minister's answer. I thought that she had been part of this decision as a member of the cabinet.

The issue is that suppose that the best possible outcome for those 1,200 students is that they find part-time work which would enable them to continue part time in school. Now let us suppose that all 1,200 of those do that. That is the best possible outcome in educational terms, given the conditions which this government has laid upon these students. Now, if they do that, it is going to take them presumably at least twice as long, if not three times as long, to complete their high school education.

Could the minister perhaps comment on that and indicate to us where it fits in the context of her policy analysis and policy development in adult basic education? Essentially what you are doing is prolonging the impact of these people or the bulge of this group of people within the educational system. So, presumably, there has been some potential planning for that and for its impact upon the schools where these students are concentrated.

* (2350)

Mrs. Vodrey: Mr. Deputy Chairperson, through the Department of Education and Training we provide funding for educational supports to students.

I can tell the member, at one of the schools she mentioned, Gordon Bell, we provide special grants in the area of career assistance and infant lab, Conflict Resolution and portfolio assessment. At Argyle School we also provide funding for a counsellor and special grants for adapted curriculum, Pre-employment, Substance Abuse. For Children of the Earth we provide a cultural program counsellor, and we also provide special grants in the area of portfolio assessment and also for pride.

The kinds of educational grants and assistance that we are providing are the way that the Department of Education and Training is looking to assist students, particularly in areas where they may be at risk and where they need assistance. I point to career assistance in particular.

It is very hard for me to comment on her speculation of exactly the numbers of students and how long it will take those students to finish a program. I am not able, at this point, to look at her speculation because at the moment it is speculation.

In terms of the living allowanceside, my colleague the Minister of Family Services (Mr. Gilleshammer) is the one who can speak for his department and the decisions made by his department. What I am able to provide the member with is detailed information

on the educational supports which we have in place for students, particularly at the three schools which she has referenced.

Ms. Friesen: Mr. Deputy Chairperson, yes, it is speculation. I would think it was a speculation or at least a prospect that the government had considered.

There is a best-case scenario, which is the one where all the students who find part-time work are able to continue their education. There is a worst-case scenario that says they are not able to find part-time work, and essentially they drop out of school and never are able to break that cycle of poverty which their education will leave them in.

It seems to me that anybody who sat at a cabinet table which made that decision in the middle of a policy program and analysis which was addressing the long-term issues here, which made this short-term decision to cut this and which was responsible for a Department of Education which was going to have to provide those supports for a short or a longer period or for a government which, for example, might have to look at a much longer and a more permanent welfare load. Surely the department looked at the best-case and worst-case scenario; surely the cabinet looked at the best-case and worst-case scenario; surely the much vaunted links between departments which this government is fond of making reference to looked at that best-case and worst-case scenario and looked at the larger implications of that for the economic policy of the government.

Mrs. Vodrey: Mr. Deputy Chairperson, I would say to the member that my colleague the Minister of Family Services (Mr. Gilleshammer) would be the person who would be the best able to comment on his department and on a background of reasons and further information which the member would like me to comment on.

I am making every effort to provide to the member the information provided in support of the education of students. I am directing that it would be more beneficial for her to ask my colleague the Minister of Family Services about the supports for the living allowance of students.

I can say, as that minister has said before, that there were very difficult budget decisions to be made. They were very difficult budget decisions to be made across all of government. In this particular decision that was made, it was the only program of

its type across Canada, and it was a program that then had to be looked at in the course of our current budgetary process.

Ms. Friesen: I guess I am still having difficulty believing that a Minister of Education did not give consideration and her policy branch did not give consideration to the long-term and short-term implications for the educational system of these 1,200 students.

Mrs. Vodrey: Mr. Deputy Chairperson, again, I can say to the member that we certainly have given to students where there is a concern of their risk educational support. I have described to the member some of the educational support which we have provided. The role of the Department of Education, specifically, is to be sure that there are programs for students and those programs are available.

I have described to the member, and I am happy to describe again, some of the special grants which the Department of Education provides for students. I have given an example of special grants for Career Assistance and special grants for Infant Lab and Conflict Resolution, Portfolio Assessment and Pre-employment at Argyle School. So that is part of the work of the Department of Education and work that we have taken very seriously.

Ms. Friesen: Yes, I am sure the minister does supply all kinds of assistance to different schools across Winnipeg. The issue is the completion of high school by 1,200 students. I am not quite sure how Conflict Resolution specifically applies to that or some of the other programs she mentioned. Those will be of benefit to all students in that school.

What we are specifically addressing is what appears to be an abandonment of 1,200 students. What I am looking for is what the the policy discussion is that went on around that decision from the perspective of the Minister of Education. Particularly, as I say, I am very pleased to find out in fact that there is some planning and some analysis going on about the Adult Basic Education. Why make that kind of dramatic decision in the midst of that planning process?

Mrs. Vodrey: Mr. Deputy Chairperson, again, the budgetary process of this government at this time was a very difficult one. The circumstances and the fiscal situation is extraordinary, and I point the member to look across Canada at the extraordinary circumstances facing other provinces, where

decisions, and very difficult decisions, have had to be made by other governments and other governments of her political party, and so again very difficult decisions have had to be made in very extraordinary times.

The Minister of Family Services (Mr. Gilleshammer) has explained to the member how the decision was reached by the Department of Family Services and speaking on behalf of the Department of Education, as Minister of Education, I have been describing to the member what types of educational supports are available. And she is right, a number of these programs certainly apply to many kinds of students, students who would be at risk, students who have various kinds of needs, and that is the responsibility of the Department of Education, to look at making sure that there are programs in place and that there are special grants available where required.

* (0000)

Some of those special grants may be for counsellors who would provide specific and needed support, and those counsellors are able to help students with the resources which are available in many areas, and will assist students and point students in a direction of a number of areas of help required.

So I would just like to end by saying that the Department of Education does take its role with these students very seriously, and other questions which the member might have regarding the Department of Family Services would be best directed to the Minister of Family Services.

Mr. Deputy Chairperson: The hour being after twelve o'clock, is it the will of the committee to carry on until morning?

Twelve o'clock. Committee rise.

AGRICULTURE

Madam Chairperson (Louise Dacquay): Order, please. Will the Committee of Supply please come to order. This section of the Committee of Supply is dealing with the Estimates for the Department of Agriculture. We are on item 6. Policy and Economics, page 17 of the Estimates manual.

Would the minister's staff please enter the Chamber.

Item 6.(a) Administration.

Ms. Rosann Wowchuk (Swan River): Madam Chairperson, I want to spend some time talking about another method of diversifying the rural economy, and that is in the production of ethanol. The federal government, through its green plan, has put in place funds that can be used for producing ethanol.

I want to ask the minister what work his government has done, whether there has been any promotion of the production of ethanol in Manitoba and whether there has been any cost-benefit analysis as to whether it is worthwhile to convert grain energy as a replacement energy. What type of work has gone on in Manitoba on ethanol production, and is it being encouraged?

Hon. Glen Findlay (Minister of Agriculture): Madam Chairperson, the member asks about what studies have been done on ethanol. I guess the best study is an ongoing study which has been in existence in Minnedosa for around 14 or 15 years. Sometime in the late '70s the ethanol plant in Minnedosa was started. Certainly Mohawk has proven that you can extract ethanol from various plant types. Over the course of time, they have used wheat, corn, low-grade grain, and I think now they are primarily using feed wheats as their starting stock. They have had the tax forgiveness—it has been around four cents a litre. I think now it is three and a half or three cents a litre is the degree of tax forgiveness that they have.

Mohawk is also involved in an operation at Lanigan, Saskatchewan, in conjunction with Pound-Maker feeds. It is a combination of an ethanol plant and a feedlot where the mash coming out of the ethanol plant is used for the feedlot. There, there is also a tax forgiveness by the Saskatchewan government, a tax not collected, on the ethanol which, as all we know, that tax forgiveness is pretty important to make the operations viable.

* (2005)

I know that other people have looked at establishing like facilities in Manitoba and western Canada, but the economics are very tight and Mohawk, because of their years in the business, certainly have the inside track in terms of knowing the technology. They have done a fair bit of research there, so I think they understand the process quite well. They have gone through some degree of expansion in the Minnedosa plant in the last two or three years to expand their production

approximately 2 million litres a year. So there is an ongoing example of an ethanol plant being operated by a company that seems to know the market quite well.

Ms. Wowchuk: What I am wanting to know is: Is there anybody in the department looking at a cost-benefit analysis? The minister talks about the tax break of four and a half cents a litre—

Mr. Findlay: It was four cents. I think it is a little less—

Ms. Wowchuk:—down to three and a half cents a litre. But there is a tremendous amount of encouragement right now. The federal government in November announced a \$12-million, five-year initiative to encourage production and use of ethanol. That was announced by Charlie Mayer, who said, encouraging ethanol use has three benefits: to reduce the use of fossil fuels in favour of a renewable fuel; ethanol blends are a boost to the agricultural sector and to the rural economy; also, it is environmentally friendly.

So there is encouragement on the federal side to go ahead with production of ethanol, but what I am wanting to know is whether the province is doing anything at looking at whether there is a cost benefit to it, whether it is worthwhile doing and whether anybody is doing any research into markets.

I ask these questions because there is a group of people in my constituency who are very serious about establishing an ethanol plant and, in fact, have visited the Saskatchewan plant and are going again this week to see whether it is feasible.

That is why I am asking whether the government is playing any role right now in seeing whether there are markets. We are told that if there was encouragement to using ethanol blend in all fuels we could have many more plants like the one at Lanigan.

I think that there is a role for government to play in doing some of the feasibility and, if it is not feasible, if the cost benefit is not there, then maybe communities should be discouraged a little bit if the benefit is not there.

Mr. Findlay: The member says, there is tremendous incentive from the federal government. I would caution the member on that kind of statement. Yes, there is a stimulus. I would not call it a tremendous incentive.

I think that anybody who is investigating this opportunity or any other opportunity should look very carefully at whether it is economically viable in the marketplace and not build a plant on the basis of trying to attract government money, because that often turns out to be a mistake down the road when that government grant or the time frame of that government money runs out.

* (2010)

I have been in contact and discussion with a member of the economic development board in Swan River about the proposal that they are looking at. A number of staff have been involved working with the people, anywhere from regional staff to staff in Swan River, livestock specialists, farm management specialists, on the various aspects of what they are proposing. What I recommended to them is, very carefully go through the economics and call upon whatever expertise you think you need to help you move towards a decision.

The Economic Development Board of Cabinet has also been involved as they are with many projects, people looking at feasibility, whether they get into a full-scale feasibility process. For a long time there has been an interdepartmental committee in government involving I, T and T, Finance and Agriculture looking at the ethanol question.

I view it as one of those diversifications to produce some product that does not go into the food market, so it does not compete in the food market. I think we can produce a good feedstock for those kinds of operations. The long-term economic viability here, you know you are dealing with tough competition in the petroleum industry. They do not like to see these things start up and whether governments can remain there forever with the tax forgiveness remains to be seen.

I think Saskatchewan's tax forgiveness is for four years, so that four years runs out pretty quickly. They have made a tremendous investment out there. It is in conjunction with Mohawk who certainly know the marketplace and I think have the inside track on the ethanol marketplace in western Canada.

So I think anybody that is looking at it, drawn all the expertise they can from government and from private sector and try to make an informed decision in terms of the economic viability over the long run, I think it is a great initiative. In many cases it is the

right thing to do, but I am a wee bit nervous about the long-term economics of it. I will be very open with the member, it is a great theory, but whether it will work out economically in the long run, I am not so sure.

Ms. Wowchuk: Madam Chairperson, I guess I want to correct myself. I said that there was tremendous incentive. I realize that that is not that great an incentive, but there is some encouragement. When I met with the people from Swan River I discussed it with them, and on paper it looks very good, but one of the things I said is that you have to identify a market. You cannot produce this product if there is not a market there.

That is where I am wanting to know whether—and the minister has indicated which people are doing some work on it and that is the kind of thing I am looking for is whether there are the supports there. I talked to the people about looking for a market, but basically doing a feasibility study and looking at this, whether in the end there is any money to be made and how long you could make money at it.

* (2015)

The person who spoke to the group at Swan River painted a very rosy market for ethanol. He talks about the U.S. market has grown tremendously and there is a tremendous market out there if they are going to be blending in.

This is what he says and I will read this: The market for ethanol in the United States has grown to 4.8 billion litres which represents 8 percent of the U.S. gas market. What he is saying, that the 4.8 billion litres is only 8 percent, that there is tremendous potential there.

I agree that all of the fuel companies are not going to want to blend unless there are regulations brought in. Somewhere if the federal government is encouraging the production of ethanol, I think if they are encouraging it, if they are prepared to regulate that a certain amount of ethanol has to be blended into all gases, then there is a market there.

Does the minister think that is a possibility and is that something he would encourage for environmental reasons, for economic reasons in the agricultural industry, that he would see that at some point we would see regulation that would mandate that all fuel have a certain amount of ethanol blended into it?

Mr. Findlay: I would like to ask the member if the person who was so enthusiastic about this might

have been somebody from outside the province, particularly Calgary. [interjection] I would caution that proposal because I think the individual is obviously trying to sell a package. The general analysis by the department would indicate that what he is proposing is too small a scale to be viable, but that is open to analysis.

I think his optimism on the U.S. market needs to be taken in context. We were just talking here, and certainly the Bush administration had mandated ethanol for the more polluted environments of the U.S.. Apparently the environmentalists have indicated, hey, hold it, there is a certain degree of evaporation in the warmer climates in the south. Whether the Clinton administration will follow the Bush administration and say, yes, it is the right thing to do, has not been done yet. So the strong movement in the States that might have been there at one time may not be there.

I think if somebody is looking at the economic viability here in Manitoba, they would look at a market that they have more predictability on, and that is the Canadian market. There is no question that when I was talking to the member from your town, I cautioned him on viability, the economic markets. I said, you know, there is one big player in there, and it is one player who is prepared to mix it with gasoline. If you are going to go into competition with him, that might be very tough competition, but if you can develop a joint venture with him, you might be on the inside track, because they certainly know the market and they are committed to it. So if you think you can go out and market it to the Essos and Shells and the Petro-Cans of this world, I am not aware that it will be immediately successful.

The member says, well we should put a regulation in requiring the use of it, and that remains to be seen down the road whether Canada or any of the provinces in this country are prepared to do that. So I think it is critical that anybody, as I said earlier, looking at it use all the appropriate expertise to look at the overall issue and beware of somebody from out of province who is coming to sell a package, because you want to know that it will work here in our climate. The feedlot side of it, there is tough competition in the feedlot business, very tough.

* (2020)

Ms. Wowchuk: Just following along those lines, has this government done any analysis of the Pound-Maker operation in Lanigan where the

feedlot is right beside the ethanol plant versus the Mohawk plant here where there is no feedlot operation, and whether it is more economical to produce this in that kind of setting? Basically, I am looking for any information on what this government is doing, seeing that there is an interest in Manitoba to produce ethanol, what kind of information government is prepared to provide people who have an interest, and what kind of analysis the government is doing on various plants.

Mr. Findlay: Certainly I would have to think that Mohawk, in conjunction with Pound-Maker feeds, have done the appropriate economic analysis to arrive at plant size in terms of 12 million litres per year and around a 14,000 to 16,000 head feedlot. They must have done the appropriate analysis to have decided that it is economically viable to make that investment, because it is not a small investment. It is a big investment and it is a long-term commitment.

I would think anybody running a feedlot in the last six or eight months has probably done okay because the market price of finished cattle is really 10 or 15 cents a pound higher than it was over the last two or three years, so it is probably doing quite well right now. But I would have to give them the credit of having done their homework to make that decision.

