



Fifth Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
(Hansard)

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
KOWALSKI, Gary	The Maples	Liberal
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MACKINTOSH, Gord	St. Johns	NDP
MALOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCORMICK, Norma	Osborne	Liberal
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROBINSON, Eric	Rupertsland	NDP
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
SCHELLENBERG, Harry	Rossmere	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WOWCHUK, Rosann	Swan River	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 5, 1994

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

MINISTERIAL STATEMENTS

Oil and Natural Gas Rights Sales

Hon. Donald Orchard (Minister of Energy and Mines): Mr. Speaker, I have a statement for the House and copies for opposition members.

I am pleased to report to the House that the results of competitive bidding for Crown oil and natural gas rights offered by the Department of Energy and Mines have again shown an increase.

The Crown lease sale was conducted on May 4, 1994, and resulted in the highest revenues since 1985. A total of \$831,725 was received when bids were accepted on 107 of 113 leases, and three of three exploration reservations.

The previous sale conducted on November 3, 1993, was the largest since 1986.

During the November 1993 sale, \$525,257 was received when bids on 61 of 77 leased parcels and five of nine exploration reservations were accepted. Yesterday's figure of \$831,725 more than doubled the revenue of \$411,087 from May 1993 and exceeded last November's revenue.

The highest price per hectare from this sale has exceeded the November figure of \$121.88 as well. Williston Wildcatters Oil Corporation of Arcola, Saskatchewan and Dorset Exploration Ltd. of Calgary, Alberta paid \$219 per hectare for seven separate lease parcels located six kilometres west of Lyleton. Yesterday's sale nearly equals the 1993 combined total of the May and November sales of \$936,344 which was the highest collected since 1986 when the total was \$891,358.

Mr. Speaker, I remind members that we can still look forward to the November 1994 sales which will again add revenues for the province.

I am further pleased to report that the total area of dispositions purchased by the petroleum industry at this sale was the highest since 1980. As well, the total area of leases purchased was the highest recorded since oil and gas lease sales were introduced in 1979. Members of this House will recall that no sales were recorded between 1972 and 1978.

The results of competitive bidding and the recent surge in drilling activities are encouraging signs that the oil industry continues to play a significant role in Manitoba's economy. I believe that the policies and programs introduced by this government since 1988 have been instrumental in attracting new investment in the province's oil sector. In fact, Mr. Speaker, 87 wells were drilled in this province in 1993, a figure which represents an increase of 210 percent over the previous year. Depending on oil prices, we expect drilling activity to continue at this pace for the remainder of the year. A second sale this year will be conducted November 2.

Mr. Speaker, I am sure all members will want to acknowledge this good news for Manitoba, again coming from Manitoba's oil patch. Thank you.

* (1335)

Mr. Steve Ashton (Thompson): Mr. Speaker, I find it a rather interesting ministerial statement. In fact, it is interesting that the minister has gone into such detail to point out that revenue has now come back to the level it was in terms of 1985. So certainly that was rather an interesting comment coming from that member. I believe the dates that were being used here, that there was an NDP government in place at the time. I remember there

was a lot of criticism at the time from members opposite in terms of the oil industry.

I would say, Mr. Speaker, it is rather interesting that the minister seems to spend a great deal of time, obviously, going through these types of statistics but has not brought in some other interesting statistics in terms of our resource sector, particularly in the mining industry where we are going to see zero revenue in terms of the mining industry this year, as part of the budget indicated a lack of royalties.

Despite the fact the government has been announcing mines that are possibly going to open in communities that have seen their mines shut down, in terms of communities such as Snow Lake and Lynn Lake, we are seeing continuing difficulty, including my own constituency in Thompson where at this point in time, despite all the tax breaks that were given to the mining industry, employment is being reduced by 200 jobs in the community. We are seeing the minister announce outside of the House, the same potash mine that was announced prior to the 1981 election.

An Honourable Member: Do not stop us now.

Mr. Ashton: Do not stop us now, indeed, Mr. Speaker. So we welcome any good news, but I hope when the minister has the time to go through some of the other statistics, he might want to bring in some sort of ministerial statement outlining the fact that, in terms of some other areas in the resource sector, there are continuing difficulties.

We are still a long way from recovering from the recession, and even though this is good news, here is a case where we have recovered to the 1985 level. If the minister would care to look at the other statistics, he will see we have a long way to go in other sectors, particularly in the mining sector here in the province of Manitoba.

Mr. Paul Edwards (Leader of the Second Opposition): Mr. Speaker, let me start by saying that we share in the optimism that I think the government has about the options that have been purchased here. We hope that they translate into drilling and activity which benefits the province.

Obviously, this is an important industry and we are happy to see that this sale has gone successfully. We hope that the November 2 sale as well continues that trend.

Mr. Speaker, I do want to simply leave on the record our continuing hope and optimism as well that, in the minerals area, and I know this is also the minister responsible for those issues, things like Williams Lake indeed will come to fruition. We are very hopeful that there will be a strike of significant size that major investment can be made.

We also, of course, hope that the nickel price generally goes up so that the major investments companies like Inco have already made will in fact lead to higher employment.

Mr. Speaker, I do also hope that the investments, the rights that have been purchased here are followed up upon as quickly as possible. I do not know the timetable of some of the companies that have purchased these, but we certainly encourage them to invest, not for any partisan purpose but simply to help the citizens of this province.

It is an important industry. We hope that it grows and continues to grow in the future. Thank you, Mr. Speaker.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery, where we have with us this afternoon from the Westwood Collegiate fifty Grade 11 students under the direction of Mr. Richard Ford. This school is located in the constituency of the honourable Minister of Finance (Mr. Stefanson).

Also, from the Sisler High School, we have thirty Grade 11 students under Mr. Mike Gartner. This school is located in the constituency of the honourable member for Inkster (Mr. Lamoureux).

On behalf of all honourable members, I would like to welcome you here this afternoon.

* (1340)

ORAL QUESTION PERIOD

Foster Families Per Diems—Extended Families

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the First Minister (Mr. Filmon).

Last week it was revealed by the member for St. James (Mr. Edwards) that relatives of foster care children were going to have a major reduction in their rates.

We have since received a letter from the Assembly of Manitoba Chiefs, which I will table in this House today, that indicates this will have a dramatic impact on First Nations children. The chiefs go on, to quote: "80% of First Nations placements occur within the extended family."

This reduction will place tremendous hardship on their families, as it will, we believe, with children in foster care with relatives outside of the First Nations communities.

I would like to ask the Premier how many children in placement will be affected by this reduction from the provincial government. What will this impact be on foster care line-ups that are already taking place, and what will be the impact in terms of federal revenues flowing to First Nations communities for the 80 percent of the children who are impacted?

Hon. Bonnie Mitchelson (Minister of Family Services): Mr. Speaker, I thank my honourable friend for that question because I do want to clarify the record and put facts on the table.

We have over \$6 million more in the child welfare budget this year than we had last year. That is a major increase. We have more children coming into care, and in discussions with Child and Family Services agencies and with working with our biggest child welfare agency, that is with Winnipeg Child and Family Services, there was a sense that the system we have in place today is not working. We have to look at new and innovative ways of providing services for children.

Mr. Speaker, with the rates for relatives, there is still \$320 per month tax free to provide for the

basic needs for children, that is food and clothing. The other dollars that are in the system will still be there. Those dollars will be redirected in supports around the child, for the sake of the child and in support of those foster families who are caring for children.

Mr. Doer: Mr. Speaker, the government will note that the system they are talking about that is not working is a system that they in fact put in place when they got rid of the volunteers and the other community activity when they amalgamated everything into a downtown agency again and took away the community supports, community volunteers, prevention programs and people working in the schools and communities with our children.

Having said that, and I am surprised the minister would admit that today, but I ask this minister and the Premier (Mr. Filmon) a specific question.

How many children in Manitoba will be reduced by the rate the government has stated? How many of those children will be in our First Nations communities? What will be the impact on revenues to those communities in terms of economic and social development in our First Nations communities? Did the government know the answer to the question before they made the move, and if they did know the answer to the question, could they please share it with the rest of Manitobans who are feeling the brunt of this arbitrary government decision?

Mrs. Mitchelson: Mr. Speaker, there will not be any child that will suffer with this change, because I have indicated already that there will be adequate dollars there for basic needs, for food and for clothing. The dollars will still be there for the child in the child welfare system. There will be over \$6 million more in the system in support of children.

What we are looking at, with a new vision worked out with the Child and Family Services agencies, our largest agency in Winnipeg, is a vision that talks about family support, family preservation and family responsibility. The dollars will still be there in the system, augmented dollars to put the services in a place around the child, to

put the supports in place around the foster families so that those children can be managed and dealt with in a different way, in a different fashion and in a more productive way.

* (1345)

Mr. Doer: Mr. Speaker, my question, again, is to the Premier (Mr. Filmon) or the Minister responsible for Native Affairs (Mr. Praznik).

Because the federal government is following through on the same reductions that the provincial government is making in terms of their rates, and because of the fact there is a 50 percent higher cost of living in northern Manitoba that affects many of the First Nations communities, and 80 percent of the children in First Nations communities that are in foster care are in extended care—which, of course, we think is an advantage after the previous government stopped the adoptions south of the border for many of the children that was taking place, as Judge Kimelman had indicated in his report and had recommended in his report in the early '80s—I would like to ask the Minister of Native Affairs or the Premier, in his capacity as minister responsible for federal-provincial affairs, were you aware of the impact of your decision on children in the federal jurisdiction?

Have you discussed this with the federal government? What is the plan in place in First Nations communities, and how are we going to deal with our children that need care and need economic investment, not economic and social cutbacks in our First Nations communities?

Mrs. Mitchelson: Mr. Speaker, it is because this government does care about children that there will be more money in the system, not less—over \$6 million more to serve children in the child welfare system. Our dollars have been refocused around support for children in foster placement and support for foster families, whether it be homemaker services or whether it be professional services that are needed to serve the best interests of the child.

We have every confidence that the federal Liberal government will, in fact, maintain all of the support they presently put around children in the

native agencies, that they provide the majority of the funding for, to ensure that those services are surrounding children throughout our Manitoba communities.

Foster Families Per Diems—Extended Families

Mr. Eric Robinson (Rupert's Land): Mr. Speaker, my question is also for the Minister of Family Services on a related matter. We are talking about foster care.

Did the minister consult with the federal Liberal government and also the aboriginal child care agencies prior to making these cuts in foster care rates that are coming into effect this June? Is this minister aware that the federal government is now going to make the same cuts as this province?

Hon. Bonnie Mitchelson (Minister of Family Services): Mr. Speaker, I thank my honourable friend for that question because he is putting false information on the record. In fact, there are not cuts to child welfare in the province of Manitoba. There is an increase of over \$6 million.

I indicated in my previous answers that the dollars that will be there for basic needs for children in foster care will be \$320 a month tax free. That is for food and for clothing. The additional dollars that are still in the system will be refocused around supports for the child in the system, supports for the foster family, so that, in fact, we can see the number of children having to come into care decrease, not increase.

So we are concerned. We believe that the vision that looks at family support, family preservation and family responsibility is the direction we need to go.

Mr. Robinson: Mr. Speaker, last month, along with the member for The Pas (Mr. Lathlin), I attended the conference of the Assembly of Manitoba Chiefs and the federal minister concerning the dismantling of the Department of Indian Affairs in this province.

The federal government signed a Memorandum of Understanding, which stated that there would be

no reductions in funding programs or services between the department and also First Nations.

I would like to table that memorandum for the information of members, Mr. Speaker.

My question is: Given that 80 percent or more of foster parents on reserves are relatives, does this minister not recognize that this cut will have major implications on northern Manitoba First Nations reserves, where the cost of living is at a minimum 50 to 80 percent higher than in southern Manitoba? What studies has she conducted on the implication of these cuts?