Mohawk has been very cautious and careful in their Minnedosa operation as they developed it and have done some research, have done some internal expansion, and I would not think they would be making an irrational decision in the joint venture in Lanigan, Saskatchewan.

We are limited in what we can do within the department. As I said earlier, we, involving I, T and T, Agriculture and Finance, have done some work along the course of time, and we will work with anybody like the Swan River group who want to do some analysis to determine if it is an appropriate investment. We will supply all the staff we can in all the various aspects of it, but at the end of the day, the people involved in the investment have to make the decision. Government cannot make that decision for them.

I would caution all members to be very careful that it is economically viable in the marketplace without a constant government infusion or subsidy, because the ability of governments to always be there is

certainly in question in the future, more so than it has been in the past.

Ms. Wowchuk: Earlier on, during the budget stage we talked about the tax forgiveness of 4.5 cents going down to 3.5 cents, and when I talked about that being a discouragement to produce ethanol, the minister said, no, that was not a discouragement. What difference will that reduction of a cent a litre make on the Mohawk plant? Will that cent a litre make a difference in their operation, and will it be a discouragement for other people to produce ethanol?

I ask the question because I am just not quite sure what the difference is.

* (2025)

Mr. Findlay: I think the appropriate person to ask is the Minister of Finance (Mr. Manness), because that is where those kinds of decisions, those tax decisions are taken. It is not a promotion to produce more, obviously, but I would have to think that the impact on Mohawk is probably relatively minimal now.

You know, in the start-up phase and the development phase, they probably, I know when we came into government, I think it was two and a half cents a litre, and we raised it up to the four. I would have to assume that along the way there was some discussion that said, okay, we do not quite need the whole four, and we can live with a little less. That would be my assumption, but I think if you want to get more specifics, the minister involved with taxation is the one to ask.

Ms. Wowchuk: Just leaving that issue alone for now, under the Economics branch it talks about reviewing Agriculture policy and the third line of defence. There have been people who, in other provinces, have asked that the third line of defence come into play because the needs of the farmers are not being met by the marketplace.

I want to ask the minister whether he has done any encouragements, whether he feels that the third line of defence should kick in at this time.

Mr. Findlay: Madam Chairperson, along the way certainly we have talked about first, second and third line of defence. When we were in negotiation on provincial cost sharing on second line of defence, I can tell the member that it was not an easy discussion. It was prolonged, it was difficult because, when the discussion started that we should share equally with the federal government,

eventually we got them to pay 41 percent and our 25 percent on premiums instead of 50-50 on deficit. We are at 35; they are at 65. But in the final analysis I got a trade-off that the federal government would be fiscally responsible for the third line of defence. That is on the record back two or three years ago.

Certainly, since then the federal government has kicked in money like FSAM I, FSAM II, third line of defence money that helped the start up phase of GRIP and NISA. The policy ADMs, over the course of the last couple of years, have had it as an item of discussion at meetings, federal-provincial meetings of ministers. It has been on the table for discussion, but to say that the federal government is trying to avoid having anything in writing about a formula that kicks in regularly would be an understatement. They do not want to have something that kicks in automatically. Although in the process of discussing second line defence, we wanted it there as a backstop in case of some disaster.

The member talks about some provinces needing additional help, and over the course of the last two or three years I have constantly been using the figure of realized net income. In the late 1980s, it averaged around \$365 million a year. It seemed to be enough realized income that farmers did not make big money, but, you know, a lot of farmers had black bottom lines and got on with farming the next year. So it was reasonably good. Our realized net income in 1991 dipped to \$158 million, which obviously had an impact in rural Manitoba and led to the rallies and what not in October of 1991 before the payments under GRIP and NISA started to flow. Realized net income in 1992 was \$399 million. The projection for 1993 in Manitoba is \$322-million, and expectation is that figure will rise in future adjustments.

* (2030)

So, Madam Chairperson, the figures for '92 and '93 would indicate that Manitoba is right around the average of \$360 million per year realized net income and would indicate by and large things are about where they were in the late 1980s which was \$360 million as a reasonable figure. GRIP here is targeted, is predictable. It is individualized. I think that is leading to some of the income stability in Manitoba.

Take Saskatchewan on the other hand, in 1992 they had \$636 million realized net income. Projection for '93, \$240 million. A substantive drop.

Now, it is somewhat marketplace related, but it is also second line of defence related, and I think the impact of some of the changes the Saskatchewan government put in place last year may be going to have a negative impact, by my projection. So there is no question there is undoubtedly a problem in Saskatchewan.

If you look at the figures for Manitoba, it does not appear that the same problem exists here. I will grant you, there will be pockets and regions of certain types of producers that see a bigger impact than others, but if you look at the overall agricultural economy in Manitoba, it is much more diversified than Saskatchewan. We have got a lot more special crops, I think, a broader selection of it and bigger production of livestock types, and I think it has positioned us very well for dealing with the current problems and the future, together with the safety nets. So I think, although we argue for the principle of third line of defence, if you look at the statistics, Manitoba is so much better off than Saskatchewan at this point in time.

Ms. Wowchuk: I want to move on to one other section and that is the Farm Lands Ownership Board. I raised it in another section, and I believe the minister said it had to come under this section.

The report says there are 241 applications made for exemptions in the last year. What I want to know is: How many exemptions are rejected? Are there many rejections, or is just about every exemption that is applied for approved?

Mr. Findlay: Madam Chairperson, in 1992-93 there were 243 applications for exemptions; five were denied. The member must realize that a lot of these applications are made in conjunction with a lawyer and he knows the guidelines, and if it obviously does not fit within the guidelines they will not make an application.

Ms. Wowchuk: Yes, the minister says applications are made with a lawyer, but what I am getting at and what some people have raised is that the board has been weakened and there are very few applications that are turned away. That is the point I was getting at when I was asking how many were denied.

Have the regulations been loosened up to make it less difficult to acquire land if you are not a resident in the province? That is what I am trying to get at. The minister says the applications are screened more thoroughly by lawyers and these applications are not made. I am just asking for clarification if there

have been some change in the regulations that make it less difficult to transfer these lands.

Mr. Findlay: Madam Chairperson, there has been no change in regulations, no change in guidelines.

Madam Chairperson: Item 6.(a) Administration (1) Salaries \$100,500—pass; (2) Other Expenditures \$23,000—pass.

6.(b) Economics (1) Salaries \$538,300—pass; (2) Other Expenditures \$134,800—pass.

6.(c) Boards and Commissions Support Services (1) Salaries \$332,000—pass; (2) Other Expenditures \$204,800—pass.

6.(d) Agricultural Research - Grant to the University of Manitoba \$784,000.

Ms. Wowchuk: Just one question on this line. There has been a reduction in the amount of money that is going to go for research, and I just want to put it on the record that I feel that this is the wrong place. I think that in the changing economy that we have and the need to, as the minister so emphasizes many times, diversify our economy and look for new ways to sell our products, the need for different new kinds of crops to be grown, I think that we should be looking at increasing our funding if possible in the area of research.

If we are going to have growth and enhance our productivity and increase the farmers' ability to get an income from the agriculture sector, then this is some place that we should be increasing funding.

I know the minister has said earlier that it is a small reduction, but I believe that this is going in the wrong direction. I only want to put that on the record to say that I think we have to enhance our research funds rather than decrease them.

Mr. Findlay: What the member sees is Grants to the University of Manitoba reducing by 2 percent or \$16,000. What she does not see is that through the Sustainable Development Innovation Fund, grants to the Faculty of Agriculture at the University of Manitoba have been \$96,500 for this next year. So that is minus \$16,000 and plus \$96,000, so in essence between granting directly in this budget plus projects approved on the Sustainable Development Innovation Fund, the faculties plus \$80,000, which is, you know, basically a 10 percent increase, with the combination of the two, which I am sure the member is not aware of.

Madam Chairperson: Item 6.(d) Agricultural Research - Grant to the University of Manitoba \$784,000—pass.

Item 6.(e) Manitoba Farm Mediation Board (1) Salaries \$163,200—pass; (2) Other Expenditures \$371,100—pass.

6.(f) Less: Recoverable from Other Appropriations \$35,100—pass.

Resolution 3.6: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,616,600 for Agriculture, Policy and Economics, for the fiscal year ending the 31st day of March, 1994—pass.

Item 8. Income Insurance and Support Program (a) Administration.

* (2040)

Mr. Nell Gaudry (St. Boniface): Madam Chairperson, a few questions here. First of all with the Sugar Beet Stabilization Plan, you are showing at \$350,000, and there has been an increase somewhere around \$600,000. Where did that money come from?

Mr. Findlay: If the member has a pencil, I can give him the complex mathematics of this. The total projected contribution of the province to the industry was about \$675,000 for the '93 crop. The way the stabilization has been funded year after year after year is that 75 percent of the money goes in the given fiscal budget and 25 percent next year.

So in this year's budget we have 75 percent of that for the '93 crop and 25 percent from last year. Now, out of the contributions this year of the \$675,000, Industry, Trade and Tourism is putting in 1 percent and Agriculture is putting in—I am sorry, 1.5 percent from I, T and T, and 3 percent from Agriculture.

Industry, Trade and Tourism puts their whole 1.5 percent in this year, which will amount to \$225,000. Agriculture, then, to put in our 75 percent, requires us to put in \$281,000 in this budget from the '93 crop, and the carryover from last year, the 25 percent that we have to pay from the '92 crop, amounts to \$52 million—I am sorry, \$52,000. They would love \$52 million—\$52,000.

So the required payment on our behalf is \$281,000 and the amount of—

Mr. Gaudry: Is that new money?

Mr. Findlay: Yes, this is new expenditure. The \$281,000 is new expenditure. That \$281,000 plus the \$52,000 takes us to \$333,000, and we have on

the budget line \$350,000. So the arithmetic works out that we have enough on the budget line to deal with paying 75 percent of the 3 percent this year and 25 percent of the stabilization for '92. The remaining 25 percent for this year will come in next year's budget. That is the way it has always been done, 75 percent in the crop year and 25 percent the next year.

I can give the member the arithmetic later, but that is how it works out. What you see on the surface is not how it works in the end.

Mr. Gaudry: Yes, I would appreciate for the minister to give us the figures so that we have a record of that question that I asked, and then we can look at the figures if somebody asks.

Another question—I have to be careful on this one here. It is the Cattle Stabilization Plan, I see it has increased. The minister has been talking and been saying that it is the highest price that the cattle producers have had for a number of years. Why would there be an increase this year in the budget in that case?

Mr. Findlay: How the premium is calculated, the premium that we have to pay as a province, the premium per animal was \$8.10 for slaughter animals, \$4.85 per head for feeder cattle and \$6 a head for cow-calf.

The premium is driven not by the market price but by the number of animals that are enrolled. I think the slaughter cattle, feeder cattle plan as an example, every quarter a person is required to put in his inventory and make his premium payments ahead of time, and we are required to match those premiums. We match it and the federal government matches it. So it is a third, a third, a third.

So the more cattle that are on feed or the more cows that are having calves and the more feeder cattle in the system the more premiums we pay to the farmers and the more we have to match. Now it is obvious that it will not be a payout in the existing period of time because the cattle prices are so high, well above the stabilization price.

So the money that is paid in goes either into the plan and sits in surplus or pays off any old deficit. The Manitoba portion of the cattle plan, cow-calf plan is in surplus to the tune of almost \$700 million; feeder plan \$1.7 million and the slaughter plan \$259,000 as of April 1, of '93. So all plans are in surplus, and the premiums just go into further surplus there in case of payouts down the road.

Mr. Gaudry: The minister mentions that it pays out old deficit, but he mentions that there is a surplus in all of it. So if it pays out old deficit, there is not any, the money stays there in the fund?

Mr. Findlay: The slaughter plan had been in deficit up until very recently and with the premiums paid in over the past, I guess, two quarters really, I would think, have brought it into a very small surplus. The cow-calf plan has never had a payout because calf prices have been very strong for many years, six, seven, eight years, so it has built up a fairly sizable surplus.

* (2050)

Mr. Gaudry: Could the minister explain the one for the Hog Stabilization Plan? Does it work the same way?

Mr. Findlay: The Tripartite Hog Plan was in small surplus in '86; surplus at the end of '87; surplus cut in half by the end of '88; into a sizable deficit at the end of '89, some \$26 million in the name of the province; \$16-million deficit at the end of 1990; \$15-million deficit at the end of '91; and almost \$21-million deficit at the end of '92. Currently, the figure as of April 1 of '93 puts the plan in deficit to the tune of about \$14 million; that is on behalf of the province only. It does not include the federal part.

The overall Hog Plan nationally is in hock for \$100 million; that is including all provinces, federal and provincial deficit components. So it is in the largest deficit of any of the tripartite programs but, if hog prices turn around for three or four quarters, it can very quickly get peeled down or put into surplus through the payment of premiums on an ongoing basis. The plan will balance out by the end of 1993.

Mr. Gaudry: Yes, the next question is on the Bean Stabilization Plan. We show a big decrease there of \$180,000, which it says "represents the white bean component of the Bean Stabilization Plan now covered under GRIP." But as we look at the GRIP program, where there has been a substantial decrease, how do you expect to cover this \$180,000 under GRIP?

Mr. Findlay: A fair bit of discussion culminated in a decision about 14 months ago, particularly with regard to white pea beans. The tripartite plan was \$45 million in deficit nationally, a sizable deficit, and called by the federal government bankrupt.

A lot of discussion took place about what to do. Some people wanted to increase the contribution from governments beyond the 3 percent, which was

the max for contribution in all the tripartite programs when we went into the programs. The end result of that discussion was to roll white pea beans into GRIP for the '92 crop and coloured beans rolled into GRIP for the '93 crop.

So what you see there is the money to pay out any indemnities for the coloured beans for the '92 crop. For the '93 crop, all beans, all categories are in GRIP, and that decision was made in conjunction with the pulse growers association a little over a year ago.

Mr. Gaudry: My last question would be on the Tripartite Onion Stabilization Plan. The minister says that they have withdrawn from the program. What is the purpose of withdrawing from that program?

Mr. Findlay: Again, decisions were taken approximately a year ago. Onion growers came to me and said, you know, we have a surplus in our plan and it might be a good time for us to terminate the plan. We would prefer to be in NISA rather than in NTSP. One principle we operated on is if you are in NTSP, you cannot enroll in NISA. They said, we will voluntarily withdraw from the program if you will concur as a minister, which I did. I said no more NTSP for onions, but they would be eligible for NISA. It was a request of the growers to do that, and we felt it was timely and appropriate to do it because I think all NTSP crops eventually will be in whole farm stabilization which looks like it will be NISA.

Madam Chairperson: Item 8.(a) Administration \$506,300—pass.

8.(b) Tripartite Cattle Stabilization Plan \$1,441,100—pass.

8.(c) Tripartite Hog Stabilization Plan \$6,402,000—pass.

8.(d) Tripartite Sugar Beet Stabilization Plan \$350,700—pass.

8.(e) Tripartite Bean Stabilization Plan \$95,600—pass.

8.(f) Tripartite Lamb Stabilization Plan \$150,400—pass.

8.(g) Tripartite Honey Stabilization Plan \$127,100.

Mr. Gaudry: Madam Chairperson, could the minister give us a small explanation of the decrease in the Tripartite Honey Stabilization Plan?

Mr. Findlay: The premium request is basically the same as what we talked about earlier. It is less

volume expected to be involved and requiring premium contributions by us, plus a small decrease in premium on the national level, a small decrease in premium and less volume or less honey on which the stabilization premiums will be called forward on.

Madam Chairperson: 8.(g) Tripartite Honey Stabilization Plan \$127,100—pass.

8.(j) Net Income Stabilization Account \$12,136,200—pass.

Resolution 3.8: RESOLVED that there be granted to Her Majesty a sum not exceeding \$21,209,400 for Agriculture, Income Insurance and Support Program, for the fiscal year ending the 31st day of March, 1994—pass.

Item 9. Lotteries Funded Programs (a) Agricultural Societies Grant Assistance (1) Operating \$274,900—pass; (2) Capital \$99,000—pass.

(b) Keystone Centre Grant Assistance \$150,000—pass.

Resolution 3.9: RESOLVED that there be granted to Her Majesty a sum not exceeding \$523,900 for Agriculture, Lotteries Funded Programs, for the fiscal year ending the 31st day of March, 1994—pass.

At this time, I would ask that the minister's staff please leave the Chamber and we will revert to item 1.(a) Minister's Salary.

Item 1.(a) Minister's Salary.

* (2100)

Ms. Wowchuk: Madam Chairperson, I guess I want to just go back to a few things that we have talked about in these Estimates and what we have talked about in many of the questions that we have raised through Question Period, that being some of the positions that the minister has taken, or lack of position, to stand by farmers, Manitoba farmers who have asked for the minister's position, asked the minister to stand by them on the whole issue of barley sales.

They have asked for a plebiscite. They asked that the minister would lobby for that, and they have asked that they could have a vote here and, if the federal government will not allow it, whether the minister would arrange for a vote in Manitoba, just to hear the views of Manitoba producers on this issue. The minister has chosen not to do that, so I guess that would be one area where we have concern.

We also have concern that the minister has not taken a position on the whole issue of method of payment. Farmers, again, in Manitoba have said very strongly—the majority of farmers want the method of payment to stay as it is.

I would ask the minister if he is prepared to change his mind on these issues, whether or not he is prepared to stand with Manitoba farmers and lobby the federal government to have a plebiscite, if he is prepared to address Manitoba farmers on the whole issue of method of payment and keep those supports. Not only Manitoba farmers, farmers across the country feel that they are going to be the losers if we have a change in the Canadian Wheat Board monopoly, so if the minister would address that one, that particular issue. Would he call for a plebiscite?

Mr. Findlay: Madam Chairperson, we spent, I think, several hours talking about these two issues over the course of time. I have tried to give the member for Swan River some explanation and understanding of the complexity of both issues but most particularly the method of payment.

I said to her over the course of our discussions, particularly this afternoon, that she is focusing on a small portion of the overall question of being able to survive in the business of producing cereal grains and exporting them. I think it is very critical that the member for Swan River understand that, whether it is 5 or 10 or 15 percent of the issues which she is focusing on, I am trying to draw attention to the remainder of the issue, and that is that over the course of the last dozen years the costs have gone up to the farmer from the farm gate on and have been passed back to the farmer.

Most of those costs have doubled over that course of time; whereas, the value the farmer is getting for his wheat and barley has dropped in half. She seems to refuse to accept that reality, and I do not think farmers can put up with that any longer. She says status quo, stay where you are, and I do not think farmers can put up with that for another 10 or 12 years of facing higher and higher costs, because the system will not respond in a process of efficiency and the farmer has to accept less and less.

Governments, whether it is Saskatchewan, Manitoba, Alberta or the federal government, probably will not have the economic resources in the coming years to fund safety nets or ad hoc programs

like they have in the past. We have to challenge everybody who is in the agricultural industry from the farm gate on to be more efficient and keep the costs down. We cannot allow them to continue to rise at inflation-plus.

The regulated system, as we told her this afternoon, is cost base plus, cost-plus, and it is just passed on to the farmer. We used to have that kind of surplus in our system. We could afford to pay those but those years are over. They were over about four or five years ago, and we have just been pushed to the wall over the last few years, and we cannot carry on like that.

That is the big question, and I am surprised she will not support me in that. She is saying, let everything stay the way it was. It is quite okay that the farmers pay more and more and more and accept less and less for their product. I do not accept that. I will not put up with that, and I will not stand still. I will continue to argue the question that everybody from the farm gate on has to do a better job. They cannot just cost-plus and pass it back to the farmer.

The farmer cannot live on \$1.50 barley, he cannot live on \$2.50 wheat. I think the member knows that, but she will not address that. She says leave things as they are, they are okay. I say they are not okay. The whole question of being economically viable in the grain industry by exporting raw products is under challenge. I think it is very difficult to see, well, if we can carry on in the next 10 years like we have in the last 10 years.

Farmers have done all they can within the farm gate to be efficient, keep the costs down, and I say beyond the farm gate I have not seen the kind of results that we are going to have to see in the future.

Ms. Wowchuk: Well, the minister says we cannot live with \$1.50 barley and low-priced wheat, and I agree with that. Farmers cannot live with that, but the actions that the minister is taking, there is no proof that by going to a continental market, by changing the method of payment, we are going to increase the return for the farmer.

In fact, what we are told and what farmers believe and what farmers have asked the minister to listen to them on is, they feel that this is going to be additional cost to them and a lower return for farmers. That is the part that the minister is not listening to farmers. Farmers believe that they—and the member says I listen to a handful of people. Well,

I will tell you, it was not a handful of people that spoke out against the Carter report. All farm organizations have spoken out against that recommendation. Madam Chairperson, the minister is, I believe, not listening to farmers.

For that reason, I move, seconded by the member for Interlake (Mr. Clif Evans), that the minister's salary be reduced to \$10,300 because of the Minister of Agriculture's (Mr. Findlay) refusal to stand with Manitoba farmers who are opposed to the recommendations in the Carter report and the minister's refusal to lobby the federal government to hold a plebiscite on how barley should be sold to the United States.

Motion presented.

Hon. Clayton Manness (Minister of Finance): Madam Chairperson, I am outraged at that type of an amendment, not as outraged as I would be if they had moved it to a dollar, but I cannot believe that the NDP would move a motion like this with respect to one of the best, if not the best, Agriculture ministers in all of Canada.

Madam Chairperson, what we have here is a wish to assassinate the character of an individual minister of the Treasury bench. I say that not in a spreading of aspersions of character mode; I say it in the fashion that we have some skulduggery at work here by the NDP in attempting to draw out the ending of an Estimates which I say to them is unfair.

* (2110)

I have been listening from a distance to some of the Estimates that have gone on in this section over the past several days. I have heard the barley issue discussed and I have heard, of course, the change in method of payment and I have heard some of the other areas, and I guess I am troubled. I am troubled particularly by the view that is brought forward by the NDP and the critic, the member for Swan River (Ms. Wowchuk).

What we have as portrayed by the comments of the member for Swan River is a desire for agriculture not to change. I would say that there are days when I wish the same. There are days when I wish we could roll the clock back to 1973, 1974 when the price of wheat was moving quickly to \$5.50 a bushel, when the price of fuel was somewhere in the area of about 25, 30 cents a gallon, not a litre.

An Honourable Member: Hey, I remember when it was 14.

Mr. Manness: Sure—the days when I cannot imagine that there would not be a farmer that did not make a significant contribution by way of income tax to the wealth of the nation.

I can say to the members opposite, I wish those days were back. I wish the days were back when indeed we farmed on average 600 or 700 acres of land, and those of us who were two sons and a father farmed 1,000 acres and yet that kept three families, and when the communities were such that the schools were large in a relative sense, although they were not as large as they were in the '50s, but, nevertheless, you still had community schools.

I would love to have those days back but, Madam Chairperson, a lot has changed over the course of the last 20 years, and I do not know, and I have had various debates. I think I have had debates with members of my own party and have called into question what technology has done for our industry and, indeed, the advent of significant new inputs, higher levels of fertilization.

As I was telling my sons the other day, I can remember when fertilizer came onto our farm and we started loading 80-pound bags and it took them out of an old trailer and I had to lift those bags and took the bags out of a trailer and walked along, in our case, a disk—[interjection] No, and 10 tons of fertilizer on a farm was an awful lot—an awful lot.

Then it went to 50-pound bags, but all of a sudden we were handling 40 tons of fertilizer in 50-pound bags. I tell my sons that that is the way it used to be, and they kind of look at me like just the way I used to look at my father when he used to tell me how tough things were in the '30s, but—[interjection] No, no, this is the truth. As a matter of fact, we had the discussion on the weekend in my own family.

The reality is the technology, and it has changed and the impact it has had on our industry. Of course, when people say, and I listen to the member for Brandon East (Mr. Leonard Evans) who day after day brings some selective statistics forward and will say, well, manufacturing is failing. The member for Transcona (Mr. Reid) will say, look at the job loss in the transportation industry.

I will say—[interjection] Well, I cannot argue with some of those numbers and I do not try to. I do not try to. I take some peace from the fact that same type of trend is happening almost everywhere in the western world—everywhere in the western world. I

cannot think of one area where it is not, where it is not happening.

Nevertheless, I look at these economic growth numbers and I say, well, why is it? Why is it that the nation is supposedly going to do better in the next year? I realize in the previous years it used to be NDP-type governments, and some of them not even NDP governments, but I say NDP-type governments, that would buy the economic growth numbers.

They would go out and buy them by borrowing money, lots of money, but that is fine. We do not have the opportunity to buy those numbers, yet when you study the last 20 years in agriculture, this industry has made a tremendous contribution to economic growth over the last 20 years.

Why? Well, of course, we know why. We are growing, instead of 25 bushels-an-acre wheat, some of us are growing 45 bushels-an-acre wheat, and of course tremendous volumes of export, tremendous impact on the railway industry. I look at the member for Transcona (Mr. Reid). Tremendous impact on the agri industry, fertilizers, anywhere you want to look, trucking industry, all the way around.

Yet our industry today is employing fewer people. The net profitability around the farms is less today than it was ever in the years of the '70s, and the rural population just continues requiring larger farms. We bring forward greater amounts of technology and we are going nowhere quickly. Quite frankly, we are going nowhere quickly.

Yet I listen to the member for Swan River (Ms. Wowchuk) who says, do not do anything on barley. Well, this government is not supporting—[interjection] Well, barley is one of the elements.

An Honourable Member: Let farmers have a say.

Mr. Manness: Let farmers have a say. Well, we understand how the game of ag politics is played. Let governments have a say. Let those that grow five acres of barley, let them have a vote.

An Honourable Member: Oh, now, now. This is not what it is.

Mr. Manness: Of course, what the member is not saying is: The reason that we want to have a plebiscite is because we are going to go back. When was the last plebiscite we had, on rapeseed canola or granola as the former member for Fort Garry said?

I miss that former member for Fort Garry, but I am glad we have got the new member for Fort Garry. But that is right. Yes, it was in the mid-70s, I think. Remember the ads in *The Co-operator*? Of course the people, the forces that were against—no, wanting to bring canola into the Wheat Board. They dressed up all of the, they made it appear like whoever supported free marketing in canola they dressed them in a tuxedo. Remember? You know, like they were the big fat cats, cigars.

An Honourable Member: You mean Tories.

Mr. Manness: Well, I do not know. I dare say, a lot more canola in the past has been grown in the area of Swan River than we used to grow in the area. I do not know, I think Swan River constituency. I can see what is wanting. I mean, the NDP are wanting, of course, to see this big debate, this massive, divisive debate by way of plebiscite because the forces will take their views. I mean they will put money, both sides will have to—

An Honourable Member: Democracy is scary.

Mr. Manness: No, democracy is not scary. But on what basis would you have a plebiscite? I mean, I can remember when Andy Anstett said, no referendum because we are elected to make decisions.

Where is Andy now? I think some of the members opposite were asking.

An Honourable Member: Ontario.

Mr. Manness: Ontario? He came out of Nova Scotia [interjection] Heaven forbid. Heaven forbid.

So I know why it is the member for Swan River (Ms. Wowchuk) is calling upon this government to push the federal government and particularly Mr. Mayer to consider a plebiscite, but I say to her, and I agree with elements of what she is saying. One has to be very careful today to what extent you are perceived in real terms to begin to pull powers away from the Wheat Board. That is the issue here. To what extent is the Wheat Board going to continue to serve us in the years to come?

* (2120)

Any change from the status quo has to be considered very, very carefully, and I know nobody is more aware of that on our side than the Minister of Agriculture. So when the claims come, whether they come out of southern Alberta or they come out of the southern portions of our provinces, that we would be much better off to engage in a freer type

of trade of barley, that first of all has to be listened to, but secondly it also has to be put into the proper context, and thirdly, it has to be understood as to the impact it might have on the Wheat Board.

I can tell you, the members in our government understand that fully, because I for one, as I have said publicly, you have got to be very careful when you are moving into and you are trying to quickly move product into the next jurisdiction, in this case being the United States, and what reaction there might be if indeed the government does not have clearance or, secondly, the Wheat Board, your major trading agency in exportable grains is not a full and willing partner. Of course, I am impressed to this point that the Wheat Board has slowly but significantly increased exports of durum wheat and to a larger degree of barley, and I dare say I look at what the Pools are doing with respect to special contracts with malting barley. Nobody can deny —[interjection]

That is right, but I am talking now specifically of malt barley where the Pools are tied in with Anheuser-Busch. You see the niche markets that are there and how it is that the Wheat Board, the Pools and UGG and others are taking advantage of them, but they are doing so, in my view, on a thought process that will lead to steady but sustainable growth, and that is important.

So when I hear the member, and indeed her Leader, rail on a day-to-day basis like they did two or three weeks ago against this government and this minister, I say to her, she is off base badly because she is not representing the total economic views of the province of Manitoba, because there is no substance behind her rhetoric—absolutely none. I am as aware—I have spoken to the directors of Manitoba Pool. They have made me aware of the concern, and so they should. I know they have spoken to the Minister of Agriculture (Mr. Findlay), and they are aware, as is their right to do. But I say to the member, she cannot close her mind on any of these issues because to do so is to force us to be locked into prices, 1992 at \$1.50, for the rest of the decade, and indeed just leading then to quicker rural depopulation.

So, Madam Chairperson, then where do we go from here? I have been listening carefully to the change in the method of payment, again, a crucial issue to this province. I say to her, as I have said to the farm community, an issue as crucial if not more crucial to the province than even to the farm

community, because this is not a farm community issue, this is a Manitoba economy issue, and that is bigger than all of agriculture. That is bigger than agriculture, and I can get away with saying that. Some members cannot.

An Honourable Member: No.

Mr. Manness: Yes I can, because the well-being of this province was based on agriculture, and the institutions that are in place in this city are as a result of agriculture. The transportation systems that are in place are as a result. So this is more than just an ag issue. This is indeed a full provincial economy issue, and the Minister of Agriculture is aware of that more than anybody in this House.

So, Madam Chairperson, I say to the member for Swan River (Ms. Wowchuk), and indeed to her colleagues, that this method of payment discussion is a crucial one and it is a vital one and, indeed, nobody is going to make their minds up quickly and nobody is going to steamroll this government. Nobody is going to steamroll this government into quickly adopting a position that is contrary to the economic well-being for the future of our province.

Madam Chairperson, we are well aware that there are some agendas in place, that some provinces want to move more quickly than others. There is another province, and I believe our sister province to the west, Saskatchewan, I do not know how they have come over the course of the last few weeks but, certainly, when basically you have not had the success of diversification, as the province of Manitoba has, and you realize that your historical well-being has been a result primarily from the production of wheat and that there is going to be a change coming along potentially, you can understand why that province has to also look at it very seriously in its own best interests.

But so does Manitoba because, as troubled as I am, and I have shared this with my colleague and close friend the Minister of Agriculture (Mr. Findlay), I do not always trust what the motives are behind the Alberta decision to want to change sometimes. I know that the St. Lawrence Seaway and the whole funnelling of grain through that system, over a period of three generations now, has served this country well.

But I cannot turn my back and neither can members opposite from the fact that today the cash buyers of our grain are west. The cash buyers, I mean, can you imagine? And this is why I do not

get—and the members accuse me of getting tied up in ideology. I do not get tremendously tied up in ideology as I look around the world.