* (1350)

Mrs. Mitchelson: Mr. Speaker, as I indicated, the supports will still be there for the child, for the sake of the child. I think that is our first priority as a government to ensure that the supports are around the child so that we can reverse the trend that has been taking more children into care and try to work within families to preserve the family unit. We are extremely concerned that we move in that direction.

I had a meeting set up with the federal Minister of Indian Affairs, which he cancelled at very short notice, and I have been trying to get another meeting set up with him.

We understand that there will be some changes with devolution of authority and power to First Nations, and, Mr. Speaker, we want to know what implication that is going to have on Manitoba and Manitobans.

I am communicating presently with the minister to see whether in fact, if we cannot set up a meeting and he does not have the ability to meet with me here, in fact, we will be asking him very direct questions and looking for very direct responses.

Mr. Robinson: Mr. Speaker, I, too, agree that we have to consider our children as being a very important responsibility and the vital role that foster care homes play.

Is this minister now prepared to put these cuts on hold and consult with the federal Liberal government, child care agencies and also

aboriginal organizations about the implications of these cuts on aboriginal children, so that they do not have another lost generation of children who are taken from their home reserves and shipped elsewhere?

Mrs. Mitchelson: Mr. Speaker, I again would like to correct the record, that there is no cut to supports around children. Unless the federal government arbitrarily decides to reduce their funding for their responsibility on reserve for children, there are no cuts.

The money will be there to support the children, and the children are our first interest. We want to assure that the professional supports, the homemaking supports are provided around the child and around the foster family. That money is in the system, and more money is in the system to redirect and refocus and try to make a difference, and a positive difference, for Manitoba children.

Manitoba Sugar Co. Contingency Plan

Mr. Paul Edwards (Leader of the Second Opposition): Mr. Speaker, as I think all members are aware, there have been extensive negotiations continuing between the employees of the sugar company and B.C. Sugar revolving around the plant in the city of Winnipeg, and 165 jobs are at stake.

I know the minister has been involved, and Mr. Fox-Decent has been doing all that he can to get the parties together. I also know that the minister made some suggestions this morning.

I want to ask the Minister of Labour whether or not he has a plan B of sorts. That is, Mr. Speaker, if in fact these parties, and, of course, we all hope that they can resolve this, if in fact they do not, if in fact it is clear that the company is going to walk away from this industry in Manitoba, has the minister a plan in place to try to save this industry, to try to save these jobs? Specifically I ask him if he has considered looking to the Crocus Fund as a possible source of revenue, looking to the employees to perhaps see if they are interested in taking on ownership of this plant, perhaps the

producers, as is the case in the United States, a producers co-op.

Has the minister a contingency plan in the short term to deal with this situation to try to preserve this industry if in fact these parties cannot get together?

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, firstly, let me say that what is a critical factor in this dispute and what will ultimately determine the time frames on which a resolution can occur is the weather.

If the weather—[interjection] Members may laugh across the way, but I think it demonstrates a lack of appreciation for what in fact is happening. The only reason why this issue is still here today is because we had a rain this week and we had cold weather. The farmers and producers that we have been in touch with across the beet-growing belt, quite frankly, when the weather warms up slightly, will be in the fields seeding. It could be later today or tomorrow, they will be seeding. Whether it is beet seeds or it is other seeds that they are putting in the ground will be the determination of what is going on this afternoon, as we speak, between the two parties.

So I say to the member that the options he raises this afternoon and he has floated certainly are options that industry can consider in the long term, but I do not think a buyout by employees, however financed, that there is sufficient time for that to occur at this particular point.

* (1355)

Mr. Edwards: Mr. Speaker, clearly, we cannot control the weather and we cannot control these negotiations. What I think all members want to do is be on the side of the workers and the producers who are wanting to keep their livelihood. I am very disappointed to hear that the minister has written off other options.

Has the minister in fact spoken to the board of the fund in order to see if there is any opportunity to at least secure the crop for this year and then buy some time to structure some form of a buyout?—because this has been coming for some time.

Have there been any discussions with the operators of the Crocus Fund to determine whether or not there are any opportunities to look at other ways of saving this business, as was done successfully—granted, with a longer timetable—for Abitibi-Price? Why can we not give the same effort and the same contribution of effort and time to this particular plant in this season?

Mr. Praznik: Mr. Speaker, the Leader of the Liberal Party, in the preamble to his question, made a very interesting point. He said very clearly that he is on the side of the employees in this particular dispute, and the beet producers. Let me assure him that as Minister of Labour I am not on the side of either the employers or the employees. They are adults. They have an issue to deal with.

From my experience and from the knowledge that I have from what has been occurring at the table and behind the scenes in discussions, I can tell you quite frankly in this House today, as I have said to the media and I said to both parties this morning in this building in Room 254, both bear some of the responsibility here. They have to, in the very short time period, put aside their personal bickering and all of the things that have kept them from reaching a conclusion, recognize that they are on the precipice and come to a resolution of this matter if either the company wants to continue that operation or the employees want to have their jobs. They have reached the precipice. They must make a choice in the next few hours.

Mr. Edwards: Mr. Speaker, I appreciate the efforts of the minister. No one has criticized, least of all us, his efforts and Mr. Fox-Decent's efforts to get these parties together.

Mr. Speaker, what I am asking the minister is: Is there absolutely no contingency plan if these parties cannot get together? We have examples in the United States of the producers, through co-operatives, owning plants like this. We have experience in this province and a fund dedicated to assisting with employees buying out and participating in the businesses. Is there absolutely no plan B in the event that these two parties cannot reconcile their differences?

Mr. Praznik: Mr. Speaker, I am most surprised that my colleague in the law would not appreciate that as one reaches the most crucial moments in negotiation, the important part is for both parties to recognize that they are on the precipice.

What the Leader of the Liberal Party does in fact today, with his question, is jeopardize the negotiations that are going on this afternoon in holding out some impractical solution to keep people away from making the hard decisions that both parties have to make in the next few hours.

I say to the member opposite that members of this bench, my colleagues who represent the beet-producing areas, the member for Emerson (Mr. Penner) and the member for Portage la Prairie (Mr. Pallister) and the producers of the province want a sugar industry, and I am sure there will be a sugar industry. Whether Manitoba Sugar and the people of UFCW are part of that sugar industry is a decision that they have to make in the next few hours, but there will be, inevitably, a sugar industry in Manitoba.

Maintenance Enforcement Income Deduction

Mr. Gord Mackintosh (St. Johns): Mr. Speaker, poverty suffered by our women and children in Manitoba is often the product of separation and divorce. While a recent Canadian court decision has provided at least some relief hopefully for families receiving maintenance payments, this province continues to condemn children to poverty because of this government's failure to pursue spouses who do not pay. We need tough new measures.

My question to the Minister of Justice is: Will she advise the House why she is not taking action to deduct support payments automatically from income sources as is done with income tax?

* (1400)

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Speaker, payment of support to women and children, in most cases—and in some cases it is to the man, as the member may know—is of utmost importance. Certainly,

benefits which would flow through to children are of importance. This government takes that issue extremely seriously, and we have made a number of efforts within my department to make that the most efficient system possible.

In addition, I will tell the member that my department is making an effort to meet with those people who receive maintenance enforcement support, community groups and so on, to make sure that their suggestions and their recommendations about how the enforcement and also the flow of payment can be done in a most efficient way.

Mr. Mackintosh: Mr. Speaker, given that one cannot even get through to the Maintenance Enforcement Branch—it takes sometimes days to get through and once you get through they will only take a message—my question to the minister is: Will she try and understand that it is also important to prevent the default in maintenance payments, and will she consider a program which automatically deducts payments at the source?

Mrs. Vodrey: Mr. Speaker, there has been in the past couple of days, in particular, certainly a large number of calls which have flowed into our Maintenance Enforcement office. So I will just remind the member of some of the initiatives that we have taken as a department over the past two years—this is not something which has occurred just in the past couple of days—in specific, to make sure that this office operates in the most efficient way.

I can tell the member that this government in the past two years has allocated \$120,000 to assist in the area of computer enhancement and automation so that information is available to individuals.

Also, we are moving to a voice-automated system which should assist people when they wish to phone up so that they can get information about what is the level of their account when payments have been made, and so on, by simply using the buttons on the telephone. So we are making every effort.

I will also tell the member that certainly we do look to other jurisdictions as well to see if they

have had success in any additional ways that might help us in Manitoba.

Mr. Mackintosh: My final supplementary to the minister is: Given that any work done in that department has done nothing but reinforce the fact that the Maintenance Enforcement program is one of the worst disgraces of this government, will the minister advise what emergency plan of new innovative action she is prepared to take, including looking and bringing into this House measures so that there is an automatic deduction at the source?

Mrs. Vodrey: Mr. Speaker, I am sure the member would not want to have provided an insult to the hard-working people in this area who have managed to increase the amount of money collected on behalf of Manitobans by 9.5 percent in the past year. They in fact do their work very earnestly.

He also refers to an emergency plan. That is the only kind of thinking he is able to do. We on the other hand have a plan, and I will be happy to go over it with him again. I will remind him that we have increased resources in that area by five people in the last two years by five staff years.

We have also, as I said to him, allotted \$120,000 to the area of computer enhancement. We are moving to a voice-automated system. We are reviewing the legislation, a very important component, but we are taking the time in reviewing the legislation to make sure we have spoken to interested groups.

Lastly, I will tell the member that we work as part of a federal-provincial territorial group for improvement to the REMO act which I hope that the federal Liberal government will take a leadership role in.

CN Rail/CP Rail Merger Impact on Employment

Mr. Daryl Reid (Transcona): Mr. Speaker, reports out today indicate that the merger of CN and CP are proceeding full speed ahead with the blessing of the federal Liberal government. Last fall, I wrote to the Minister of Highways and Transportation warning him of the potential

impacts upon the province of Manitoba if this merger was to take place. Manitoba has already lost some 3,000 rail jobs since 1988.

My question is for the Minister of Highways and Transportation: Can the Minister of Highways and Transportation tell the House what involvement he has had in any way regarding the discussions dealing with the merger of CN and CP?

Hon. Glen Findlay (Minister of Highways and Transportation): Mr. Speaker, if the member had been in the House the other night, he would have heard my answer to the question from the Leader of the Opposition (Mr. Doer) when we talked about exactly this issue. It is a delicate issue, requires considerable knowledge of the issue. Certainly, three provinces in western Canada and, I hope, four provinces, will come together to do a complete analysis of the impact of this potential decision regarding eastern Canada. As we go into that process, we are going to ask that the consultant do a complete analysis that affects all of western Canada and, most particularly, Winnipeg and all the workers in the rail industry.

I can assure the member that there are also some upsides in this process. Winnipeg is seen more and more as a rail hub for east-west and north-south, and there is some real silver lining in the overall process of change of trade patterns that is going on in North America relative to the rail industry in Winnipeg.

Mr. Reid: My supplementary question is to the same minister.

Since the minister has met with rail representatives as he has indicated, what information can he share with the House concerning CN and CP's long-term plan for jobs and services? What impact will that merger have on the real jobs in this province? Have there been any interim studies done?

Mr. Findlay: Mr. Speaker, clearly, the answer to that question lies in my answer to his first question. We are going through a major analysis that will give us some of those answers. The member full well knows that both railways have announced significant layoffs over the next period of time

right across the country as they adjust to be competitive in the changing trade patterns.

I can assure you that there is a lot of discussion going on amongst all the different carriers of freight, whether it is rail, road or air, but there is a greater co-operation amongst them all. I see, as I said in my earlier answer, Winnipeg being a more and more important hub for movement of goods east-west, north-south in all of North America.

Public Hearings

Mr. Daryl Reid (Transcona): Because there is potential for serious impact upon the province of Manitoba, Mr. Speaker, will this minister follow Ontario's lead by writing to the federal minister responsible for transportation and calling for full public hearings, intervenor funding and a review of other potential solutions other than the merger?