I look today, and today who is putting cash on the barrelhead to buy my wheat? Who is doing it? Well, of course, Japan, but they buy a limited amount. But today when you look at the traditional large buyers over the last 30 years, who puts cash on the barrelhead to buy our wheat?—not our wheat, our wheat collectively, because it is the province's wheat—communist China.

So I am not tied up in this ideology. There is a different type of communism that exists in that country, but the reality is, they will put dollars on the barrel. Yet, the members opposite do not recognize the change in flow of grain, and I say, this government realizes, and it is something that we have to deal with.

So what do we do when, indeed, we have buyers south of us and a much lower cost of transportation which may then take the transportation flows different directions? Do we ignore them, or do we hold ourselves captive to the western drift through the mountains? [interjection] The barge system, is that what you are saying? That's fine. The member says, lose jobs, but can he put the billions on the barrelhead that communist China wants to? Of course he cannot. A few millions? Billions. Not millions, billions, enough to sustain a whole rural economy. [interjection] Well, 2,000 jobs against a whole rural community of 300,000 people? That is the trade-off? You are talking about a community that makes a \$6-billion commitment to the economic well-being of the province.

An Honourable Member: You do not care about the communities?

Mr. Manness: Well, I am saying, do you not care about \$6 billion?

An Honourable Member: I care about my community.

Mr. Manness: You see, I wish it was a perfect world and we could have it both ways. The member says, do you not care about my community? Who dropped the fuel tax three cents a litre? You know who I was thinking about?—his community.

An Honourable Member: Name one job you saved.

Mr. Manness: You tell me how many jobs Eugene Kostyra was going to create in the defeated budget

of 1988 when the fuel tax was going to go from 13.5 to 15.5 cents a litre. You tell me how many jobs are going to be saved in that measure. You know what, I would say to the member of Transcona (Mr. Reid), the same answer, not one.

So, Madam Chairperson, we are talking about the method of payment, because it is a crucial issue. I say to my NDP colleagues that it is such an important issue that we will do what is right for this province. Not to do so is to fail not only the people who vote for us, but indeed all Manitobans.

* (2130)

I take some greater feeling of satisfaction that at least now there is an understanding that there is a change coming. That does not mean that we should not fight for the best possible terms around that change. It does not mean that we should not, for once and for all, get this pooling arrangement with the Canadian Wheat Board, try to have it factored out. We have more realistic costs associated with transporting grain west as compared to east.

I say to the member, if she is going to just take the NFU line on this, and dig in—[interjection] No, I can support the NFU on a few measures, but not in sticking their head in the sand and not wishing to deal with this issue.

I can remember when Jean-Luc Pepin reported, and at that time \$650 million was the value of the Crow benefit. I can remember, I asked people that I knew very well who were helping him, I said, well, is inflation not going to diminish that right to zero? We have these inflation rates at 10 percent a year. Is that not that going to dilute right away in time? They said that was the best we could do. We could not get an indexing factor in there. It was the best we could do.

I did not accuse the people that I knew who were Liberals at the time, who were helping Jean-Luc come with that.

An Honourable Member: Liberals?

Mr. Manness: Lots of them. By the way, they were D. L. Campbell Liberals, and that is a little different.

An Honourable Member: What is a Liberal, Clayton?

Mr. Manness: Well, I do not know what a Liberal is, but I know what an NDP is, stands for nothing and will fall for everything.

Anyway, the point I am trying to make, Madam Chair, is that we can see that with rapid inflation that

the Crow benefit was going to erode very quickly, potentially within my—well, a while before the end of my lifetime, but still within my farming lifetime very quickly.

So the members opposite, who always were strong supporters of inflation, by way of their monetary policies that they support, I say to them, some action has to be taken because I see what is happening today. Nobody has to look any further than, of course, the co-operatives, look at the rationalization that is happening with respect to grain handling points, and indeed the co-operative movement within the distribution of agriculture goods, you just have to look at the consolidation that is taking place within the farm machinery area and you see that there is great change ahead.

Where are we going to be left? Those of us, of course, who are today two-thirds and maybe a little less subsidized by way of transportation or the existing legislation that is in place, where are we going to be left?

I say to the members opposite, whether you want to look at it purely from your own self-interest that farming a few acres of land, or a lot of acres of land but still in the context of agriculture a small holding, or whether you want to look at it as a policy maker, the most crucial issue of our times from an agricultural and a provincial point of view and one that has to be dealt with, but has to be dealt with an openness of mind that will allow us to make the right decision. Not the one that necessarily or at all the federal government or Charlie Mayer wants us to make, not the one that the province of Alberta would expect that maybe we would flow in behind them, and certainly not the one that maybe the province of Saskatchewan with the special issues surrounding their agricultural situation to follow, but indeed the province of Manitoba. It is crucial.

I would say to the member, that is the way this government has looked at it and that is why I find it at times kind of ironic that the members are calling upon the government to take the lead. Show us where you stand. But that is what they want. They want us to show us where they stand, because we know wherever we stand, they will want to be on the opposite side. That is a given.

An Honourable Member: Well, you do not have any position, you are being like the Liberals.

Mr. Manness: No, not at all. Change which is inevitable, but not necessarily the change that is

going to destroy a system that has brought such tremendous benefits to our people. I think that is a pragmatic view and I would hope the members opposite, particularly the NDP, would share it because it is crucial.

Today, as I talk to farm leaders, I think there is a growing awareness and understanding, and I do not say it in a negative sense. I will even take it back and say, a growing desire to open up to the consideration of the elements around the change that is going to come in one fashion or another. Once we access all the elements around whatever is coming, let us make sure that we make the best decision, collectively, because the whole generation of agriculture is going to be very dependent upon it.

Madam Chairman, I will now end, I see my light is flashing, but before I do, I just want to pay tribute to the Minister of Agriculture, who I think has led this province so well in such an important sector within our economy.

Thank you.

Mr. Jack Penner (Emerson): It certainly gives me great pleasure to be able to rise and put a few comments on the record on things that we have heard in debate and questions asked by the opposition members, both the NDP opposition as well as the Liberal opposition, in regard to agricultural issues. It is interesting to note some of the areas that they targeted as being the main points in the questioning of our Minister of Agriculture.

Let me first of all say, Madam Chairperson, that I concur with what the Minister of Finance (Mr. Manness) said a few minutes ago, that I do not think that there is a Minister of Agriculture in this country that could stand to the ability of our Minister of Agriculture.

(Mr. Jack Reimer, Acting Chairperson, in the Chair)

I believe that our Minister of Agriculture has not only played a key role in developing farm policy in agriculture over the last four or five years, he has in fact been the leader and played a great role. History will show that the farm community is better off because of his input in determining ag support methods during this difficult time for agriculture in determining how their future will be maintained.

When one looks at today's needs and when one listens to the NDP opposition and also the Liberals and the questions that they have put on many of the issues, one has to wonder where they get their

information. One has to recognize where this whole thing started, how world trade has evolved over the last 40, 50 years and how trade was established some 40, 50 years ago, and how we deal with trade today. One must recognize that there have been tremendous strides made in bringing the world closer together. In fact, they can talk to each other today virtually at liberty. They can communicate with each other in the written form virtually at liberty, and they can do so instantaneously. Prices can be quoted from desk to desk no matter where you are in the world instantaneously.

When you recognize that 40 or 50 years ago those kinds of things could simply not happen and the need to establish institutions such as the Wheat Board, such as the Board of Trade, such as commodity exchanges, such as transportation agencies and many of the social-type net institutions that were established some 40 or 50 years ago to protect in large part the individual producer from the large corporations and how they set or were able to set prices to the individual out in the field—that is why, of course, the prairie Pools were established.

* (2140)

That is why the Pool elevators were built, because the farmers determined that they needed a say themselves in the marketing of their grains and the establishing of the prices. That is why the Canadian Wheat Board was established some 40 or 50 years ago, to ensure that the individual farmers on the prairie in an era where there was virtually no communications, where there was no ability on a daily basis to determine what the prices were, where there was no ability to, on a daily basis, determine what the prices were, where there was no ability for an individual to search out and target markets virtually at the drop of a hat either by fax communication, telephone or any other means of communication that we use during any time of day today.

But during that period of time, we needed to establish institutions such as the Canadian Wheat Board, such as the grains commissions, such as the transportation agencies to ensure that we were not only treated fairly but were able to guarantee that the prices that we were going to get were pooled, averaged and the general market trend of the price would be paid out to the individual producer.

That has all changed, Mr. Acting Chairperson. I can today phone my friend across the line in the

United States and ask for the price of wheat, barley, corn, at a given spot, and he will tell me exactly what it is. I can put that grain on my truck and within a few hours deliver that grain to that market. I have some difficulty with understanding the paranoia that exists on the opposite side of the House when we talk about marketing of individual commodities, or determining whether we should allow individuals the freedom to search out the best market on a given day for themselves and to allow farmers to satisfy themselves that they, in fact, are getting the best value for their product.

Yet there is a tremendous amount of hesitancy on the other side, and they are, I believe, in a large part directed by a handful of people who are intent on maintaining control of the masses. That, of course, has always been the socialist philosophy. Do not allow the freedoms of the people; do not allow the decision making of the individual; maintain it for the control of the few to manipulate and control the masses. Those are true socialistic philosophies, always have been.

Therefore, I suppose I can somewhat understand why they are so paranoid about an individual being able to search out a market to the best of their ability and satisfy themselves that that is where they want to market their commodities.

Now, was there a need at one point in time to prevent or ensure that the prices that were established without the ability to communicate at some point in time were maintained? Yes, there was. Quite clearly there was. However, in today's day and age, I question whether individuals should not be allowed to market for themselves.

Now what should we be discussing? What should we really be discussing in a forum such as this, those of us that have the ability to make some decisions and have a great impact on some of the decision-making processes that are set in place today and some of the price-determining factors that we face today internationally?

I refer to the EEP program that the United States uses, the export enhancement and stabilization programs that the Europeans have put in place and the protective mechanisms that the Japanese have put in place. We all realize that the Japanese pay their own producers some \$34-\$35 a bushel for wheat today. Yet, when you want to, or I want to, market my grain into the Japanese market, the Japanese charge me a tariff, a very significant tariff,

in order for my wheat to be able to be allowed to proceed into the Japanese market. As an individual, that is what I face in trying to get rid of my commodities.

Our government agency, the Canadian Wheat Board, of course faces that kind of opposition or competition, unreal, government set, by policy. Some giant countries have established and maintained and set my price for me. Be it a real competitive price? No. It has nothing to do with the supply and demand situation in the world, absolutely nothing. Yet I, as a farmer, face those economic distortions that are put in place by people like yourself, sitting there saying, we should not allow the individual the freedom.

Here we are arguing whether individuals should be allowed the freedom of the marketplace or whether we should in fact take advantage, Mr. Acting Chairperson, of a market situation that has, in large part, been determined by the American government. Our farmers are only looking at the tail end of the marketplace and saying, we can come in back of them, under them and compete in a very real way in their own marketplace behind their export policy. That is exactly what our farmers are looking at. That is the advantage they want. That is what they are asking for, many of them.

Instead of having to haul a bushel of barley to the elevator, instead of paying the freight that they will never use, instead of paying elevation charges to elevator companies that should be nonexistent, the elevation charges that they will never use, instead of paying all that, they should be allowed the freedom of making the choice as to where their commodities, where their grain should go. That is all they are asking for. That is all those individuals are asking for. They are saying, let me go; untie my hands from the eternal socialistic powers; I want the freedom to market myself; and I want the freedom to move, to get the best price in the marketplace.

Here we are, with our socialist hordes on the other side wanting to maintain and control and manipulate and keep me in poverty forever. Mr. Acting Chairperson, I say to you in all honesty, all my people want is to be let go. All my people want is the freedom to market their commodities for the best price they can get. They want to be allowed to use the system that the Americans have set up for their export program, to be allowed to take advantage of the markets that are being created in the United States and in other countries.

Mr. Gary Doer (Leader of the Opposition): Let us have the freedom of choice. Let us have the plebiscite. You are afraid to give them choices in Manitoba.

* (2150)

Mr. Penner: Yet the Leader of the Opposition stands there and waves his hands and wants to maintain the control of the marketplace in a few hands, like all good socialists have wanted to.

Now, we can talk about the marketplace. We can talk about the transportation system. I guess the transportation system was very similarly set up, Mr. Acting Chairperson, to encourage not so much the movement of grain out of western Canada. It was set up in large part to open up the West, to allow the exploitation of the raw renewable resources that western Canada, that those who had vision and foresight and were able to see the potential said let us build a railway into the West. Let us allow the expansion and the opening up of the West. Let us take those renewable resources and market them, market them into the world not only to supply a monetary base that this country needs, a foreign exchange that would build our reserves, our foreign reserves, but would in fact supply the needs of the people of the world.

In other words, we would develop the food basket. That is why our transportation policy was set the way it was set. This was done some 40 or 50, 60 years ago. Should we maintain the same process, the same policy without reviewing, without questioning the needs? Remember this was before the tandem truck. This was before the semitrailer. This was during the horse-and-buggy days.

I hear the honourable member for Swan River (Ms. Wowchuk) continually say we should maintain the old horse-and-buggy policy. I say to the honourable member opposite, you should look at your own shoes and you will feel like the cowboy, the cowboy standing there and somebody walking along saying, señor, the horse, she is long gone. The horse, she is long gone; we have ended the horse-and-buggy era. We are beyond that.

(Madam Chairperson in the Chair)

We are today in an era where transportation is done by diesel truck, is done by jetliner and it is time that we looked at renewing and setting new policies and new direction. We should look at the ability, we should look at the economics, at the possibility of

setting an economic base that we did not have before.

The honourable Leader of the Opposition (Mr. Doer) wants to start talking about Sunday shopping. That is, of course, typical of him. That is typical of the honourable Leader of the Opposition because he does not know the difference between a bushel of wheat and Sunday shopping. I would suggest that if he would really study agriculture he would know what the difference between a horse and a bushel of wheat is. He would also realize what the makeup of a horse is.

We have talked about commodities and the marketing of commodities, whether they be horses or whether they be cattle, and we set up for many of the commodities during the course of history because the need of the day was there, the single-selling desk-authority of the Canadian Wheat Board. I know that there have been many people who have been proponents of single-selling-desk marketing for all the commodities, yet it is interesting to note that during the mid-'70s there were those who said we should put canola, then called rapeseed, under the Canadian Wheat Board. There were many that said that. Of course, we did exactly what the honourable member is saying now, what the opposition is espousing, we held a plebiscite. We voted. We chose whether the Canadian canola producers or the rapeseed producers wanted to market under the board or not, and we said no.

There were those who said at the time, that think similar to what the socialists now think, that thought that canola would go the way of the do-do bird, that it would simply disappear. Yet canola—rapeseed—has been one of the fastest, biggest expanding markets in all the world. It is a commodity that is treasured by the Japanese, by the Europeans, and now over the last five years, since the Americans recognized that canola was actually an edible oil, not just an industrial oil, we are expanding a market that is virtually limitless.

I believe that canola in the United States will eventually take over the soybean oil market. Yet there are those who sit on the opposite side of this House today, if they had their way, would have put it under the Wheat Board, and I would dare say had we done that, our crushing industry and our marketing industry, the whole market concept, would have been controlled and manipulated, and I doubt whether the expansion would have taken place that has taken place.

Let us look at the lowly lentil. We have the ability, Madam Chairperson, to expand and diversify the economy of this province to virtually a limitless potential. [interjection] If the honourable Leader of the Opposition would ride his canoe the way he rides his ship in this House, I doubt whether he could keep the canoe afloat. I wonder sometimes whether he can actually keep his ship afloat in this House. I think there are some rough waters there at times. I think there are some rapids that he is going to have to cross. I wish him luck, by the way, in navigating his rough waters over the next while.

I want to continue. If we would establish today a single desk marketing agency for lentils, for instance, and lentils is a very new market in this province. There are a number of other products that are just coming onto the market which I think will have tremendous opportunity for expansion in western Canada. Now what would happen to these little commodities if we put them all under a central selling desk agency? What would happen? Would they in fact expand, or should we allow the Roy Legumexes of the world? Should we allow the Sabourin Seeds of the world? Should we allow some of the grain companies to take and nurture along and expand the markets, the market potential that is there, whether it is in the United States or whether it is in Europe or Saudi Arabia or wherever they choose to go to expand and increase those markets?

India, I believe, is a tremendous market opportunity for us today. Yet should we put lentils onto the Wheat Board? Have they got the expertise? Do they want to spend the amount of time? I make the comparison because it is so similar with the barley markets. Yet we have those on the opposite side of the Chamber here today, Madam Chairperson, that simply do not recognize the similarity.

I believe there are tremendous market opportunities that have been missed because large agencies, large central desk agencies, simply have not got the time and the energy to devote themselves to the little niche markets that are out there that can be expanded into the larger market. Yet we sit here in our cynical way and become protective of the things that we have done simply because we are afraid to look at new and innovative ways of doing things.

* (2200)

I suggest to you, Madam Chairperson, that the members opposite, in dealing with the small group of people—by the way, I talked to one of the leaders of one of the larger farm organizations in this province and asked him why they had taken the position on barley marketing the way they had because I had just finished reading the Carter report, and I did not read into the Carter report what they had first of all in their initial statements said. I wondered where they had got their information from.

You know what the response of the leader of the organization was? We had not seen the Carter report before we commented on it. I think that is sad. I said this to the leader of that organization: I think it is sad when an organization such as yours makes comment in not supporting, or either supporting or not supporting, an issue without having taken a look at what the report said and not knowing what was in the report before condemning it. I think it is sad, whether it is politicians or farm leaders, who take those kinds of positions. I would suspect that they might change their mind if they had their druthers.

However, politically they are as we are. Once they have taken a position, it is very difficult for them to change their position. Therefore, they are where they are. Therefore, their position is going to be maintained, I believe, but it is, in my view, a sad comment.

My question to farm organizations in general is very simple. Who do you represent? Do you represent the interests of the individual producer that is your member, or do you represent the interest of the institutions that the members either own, operate, or operate on their behalf? Who do you represent? Who should you be the spokesperson for?

I say to you that the farm organizations that abandon the individual needs of their own producers will go the same way as some of the other farm organizations have gone in this country because they become politicized, and they become institutionalized. Once they become that, they become also ineffective.

I would suggest to the members opposite that there is a farm organization that still pretends to be alive in this province that became very politicized over the years. It is not effective at all anymore, not effective at all. Nobody listens to them anymore. Nobody wants to listen to them. Yet we should listen. We should listen very clearly because many of the

farm community are sending a loud and clear message and they want to have the right to make the determination to stay alive, simply to remain viable. Remaining viable today means two things. It means that they have to know how the economic situation needs to be managed on their own farm, and they need to know how and where to market to the best price. That is the only thing that will keep them there.

Now, much of what we have discussed so far today has been many times established by government policy. The American Export Enhancement Program is not a farmer-run or farmer-developed and is not even a farmer-supported program. Many of my American friends that I talk to would like to see the Export Enhancement Program go. However, can they? In spite of what the Europeans are doing, can they? The American politician says no. They say, no, we cannot. It is after all the cheapest way to maintain food commodity prices on the shelf at a very reasonable level. It has nothing to do with moving great globs of commodities into export positions. It has everything to do with government policy and food pricing policy within a given country.

The Europeans do it, and the Europeans made a very conscious decision not to let their population go hungry again. It was a very basic decision. We should not fault them for that. Yet, it hurts you and I. It hurts every other country in the world, and until we bring some sanity into the marketplace and get politics out of the marketplace, we are going to be faced with the situation we are faced with today. I think there must be at some point in time leadership shown, and I think the time is now to show that leadership, and I think we must move forward, although cautiously, but we must move forward. That means simply to allow individuals the right to make decisions on their own, and we must allow the agricultural community to determine their own destiny. We can no longer, by government policy, sit there and control everything. You cannot do it.

Madam Chairperson, we have in many ways, whether it is through supply and demand, through supply and management or through the Wheat Board or through the transportation policy, manipulated and controlled agriculture. I say to you that the period of time has expired, that farmers will start making their own decisions. Whether the government allows them to or not they will, and that does not mean what the opposition member said—

Madam Chairperson: Order, please. The honourable member's time has expired.

Mr. Brian Pallister (Portage la Prairie): Ladies and gentlemen—

Point of Order

Mr. Steve Ashton (Opposition House Leader): Madam Chairperson, on a point of order. It is standard practice in the House to recognize the parties in rotation. When the Chair recognized two Conservative members in a row, I did not rise on a point of order that time, but this is the third Conservative member in a row. There are members on our side that want to speak to this which is our own resolution. I think it is only common courtesy in this House, as well as standard practice, to allow a rotation between the various different parties in speaking. I would ask that I be recognized.

Hon. Clayton Manness (Government House Leader): On the same point of order, Madam Chairperson. We are in a section of the Committee of Supply and the long-standing tradition, as I understand it, is whoever attains the eye of the Chair, and indeed I understand a number of us have over the course of the last hour indicated our willingness and desire to speak. I do not know if you have a list, but if you do, I would think that many of our members are on it, as is the tradition within, not the House, but within a section of the Committee of Supply.

Madam Chairperson: Order, please. On the point of order, we indeed are in the Committee of Supply and speakers generally are recognized as they are seen by the Chair of the committee. I indeed had recognized the honourable member for Portage la Prairie.

* (2210)

Mr. Ashton: Madam Chairperson, I challenge your ruling.

Madam Chairperson: The ruling of the Chair has been challenged. Shall the ruling of the Chair be sustained?

The question before the House is, shall the ruling of the Chair be sustained?

All those in favour of sustaining the ruling of the Chair, please say yea.

Some Honourable Members: Yea.

Madam Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Yeas have it.

Mr. Ashton: I request a recorded vote, Madam Chairperson.

Madam Chairperson: The rule is very explicit. The hour being 10:11 p.m., pursuant to Rule 65(9)(b), I must defer the vote on this motion until the next sitting of the Committee of Supply in the Chamber when, pursuant to Rule 65(10), it will be considered as the first item of business.

* * *

Mr. Pallster: I thank the members opposite for their input on this issue. Especially, I would like to thank the member for Swan River (Ms. Wowchuk) for her questions during the Estimates process. I think she has shown a great deal of sincerity and concern in her questions and deserves the congratulations of all members in this House for the great effort she has put forward in the process. I would also like to congratulate the Minister of Agriculture (Mr. Findlay) for the fine work he has done.

In my recent experience in this House I have had occasion to ask for the help of a number of other members on this side and the other side of the House on rare occasions. I have gone to the Minister of Agriculture on several occasions for input and he has been most supportive of my efforts, a very helpful individual and one who I believe has the sincere best interests of all Manitobans at heart, certainly the farmer in this province.

A recent study that I read regarding rural population trends said that there is one single factor that is of the greatest significance in terms of the likelihood of rural young people staying in their own communities. That single attitude over and above all others, that single characteristic over and above all others, was the attitude of the parents. So I would like to today make some reference to my own background in terms of my agricultural background, being a farm boy as it were. [interjection] Thank you.

I believe that I am possessing of some traits that are good and perhaps some that are bad, as do most of us, but the good ones I think I can attribute to my farm background and in particular the attitude of my parents, grandparents and so on. So I would like to give you just a little bit of historical background if I may on the Pallister family farm.

First of all, we are particularly proud of it in our family. I think it is worth mentioning because of the fact—as the member for Swan River (Ms. Wowchuk) has pointed out on several occasions and I think she is quite right—the vast majority of successful farm operations in this province are indeed family farm operations and they are third-generation, fourth-generation farms.

In my own family situation, my great grandfather and grandmother came to the Portage la Prairie area from England in the 1880s, and they homesteaded our original farm. It was quite an interesting thing actually at that time. The conditions were radically different from what they are today of course, and they built a little log cabin down by a creek, which is about a quarter of a mile from the present farm site. They lived there and they raised three children in a room about the size, well, let us see, it would probably be smaller than the caucus room by quite a bit. It was a very small room.

They were facing a great number of challenges as farmers in what had hitherto been a relatively uninhabited land. I think that ability to rise to challenges is a very crucial aspect of farm life today and has been for generations, the willingness to accept the challenges that being in a family business poses is integral to the success of, not just farmers, but other business people as well.

We are looking forward to a celebration in our family in a few years here in the sense of a century farm celebration. That is something that farmers in Manitoba and I am sure elsewhere hold in great esteem. That little yellow sign at the end of the lane means a great deal to family farms and is an indication of the strength and commitment that the people who reside in those yards have towards agriculture in this province, having inhabited and established a farm business that has lasted a century is indeed a tremendous accomplishment. I learned some valuable lessons in my life on the farm that I had reinforced here—certainly, the value of hard work, something that any farm person understands.

The importance of treating other people as you yourself like to be treated is a lesson that I have learned, and I think it is one that has a great deal of validity in this House, although sometimes I wonder if we follow it. Certainly, treating others as you would like to be treated is a difficult thing in the environment that we are in here, but, nevertheless, it is one that I believe would benefit the goings on in this House

tremendously, if we tried to live by that. I think the member for Swan River conducts herself in such a manner as to be an example to the rest of us in this House. I would like to congratulate her on that.

Another valuable lesson that I learned was something my grandmother always used to tell me when I got negative or slipped into petty criticisms, as I hear sometimes opposite. I always remember her saying to me, Brian, you know, it does not make your own candle burn any brighter when you blow somebody else's out. I think that is a good lesson, just common sense.

Another lesson I learned on the farm, and it has been reinforced throughout my life, is a lesson of honesty and the importance of being honest and straightforward with other people. I want to relate a story to you of my grandfather. My grandfather was a very honest man. You will like this, the Minister of Highways and Transportation (Mr. Driedger) will like this because he likes stories about human beings—[interjection] Well, maybe not.

Anyway, I was just relating to the House that my grandfather was a very honest man. In fact, one day he was out putting up sheaves, forking the sheaves up onto a wagon. He was very good at it. In fact, the man he was working with said to him, he said, you know, Harry, you are a tremendous sheaf thrower. You are very, very strong. At this time the load was built up very, very high, as is often the case with loads built up on the opposite side of the House, I think.

In any case, it was built up very high, and the fellow, the friend of my grandfather, said to him, Harry, I will bet you that you could throw a sheaf right over that load, completely over onto the other side. Well, my grandfather, being a humble man as well, said, well, I do not think I could. Well, the fellow persisted. He said, no, Harry, you are a big strong sheaf thrower. I will bet you could throw a sheaf right over top of that load.

Oh, I am sure I could not, Grandpa said. Harry, he said to my grandfather, I will bet you a nickel—and at this time of course a nickel was big money, you know, prior to the NDP being in power. It was a nickel, it was worth something. He said to my grandfather, I will bet you a nickel that you can throw that sheaf over that load. Well, my grandfather reared back and he did—lost a nickel. He paid it, too—honest man. You have to think about that. That is deep.

* (2220)

So what else does farm life teach us? I think it teaches us about entrepreneurship. We talk a lot about that these days in Manitoba, but I think that farming is indicative of the value of entrepreneurial behaviour.

My mother is fond of telling us that she taught us to be entrepreneurs, my brother and sister and I, because she taught us—well, she had us milk cows. We had to milk those cows and then carry the milk in from the barn, have it separated and so on, and then take our little pail of cream to the creamery and get a buck-12 for it, or whatever it was. Of course, she then took the money and put it towards our education. We never did see it till later. But she taught us, being an entrepreneur, she taught us the value of saving for later, too—foresight. I think that was a good lesson as well. Farming teaches us some of those lessons.

I think another thing I learned on the farm was the value of a good education. We had a country school in our area. It was a two-room school. I guess one of the most valuable lessons I learned was if I misbehaved at school I was going to get disciplined at home.

I remember one day in Grade 7. I will never forget it, actually, because I was a good young man most of the time, but in Grade 7, I conducted myself badly one day in school. Unfortunately for me, I got the strap. When I got home, I got it again. The lesson you learn there is that discipline does not begin in the school. You may get discipline in the school, but it is most important to get disciplined at home I think. I did, and it drove me certainly to tears getting that kind of discipline.

An Honourable Member: It drove you to politics.

Mr. Pallster: It drove me to politics, no. I do not think we can give it all that much credit.

When you are living on a farm, you learn about nature. The member for Radisson (Ms. Cerilli), I am sorry she is not here, because I know she is fond of talking about sustainable development—[interjection] Oh, I am sorry. I do apologize. She may well be here. The member for Radisson is fond of talking about sustainable development and such. I think the chance to learn about that starts very early when you are a young person on a farm, because you become one with nature right away. You become acquainted with birth.

When I was probably only about 10 years old, I remember my dad calling me out to the barn to help a calf be born. Pulling a calf is something that a farm boy will never forget. I would be interested to know how many of the members opposite, or on this side, for that matter, have ever pulled a calf. It is quite an interesting—

An Honourable Member: Yes, yes, I sure have.

Mr. Pallster: Yes, or milked a cow even. When it is 98 outside in the summer and you are milking a cow and the cow flips its tail and hits you right in the face, these are things you will never forget when you grow up on a farm.

The other thing you learn on the farm about nature I guess is the changing of nature and of the seasons. Certainly you are part of that. I think very much your life is shaped around those changing seasons.

An Honourable Member: . . . the Minister of Agriculture (Mr. Findlay) is in favour of that.

Mr. Pallster: Certainly, he is in favour of the changing of the seasons. That is good. It is important to try to change what you can and accept what you cannot. I guess we learn that on the farm as well.

You learn about death on the farm, too. We had a cattle operation, and certainly we lost our share of calves and cows over the years. You learn that nothing is forever. You lose your pets, and you lose your livestock occasionally. Of course, you see the crops that you plant in the spring grow, be born basically, and then of course be harvested and die in the fall. You learn to accept and appreciate those types of things as being the natural course of life.

I think another thing that is very valuable about farm life is that you begin to understand teamwork. Teamwork is a very important thing. In the old days—[interjection] The member for Morris (Mr. Manness) was alluding to the old days and horses and so on.

I was asking my grandmother a few months ago, I said: Grandma, what did you need to have a good team of horses; what was it that comprised a good team of horses? She said: Well, Brian, essentially you needed to have two things; you needed to have strong horses that would pull in the same direction. I said: Well, that makes sense, of course, they have to pull in the same direction or they are not going to be a very good team.

What is the second thing? She says, you have got to have good leadership because one horse has to lead. I said: Well, how do you tell, grandma, who the leader is? She said: Brian, the leader's tugs are always tight. They never, ever shirk the load.

I think that is a good lesson here. I see the Minister of Agriculture (Mr. Findlay). I see the work, conscientious effort that he puts in. He is a person who puts in long hours, dedicated to his task, sincere in the pursuit of the goals he has for the betterment of Manitoba agriculture. He is one who does not shirk his load. He is one who is always keeping his tugs tight, and I think he deserves certainly full credit for his efforts. So I wanted to make mention of that in my comments tonight.

Another thing that I learned as a boy, actually, was a very important lesson. One day—I would be about 11 years old I suppose—my dad and a crew of men were out tearing down an old log barn out in the yard. I went out to watch these fellows work in the summer sun. It was a tough task and a very sweaty job. I was watching them for awhile. My dad took a minute and came over and stood by me. We watched these fellows tearing down this log barn.