Hon. Glen Findlay (Minister of Highways and Transportation): Mr. Speaker, there is no question that the National Transportation Association, NTA, will play a major role in the decision-making process. It is absolutely imperative that they do hold public hearings, so that all the different groups that are impacted have an opportunity for input before they make that final decision. So, yes, I support public hearings by the NTA on this issue when it is put in front of them.

Maintenance Enforcement Pension Plans

Ms. Norma McCormick (Osborne): Mr. Speaker, my question is for the Minister of Justice, as well, on the subject of maintenance enforcement.

Women in Canada are rejoicing in the Federal Court of Appeal decision. However, in order for this ruling to truly benefit single parents and their children, we must ensure that these payments actually reach them. Today in Manitoba over \$27 million in back-child payments is owed to the children of Manitoba.

Has her department investigated amending The Pension Benefits Act and the maintenance enforcement act to allow pension principle to be

available to be garnished to satisfy outstanding amounts and not simply pension benefits?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Speaker, as the member knows, a very large piece of the money which is owing is owing from jurisdictions outside of the province of Manitoba. I am not sure if in her investigation she actually uncovered that number, so it is very important for us to have co-operation among jurisdictions.

The issue of actually paying is a federal issue, a national issue, and so we are working with the federal-provincial-territorial working group to look at how we can improve payment from other jurisdictions.

I answered in an earlier answer, as well, that my department is working with community groups to seek ideas of where important changes to the maintenance enforcement act should come from, what those changes might be, and we are looking to review that.

Service Access

Ms. Norma McCormick (Osborne): Mr. Speaker, my supplementary: The Minister of Justice indicated that the Maintenance Enforcement office is moving toward E-mail. One of the many complaints we have been receiving from women is that they do not get the opportunity to talk to a person. Caseloads are 800 to 900.

How will this E-mail system address access to the people who are going to assist the women with their inquiries?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Speaker, the member raises the issue of caseloads. I can tell her that is in fact a significant change and a reduction in caseload, a very significant reduction, thanks to some of the initiatives which have been put in place. They were much, much higher before.

I can also tell her that is a comparable caseload across Canada for the kinds of caseloads that workers may have.

The member asks how the E-mail may work. It will allow individuals to access information about

their file without the need to have long waits on the phone. It will then also allow our staff who are there to be available to then work with those particular individuals where there are very specific problems, rather than answering some questions which may simply be to give out an amount of money that is within an account, or when a last payment date was.

* (1410)

Reduced Work Week

Ms. Norma McCormick (Osborne): I have a final question for the minister.

Can the minister assure this House that the imposition of Filmon Fridays on the employees in the Maintenance Enforcement office will not cause hardship in July and August, as was the case when the processing of cheques was delayed in January?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Mr. Speaker, as the member knows, we have taken great care both last year and this year to make sure that funds are flowed, that there is not an interruption on behalf of individuals in Manitoba. We will be taking that same care this year because money flowed to those people who need it, particularly children, is important.

Grain Exports U.S. Market

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, three members of the U.S. International Trade Commission will be in Winnipeg to gather information about the Canadian durum wheat exports. This committee will be making recommendations to President Clinton as to whether restrictions should be put on Canadian wheat sales.

My question to the Minister of Agriculture is: Will he take this opportunity to stand up for Canadian producers and explain to this committee the true facts, that we are not dumping durum wheat into the U.S. and that the U.S. market is gaining much more in agriculture trade than Canadians farmers are?

Hon. Harry Enns (Minister of Agriculture): Mr. Speaker, I do genuinely appreciate the fact that my honourable friend from the New Democratic Party has come to the full recognition of the importance of our trade with our biggest trade—[interjection]

Members will recall that it has always been my position that once the review and the discussion about our trading practices with the United States were removed from the heated environment of Montana and North Dakota and took place in a more neutral setting like Washington, then cooler heads would prevail.

I am absolutely delighted that this organization, which normally does not travel outside of Washington, has chosen to come to Winnipeg, Manitoba to hear our position.

I can indicate to you and to the House that I have requested today by fax that I be given an opportunity to present myself to this commission, along with the people as you would expect that they have specifically requested to hear from: the Canadian Grain Commission, the Canadian International Grains Institute; the Canadian Wheat Board; accredited exporters and country elevator companies. Those are the specific organizations that this very important international review committee has requested.

Ms. Wowchuk: Mr. Speaker, I hope that the minister will take a strong stand and stand up for Canadian farmers at this meeting.

Since we know that the federal Minister of Agriculture has been taking a very weak stand on behalf of Canadian farmers and there is a risk that there will be caps put on the amount of durum that we can ship to the U.S., has the minister had discussions with other western Agriculture ministers to try to strengthen the position of Canadian farmers with the federal Minister of Agriculture?

Mr. Enns: Mr. Speaker, I have a considerable amount of respect for the federal Minister of Agriculture of this country, and I do want to go on the record as refuting that suggestion that he has in fact not been making every possible effort to protect Canadian farmers' position on this very

important matter. I say that without fear of contradiction. Mr. Goodale has been an energetic proponent of Canada's justification for our enhanced trade with that country.

Really, this is an opportunity where it behooves us both provincially and federally to work as strongly and as co-operatively as we can.

Department of Agriculture Research and Development

Ms. Rosann Wowchuk (Swan River): Given that this government talks about supporting development of value-added jobs, how can the minister justify cutting back the research and development section of his Department of Agriculture budget when we have to have the value-added jobs?

We are in disputes about durum wheat. Why are we not working towards getting some of the extra value-added jobs here into this province, rather than shipping wheat out and getting macaroni and other pasta products in? How can he justify the cuts to the research and development?

Hon. Harry Enns (Minister of Agriculture): I refute that this government has in any way reduced monies going toward any and all opportunities as value-added. In fact, we have found new agencies of the government. Our Economic Committee of Cabinet works toward that end. We have continued to support the Portage la Prairie institute. We have a number of institutions. It is simply not necessarily housed in the traditional place where it was housed within the Department of Agriculture.

But, Mr. Speaker, allow me to take this one opportunity. You want to talk about value-added, then let us look at our potato industry where we have 600 to 700 people who work in Carberry. We could do with a little bit of reasonable support allowing for the responsible and prudent use of water when it comes to irrigation to ensure that we have that kind of value-added production taking place on the farms of Manitoba.

Francophone Schools Governance Federal Funding

Mr. John Plohman (Dauphin): Mr. Speaker, I have a question for the Education minister.

Last year, this government introduced the new Francophone School Division pursuant to the Supreme Court decision that came down in the last year. At that time, the government indicated it would be receiving a substantial amount of money from the federal government, some \$112 million I believe it was, to implement the Supreme Court decision that was divided amongst all the provinces, part of the \$112 million.

I want to ask the Minister of Education whether he can indicate whether this present federal government is still committed to providing those dollars to the provinces to implement this decision and what amount it would be for Manitoba and how much we will be receiving this year.

Hon. Clayton Manness (Minister of Education and Training): Mr. Speaker, the question is a fair one and certainly I say to the member that the federal government says they are still committed to the policy that was announced by the former PC administration in Ottawa.

The \$112 million and what share should appropriately be directed toward the Province of Manitoba is, I guess I would use the words "in dispute," and at this particular point in time there is not an agreement acceptable to the Province of Manitoba as to what rightful share it should have with that \$112 million.

Mr. Plohman: So, Mr. Speaker, I understand the minister is saying that we have no commitment as to the amount as yet.

Compensation

Mr. John Plohman (Dauphin): I would like to ask the minister as well whether he supports the policy that we had put forward last year in raising questions on this issue in the House at the time that the legislation was introduced that no existing students in existing school divisions would be negatively impacted by the establishment of the

new division and that if they were, there would be compensation for those school divisions.

Has the minister accepted that policy and that principle in introducing the Francophone School Division in Manitoba, and if so, can he indicate so today?

Hon. Clayton Manness (Minister of Education and Training): Mr. Speaker, there are many, many questions posed within the single question posed by the member.

I would say to him that the statement made by my predecessor at that point in time still stands. Nevertheless, when there are changes made—certainly when there are students moving from a provider of the existing division to the new school division, No. 49—we have put into place some money this year with respect to general funding to try and alleviate some of the impact of the change to the existing division. With regard, though, to the changes and ultimately whether or not there is equity of funding, Mr. Speaker, we certainly believe there is equity of funding in place today.

Arbitration—Notre Dame de Lourdes

Mr. John Plohman (Dauphin): Mr. Speaker, my final question to the minister: Can he indicate whether pursuant to Bill 34 he has appointed or taken any action with regard to the dispute over schools in the Notre Dame de Lourdes area, whether in fact an arbitrator or a committee has been appointed to deal with this issue? If so, is there a report that has been brought forward to the minister?

* (1420)

Hon. Clayton Manness (Minister of Education and Training): Mr. Speaker, the member is well aware this is a most sensitive issue. With respect to the ownership of schools per the registration vote that was conducted on behalf of the government and the whole process by former Chief Justice Monnin, we are living within the spirit and indeed the intent of Bill 34 that was brought down.

I would remind the member that the government of Manitoba has no discretion with respect to the transfer of buildings of actual schools. Mr.

Speaker, outside of that, we are using whatever powers we have to try and bring to bear some orderly solution to this difference of views.

Mr. Speaker: Time for Oral Questions has expired.

Introduction of Guests

Mr. Speaker: Prior to my giving a ruling today, I would like to draw the attention of honourable members to the loge to my right, where we have a very good friend of all of us, Mr. Dave Blake, the former member for Minnedosa. On behalf of all honourable members I would like to welcome you here this afternoon, sir.

Speaker's Ruling

Matter of Privilege—Provincial Judges

Mr. Speaker: During Question Period on April 27, 1994, the honourable member for St. Johns (Mr. Mackintosh) rose on a matter of privilege and moved that the issue of a judicial compensation package now offered to provincial court judges for the purposes of retirement and the government's apparent failure to comply with Section 11.1 of The Provincial Court Act, thereby obstructing and interfering with the duties of members of the Assembly, be referred to the Standing Committee on Privileges and Elections. After receiving advice from members of the House, for which I thank them, I took the matter under advisement.

The honourable member fulfilled the first condition of privilege by raising the matter at the first available opportunity. As to the second condition, that of establishing a prima facie case, I am ruling that this is not a matter of privilege.

As there is no Manitoba precedent for this issue, I looked to other authorities. Joseph Maingot, the Canadian author, at page 153 in his book *Parliamentary Privilege in Canada*, quoting from a 1980 ruling of House of Commons Speaker Jeanne Sauvé states, and I quote: The Chair is in no position to interpret either the law or the Constitution. Whether something which takes place in this House is constitutional or legal is not for the Chair to decide. The Chair only decides whether we are following our own rules.

Speaker Sauve went on to say: That is spelled out in the standing orders which read, the Speaker shall preserve order and decorum and shall decide questions of order. That is the scope of my responsibility.

I would point out that our Manitoba subrule 5(1) is virtually identical to that cited by the House of Commons Speaker.

The honourable member for St. Johns (Mr. Mackintosh) alleged in his matter of privilege that the government was not complying with the law. Whether or not a law has been broken is for the courts, not the Speaker, to decide. In this regard, I refer to Beauchesne Citation 31(9). This citation is based on another ruling of Speaker Jeanne Sauve made in 1981. At that time, when a matter of privilege was raised about a requirement in a statute she said, and I quote: It is quite clear there is no question of privilege. I remind the honourable member that failure to comply with the law is not a matter for the Speaker to determine, but rather should be decided by the courts.

Also, Beauchesne Citation 168(5) is very clear. It reads: "The Speaker will not give a decision upon a constitutional question nor decide a question of law, though the same may be raised on a point of order or privilege."

Therefore, I find no prima facie case evidence of a matter of privilege and am ruling the honourable member's motion out of order. Having done so, the honourable member is certainly entitled to raise the matter in some other way. For example, it could be dealt with as a substantive motion by a private member.

MATTER OF URGENT PUBLIC IMPORTANCE

Sugar Beet Industry

Mr. Paul Edwards (Leader of the Second Opposition): Mr. Speaker, under Rule 27(1), I would like to move a motion requesting a debate on a matter of urgent public importance.

I move, seconded by the member for Inkster (Mr. Lamoureux), that under Rule 27, the ordinary business of the House be set aside to discuss a

matter of urgent public importance; namely, the crisis in Manitoba's sugar beet industry.

Mr. Speaker: Order, please. Before recognizing the honourable Leader of the second opposition party, I believe I should remind all members that under our Rule 27(2), the mover of a motion on a matter of urgent public importance and one member of each of the other parties in the House is allowed not more than five minutes to explain the urgency of debating this matter immediately.

Mr. Edwards: Mr. Speaker, I detect from the early response of members around me that they are sensitive about this issue. I ask them to simply allow some period of time that is allowed to make the case.

Firstly, under that rule, obviously the public interest must be best served by debating it today and, secondly, there is no ordinary opportunity which will allow the matter to be brought on early enough. Mr. Speaker, I believe both of these criteria are met in this case.

Clearly we heard from the Minister of Labour (Mr. Praznik) earlier today and again in the House today that the only thing which has stopped an outright crisis so far has been the weather. Obviously, we cannot count on that to continue. He raises the urgency himself. I think we all understand that. Secondly, negotiations are, by all accounts, at a critical stage, if not very close to completion; we, of course, hope successfully.

The issue that is raised that I wish to raise as a consideration today is the issue of what the contingency plan is. To suggest that is going to have any effect, let alone an adverse effect, on current negotiations, is absolutely ludicrous. In fact, it is irresponsible for the members of this House to suggest—or to not contemplate what a contingency plan will be.

I remind the minister and I remind members of this House that this government has stepped into a number of situations far before a crisis is reached, including a recent set of negotiations involving Abitibi-Price in the member's own riding before final crisis had been reached by the parties.

Mr. Speaker, the government is not a party to the negotiations, but the government is very definitely and should be an interested party in preserving these jobs and this industry in this province. We cannot sit back and wait for this crisis not only to come to fruition but to result in the loss of a \$100 million industry with all the spinoffs in this province. We must start now.

What was clear from the answers brought forward by the Minister of Labour was that he has not developed a contingency plan. He did not have to go into the details. What was simply asked was for him to put on the record that there would be further government involvement to ensure that the industry stayed. Secondly, what is clear from his remarks is that he has no intention of moving into that stage in the event that negotiations fail.

Mr. Speaker, I also raised with the minister whether it is the only possibility of a solution to this in the event that things do not work out. I am not saying that. What I have put forward is a specific suggestion that the minister immediately sit down with the board of the Crocus Investment Fund. That is one opportunity, one alternative that I have put forward.

With respect to the comments that that would not be appropriate, Mr. Speaker, I remind all members of the specific indication in the prospectus, which sets out at Section 3.03(3) the specific restrictions on investments to the Crocus Fund. Clearly an investment in this operation, were it desirable by the parties involved, would not be restricted under the prospectus of the Crocus Fund, which is dated December 17, 1993.

I also refer members to 3.03(4). I want to just put on the record one of the primary purposes of that fund, which is that the fund will also attempt to make investments that promote employee ownership opportunities where other sources of equity or debt financing are available to create a greater degree of employee ownership than would be created by the fund's investment alone.

*(1430)

Mr. Speaker, this is a primary goal of this fund. I recognize what the Premier (Mr. Filmon) says,

which is that time is very short, people want to plant quickly. What I am asking the minister to do is to immediately explore those opportunities. Today is the day. We need to have that discussion and that debate now. Again, this, far from prejudicing these negotiations, simply puts into place an opportunity to explore what alternatives will be there in the event that they fail. Perhaps there are none, but what we have to do as legislators is leave no stone unturned and today is the day to start that process. Thank you.

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, I will be exercising the right to speak on behalf of the government on this particular issue. There is no doubt that there is an urgency to this particular matter, nor that there are not other opportunities today to debate this. There certainly are not others.

I want to say to members opposite—and I am very certain that members of the New Democratic Party will appreciate and understand what is happening here; I have no doubt of that. But I want to say this to the Leader of the Liberal Party and I am being very sincere in what I say to him. I know from time to time it is easy in these opportunities to speak to MUPs, to get into debating the issue and putting positions on the line, but we are at an extremely critical point this afternoon, the last critical point.

Mr. Speaker, this morning I had opportunity to call both sides to this dispute into this building, as I indicated in Question Period. I laid out for them what options were available to them to settle this. What is absolutely critical—and I cannot stress this enough to the Leader of the Liberal Party and I do recognize that there are larger issues about the sugar industry that he wants to get into. I do fully appreciate his desire to have that public debate, and I certainly respect that.

But what is absolutely critical to these discussions today is that the parties who have to make some decisions internally know fully that they have reached the precipice. My great fear about getting into this debate this afternoon, and I say this as Labour minister and someone who has been at the table with both of them this morning,

who is in contact with the mediator, is that anything that gives some sense of a false hope, quite frankly, that there is a solution that will delay people coming to the realization that they have reached the precipice, will put this situation where it could delay a resolution, any possible resolution this afternoon.

I tell the honourable member most sincerely—I know he is getting and pointing and speaking from his seat—that if we do not have a resolution to this dispute in the next few hours, quite frankly, the seeders of this province that put in the beets will be out in the field seeding other crops, and this issue will be totally irrelevant.

Mr. Speaker, if I could, just for a moment, plead with the member for St. James, surely this is one of those rare moments in this House where what is required is some sense that—

Mr. Speaker: Order, please. I would like to remind the honourable minister it is not the member for St. James who will decide whether or not this is a matter of urgent public importance. I would ask the honourable minister to address his remarks to the Chair.

Mr. Praznik: Mr. Speaker, what I say to the Chair very clearly is there is no doubt that there is an important public interest in this issue and that today is a very critical time.

I ask, through the Chair, that the Leader of the Liberal Party would reconsider putting this motion forward on the grounds of the greater interest of seeing a resolution to this dispute, rather than anyone making political hay on what could be a very serious loss to the province and the workers involved.

I ask, Sir, through your Chair, if the Leader of the Liberal Party would please, appreciating the sensitivity and what is at risk for so many Manitobans here, that in the interest of allowing the parties to reach an agreement this afternoon, he withdraw his motion for a debate.

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, I want to indicate that in raising issues before this House, I think all of us have an obligation to raise them with discretion. Today,

obviously, the situation at the Manitoba Sugar industry is very much on everyone's mind.

We had a discussion ourselves. I am not giving away any caucus confidence, Mr. Speaker, but our decision today was not to raise the matter in Question Period because of the sensitivity of the negotiations. Indeed, I would go further to suggest that there be an even greater obligation when it comes to raising this very sensitive issue in the form of this particular motion. If this particular motion is to be put to the House and to be adopted by the House, we will then spend the rest of the day not debating Health Estimates or Rural Development or drug patent law later today but debating what is a very, very sensitive situation.

I believe—and while we do not agree entirely with the government's position in terms of the sugar beet industry, the need for a long plan, et cetera, I certainly share the comments put forward by the Minister of Labour (Mr. Praznik) speaking on this particular issue.

The fact is unless a resolution is reached between the parties, we are into some very uncharted waters within probably a space of 24 hours. I do not want to even comment further on the potential implications because even that, I think, is very much dealing with a sensitive situation.

I believe the appropriate thing in terms of the Liberal Party—they have raised the issue. I consider that to have been somewhat inadvisable and inappropriate, Mr. Speaker, and I could comment on the ironies of the Liberal Party raising this issue, given the fact they were instrumental in voting out final offer selection which would have provided a mechanism for all parties to resolve this particular dispute. I could get into a lengthy debate in terms of the position of the Liberal Party on labour issues, but I will not, and I will ask that we deal with this matter fairly quickly.

Our position is that it would be absolutely inappropriate, given the sensitivity of the negotiations right now, to even discuss this any further than the comments we are putting on the record. We would hope that this matter would not

be put forward to the House, and we will accept the responsible, appropriate course, which is not in any way, shape or form to do anything that might affect the very sensitive negotiations.

Mr. Speaker: I would like to thank all honourable members for their advice as to whether the motion proposed by the honourable member for St. James (Mr. Edwards) should be debated today.

I did receive the notice required under our subrule 27.(1). According to Rule 27 and Beauchesne's Citations 389 and 390, there are two conditions which must be met in order for a matter of urgent public importance to be proceeded with. They are: a) the subject matter must be so pressing that the ordinary opportunities for debate will not allow it to be brought on early enough; and b) it must be shown that the public interest will suffer if the matter is not given immediate attention.

I acknowledge that the subject of the honourable member's motion is an important one, but I am not convinced that the public interest will suffer if it is not debated today.

There are, in my opinion, other opportunities for the honourable member to debate this issue. The Estimates of the Department of Industry, Trade and Tourism will be under consideration shortly in the committee room, perhaps as early as today. Other opportunities to debate this issue could arise during the consideration of the Estimates of the Department of Agriculture and the Department of Labour. In addition, I note that the honourable member for St. James could also raise this matter under a grievance, as he has not used that opportunity for debate in this session.

Therefore, I am ruling that the honourable member's motion does not meet the criteria set out in our rules and practices. The honourable member's motion is out of order as a matter of urgent public importance.

* (1440)

Voice Vote

Mr. Kevin Lamoureux (Second Opposition House Leader): Mr. Speaker, I would challenge the ruling.

Mr. Speaker: Order, please. The question before the House is that the ruling of the Chair having been challenged, all those in favour of that motion, please say yea.

Some Honourable Members: Yea.

Mr. Speaker: All those in favour of sustaining the ruling of the Chair—

An Honourable Member: Yea.

Mr. Speaker: Okay, we will do it that way. That is better. That will not hurt anybody. So the question before the House is shall the ruling of the Chair be sustained?

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

Some Honourable Members: Yea.

Mr. Speaker: All those opposed, please say nay.

Some Honourable Members: Nay.

Mr. Speaker: That is better. The Nays have it.

Formal Vote

Mr. Lamoureux (Second Opposition House Leader): Mr. Speaker, Yeas and Nays.

Mr. Speaker: A recorded vote having been requested, call in the members.

Division

A RECORDED VOTE was taken, the result being as follows:

Yeas

Ashton, Barrett, Chomiak, Cummings, Dacquay, Derkach, Dewar, Doer, Downey, Driedger, Ducharme, Enns, Ernst, Evans (Brandon East), Evans (Interlake), Filmon, Findlay, Friesen, Gilleshammer, Helwer, Hickes, Lathlin, Laurendeau, Mackintosh, Maloway, Manness, Martindale, McAlpine, McCrae, McIntosh, Mitchelson, Orchard, Pallister, Penner, Plohman, Praznik, Reid, Reimer, Render, Robinson, Rose, Santos, Schellenberg, Stefanson, Storie, Sveinson, Vodrey.

Nays

Edwards, Gaudry, Gray, Kowalski, Lamoureux, McCormick.

Mr. Clerk (William Remnant): Yeas 47, Nays 6.

Mr. Speaker: The ruling of the Chair has been sustained.

* (1500)

ORDERS OF THE DAY

Hon. Jim Ernst (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Family Services (Mrs. Mitchelson), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Departments of Rural Development, and Industry, Trade and Tourism; and the honourable member for Seine River (Mrs. Dacquay) in the Chair for the Department of Health.

COMMITTEE OF SUPPLY (Concurrent Sections)

RURAL DEVELOPMENT

The Acting Deputy Chairperson (Mr. Reimer): Order, please. Will the Committee of Supply please come to order. This afternoon the section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Rural Development. When the committee last sat it had been considering item 13.7(b)(1) on page 138 of the Estimates book.

Item 13.7(b)(1) Salaries and Employee Benefits \$173,000—pass; item 13.7(b)(2) Other Expenditures \$52,100—pass. I am sorry, the Member for Lakeside, Interlake, I am sorry.