I looked up at dad and I said, dad, that must be an awfully, awfully demanding, difficult task to tear down a barn like that. And he said something I will never forget. He said, son, it is easy. We can tear down in just a week what it took your great-grandfather almost half a year to build up. You see, son, the building is what is hard. Building is a very difficult thing. Tearing down is very easy.

But petty criticism is something that I have learned over my years of experience on the farm and in business and professional organizations, it is something that is very, very common and it certainly takes no skill. I hear a lot of it opposite. I hear a lot of pointless criticism, pooh-poohing and nay-saying, as you will, but not leading to anything, and I find that very disappointing, and certainly it is one of my greatest disappointments since coming to the House. The lack of well thought out and rational debate from members opposite is something that seems to—well, it brings me a certain amount of frustration, I must admit.

You know, I have been very fortunate in my life. I have been able to travel extensively. I have been to 21 different countries in my life. I have toured each one of them fairly extensively, and I have yet to see

the statue of a critic. And do you know why? Because it takes no skill, none whatsoever.

What is difficult is to build, and building is something farmers understand because they do it on a daily basis. They know that petty criticisms and negative thinking will not make a good crop. It will not produce a good herd of livestock. It will not make you a dollar. All it will do is make you frustrated and disappointed. Farmers are, by their very nature, builders, and generally speaking I would say they are optimistic people as well.

I would like to comment for a minute if I could on my brother, Jim. Jim is a person I have great admiration for. Jim is a farmer, and he is a person whom I have great respect for. He is a person who basically—

An Honourable Member: How much land does he farm?

Mr. Pallster: Well, I will get to that. He is a person who applies himself very well in whatever he pursues, and certainly with farming there is no exception. I think he sets a good example certainly for me and for other people in the business. I am very proud of what he has done.

He is a fellow who is very fortunate because he had the support of my father to get himself going. My brother borrowed money on the home place to get himself going and expand. He is a person, my brother, like many farmers these days, who understands risk. He understands that without risk there is not likely going to be profit, that without being innovative, there is not likely going to be success. Certainly he takes the risks that entrepreneurs tend to have to take to be successful. He has gone into the special crop area. He has expanded and he has expanded very successfully. I certainly want to mention him because I am very, very proud of him.

An Honourable Member: What is he growing?

Mr. Pallster: Well, he has gone into some special varieties of semidwarf. He has gone into lentils, and certainly he is one of the most proficient growers of lentils in this province and an example of a person who has benefited himself certainly but has also benefited his neighbours, very free with his counsel, advice. He has acted as a consultant and supporter to his friends in the area. This tends to be the way things happen in farming, I think. There is a multiplier effect that happens. Certainly when I refer to semidwarf, I am in no way referring to the member for Inkster (Mr. Lamoureux).

* (2230)

I must relate to you a little story about my brother that I think you will find amusing, and it is the truth. Jim was a few years ago wanting to expand, and he wanted to hire some people. He put an ad in the paper and he got some applicants. He was interviewing them, and I hope the Minister of Agriculture will find this interesting because it is a true story. He had a couple of fellows come to the farm and he pulled in one of them at a time to interview them. The first fellow came in and he said to him—Bill was the fellow's name—he said Bill, what exactly are you looking for in this job. Bill says I am looking for five weeks so I can go on UI. Jim says, my goodness, he is out the door.

The next fellow came in and he says, so what are you looking for Tom with this job working on my farm? Tom says, well, I understand you kicked the last fellow out for saying that he was looking for five weeks for UI, but I must be honest with you and tell you that is kind of what I am looking for too. Jim says, Tom, I appreciate your being so forthright but listen, I will tell you what. What are you looking for for compensation? Tom has been through this before and he looked at Jim and he says, well, Jim, what do you offer? Jim says, Tom why do you not work with us for a couple of days and we will pay you what you are worth. I cannot possibly live on that, Tom says.

You know, this is the problem with a lot of people. They want to get paid a tremendous income but they do not want to work for it. I think that is disappointing and certainly I do not think you can hide when you are a farmer. I think you are going to get paid based on ability and initiative, certainly being innovative, all of these things have their rewards, and there you have it.

I think another thing that is very important to relate is the fact that in my business career I spent a dozen years or so working with family farms and principally helping them with their estate planning and so on. My mission, if you will, was to help keep the farm in the family. Generally speaking that is a very, very important thing for family farms. They want to see that farm stay in the hands of their offspring and see their children continue to operate in a successful manner the farm that they had handed to them in many cases.

I think it is of interest to relate what happens in certain situations when farm estates are not planned

properly, just because of the fact that it does indeed jeopardize the desired goal of family farms. I know of one situation in Oakville where a father was approaching retirement and he decided he would give his son the farm. The son actually about six months later—[interjection] No, you can certainly do that—but the son six months later was killed in a car accident coming back from a bonspiel, and it was a sad thing for everybody. The problem was that when he died, his widow, a young woman, got the farm and she remarried a year and a half later. Well, what you have then is a family farm in the hands of a family that really was not the operator. This gentleman was heartbroken by this situation.

I tell you this story just because it shows you what happens with poor planning. I think it is ultimately up to the farmer to plan well, no one else, not the government, not anyone else. The consequences of poor planning are borne by the family farmer and the family farm who plans well or does not plan well, that is as it should be.

Another example is a situation that happened in Rathwell, where a widower, he was 68 years old, passed away and when he died, my friend, his son, lost a partner, a mentor, trainer, coach, his best friend, and two-thirds of a farm. What happened there was that dad had a will that said everything goes three ways—to my son and my daughter and my son that farms. So what he had to do then was he had to buy out his brother and his sister who had not been on that farm for years and had no real pecuniary interest in it.

I tell you that story again to illustrate the fact that planning is up to the farmer and up to the family, not up to anyone else, and that the lack of planning again can have disastrous consequences.

The other example I give you is a holographic will that I read one time. I met with a couple and they gave me their documents and their information. [interjection] A holographic will, a handwritten will. I was doing some work in the office that night. I pulled out this holographic will and I was reading it. It said something along the lines of this. It said, the land to Bill, and the china to Joan, and cattle herd and the equipment to Tom, and the collection of spoons to Ruth. You know, what you have there is kind of an imbalanced situation, I think.

So I was looking at this. I was very touched by this imbalance in this family's estate plan, if you would call it that. I turned it over and here on the back of it

was written a little inscription in mom's handwriting, and it said, not to be opened until you are all together, and no fussing or fighting, we did our best. We love you all. God bless you all, Mom.

Well, you know, it was kind of pathetic really because how can you not fight? I mean you are really hoping for kind of divine intervention to intercede with this family in the total unfairness of what had happened there. In this case, there was over \$800,000 in assets going to two boys, and the dishes going to the girls. I mean there is nothing fair or right about that.

What family farms strive to do in their estate planning is to have balance among the children. Fairness is thereby created and that is the goal.

I think the big thing I have come to realize over the years of having the privilege of working with farmers in Manitoba is that essentially they are very caring people, very much in touch with their families.

I know in talking with my dad a few years ago—I developed a rather detailed presentation to explain farm estate planning in a graphic manner, leaving the farm to the kids and keeping the bank out of it and lots of wires and mirrors, you know, Revenue Canada, cutting them out of it. The farmers like to see this.

I spent about 25 minutes showing this to my dad and after I was done I said, any comments, dad? You know, I was quite proud of this thing. He says, well, son, two things. First of all, you remember that stack of bails we had in the yard there when you were a boy. I said, sure, yes. He said, we did not give all them bails to the cows the same day. In other words, he is saying, keep it simple, keep it concise.

I said, what is the second point, dad? He took my pen and he did something I will never forget. He took my pen and on this chart with all these lines and mirrors and bubbles and stuff, he just took it and he drew a big heart. I said, what the heck is that, dad? He said, son, most farmers do not care about anything except that the kids get along after they are gone. That is all they care about. That is exactly right. It was so simple in its elemental truth.

What we have here is, I think, an obvious point that the family farm is an entity of business, yes, and of profit, yes, but it is an entity of caring and love and family support as well, and I do not think the government needs to get too involved with that, because I think that is something that is between human beings more than any official entity.

The very real fact, though, is that there must be a profit in order for there to continue to be a family farm, but the existence of profit is something that I do not think we can create artificially. I think it is something that is created by the individuals involved in the operation.

We have gone from an era—we have changed greatly in our society, and certainly agriculture is no exception to that. We have gone from a high labour-oriented type of business to one which is certainly much more intellectually challenging. My brother, in fact, was accosted by a friend of his a few years ago and he said, Jim, I saw your truck outside the trailer at 11 this morning. Now what the heck were you doing in there? This is shameful for a farm boy to be inside at 11 in the morning; this is in the springtime. And my brother said—he related this to me—he told his friend, why the heck should I be out in the field doing \$5-an-hour work, when I could be on the phone doing \$40-an-hour work?

See, this is how farming has changed, I think, over the years. The recognition, with the technology and the advances we have made in agriculture, there is the opportunity for far greater profit than was once the case. I think that certainly more and more entrepreneurs are recognizing that.

I would like to conclude, Madam Chairperson, by saying that certainly in Portage la Prairie we are no exception in our region to the general trend provincially. We have local initiatives that are moving our agricultural entrepreneurs and business people forward boldly—the Central Plains Farm Business Association, something that was established about a decade ago to provide an educational venue for our local farmers where they can share information more effectively. We have now in Portage la Prairie, and in other areas as well in this province, commodities clubs, we have producers' clubs, marketing clubs—

An Honourable Member: 4-H?

Mr. Pallster: I was going to talk about 4-H, and I wish I had more time because I could tell you a few stories about 4-H that I think you would find mildly interesting. Certainly our chamber of commerce has set up an agriculture committee. I take a little bit of credit for initiating that, and I think that is a good opportunity, too, for farmers to get their issues out front, to get them brought forward onto a provincial stage, if you will, and take advantage of the lobbying power that there is there. Farmers have not been

historically as strong in voicing their views as perhaps some other groups, and perhaps the chamber of commerce is one avenue that they can use to do that.

* (2240)

I think an issue that all of us who care about rural Manitoba share, and one that is shared by most of the farmers I have talked to, is the desire to keep the farm not only in the family, but to keep their kids in the country. I think I will just close by saying that rural repopulation is something I think we need to pursue. Perhaps it is something that is going to happen naturally as more and more people in our busy, harried society recognize the quality of life that there is in the country, the peace, the tranquility, the opportunity for greater family closeness and for better relationships to be built up between family members.

Certainly, in closing, Madam Chairperson, I would just like to say that living on the farm and growing up on a farm, having the chance to meet and work with so many farm people in my life, has given me an attitude. It has shaped me, and my attitude is one of admiration for those who live in the country and make their living there, an attitude of appreciation for the strengths that are inherent in living in rural Manitoba. Probably the key point that has come about as a result of my living in the country is my willingness to accept change and, more than that, to enjoy it.

Thanks for the opportunity, Madam Chairperson. My pleasure.

Mr. Bob Rose (Turtle Mountain): I would like to say that it is a pleasure to address the Assembly this evening, and it is indeed. I think we need to be mindful of the fact that it is always an honour to have the opportunity to stand in this Assembly and put some of our thoughts on record.

Normally, I would say it was a pleasure, except I am a bit disappointed at this opportunity that has afforded itself this evening, because we are speaking to a motion that is proposed by the honourable member for Swan River.

I guess because the honourable member and I were rookies in the House at the same time and both from rural areas, we have perhaps developed a little rapport over the two or three years, and I would hope a little mutual respect. I certainly respect the member for Swan River. I think she brings integrity. I think she brings an honest curiosity. I think she

brings a genuine wish to learn the Estimates process. I think she is genuinely interested in the Department of Agriculture and in finding out more about it and entering into debate with the minister.

She does not take the opportunity very often to try to turn it into a political sideshow, and I appreciate those kinds of things. I think the member for Swan River is a person like I that has spent a good part of their life in what we sometimes refer to as the real world in this building. We came to this Assembly with an honest and very sincere appreciation of the opportunity to represent our constituents. I think the honourable member for Swan River does that.

I say all those things just to set the groundwork for the point that I am a little disappointed that I have to stand this evening and speak to this motion, because I really did not believe that the honourable member for Swan River would suggest that our Minister of Agriculture should have to take a cut in pay. I really suspect, and I will be extremely disappointed if this is not true, but I very strongly suspect that she was being coached perhaps by some of her colleagues who use every opportunity to try and embarrass the government.

Really in her heart of hearts, I think she probably believes, as I do and as I am sure my colleagues on this side of the House believe, that our Minister of Agriculture is underpaid and, in fact, I think we could say that about all ministers of the Crown, but this evening the topic is the salary of the Minister of Agriculture and so I am going to talk about our minister.

As a previous speaker pointed out, we have been very fortunate in Manitoba to have had this gentleman as Minister of Agriculture for—five years is it? I believe, and correct me if I am wrong, he is the longest serving Agriculture minister in Canada.

He brings not only to the debate in this House and to the leadership of the Agriculture department in Manitoba his experience and knowledge and expertise to those areas, but he also brings that experience and knowledge and expertise to our country, as well. When the various Agriculture ministers from across Canada gather to discuss policies and concerns of agriculture across our great nation, and I am sure that our Minister of Agriculture is looked upon as someone who brings a good deal of common sense to the table.

An Honourable Member: You are right.

Mr. Rose: I am right, as the honourable member points out. I think when we recognize these things we will understand that this motion, this ill-timed and ill-advised motion by the honourable member, certainly needs to be defeated.

If anything, the Agriculture minister deserves a raise for the kind of contribution that he has made to our province, and to agriculture and to our country.

I think it is interesting to note that this Minister of Agriculture (Mr. Findlay) has served for five years in that capacity without any increase whatsoever in his compensation as a cabinet minister. I suspect that there are very, very few people in Manitoba, or indeed across Canada, that can say that they have worked as hard as this minister has and have contributed as much and has received no recognition through an increase in his compensation package.

So I believe, Madam Chairperson, that this resolution is ill timed and ill advised but, unfortunately, has been brought to the floor, so it is our responsibility as representatives of our constituents to debate the motion.

Earlier on, I believe it was the Minister of Finance (Mr. Manness), in his excellent contribution to the debate, was talking about how things used to be on his farm in Morris when he was a little younger, and he was just first using fertilizer and it all came in 80-pound bags. It made me think back, and I have to admit that I am just about 20 pounds older, I guess, than the Minister of Finance because when we first started handling fertilizer it was 100-pound bags.

I got thinking back to some of those things that have happened and how things have progressed and how things have changed. We hear change referred to very often in this House and the lack of the ability of the members across the way to recognize change. I was interested earlier by the presentation by the member for Emerson (Mr. Penner) when he was suggesting that the member for Swan River (Ms. Wowchuk) was perhaps still back in the horse-and-buggy days.

That struck a cord with me because earlier on today we were debating a motion on the Ayerst expansion in Brandon and how we were able through the modern technology and through the forward thinking of this government to expand an industry that uses a by-product or a waste product

of a horse and turns that into a valuable economic commodity.

Oddly enough, this resolution that was recognizing that great contribution and forward thinking that is taking place in the industry. In Brandon, that resolution to recognize that, of course the member for Swan River spoke against it. In fact, she put forward an amendment to the resolution that indicated that they were not, of course, in support.

I could not help but think when that member for Emerson was talking about the horse-and-buggy days that perhaps the member for Swan River's real objection to the modern Ayerst expansion in Brandon is that she still thinks the horse should be used to draw a wagon into town.