Mr. Clif Evans (Interlake): Thank you, Mr. Acting Deputy Chairperson. You have muffled that up good.

An Honourable Member: Order, please. That is a reflection of the minister.

Mr. Clif Evans: I certainly do apologize if the Acting Deputy Chairperson took that in any other way than I meant it.

I have here a letter dated June of 1993 from a Hugh Brown, community planner, I believe out of Selkirk, and it is Rural Development. It is to Ms. Jean Clearwater, who is the chairperson of the Grahamdale Development Corporation. It is with respect to the REDI Infrastructure Development program, Steeprock Marina expansion.

I can table the letter. It is almost a year ago, but I was contacted by Ms. Clearwater just a few weeks ago with a package on their development. I guess in her cover letter, if I can just read from it: We have applied to the provincial REDI program in 1992. They would entertain the idea of funding the moving of the entrance but not the marina. We stressed to them at that time that without the marina there was no point in moving the roadway. We felt that the marina did come under their infrastructure program, but unfortunately, it was not looked at favourably.

Since then they have applied to the Manitoba Environment to change their position on one roadway and doing it another way. My question is: how, if in any way, can Rural Development, under the infrastructure program, get involved with the Grahamdale Development Corporation, and what should they do?

* (1510)

Hon. Leonard Derkach (Minister of Rural Development): Our development offices around the province are always prepared to assist individuals like this particular one to try and work out problems if they can. I would suggest that perhaps this individual come in contact with our regional office and lay out the problems and then we would certainly be prepared to examine what it is that the situation is, and then approach the appropriate departments or individuals to try and work the matter through.

Now, I am not familiar with that individual's details, but if the member would like to share them with us, we would certainly be prepared to take whatever action we can. I cannot be more specific than that at this time because I do not know the specific details of the situation.

Mr. Clif Evans: Yes, I will. Actually, I will copy what I have received, and I am sure the department somewhere might have most of this. I will certainly do that and have it to the minister on Monday.

I am not sure whether it is the matter of the 50-50 funding that they do not have available, but I think the question is, they are looking for a way and a means to be able to find a way and means to be able to continue with this project so that they can also work on establishing the marina in the area. So I have just been asked to discuss it with you and see how we can approach it.

Mr. Derkach: Mr. Acting Deputy Chairperson, this letter from Mr. Brown, the Community Planner, indicates that the applicants should proceed by completing the attached application and submitting it to the office. It indicates what is necessary in the application, and then if there are questions with respect to the filling out of the application, the individuals should contact the office.

My understanding is that is where the project is at right now, and that once the individual approaches our office, we will certainly be prepared to work with them.

Mr. Clif Evans: I will pass that on to Ms. Clearwater and to the development corporation that is in charge of it. I am sure that we will be hearing from the Minister of Environment as to whether their application for the new roadway is accepted and then proceed from there. What I am looking for is opening the door to continue this.

The Acting Deputy Chairperson (Mr. Reimer): Item 13.7.(b)(3) Programs \$6,959,100—pass; 7.(c) Special Projects \$2,000,000—pass.

Item 13.7.(d) Unconditional Grants—Rural Community Development \$4,000,000.

Mr. Clif Evans: This could probably have waited for the Minister's Salary, but I would like to deal with it.

On May 2, our Leader brought to the attention of the Premier a situation with Mr. Rolla—the Rolla family—I have dealt with it, and I know that I have made many, many inquiries on this and have

spoken to the minister's department, the environmental department. I would just like to see if we can do something with this. If I might just quote from the Executive Council's Estimates, the Premier's words: I want to assure the member that the Department of Rural Development continues to deal with Mr. Rolla and to pursue this issue in terms of the municipal responsibility. It has not been dropped, and we will attempt to try to resolve it through whatever authority we have at our disposal.

The minister's department was made aware of this when I was called by Mr. Rolla a year ago September. I guess it is a struggle between his situation, his family situation and the local municipality, and it just seems there is no where and no way that this family has to go. They are looking to government, some department. They have gone to the Premier with it, and the Premier's department has talked to them, to the family; we have. I would really like to hear or to be able to pass on to Mr. Rolla just where the Department of Rural Development is taking this, how far they are taking it, and just what their attempt is at resolving this matter, what they are doing with it.

Mr. Derkach: Mr. Acting Deputy Chairperson, just for the record. I hope we are talking about the same individual. The individual we have been in contact with is Mr. Merv Rolla. The matter is one which came to our attention about a year or more ago and has been dealt with since that time. The Disaster Assistance Board has certainly been, in my estimation, been very fair with Mr. Rolla and has probably gone further than would be the norm, if you like, in his particular situation. There does not seem to be any satisfaction by Mr. Rolla in terms of what action has been taken, but basically this is a municipal matter at this time and one that has to be resolved by the municipality.

Our department is very open in talking to Mr. Rolla. I can tell the member that staff from my own office have been on the telephone with Mr. Rolla for not 10 or 15 minutes a day but indeed for hours at a time on a daily basis. It just does not seem that we can satisfy Mr. Rolla's concerns. I can tell you that through the Disaster Board, I believe Mr.

Rolla received—the Disaster Assistance Board has paid something in the neighbourhood of \$50,000 to improve drainage around Mr. Rolla's property, and certainly, I believe, that has been more than fair considering the impact of damages that were caused by weather conditions.

Now, there are greater problems there than just what occurred in that particular incident. It goes back, and also it has a great deal to do with the municipality and Mr. Rolla, so I think we have probably gone as far as we can. Certainly we are not closing the door. We will continue to leave our doors open to Mr. Rolla to contact our office, but I think that basically we have treated this individual very fairly. We have been in contact with the municipality to try and address the situation as well, and I think the municipality probably has the same view that we do in that they have tried to address the concerns as best they can.

(Mr. Marcel Laurendeau, Deputy Chairperson, in the Chair)

Mr. Clif Evans: Just reiterating Mr. Doer's words and, of course, the reply from the Premier on this, given that under the provincial Planning Act—and it is an act of this Legislature—municipalities are constitutional creatures of the provincial government, that there is some follow-up from both the Premier's senior staff and the minister or the minister's staff, so that the municipality knows that we just do not let citizens get potentially treated this way without—about the concern and fairness in dealing with a matter such as this. Is there really nothing that can be done in discussions with the municipality, with Mr. Rolla or with the department?

Mr. Derkach: Mr. Deputy Chairperson, I guess we cannot say that nothing has been done. Indeed, a tremendous amount of staff time and effort, both I think at the municipal and the departmental level, has been expended on this particular situation, including staff time from the Disaster Assistance Board. I believe that the Disaster Assistance Board was very generous in their award to Mr. Rolla and in trying to correct some of the problem, but I believe that the problem is deeper than just simply a natural weather kind of situation that has caused

him problems. I think the problems are ones which probably should have been taken care of before Mr. Rolla proceeded with the construction of his home there.

* (1520)

Nevertheless, we have tried to address them; we have tried to be as open as we can. As a matter of fact, my deputy minister was in touch with the municipality today on the issue, so I have to say that staff from my department and also, I think, the municipality have really been sincere in trying to address this particular problem.

Mr. Deputy Chairperson: Item 7.(d) Unconditional Grants—Rural Community Development \$4,000,000.

Mr. Clif Evans: On the infrastructure section of the REDI program, can the minister just explain what falls under the infrastructure program as far as the initiatives or the programs that are available? What falls under that category that people can apply for and under?

Mr. Derkach: A clarification. Is the member talking about the federal-provincial infrastructure program?

Mr. Clif Evans: No, the REDI program itself.

Mr. Derkach: Mr. Deputy Chairperson, the infrastructure program under the REDI umbrella, if you like, is one which was established to assist municipalities or communities, or businesses within communities, to improve water, sewer and energy services, transportation access, waste disposal facilities and telecommunications which might assist in the infrastructure works to an existing or expanding business, or a new business that is developing in a particular community.

Our department, under the REDI umbrella, has a component called infrastructure where we can give to a municipality or component of a project an amount of money which would not exceed \$100,000 within one municipality, but if there were two municipalities that wanted to go jointly on a particular infrastructure project, they could access up to \$500,000 on a sharing basis in that we would pay 50 percent, up to \$500,000, and they would pay 50 percent, up to \$500,000.

So that is the type of infrastructure program that is available under the REDI program. We have had to date 10 projects under the infrastructure component which have been approved, and I think the total is something close to \$500,000 so far.

Mr. Clif Evans: Could he explain transportation access, meaning a roadway, or exactly what is meant by transportation access?

Mr. Derkach: Transportation access would mean either an approach into a property, perhaps a driveway that would be into the particular plant. It is an access which would allow transportation into the particular business or plant.

Mr. Clif Evans: And that business could be a private business, commercial one, a mall?

Mr. Derkach: The program has to be tied to business development of some kind, a business development project. In other words, it cannot be an existing industrial park, and the town council comes to us and says, we would like to put a new road into our existing industrial park. This is more a program that is designed to give access to a business that is expanding, or a new business that is locating in an area. So it is not to maintain existing roadways and roads to industrial parks and that sort of thing.

Mr. Clif Evans: But it would not categorize under a private individual wanting to perhaps expand his business, or having the potential to expand his business, and going to the local municipality and asking for the supports through the REDI program to have a road access to, let us say, to his parking lot as a commercial parking lot.

Mr. Derkach: Mr. Deputy Chairperson, if it is an access road to a business that is expanding, then it would qualify. I give the example of the Monsanto plant in Morden where we assisted the municipality in building an access road into the plant. So whether it is a new plant or an expansion of a plant, those kinds of projects would qualify under the infrastructure program.

Mr. Clif Evans: Under that program, would a parking lot be considered part of that infrastructure?

Mr. Derkach: Mr. Deputy Chairperson, we do not like to support parking lots because parking lots, in many cases, are used jointly by perhaps service industries, by others, whether it is service businesses such as grocery stores, clothing stores, etc., and a business may be locating in a mall within that area and may want to improve the parking lot. That is very difficult for us to support. I would not categorically reject every application that comes for that kind of infrastructure, but we would examine that on a case-by-case basis very carefully to ensure that kind of infrastructure is specifically designed for that business and not for a group of businesses within a mall or within a square.

Mr. Deputy Chairperson: Shall the item pass? The item is accordingly passed.

Resolution 13.7: RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,006,100 for Rural Development for the fiscal year ending the 31st day of March, 1995.

The last item to be considered for the Estimates of the Department of Rural Development is item 1.(a) Minister's Salary. At this point we request that the minister's staff leave the table for the consideration of this item.

Mr. Derkach: Mr. Deputy Chairperson, before we consider this particular item, I would just like to put some concluding remarks on the record. First of all, I would like to thank my staff—my deputy minister and all my staff—for the excellent work they have done throughout the year, not only in preparing these Estimates, but indeed in carrying out the many programs that we have embarked on. I think it is through the excellent efforts of staff within my department that we have been able to deliver some excellent programs in rural Manitoba.

By and large, I feel that municipalities throughout Manitoba, communities in rural Manitoba are generally pleased with some of the programs that have been developed. They have been developed with input from the communities with the grassroots, if you like, input, and indeed I think staff have been very responsive. There are a

couple of areas that staff in my department have been very active in. One is in the Grow Bonds and the REDI program. There is a new area that is emerging in the whole area of telecommunications and call centres on which staff from my department are working very aggressively with communities. Our economic development officers are out there trying to make sure that the community is revitalized in every way, shape and form.

Mr. Deputy Chairperson, I would like to just conclude by thanking my staff for doing a very excellent job in the Department of Rural Development.

I would also like to thank my critics who have taken a very mature approach to this particular department and have dealt with issues specifically, and we have not strayed too far from dealing with the important issues that concern rural Manitoba. Thank you very much.

Mr. Neil Gaudry (St. Boniface): I would like to just add to the comments of the minister, to say thank you to the staff also. I know I have a few other questions, but I will deal with them with the minister at a later date. Again, thank you to the staff for the support that they give to the critics and thank you to the minister also.

* (1530)

Mr. Cliff Evans: Also, in conclusion—and I have done this I do not know how many times as far as the minister's staff goes; it will probably be the third time—I thank them also for their time and effort during Estimates and also in dealing with me on matters. When I come to them with a problem, I am treated very well by them. As far as Rural Development goes, I know that we will be keeping an eye on the department. It is very important to me and, I know, to our side, and I would like to see more of the youth involvement that we have seen in Brandon. Perhaps there is something further that can be put together that we can have the youth in rural Manitoba work alongside Rural Development. So those are my closing comments.

Mr. Deputy Chairperson: I thank the committee for an enjoyable day.

We will now deal with line 1.(a) Minister's Salary \$20,600—pass.

Resolution 13.1: RESOLVED that there be granted to Her Majesty a sum not exceeding \$1,219,400 for Rural Development for the fiscal year ending the 31st day of March, 1995.

That concludes the Department of Rural Development. We will now be moving on to the Department of Industry Trade and Tourism.

Would the committee like to take a five-minute recess to allow the critics an opportunity? Five minutes. We are in recess.

The committee recessed at 3:32 p.m.

After Recess

The committee resumed at 3:38 p.m.

INDUSTRY, TRADE AND TOURISM

Mr. Deputy Chairperson (Marcel Laurendeau): The Committee of Supply, please come to order. This section of the Committee of Supply will be considering the Estimates of the Department of Industry, Trade and Tourism.

Does the Minister of Industry, Trade and Tourism have an opening statement?

Hon. James Downey (Minister of Industry, Trade and Tourism): Yes, Mr. Deputy Chair. I want to just ask the Liberal opposition if it would be possible to try and do Estimates tomorrow afternoon as I have an internal trade ministers' meeting on Monday and Tuesday, which I am co-chairing, with all the ministers across Canada and the federal government. If we could accommodate trying to conclude the Estimates, it would allow me the opportunity Monday to carry out that responsibility—if we could possibly do it tomorrow afternoon, do the Estimates tomorrow afternoon, and this evening if that would help. I spoke to the New Democratic critic who said he has a commitment later on in the week which is difficult for him to extend it. So I just wonder if it would be possible, the Member for St. Boniface (Mr. Gaudry)—

Mr. Deputy Chairperson: Order, please. I would like to advise the honourable minister that we

would have to get the leave from the House to decide whether we are going to sit. So, if the House leaders could get together this afternoon before six o'clock, because it has to be announced in the House before six. So, if you want to come to some type of informal arrangement, that is fine, and the House can advise me of how we are going to handle the committee later than that.

Mr. Neil Gaudry (St. Boniface): In other words, you would want to sit this evening and tomorrow afternoon, but your Leader is saying the Member for Flin Flon (Mr. Storie) cannot sit tonight. Is that it?

Mr. Jerry Storie (Flin Flon): I can sit tonight.

Mr. Gaudry: Oh, okay. I will find out, because I cannot personally.

Mr. Storie: You cannot?

Mr. Gaudry: Well, I am not the critic.

* (1540)

Mr. Deputy Chairperson: Let us not get all the informal discussion on the record. I think we can allow our House leaders to have that discussion. At this time, we will get the committee rolling, and if we can inform the House leaders to do the negotiating, possibly carry on and have this meeting go.

The honourable minister, with his opening statement, please.

Mr. Downey: Thank you, Mr. Deputy Chairperson. I will try and move through it fairly quickly so we can get on with some of the questions that the members may have.

Mr. Deputy Chairperson, I am pleased to have this opportunity to present the 1994-95 fiscal year spending Estimates for the Department of Industry, Trade and Tourism to the Committee of Supply of the Legislative Assembly of Manitoba. As you know, the challenge of economic development in this province changes only in the detail from year to year. The broad strategy of this government and this department remains essentially the same as it has been for the past six years. In that time, this government has worked to turn Manitoba around from an uncompetitive tax

and fiscal structure and make Manitoba an attractive place in which to live and invest, to steer the province through a difficult recession without sacrificing essential services and position our province to prosper in a new globally oriented economy.

As we head into another fiscal year, the state of our provincial economy is looking better than it has for some time. For example, our total employment in 1993 averaged 490,000 or 6,000 higher than in 1992. In 1993, our job growth rate was 1.2 percent, the third highest in Canada.

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

Statistics Canada says those 6,000 new jobs were all in the private sector, and 5,000 of these jobs, or 83 percent of the total, were full-time positions. This was much better than the national performance where only 40 percent of the 1993 job growth was in full-time positions.

The Manitoba growth rate for full-time jobs last year was 1.3 percent, the second best in Canada and more than twice the national gain of 0.6 percent.

For 1994 our job prospects are even brighter. The Canada-Manitoba Infrastructure Works Agreement is expected to create thousands of new jobs in Manitoba over the next two years. In the past few weeks, the agreement has generated nearly \$140-million worth of projects, which are expected to create at least 2,400 new jobs direct.

That is just the beginning. More than \$60 million of infrastructure funding is yet to be allocated. These infrastructure projects will act as an immediate stimulus to the Manitoba economy, creating hundreds of jobs almost instantly. We expect a major boost to Manitoba's retail and service sectors as well from the anticipated increase in consumer spending.

As well, predictions from improved growth rates and capital investment, a significant drop in the number of bankruptcies last year, and an unemployment rate that is amongst the lowest in the country all bode well for the future.

In the fiscal year 1994-95, we are predicting steady growth with employment, personal income and government revenues below pre-recession levels for some time to come.

As a government, we believe our primary responsibility is to create a stable and positive fiscal environment in which all Manitobans can prosper. The greatest contribution we can make in this area is a balanced budget. As the Minister of Finance (Mr. Stefanson) stated in our recent budget, we are on track to achieve that by fiscal year 1996-97. Our government is actually aiming for a budget surplus of \$150 million by 1997-98. For 1994-95, we are projecting a deficit of \$296 million, which represents \$165 million or nearly 36 percent decline from the deficit forecast for fiscal '93-94.

Clearly, we are winning the war against government debt. Moreover, we have now held the line on major taxes in our past seven budgets, and we continue to seek ways to decrease the tax burden, particularly on smaller businesses and firms in certain strategic sectors.

Manitoba Industry, Trade and Tourism sees its role as a facilitator and catalyst for economic growth and sustainable development. More specifically, all our programs are aimed at advancing our broad role and mission which can be set out in the following eight points:

First, we must foster the conditions necessary for creating, retaining, expanding and recruiting business enterprise and jobs that go along with it. We must encourage an entrepreneurial and innovative economic climate through partnership with the private sector, labour, research and educational institutions, communities and other agencies of all government at all levels. We must identify and encourage business to capitalize on Manitoba's comparative economic advantages and resource strengths. We must help business gain access to investment capital. We must encourage the development and commercial application of advanced technologies. We must foster the overall growth and diversification of domestic and international trade. We must market Manitoba as a unique tourist destination and help companies and

communities develop world-class tourism attractions. Finally, we must provide a variety of accessible and useful business information and advisory services.

Let me turn now to some of the initiatives our department has been pursuing and will continue to pursue in the year ahead. First is the critical issue of investment capital. Capital is the engine of business growth and of job creation, ultimately the very basis of our prosperity of our province and of our quality of life. Without adequate financing, businesses are limited to their ability to upgrade technology, develop new products and services, and pursue new markets—in a word, to be competitive. However, with the dynamic capital market and a strong base of entrepreneurs, promising ideas can be transformed into commercial products and successful enterprises, thus improving access to capital remains a high priority for our government.

Recently our government set up a 13-member task force on capital markets to better understand investment markets in this province and address related concerns. The task force is looking especially at ways to increase access to capital for small- and medium-sized businesses. It is expected to report later this spring and recommend several courses of action for developing the local capital market in Manitoba.

This year the department's budget includes \$200,000 for the introduction of the small business expansion fund. This fund, which will comprise contributions from government, financial institutions and businesses themselves, will aim to reduce the risk of lending to small- and medium-sized companies. This new fund builds on the success of the department's Business Start program, a loan guarantee program that has helped create hundreds of new businesses and jobs since its inception in 1990.

Our 1994-95 Estimates include an additional \$200,000 that will enable our staff, in partnership with Manitoba Culture, Heritage and Citizenship, to plan a wide range of activities and festivities to celebrate Manitoba's 125th birthday in 1995. The tourism initiative plans to capitalize on this

occasion using it as a primary theme in its 1995 promotional strategy.

We expect to welcome home many former Manitobans, and I encourage each of you to plan to welcome your friends and family home in 1995.

Thirdly, recognizing the importance of advanced technology and innovation to our economy, the department's support for Manitoba Centres of Excellence research at the University of Manitoba will continue. Our 1994-95 Estimates include an additional \$200,000 for this purpose. We certainly hope the Centres of Excellence research will complement and support the department's ongoing effort to foster the development and early commercialization of health care products and of course the work of the Economic Innovation and Technology Council to promote advanced manufacturing technologies.

Another issue of great concern to our department is interprovincial barriers to trade. As a trading economy that exports almost half of what we produce and that sells most of our exports to other provinces, Manitoba depends on gaining access to other provinces as well as other nations.

While we are generally encouraged with the potential now offered by the North American Free Trade Agreement, there are still hundreds of barriers within Canada that restrict the flow of goods, services, money and people between provinces. These restrictions lead to inefficient use of resources, limit industries' ability to seek economies of scale and ultimately increase both taxes and costs of consumer goods.

In December of 1992, the federal-provincial Committee of Ministers on Internal Trade began negotiations aimed at reaching a comprehensive agreement on internal trade barriers. Manitoba has been an active participant in these talks which are expected to produce an agreement by June 30, 1994.

At this time, Mr. Acting Deputy Chairperson, I would also like to recognize the work of my colleague the Minister of Finance (Mr. Stefanson), who has co-chaired the internal trade ministers' work, and thank him for his work and efforts in this

area, and look forward to carry on with some success that we hope will be able to be achieved, again, meetings that take place here on Monday and Tuesday. Hopefully we can have an agreement by the end of June.

As I mentioned earlier, our department, and indeed our government, are committed to nurturing an environment in which an entrepreneurship and innovators can flourish. To this end, the Economic Innovation and Technology Council and the Clerk of the Executive Council recently launched a joint venture to encourage entrepreneurship within government to improve the quality of client services provided by government and to eliminate duplication and overlap in how those services are provided.

* (1550)

As well, an advisory public private sector panel has been struck to review the process of setting business regulations, and I am pleased the Member for Portage la Prairie (Mr. Pallister) is chairing this committee. It will consult with business on such issues as developing a code of conduct for business regulations, pre-enactment consultation and reducing red tape, with its report expected by June 30 of this year.

In presenting the Estimates of this department in 1993, my colleague, the Honourable Eric Stefanson, explained the departmental restructuring that had recently taken place and spoke of the six strategic sectors that I, T & T is focusing its efforts on. These sectors, you will recall, are health care industries, aerospace, information and telecommunications, agri-food, environmental industries and tourism. Each sector has a strong competitive cluster of companies here in Manitoba on which to build, or represents an industry that we believe will see tremendous growth in the world economy. Moreover, most are high technology fields where innovation is key, and with innovation comes the potential for spin-off benefits from other industries.

Over the past 12 months, we have seen important developments in each of these areas. While our department certainly cannot take credit

for all of these advances, we have supported our partners in the private sector in many direct and indirect ways.

In the health care industries, biotechnology has emerged as the dominant subsector in the past year. Novopharm Biotechnology has made a strong contribution through its investment and development work in the therapies for treating brain tumours and cancer. This work employs about 20 scientists.