* (2250)

Madam Chairperson, I spoke earlier of being reminded of how things used to be and thinking back to my early days when we were, again, grain farming and we were looking for a secondary industry of some kind. At that time there was the Canadian Wheat Board which had been in existence for a number of years and has gradually, in my mind, done an increasingly better job of marketing our product. But at that time the markets for wheat were very, very poor across the country, across the world, and the farmers were able to produce literally thousands of bushels more than the Wheat Board could market. It was quite routine for a year's quota to be three or four or five bushels an acre when in fact we were producing 25 or 30 bushels to the acre.

So in those days, as I suggest we should be doing now, there was some ingenuity and some hard work took place, and across southern Manitoba developed a seed industry because we discovered that the Americans with their support program that was in place at that time were able to buy our seed wheat at a lower price than they were getting for their own product hauled directly to the elevator. So, as I said, there was an entire industry developed across southern Manitoba. One person once said everybody with a coffee grinder must have started cleaning seed. But these little, generally farm based and sometimes larger, but generally farm-based seed cleaning establishments sprang up and we began servicing this market that was in North Dakota.

It gradually expanded into Minnesota and South Dakota and Montana as well. It was an early lesson for me about the value of free trade even though it

was not free trade. The Americans still charged the duty on the seed as it came into their country, and I can remember very, very well writing out the cheques for each load that was exported, including a \$5 brokerage fee for one Joe Evans who owned the bar in North Dakota. His sideline was being a broker, and he was one of those people who was in the right spot at the right time, because as this industry developed and every American farmer realized that they could buy their seed, good-quality, high-quality, clean and treated and genetically pure seed from Canada for less than they could get for their own product at the elevator. This market, of course, exploded. Joe Evans, among other brokers, along the U.S. border, at five bucks a load, were able to expand and build new bars. They, in fact, since being in the right spot at the right time, profited very well from this industry.

As I said earlier, it was not free trade, but it was an indication of what can happen when there is an opportunity to trade between countries. It was a business that developed in and across southern Manitoba. It was a business that created employment for many, many people in the winter-time because one of the rules of the game was that all the seed had to be cleaned and bagged and treated and inspected so that every bushel had to be handled in what started off as a two-bushel or 120-pound bag gradually moved down to a 90-pound bag. So it was a high labour intensive operation, and it provided a good deal of winter employment across southern Manitoba.

Also, Madam Chairperson, it provided a market for our product. It was a typical value-added operation, because we took the product that we grew in the field, processed it, treated it, cleaned it, bagged it, tagged it, had it inspected and shipped it across the line. So it was a value-added operation, and it was really, as I said, a marvellous example of what can happen when people with ambition and ingenuity recognize a market and are prepared to work hard to take advantage of it even though, of course, as I say, it was not exactly free trade in the true sense, but it was trade between countries.

It was a recognition that given the opportunity, people are quite prepared to try and compete, which, of course, Madam Chairperson, is what is lacking in some of the debate in this House, is the lack of recognition that Canadians or Manitobans specifically are not smart enough or ambitious

enough or intelligent enough or have a good enough education or have enough capital to compete.

The entire notion of building walls around our borders is based solely on the false notion that we do not have the ability to compete with the rest of the world and that is not true. We do and we can and we will if we get the opportunity.

I can remember also, as the industry developed, the seed that we shipped out had to be inspected and certified seed. The Canadian Seed Growers' Association finally moved to the point, they made change—if I may dare use the word "change" when the opposition is listening to the debate—they recognized a change and they recognized progress and they recognized the fact that it really was not necessary to have a good, high-quality seed in a bag. It was quite possible to have it in the back of a truck in a bulk truckload.

So they made this recognition that this change, this progress that we could handle certified seed in bulk rather than have it go through all the work and all the added cost—the bags cost about, as I recall, around 22 cents apiece, which worked out to about 11 cents a bushel—and made the recognition that this cost was no longer necessary.

I suggest to you, Madam Chairperson, that that is some of the things that we have been talking about this evening, that is that if we do not take a look at change, if we do not challenge the way that we handle our products that we take to market, if we do not continually and constantly look for ways to improve and look for ways to become more efficient, if we insist upon doing things the way we have always done them, if we insist upon handling of the grain through the elevation system whether that is necessary or not, if we insist upon charging transportation and doing everything the old way whether it is necessary or not, we will eventually lose our agricultural industry altogether.

Because as I say, when we made that change, we had an interesting thing develop when the Canadian Seed Growers made the change to allow us to use bulk certified seed, we were still exporting seed to the United States. Of course, we had the additional cost of 10 or 11, 12 cents a bushel for the bag to put around the seed. We had the additional cost of all the extra labour involved in handling it, and we knew of course that the American farmer would be delighted if he could get his seed in bulk rather than to have the extra cost and the extra

charge for he or she to handle it when it came seeding time in North Dakota.

So I went first to the American Customs, and I said, is there any reason why we cannot export into your country or for you to import this same seed, the same cleaned, certified and treated seed, into your country in the form of bulk rather than in a bunch of little bags? They said, oh, no, sir, you cannot do that. I said, why can you not do that? The American Customs said, well, actually, as far as we are concerned, you can, but it is the Canadian Customs that will not allow that sort of thing to take place.

* (2300)

I said, okay, and I went back to the Canadian Customs, and I said to them, is there any reason why I cannot export this seed in bulk rather than in a bag? They said, oh, no, sir, you cannot do that. I said, well, why can I not do that? They said, well, we really do not have any reason why you cannot do it but the Canadian Wheat Board will not allow you to do that. I called the Canadian Wheat Board, and I said, is there any reason why I cannot export bulk seed into the United States rather than bag all the product? They said, oh, no, sir, you cannot do that. I said, why can you not do that? They said, well, actually, we have no regulation preventing you from doing that but the Canadian Seed Growers' Association will not allow you to do that.

So I phoned the Canadian Seed Growers' Association, and I said, is there any reason why I cannot export this seed that we are selling to the North Dakota market in bulk rather than having to go through all the trouble and expense of bagging it? They said, oh, no, sir, you cannot do that. I said, well, why can I not do that? They said, well, actually, we do not have any regulations governing that but the American Customs will not allow it. I said, well, I was at the American Customs four times ago and they said it was all right with them.

The interesting part, of course, was we went through all those government agencies and every last one of them were convinced we could not do something, and when they got right down to the short hairs, there was no reason for each of those government agencies in their regulations to prevent it.

So I suggest to you, Madam Chairperson, that we need to do more of that kind of thing. We need to challenge the kind of notions that we have about what we can and what we cannot do, and whether

or not there are, in fact, real impediments to allowing us to do some of these things, or whether, in fact, it is something that we say we cannot do just simply because that is the way it has always been. No one has ever really thought to challenge whether we can do things in a better or a different or a more efficient way and a more aggressive way.

I suggest, in my conversation about the little history lesson about some of the things that happened to me years ago in the seed business and in exporting to the States, that this was, I will admit, very much confined to the southern part of the province simply because of the transportation costs. The trucking costs by the time we loaded these bags on and got to the market, the farther north you went in the province, of course, the less able they were to compete because they were much farther away from the market.

I was reminded of that during some of the discussions in Estimates and some of the questions that have been asked by the honourable member for Swan River (Ms. Wowchuk). Every time anybody in the southern part of the province, like the honourable member for Emerson (Mr. Penner) suggests that there is a ready market accessible to him and his neighbours, just relatively a few miles away, the suggestion is that is not fair because it is not accessible to people from a greater distance.

Well, that may very well be, but is it better to say because it is not accessible or as accessible to us, you cannot have it? Is it better to have all the produce that is grown all the way across the southern part of the three prairie provinces given no access to a readily, easily accessible market? Is it better to have all that product go into all the other markets in competition with the rest of the product that is grown across the rest of the provinces?

I do not think so. I think we need to examine every opportunity we have. Every new market that we find takes the pressure off the rest of the product that is grown across the country and makes that product more marketable and perhaps at a higher price.

I am not for one moment suggesting that we should, willy-nilly, go to a continental barley market, but I think it is extremely shortsighted and extremely blinded with blinkers, as we have been using the horse analogy on more than one occasion this evening. We are doing it in jest and in fun, but there is certainly an analogy in using blinkers and not being able to recognize. Unless we are prepared to

examine some options and unless we are prepared to take and look at some change, it is not a position at all.

I heard the member for Swan River accuse the minister—perhaps that is part of the basis for her motion this evening—that he is not prepared to take a stand. Of course that is nonsense. This minister has been taking a stand for the last five years. He has been taking a stand for the betterment of every farmer in Manitoba. He has been taking a stand for improvement.

He has been taking a stand saying: I am not ready to accept everything as it always was and accept everything as it ever shall be. I am taking a stand to say that we must examine every option that is available to us and we must examine the way we have been doing things in the past and we must be prepared to examine the ways we may change it.

That does not necessarily mean that you have to come out and say, this is the way we are going to change it. It does mean that you do not adopt the opposite stance by saying that because we are bound ideologically to some particular belief, as the NDP seems to be, we refuse to examine any kind of change at all.

Madam Chairperson, I had the pleasure just last night of being only a couple of miles away from what I understand is the fine farm of the Minister of Agriculture (Mr. Findlay). I am only sorry that I did not have time to stop in and admire his operation.

An Honourable Member: We were picking rocks. Why did you not come over?

Mr. Rose: If I would have known you were picking rocks, I would have certainly stopped in and admired that too, because I have developed, over the years, a habit of being able to admire watching other people work a great deal. I am sorry I did not know that you were picking rocks. I did enjoy a visit to Shoal Lake. I have to say that I did not think there were any rocks, because the country there looked like almost perfect farming country to me.

There was an interesting comment that I made. My spouse and I were talking about it, that we are fortunate in our political system to be able to have people to represent us that actually are part of society and, in this particular instance, as Minister of Agriculture, someone who actually does work and participate in the family farm, a mixed family farm, as I understand. I think it is fortunate, as I said earlier, that we have a critic in the first opposition

that has the same kind of background and the same kind of qualifications.

I have never been able exactly to define a family farm to my satisfaction. We all pay homage to the family farm and all agree that it is a great thing and it is something that we certainly need to work very hard to preserve, but I have never really had anybody define the family farm for me. I am not sure whether a family farm is a quarter section with a few hogs and a few chickens and a few cows or whether a family farm is a corporation with four or five family members who are shareholders and farm two or three townships. A family is a family is a family on a farm.

It seems that one of the problems, of course, when we talk about family farms is that everyone creates a different image in their own mind as to what that exactly is. I rather suspect that the image that the NDP has would be to limit any kind of expansion beyond anything that was a bare-bones existence that anyone was so dastardly as to suggest they might try and make a profit out of the operation and to expand their operation to accommodate that, that would no longer be a family farm.

Is a family corporation a family farm? I ask that question to the honourable member. As I say, I have never really had anybody define to me what a family farm is exactly, even though we are all very much in favour of the family farm.

Madam Chairperson, could you tell me how much time I have left?

I just wanted to close, Madam Chairperson, as again I say I appreciate the opportunity—in all sincerity, it is an honour to take part in these kinds of debates even though we sometimes treat them a little less than seriously, but I think most of us are conscious of the responsibilities that we bring to this Chamber. One of the things that has interested me most about the process is the Estimates part of the process. It rather seems, I think we would all agree, that some of the time used in Question Period and in debating the bills in the House does tend to become very political.

The Estimates process has impressed me with the opportunity not only for the opposition members, but for the government members as well, to get into actual conversation with each of the ministers and with the process that I do not think the public really realizes takes place. It is a process that is probably

the most valuable, in my mind, of all the processes that take place in the business of governing a province.

* (2310)

Again, it is disappointing to me that as the process of the Estimates for the Agriculture department wound down and we returned to the first item, that the member for Swan River (Ms. Wowchuk) felt it necessary to attack our Minister of Agriculture and attack his livelihood and his ability to support his family and his grandchildren. I am disappointed that happened. I am convinced, Madam Chairperson—I refuse to totally change my opinion of the member for Swan River. I am convinced that she was ill advised by someone in her party that perhaps has had absolutely no experience whatsoever with agriculture and does not have any kind of concept of how valuable a job, what a good job the Minister of Agriculture has been doing for the people of Manitoba and the farmers of Manitoba and all the people of Manitoba.

I believe that the agriculture industry is as good or better than it could possibly be under the economic circumstances that we are in today. I believe this minister has worked extremely hard with the department that is growing more and more complicated and more and more difficult to operate. I really believe, Madam Chairperson, that this motion needs to be defeated and we need to not chastise or try to scold or suggest that our Minister of Agriculture is not worth his salary.

It is just a shame that we are not able to increase his salary, and I would certainly make that amendment, but I understand that is not acceptable in the Estimates process to increase a line. Otherwise it would be my amendment that his salary would be increased.

Thank you very much.

Hon. Glen Cummings (Minister of Environment): Madam Chairperson, in entering into this debate, I think one of the things that we too often forget is the role of government and the long interrelationship there has been between government and Agriculture, but there is nothing that puts it in more perspective for me than a couple of graphs that I have recently been looking at in conjunction with another project.

Particularly one from 1981 to 1991 that in terms of how the graph displays the real income from the value of the commodity, particularly the commodity

of grain and oilseeds as compared to the value that the agricultural community receives from government programs—there are a myriad of government programs, frankly—it comes down to a situation where you have about a four-inch bar in 1981 that is now of real income from the value of the product to about a bar that is about a quarter of an inch high representing the amount of value that would be returned today from the sale of agricultural production of grain and oilseeds.

It simply tells me that there are an awful lot of changes ahead in agricultural economy. In looking at that, I have to say that this government and this Minister of Agriculture (Mr. Findlay) have struggled long and hard with where this agricultural policy is going to have to be in Manitoba and in Canada over the next decade.

I was involved in a debate last week with environment ministers about the future of agricultural lands and what some of the impacts may be if the GATT agreement is ever brought to fruition, or some of the worldwide influences that we have on agricultural production and particularly grain seed. We have a fairly buoyant, more than buoyant beef industry and a fairly solid and reasonably well-financed pork industry right now, but obviously those who are depending solely on coarse grains and the grain and oilseed market in general have a far different set of dynamics to deal with, dealing with far more than just what happens in Manitoba, or just what happens in western Canada, but dealing with results of production around the world.

Madam Chairperson, let me quote from the Financial Times, a commentator by the name of Giles Gerson [phonetic] whose comments express his concern about where we are headed with the agricultural commodity and some of the challenges that agriculture has to face.

His comments were this, that this country's crazy and bloated farm support system has gotten way out of hand. Ottawa currently spends three-quarters of a billion dollars each year on rail subsidies that pay most of the cost of shipping unprocessed export-bound grain to port. It is a program that artificially boosts domestic grain prices by 20 percent. We then spend another billion a year in farm income support because even with that free ride we still cannot return enough money to the farmer. More than that, Alberta and the provincial government puts a further \$43 million into its beef program so that they can make it more competitive

to buy Canadian feed grains that are being propped up by the export subsidies that we are talking about over the last couple of minutes.

Tie that to comments made by Hubert Esquere [phonetic], the present president of Western Wheat Growers, where he talks about the fact that the Western Grain Transportation Act subsidizes railways so that farmers can ship their grain to export more cheaply. It is a disaster from conservation and economic diversification point of view.

I guess those are some of the questions that I would like to pose in relationship to the debate about the agricultural policies that this minister and this government have been working with over the last five years, and where Manitoba is likely to be over the next decade in relationship with the rest of the country.

We are probably fortunate, inasmuch as just the natural land, temperature, frost-free days, that we have in Manitoba do lend us the ability to diversify far more than some other parts of the western grain-producing belt of Canada. But, nevertheless, the question is going to be raised about whether or not Canadian farmers, particularly in the grain and oilseed business, where they will find their markets over the next few years and at what price.