Other companies moving steadily ahead include Apotex Fermentation Inc., which has completed a \$17.5-million expansion of its manufacturing capacity and created 18 new jobs. Our department assisted Apotex with a \$2.2-million loan and Biovail Lifesciences, which has negotiated licensing agreements with major multinational companies and will likely be hiring more people as it begins manufacturing here. Rh Pharmaceuticals, which has also seen healthy growth in the past year, is now ready to introduce various products developed in its existing research facilities in Manitoba.

In the aerospace sector, the cancellation of the EH-101 helicopter contract was of course devastating news to Manitoba. However, other developments in North American industry have had a positive impact on our industry, and several companies, including Bristol Aerospace, Boeing Canada Technology and Standard Aero have picked up new business.

I should say, Mr. Acting Deputy Chairperson, that the cancellation of the EH-101, I believe, has caused the layoff of some over 100 engineers that were trained and educated here at the University of Manitoba and are having to find jobs in other industry-related activities here in the province, but it was very devastating to several of the companies that were relying on that contract.

Our department has been working hard to support the sector through the various partnership arrangements, organizing the Manitoba Aerospace Forum and publishing an industry capabilities brochure and company director.

In addition, our aerospace initiative staff organized a Manitoba exhibit for the Airshow Canada last August, an information booth at major shows in Britain in September and will take part in the Farnborough Airshow this fall.

Finally, we are working vigorously to foster the development of a Spaceport Canada, the proposed commercial sounding rocket and satellite launch facility at the Churchill Research Range.

Under the Information and Telecommunications Initiatives, the department has attracted six new call management centres to Manitoba in the last year, with the prospects of creating as many as a thousand new jobs. These call centre operations include AT&T, Transtec, Canada Post, CP Rail, Stentor, all of them being in Winnipeg, GWE Group Inc. in Brandon, and Central Canada Telemanagement in Russell. There are other hot prospects in the wings, which together could generate well over 2,000 jobs.

There have been several significant developments in the agrifood sector in 1993-94, including Ready Foods Ltd., which has completed a \$3.4-million capital program to build a new plant in Winnipeg and purchase new automated equipment. This project will help retain 130 existing jobs and create some 50 new positions. Our department has assisted Ready Foods with a \$500,000 loan.

Woodstone Foods has announced a \$1.6-million expansion to its Portage la Prairie pea processing plant. It is expected to add up to an additional 20 new jobs within the next year or two to its current 50 employees.

Supreme Produce is building a \$1-million minicarrot plant, which will create up to 25 new jobs.

Winkler Meats has completed a \$400,000 expansion of their meat processing plant. This will enable them to double their production of fresh and processed pork and create an additional 10 jobs.

Our department was successful at attracting Gilbert International from out of province to Arborg where they are establishing a miniquiche plant, and it should create some 15 jobs.

Keystone Grain has invested \$900,000 in resurrecting a sunflower dehulling plant in Winkler, creating some 20 jobs.

Meanwhile, the department is continuing its efforts to promote export development through its assistance of the Manitoba Food Processors Association and the Food Beverage Canada Association. This latter group, which we were instrumental in setting up, is an umbrella group representing the four Western Canadian Food Processor Association. Both these associations, of course, are focused on co-ordination and co-operation among agrifood companies in developing export markets.

In the environmental field, our Environmental Industries Development Initiative has awarded grants totalling over \$70,000, and these grants went to New World Technologies which remanufactures laser printer toner cartridges, Nemco Resources which recycles plastic containers, Western Industrial Services Ltd. which cleans and transports hazardous and other kinds of waste, and International Fibreboard which uses old newspaper and wood chips to make fibreboard.

Besides their environmental benefits, these projects have generated more than a million and a half in total investment and about 70 jobs. Our department has financially supported and works closely with the Manitoba Environmental Industries Association and has also assisted the Canadian Environmental Technology Association to set up offices in Winnipeg.

Tourism remains a major industry for this province, bringing in more than \$372 million in annual revenues from out-of-province visitors. It employs over some 20,000 Manitobans and overall contributes more than a billion dollars to our economy each year. Well, 1993 saw small tourism growth across Canada. The number of American tourists visiting Manitoba increased by 2.5 percent, which I think is a positive sign. In 1994-95, we will maintain a strong focus on attracting U.S. visitors, taking advantage of the low Canadian dollar through incentives aimed at the American market.

Our marketing strategy is also aimed to capitalize on Manitoba's diverse attractions in outdoor adventure culture festivals and events and various urban tourist products. The Canada-Manitoba Tourism Agreement offers the department new support for market and product development. We will also continue to provide visitor information services through six travel information centres, including the new Manitoba Travel Idea Centre at The Forks, which will be officially opened later this month. I invite all members to participate.

Finally I would like to discuss one specific economic development initiative program which we feel is successfully advancing the department's objectives. The Manitoba Industrial Opportunities Program, or MIOP, provides financial incentives to companies seeking to locate or expand in Manitoba. The program requires certain benefits to Manitoba in terms of job creation or capital expenditures. In 1993-94, MIOP approved six loans ranging from \$500,000 to \$2.2 million, with an expectation of nearly 600 jobs being created or retained in Manitoba. Total capital investment is estimated to be over \$31 million.

This then provides a brief overview of the key strategies, initiatives and results of my department's programs, both reviewing 1993 and '94 and looking ahead to the current fiscal year. We believe we are preparing Manitoba for a diversified, innovative and competitive future, building on our traditional strengths and seizing new opportunities in emerging world markets as they appear for the benefit and prosperity of all Manitobans.

Mr. Acting Deputy Chairperson, in closing my remarks, I would like to acknowledge the work of the previous minister, whom I had the privilege of following in the portfolio, the previous two ministers, seeing as the one prior to him just walked in the room. I have to acknowledge him as well, seeing as I want a favour from him.

I also want to acknowledge at this time the work of Mr. Paul Goyan, who has gone on to the Department of Education to become the deputy minister responsible for the training component

within that department, a very capable and a very good person to work with. I just want to acknowledge on the record the work that Paul has done within the department, and I want to indicate as well how much I enjoyed working with him. As well, I look forward to working with the individuals I will be introducing and all of the other departmental people who I think commit their time and their lives in a very committed way to making Manitoba a better place to work and do business and for our families to live.

Thank you, Mr. Acting Deputy Chairperson.

* (1600)

The Acting Deputy Chairperson (Mr. Rose): I thank the Minister of Industry, Trade and Tourism for those comments. Does the official opposition critic, the honourable member for Flin Flon, have any opening comments?

Mr. Storie: Mr. Acting Deputy Chairperson, I thought, when the minister was thanking previous ministers, he may have been talking about myself.

I certainly have some affinity with the work that is being done in this department, and I want to commend the minister for one of the, I guess, best-read speeches as opening remarks. If there was an Academy Award for that performance, I think this committee should offer it to the minister, because, of course, much of what the minister said, much of the rhetoric and much of the tone of the minister's remarks is belied by the facts that Manitobans face, and contrary to what the minister says, Manitobans are not better off after six years of this minister's and other ministers of this government's leadership.

The fact is that we have fewer jobs today in Manitoba than we did in 1988. That is a fact, an irrefutable fact. The minister, I guess, ignores the fact that the number of people unemployed is higher, ignores the fact that despite, yes, some successes over the last six years, some successes over the last year, on balance we have lost thousands and thousands, as many as 15,000 manufacturing jobs over the last few years, and the impact on our economy has been staggering.

I noticed in the paper today, and I am sure the minister did not fail to notice the fact, that the number of bankruptcies has declined a few percentage points. This was deemed to be good news, but we are still talking about hundreds of bankruptcies, hundreds and hundreds in the first quarter of this year.

The fact of the matter is that Manitoba's small business, particularly the retail sector, and that was pointed out in the article, is suffering. Part of the reason for that, of course, is a campaign by the government to in effect lower wages, a lack of commitment on the part of the government to maintain jobs, not just to create jobs with the private sector and through government agencies and government support, but a lack of initiative in protecting jobs.

I met with the Winnipeg Chamber of Commerce. I have met with chambers of commerce across the province, and I can tell you that the best single indicator of small business success in any province, in any jurisdiction, in any country, is the population of people who are working. It is that simple. The small business sector thrives when people are working.

There is, I think, a lack of focus on the government's industrial strategy, a lack of focus on the government's small business strategy and a lack of recognition of the role of government in supporting both the industrial sector and the small business sector in the province as well as having a hand in serving as a partner in the long-term policy directions that the province sets.

I am not going to spend a lot of time on the minister's opening remarks. I wish the minister, as is tradition, would give us a copy, and I am sure the member for St. James (Mr. Edwards) would like a copy of the minister's opening remarks so at some point we can shred them. [interjection] No, I meant as opposed to just throwing them in the garbage.

Mr. Acting Deputy Chairperson, I want to just spend some time on one other topic that the minister addressed in his opening remarks and that was in relation to telecommunications. The minister is talking about the six new businesses,

call centres is what he referred to them as, and they are a service sector business.

The fact is that companies like GWE, which are providing some jobs in the community of Brandon, and a number of other smaller companies in other communities in the province which are providing jobs, are very susceptible to economic ups and downs. They are also the kinds of jobs that can move in and out of provinces and jurisdictions with tremendous ease. They are also the kind of jobs where the term "long-term employment" means a month. For many, many of these types of occupations a month in them is a long time. The wages are low end of the service sector, certainly, \$5, \$6 quite often, very few benefits. It is no substitute for a strong manufacturing sector.

We talked about the telecommunications industry. Well, the telecommunications industry on the manufacturing side has not been nearly as successful. We need only talk about Northern Telecom, talk about the jobs that are being lost there, the manufacturing jobs. We need to have, I think, a recognition that it is not just the service end of the telecommunications information transfer component of our economy—we need to be involved in the manufacturing and high-end servicing, so we need the computer skills and the technology skills to create higher paying, higher skill jobs in the province.

Simply being an operator at a call centre, and they are not paid, as I said, substantial wages, is not a real long-term commitment to the economy that manufacturing type jobs would be. So there may have been limited success; there have been some other I think failures that the minister did not talk about, including the Royal Trust jobs and the MacLeod-Stedman jobs that were supposed to be coming from Toronto, et cetera.

In terms of the whole high-tech information technology areas, one of the areas where the government I think has missed the boat is in using the information technology centre. The InfoTech Centre, which was established in 1985 or '86 and established on Ness Avenue, which brought together some of the largest computer hardware manufacturers and some of the software

manufacturers, trying to create a centre of excellence in terms of the use of computer technology, both for small business and the educational field, that initiative seems to have lost a lot of steam.

I know the government has some newfound interest in the information highway, but really that was what we were trying to do in 1985-86 when we established the Info-Tech Centre, and in fact established the first educational information network.

MINET was established I believe in 1986 or '87, and really was a forerunner of the information networks that we are now hearing so much about. They were not developed to their potential in my estimation, and it is something that we are probably going to regret, as a province, and I wish the government had proceeded with.

I will leave that for a time; we have got some sections where we can talk about that.

I want to put the minister on notice that there are a number of pieces of information that we will be requesting as we go through with. One specifically, I have already provided the minister notice on this, I would like some information on a contract that was given by the Department of Industry, Trade and Tourism to a one S.L. Bond.

Both the previous ministers, who were sitting here earlier, both the member for Kirkfield Park (Mr. Stefanson) and the member for Charleswood (Mr. Ernst) had promised, in fact, to provide me with terms of reference for this contract. I believe it was let in 1989 or '90, and I know the department spent something like \$300,000. I know from other sources that it was money not well spent.

I would like to know whether there have been any further contracts. I would like to have the government table a copy of the contract, and a copy of the terms of reference. Again, this is the third request, and it does not seem to me that this is something that should be highly confidential; it is a contract paid for with public money. It has been promised in the past and I would like this minister to deliver.

The second piece of information that I am going to be requesting is information on the spending of the Economic Innovation and Technology Council. I would like a report on the grants that have been provided, the research grants which I gather followed from the Manitoba Research Council initiatives, some of which were underway, or many of which were already underway. I would like to know where the money is going that used to flow through the Manitoba Research Council, and I would specifically like to know what grants have been made from the economic innovation fund. I think that is the title. Yes, the Economic Innovation and Technology Fund.