I look across the way at my colleague who has spent some considerable amount of time working in the rail business, and understands, I think, the rail business fairly well. It is very interesting that we now find that there are situations that arise that the railways, while they have a subsidized system for transportation of grain, they now for competitive reasons will offer other products that can be handled in the same manner as grain at a cost of some \$10 a tonne less than what they are probably charging the grain producer for the movement of the grain, even under a subsidized program.

That starts to tell me that there are a lot of inequities that are built into the system today, inequities that some are historic as a result of the subsidies that I talked about earlier. Some are habit, virtually, inasmuch as when the western Canadian economy was buoyant, the railways were saying to us that they could not afford to haul the grain. The grain was not being—[interjection] That is right. It is all regulated, but they claimed that it was costing them money to move the grain.

Today when they found that some of the other subsidies are not moving as freely, all of a sudden

the regulated price for moving our grain is much more attractive and really is representative of what can very well be the base part of the income, if you will, for our national rail system, particularly in western Canada. What do all of these seemingly unrelated comments have to do with agricultural policy, Madam Chairperson? They have a great deal to do with agricultural policy because the same time when you are seeing some real opportunities for re-examining what drives some of our agricultural production.

When I talk about what drives it, I talk about the grain quota system that we have in place. There is not any grain farmer in the rolling lands of western Manitoba at least—it is probably less true in the valley here—who has not taken the opportunity to clean off what might be habitat, some wildlife habitat, that might well have been something less than the top three to four types of soil, therefore, erodable, less productive.

But our system over the last 40 years, 50 years, has moved agriculture continually down that path. As we now review what is occurring on a worldwide basis, we see the negotiations at GATT, we see the free trade negotiations which are a very real part of our lives today, whether it is agriculture or otherwise. We realize that there is a real opportunity out there to take a look at agricultural policy and where we can have the most net benefit to our society.

* (2320)

I do not think at any time the agricultural community has ever wanted to be dependent on taxpayers' dollars. But when we see the comparison of what real dollars are as compared to the subsidized support that goes into the grain industry, we know that, given today's economy, that is a situation that is not likely to continue much longer, certainly not for an indefinite period of time.

We have a responsibility in government, all of us, both in government and opposition, to address those problems as best we can. I put it in this context. It is my opinion that if some of the leaders of the industry and some of the government leaders had looked at the fisheries, particularly the east coast fisheries, if they had looked at them in the light that ministers of Agriculture today are looking at the agricultural industry, and trying to chart a course that will get it away from its dependency on government and taxpayers' dollars, its dependency on the good will of the sometimes hard-pressed taxpayer in this

country, to keep it in existence, then I believe that we would have not found ourselves in the very sad situation that we have in the east coast fisheries.

I have developed a rather interesting relationship with the Minister of Environment for Newfoundland. We affectionately refer to her as the "Eastern Cod Mother," because every opportunity she gets she raises the plight of the Grand Banks and the fishing industry that is now totally wiped out in terms of its year-by-year impact. Hopefully, it will come back, but we have not seen half of the fallout that is going to occur from the social and real personal problems that are associated with the results of that fishery collapsing.

As a farmer and as a member of government, I have to say that whether it is this government, whether it is the government of Saskatchewan or Alberta, or the federal government, those are the four governments that are going to have the main responsibility in finding some redirection for agricultural policy in this country.

That is not hearsay, and it does not mean that we all go running out tomorrow and sell our farms. What it means is that there is a real stake for everyone in this country, particularly in western Canada, to take a look at what may well be an opportunity more than an impending doom. I say that in light of the fact that there is an opportunity perhaps to do much more of what is occurring under the North American Waterfowl agreement, to do much more about what has occurred as a result of our obligations from UNCED, where Canada signed the biodiversity agreement, agreeing to protect and enhance and expand the biodiversity bank account, if you will, of this country.

Tie that back again to agriculture and look at the pressures that are on agriculture to continue today to compete on what is rapidly becoming a less than viable situation if our farmers cannot become increasingly competitive.

I think they are becoming increasingly competitive, but they can take this opportunity to probably benefit society and benefit an awful lot of other concerns in society that we have never adequately addressed before. We can start to reverse the trend where governments sit and ponder about whether or not additional Crown land should be brought under the plow, whether or not Crown land should be added to pasture leases, whether or not Crown land should be moved over to

agricultural Crown for management. Those decisions will become increasingly burdensome.

At the same time, there is a real opportunity, as I said, to reverse a trend where there are certain parts of this province where the biodiversity can be enhanced and, in fact, begin to be restored to some of its former capability.

Now that may sound like a very good debate for a debating society of senior and retired bureaucrats perhaps mixed in with a few farmers, but the fact is, that is the kind of debate that an awful lot of our agricultural community and governments are going to have to start entering into now.

That is why I take such great offence that there are those in our community who do not want to talk about the real impacts of changing the grain transportation subsidy programs, who do not want to look at whether there are options to our diversity of our crops, whether or not the payment of the subsidy should go to the multinational or to the national railway organizations or whether or not it should go to those who can make the real decisions.

We have an interesting proposition from the opposition. I can guarantee you that the scenario that I pointed to a few moments ago about the real opportunity for some competitiveness to come into grain transportation will have a more dramatic impact on what it costs, the real costs of moving our product into export positions, than almost anything else we might do. We have come a tremendous distance in varietal research. The productive capacity of our soils has been exploited and will continue to grow, but productivity alone will not turn around the problem we have.

What today is a surplus of grain is something down close, I believe, to 90 days or less, approaching 60 days they believe that they can manage a surplus in world grain supplies. When I started into the business, it seems to me that anything under nine months was considered a shortage, if you did not have more grain on hand than what would be seen to be a nine-month supply for world feedstocks.

That is a simple function of technology and communication capability around the world. Combine that with a number of other factors, agriculture is today facing the kind of decisions that I believe are parallel to the east coast fishery, as I said a few moments ago.

If we do not have the vision, if we do not have the intestinal fortitude to get into the debate about where we really want to be in the next decade with agricultural production in this province, then we will all suffer the consequences.

It will not just be the farmers that will suffer the consequences, Madam Chairperson, because when we look at the western population, we know that the influence of agricultural population has dropped dramatically. In the dropping of that population, they may have lost their voting clout, but they have not yet lost their economic clout. Agriculture is still a key component of western Canada producers of wealth, ability to earn import dollars, export dollars, bring foreign currency back for our use and for our profit.

In changing this, a lot of people have not been willing, and I suggest including the members of the opposition, to enter into the debate about opening up the real options that our farmers have available to them. If we do not move at a time such as we are presented with today, where GRIP is tied to crop insurance, where if we have claims on it year after year we are going to see a sliding level of support as all of the graphs indicate over what the—it will run in a parallel to a number of the other real value of production, a number of real producers in agriculture today. They are all on a downward scale.

There is one other item that is most dramatic in all this. That is that we have now reduced an awful lot of our very, very best agricultural producers in this country to where the most profitable operations may well be the ones that have a significant percentage of off-farm income with which they support their personal income.

* (2330)

I want to quote from Berny Wiens, the Saskatchewan Minister of Environment, formerly the Minister of Agriculture. He takes a view that I do not agree with. He said this in great sincerity so I do not necessarily criticize him for it, but it is a view that I think we have to guard against. That is the view that there is always going to be trauma associated with agricultural income. There is always going to be a shortage of income for those who choose to live on the land and use that for agricultural production, and that is never going to go away.

Well, I take the contrary view in as much as I believe we have an opportunity to seize the moment and to deal with the question of developing our

agricultural industry in a different way than it has developed for the last century. That changing of direction can well be tied to the type of production, the methods of production, the products we produce, the diversity, all those things that this Minister of Agriculture is doing, all those things that every jurisdiction would like to bring to its own area for the wealth it creates and for the opportunity it creates.

At the same time, I believe that we have a real opportunity to benefit society far more than just getting agriculture weaned off of the day-to-day costs of support programs. Because as we change the way agriculture does business, as we change the type of agriculture that will evolve over the next decade in Manitoba and across the prairies, we will see opportunities such as we have not seen before virtually, I would suggest, going back well beyond the '30s when we saw land that was taken out of production because of the ravages of the weather at that time. But more, taking it onto the plain that if we wish to seize the opportunity in conjunction with the federal program, and a number of the federal programs that are in place today, we can start to do something about the real cost of agricultural production to our society.

I realize that this gets into the whole debate about cheap food policy that a lot of people talked about in this country, including the Farmers' Union, including members of the opposition who talk about full-cost recovery, who talk about support of the industry at a level that would provide a decent rate of return.

But you know, when you start looking at what is happening, we have to switch, because agriculture, much as I think it is the greatest industry in this country, and I am part of that when I am not in here, has got itself so dependent on tax dollars or tax exemptions, all the way from the fuel to the insurance programs, to GRIP, to transportation programs, to the Wheat Board programs, to the export programs. We have to get away from the view that that is how we support agricultural production if the value of the product is going to be driven by scarcity.

There are times in the last few years, and probably will be times ahead of us in the next few years, where an awful lot of this product could be imported into Canada for the same price that it costs us to produce it. France now produces more grain than we do I am told, and I believe that is a

supportable figure, startling as it may seem. So let us look at whether or not changing the way society deals with agriculture can be improved.

I look at it in this sense, that there are going to be a significant number of farmers out there who may well face expropriation without compensation if environmental issues start to take over in terms of how we deal with agriculture. There are jurisdictions now that arbitrarily have said that on erodible soils farmers may not allow cattle to graze down to the edge of a stream. That has to be fenced off. The fences have to keep the livestock more than 50 feet back from the edge of the creek bed.

That is only the very beginning of the type of constraints that could start the flow by society on agriculture if agriculture does not seize the opportunity to start looking at the way it does business on the land. One of the main ways that we can influence that is through dealing with the programs that we see encouraging the breaking of the land, the draining of habitat and putting into play nothing more than a syndrome, if you will, that says produce and produce and let the government do the marketing.

Now, most farmers who have thought only in that single dimension have probably left agriculture by now. I think that we would have to recognize that the people who are operating in the agricultural economy today have gone far beyond that type of thinking. I suggest to you that this minister has done more in the last three years in dealing with the federal Minister of Agriculture and how we are now starting to think about designing farm programs. So they do have some of these other components in them.

The stage is now being set, and I believe the opportunity is there for the agricultural community to take its own destiny in its hands, because if we do not, and if we are afraid to enter into that debate, whether it is north-south movement of our grain, or whether it is moving product out of the province in a value-added fashion, if we do not take hold of that debate today, then we will simply become, I suggest, the equivalent of a third world country whereby we will have a vastly depopulated area that will have an economic impact on cities like Winnipeg, Regina, Brandon, Saskatoon, far beyond anything that most of us have anticipated. I say that in a very real sense in terms of social cost.

Certainly, I appreciate that workers have to have a decent salary and they have to have the benefits and one thing and another, but unions in most cases—and the railway union is one—have held back the progress of the railways.

An Honourable Member: Do you think \$30,000 to \$35,000 a year is an exorbitant salary?

Mr. Helwer: No, I do not think at all.

An Honourable Member: But that is what they make.

Mr. Helwer: I think if the railways did not have unions—[interjection]

If the railways were free to do as they pleased with staff, I am sure they would find new innovative ways with some incentives and they would get the jobs done much quicker and much better and the people who would be working for the railways would make more money probably. Railways are important, but certainly they have to modernize and improve the way they operate, and there is certainly room for improvement in the way the railways do business.

Some of the other accomplishments that this government has done for agriculture, for the farmers—remember before we took office farmers were paying the full school tax on their farmland. One of the first things we did was removed the school taxes from farmland. [interjection] That is right, lower the cost of operation for farmers, right.

I just want to talk about value-added for a little while. In Manitoba especially, we are fortunate in the fact that we have many other industries that are closely related to agriculture, as an example, the oat plant in Portage. There is an excellent facility that purchases oats from farmers throughout Manitoba. That is only one of the things there. At Carberry, the potato plant, farmers from our area grow potatoes for Carberry for processing. I spoke to someone from Carberry last week. They have some 600 employees in Carberry at the Carnation potato plant in Carberry. That is a tremendous number of employees. It is one of the largest plants of its size, probably the largest in Canada. That is just another idea, another way of diversifying farm income with value added.

Earlier we had a great discussion about the sugar beet industry and what it has done for Manitoba. I happen to have, in my area, one of the sugar beet growers that has been growing beets for over 50 years, was one of the first growers in Manitoba, as a matter of fact, grew beets before the plant

was—the first year they grew beets they hauled them down to a plant in North Dakota. By rail they shipped them down there. We needed the rail then, too, I guess.

Then they built a plant here in Winnipeg. The sugar beet industry has been good for Manitoba. I am really pleased that our minister was able to come up with a plan that our beet growers could accept and keep this industry going in Manitoba, because it is a great asset to us in Manitoba, not only to the farmers who grow the beets but to the suppliers of the equipment, chemicals and the sugar beet plant here in Fort Garry, all the services that go along with it.

It is a great industry. [interjection] That is right, there is transportation. Yes, we just talked about that. Kleysen's is an example. They have been hauling the beets for the Manitoba Sugar company for over 50 years. That is quite an achievement for a company to be involved with one industry for that length of time, actually. So that is great, and I would like to see the Manitoba Sugar even expand their plant, expand the number of acres in Manitoba, if at all possible.

Last fall the member for Emerson (Mr. Penner) and I had the pleasure of touring the sugar beet plant there. It is actually kept in very good repair. Even though it is quite old, they have modernized. They have done a lot of upgrading and the equipment is in excellent shape, actually. If we could get them to run a longer season, even to refrigerate storage for beets like they have in North Dakota, they could extend their season quite a lot, actually, and keep that same plant running and provide more jobs for a longer season and also provide more farmers with more opportunity to grow beets. I was really pleased to see the sugar beet plant contract there, required acres in a short period of time. So there is, I think, a demand out there, and farmers want to grow beets.

I just want to mention how agriculture has improved and how sophisticated it has become. I dare say, you would not visit a farmhouse today that does not have a computer, that does not have a way of record keeping that they know exactly—whether it be in livestock industry or in growing grain, potatoes, sugar beets or whatever. They can tell you exactly what kind of a crop they have got off of that acre of land or when that calf was born, how heavy it was, and all of these kinds of things. Hog farmers with their records today, with the computers and

everything else, they have really become much more sophisticated in their record keeping.

At one time, farmers were noted for keeping their bills in a shoe box and taking it to the accountant at the end of the year, getting the accountant to figure out their income tax, whether they made any money or they did not.

Those days are gone, I can assure you. [interjection] That is right. Farmers today are much more sophisticated and do an excellent job. We have some excellent managers out there, great people who have really kept the industry going. [interjection] Well, that is right. That is what built the industry and today it is difficult for young farmers to get started, and either young fellows take over from their parents or from their dad, one thing or another.

We need more young farmers. We need young people to take over some of the farmland from some of the elderly farmers. Unfortunately, our farmers are getting older so they have to devise more ways to diversify and come up with more profitable ventures so that they can keep the young guys on

the land. That is the key and it has to be done by diversifying.

I do not think we can continue to grow wheat and more wheat. If the market is not there, if the subsidy has to be provided to grow wheat, I think we have to find other alternative crops, sugar beets, potatoes, diversify more into livestock. Some of our feedlot operators have just come through one of the best winters and one of the best years they have ever had. I dare say, I do not know how much money they are making, but I know they are making money and even though they have had to—

Madam Chairperson: Order, please. As previously agreed, the hour being 12 a.m., committee rise. Call in the Speaker.

IN SESSION

Madam Deputy Speaker (Louise Dacquay): The hour being after 10 p.m., this House is adjourned and stands adjourned until 1:30 p.m. tomorrow (Tuesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, May 17, 1993

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