* (1610)

I would like some specific information about the undertaking to create "innovation" videos. I understand that almost half of the money that was expended from this fund in the last budget was for a video, or a series of videos, and I would like some information on it. I would also like some information on the government's intentions with respect to airing these videos, what sort of promotional use they will be put to and whether we can expect to see them on the public airwaves anytime soon.

I think that is enough for opening remarks. I will let my colleague from St. James put some remarks on the record.

The Acting Deputy Chairperson (Mr. Rose): I thank the member for Flin Flon for those remarks. Does the critic for the Second Opposition Party, the honourable member for St. James—

Mr. Paul Edwards (Leader of the Second Opposition): Yes, I want to start by indicating that I missed the opening comments, although I understand there was some discussion about sitting in these Estimates tonight. I am unavailable; however, having discussed this with my colleague the member for St. Boniface (Mr. Gaudry), he is prepared to sit tonight on my behalf.

I understand that the minister feels he has to go to some meeting, and we are prepared to accommodate that.

Mr. Storie: Go crazy.

Mr. Edwards: I will not accept the invitation of my friend the member for Flin Flon to go crazy, but I will put some comments on the record at this point on the understanding that, not being able to participate tonight and in the event that these Estimates close tonight, I may not have a chance to ask some of the questions I might have asked as the critic. But I assume and know from past experience that the minister will, hopefully, accommodate specific questions in the normal course of business of the House as he has done in the past.

Specifically, I want to say, by way of opening comment, that the approach to Industry, Trade and Tourism, which is really the foremost department saddled with the responsibility of doing whatever government can do to promote economic growth, I view as a critical department. The numbers, the actual budget perhaps suggests that it is, on the expenditure side, not one of the largest; however, I think in terms of importance and getting the philosophy and strategy right there are very few, if any, departments of more importance. The department is really given the task of doing whatever government can do to help assist and promote economic growth.

I start with the assumption that there are expenditure problems in government. We have to deal with those, but ultimately if we are going to pay for these services, we are going to need economic growth to occur at a reasonable rate. I think we are all aiming for a rate that is in a sustainable basis which will provide revenue for these services which I predict all parties today and certainly in the next election will stand up and say that we all like.

We all want to pay for high-quality health care, we all want to pay for high-quality education, and we want the dollars to do that. We have discrepancies over how much should be spent where and some priorities, but the bottom line is that we need growth to occur, all of us need growth to occur, to pay for those things.

Having said that, I do have some concerns about the direction of the government. I view the government as being overly concerned about attracting outside investors and being prepared to

commit taxpayers' dollars to get those investors to come to Manitoba.

No one would be happier to sign a profitable deal on behalf of this province with outside investors than I or representatives of the Liberal Party, but as a mainstay of economic growth, I think that the first and foremost priority must be our own businesses that are here and our own entrepreneurs who are here because clearly those people have a proven commitment to this community.

Time has shown and our record has shown that those are the best investment. The people who are here because they have already got a proven commitment are much more likely to stay. We have learned time and time again that outside investors come, take and leave. I believe that our first priority should be our domestic, our local people.

I had an interesting anecdote I just wanted to leave with members based on—which sort of gives me the encouragement that the right track is to promote people who are here. I was in Altona, meeting with Mr. Friesen, who, I know, is known to many members of the government, and I asked him the question as to how this business got going. I think his grandfather started in Altona. His comment was very interesting. His grandfather had started it because he thought it could be a viable business, although one could, I think, look at a map and say, well, perhaps for transportation reasons and other things, it should be somewhere else. It got started there because that is where Mr. Friesen lived, and he wanted to do something to create employment for youth in Altona and in that region.

I think the lesson there is—and, of course, it has become a very, very successful firm with worldwide clients—that we have the people here who are going to hold the key to our future. They are already here, and I think our challenge is to ensure that those people are given a chance to invest, start profitable businesses and grow.

Boeing is in Seattle because that is where Mr. Boeing lived. Most often, I think, successful business does not come from people in the

Legislature or other institutions or think tanks saying this industry is going to take off and this business is going to take off. That is certainly worthwhile, but most often you find successful businesses grow and stay and provide jobs because there is a driving force, a driving person or group of people and this is where they live. This is, as a result, where they make their commitment and where they stay.

With respect to going on from that overview, and really, I think, which represents a significant philosophical difference with this government, which I see as overly interested in giving taxpayers' dollars to outside investors, I am going to be very interested in getting full details of the grants given in particular under the grants program, specifically to businesses, which falls under, I believe, Industry Development and subappropriation 10.2.(b), that is, Financial Services.

I would like full details of grants given under the Business Immigration Program and what is happening with that. I would like a full breakdown of the 42 projects listed under the Manitoba Industrial Opportunities Program and the jobs that are listed there and how those jobs are broken down. I would also like details about the projects in the Manitoba Industrial Recruitment Initiative and the jobs that are listed there. Those are things that I would like a greater breakdown on.

In addition, the Manitoba Business Development Fund gives grant and loan support and I would like a breakdown of the companies that got support and in what amounts, and, as well, an update on the Energy Intensive Industries initiative, which is based out in Selkirk, I believe. The project, I think, is going to wind up this year. I just would be interested to get an update on that and what we have actually achieved from that investment.

So, in particular, focus on subappropriation 10.2.(b), and in the event that I am not here when those questions are asked, I would like specifics of the programs that are listed in general terms under those headings and the monies that have

gone—and a breakdown of where the jobs that are alleged to have been created have been created.

(Mr. Deputy Chairperson in the Chair)

Mr. Deputy Chairperson, I am going to conclude my opening comments with that. Again, that does not represent all of the issues and concerns that I had intended to raise had I been present for all of this, but I will certainly review whatever issues my friend the member for Flin Flon (Mr. Storie) and the member for St. Boniface (Mr. Gaudry) raise tonight. I trust that whatever flows from that is left unanswered and flows from these documents will, as it has in the past, be answered fully by the minister.

Mr. Deputy Chairperson: I thank the honourable member for those statements.

* (1620)

Mr. Downey: Mr. Deputy Chairperson, I do not have any problems with the questions asked by the Leader of the Liberal Party that, if we are not able to provide the information this evening, I am prepared to provide it to him in an appropriate way either in writing or verbally to him, but I will get the information. If he has additional questions as it relates to the department that he has not put on the record, I am prepared to respond positively to that.

For the member for Flin Flon (Mr. Storie), I can do what I can to try and raise the contract that he has referred to. I will reread the commitments made by my colleagues, but I take him at his word that there was a commitment made, and I will attempt to provide him with the information. I am not knowledgeable of it, but I will in fact check into it. The same goes for the member for Flin Flon. If in tonight's discussion there are questions we cannot deal with or he does not get, I am quite open, because I think it is important that we do provide the information to the members of the Legislature on aspects of the expenditures of all departments. So I would proceed to find out what I can for him and, if not tonight, then be very open to provide that information for him at another time.

I again thank the members for their opening comments and am prepared to have staff come

forward, Mr. Deputy Chairperson, if that is your wish.

Mr. Deputy Chairperson: I would like to thank the minister for that. Under Manitoba practice, debate of the Minister's Salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and now proceed with consideration of the next line, and at this time, we invite the minister's staff to join us at the table. We ask the minister to introduce the staff present.

We will be dealing with 1.(b)(1) on page 102.

Mr. Downey: We have Mr. Stephen Kupfer, who is the acting deputy minister, who is filling in the position of deputy minister for the position that Paul Goyan had, who has gone over to deputy minister in Education for the area of training and universities. We have Mr. Jack Dalgliesh, who is responsible for the finance and administration of the department, and Val Zinger, who was formerly there, who is knowledgeable and was very much involved in the development of the Estimates and has now gone over to the acting partner in the Environmental Industries section within the Department of Industry, Trade and Tourism.

So we have all the people with all the answers, and I will just sit here and pass the information over to my colleagues.

Mr. Storie: Given the co-operative mood we all seem to be in, I would recommend that perhaps we not follow so rigidly the Estimates process as preferred perhaps by this Chair. My colleague from St. James who is not going to be here this evening could perhaps ask some more broad-ranging questions, and we could float a little bit, if that is the will of committee.

Mr. Downey: I agree with that, Mr. Deputy Chairperson. I will try to accommodate to maximize the time that is available to us.

Mr. Deputy Chairperson: Then, by leave, the committee can refer to whatever they want tonight. How is that?

Mr. Downey: Then it is our intention to pass it all at once.

Mr. Edwards: Mr. Chair, I want to thank my colleagues on the committee for accommodating me.

I want to refer to specifically subappropriation 10.2(b) under Financial Services of the Industry Development area. This is the primary source of financial incentive to businesses to expand or locate in Manitoba.

Mr. Deputy Chair, looking at the Expected Results, it indicates that there are 42 projects that were approved that would result in the creation or retention of approximately 6,312 jobs. Is there a breakdown available of those 42 projects and those jobs, and does that represent one year's, that is the 1993-94, efforts in that department?

Mr. Downey: The numbers which are in the Supplementary Information, those are the projects that have been there for the life of the program, nine years I believe it is. So it is not just one year's projects, it is the life of the program.

Mr. Edwards: Mr. Deputy Chair, given that, can the minister indicate which projects have been initiated in this coming year under that program?

Mr. Downey: In the last year?

Mr. Edwards: Yes.

Mr. Downey: There are six that have been completed and signed this past year—not initiated maybe, but completed and signed.

Mr. Edwards: Can the minister give a thumbnail sketch of those six?

Mr. Downey: Yes I can, Mr. Deputy Chairperson. We are dealing with Carte International, Palliser Furniture, Builders Furniture, Readyfoods, which I put on the record in my opening statement, Apotex Fermentation and Standard Knitting.

Mr. Edwards: Can the minister indicate in those six what the dollar amount was and what the form of the loan agreement was, whether it was grants, loans, forgivable loans, et cetera?

Mr. Downey: Mr. Deputy Chairperson, basically the total amount of all of those combined was \$3.2 million. They were all repayable loans with interest forgiven if job targets are met, except for one, and it was a loan guarantee. The numbers of

jobs that are to be created, I am told, are 586 out of those loans.

Mr. Edwards: I recognize the names of those companies. Apotex obviously is not a Manitoba company. How many of those companies are Manitoba companies, and how many are corporations from outside of the province? Is that breakdown available?

Mr. Downey: I think basically if they were not Manitoba companies, they are now. You referred to Apotex, but I think all the other ones are traditionally Manitoba companies but, again, what is your definition of a Manitoba company?

* (1630)

Mr. Edwards: The definition I am thinking of is simply a company that has not been here in the past and is attracted as opposed to a company that is here and is being assisted to expand.

Is that distinction available?

Mr. Downey: Yes, Mr. Deputy Chairperson, I am told that these are all existing companies that are expanding.

Mr. Edwards: Under the Manitoba Industrial Recruitment Initiative, which is the next one listed there, it says it is a program that has only been in existence for two years.

What is the distinction between the Recruitment Initiative criteria and the Opportunities Program criteria? What is the difference in focus of these two programs?

Mr. Downey: The difference, Mr. Deputy Chairperson, is that MIOP is more the traditional bricks and mortar, equipment type loan. The Industrial Recruitment Initiative is more for the call centre initiatives and the high-tech area.

Mr. Edwards: Given that, can the minister give us the same detail on the three projects that are listed under that initiative?

Mr. Downey: They are basically loan programs. The Winnipeg Airport Authority, the UMA Engineering which has already been repaid because it did not meet the targets in jobs that it was to create, and the GWE will be a forgivable loan if job targets are, in fact, met.

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

Mr. Edwards: What was the Winnipeg airport agreement, how much, and what was it for?

Mr. Downey: Mr. Acting Deputy Chairperson, it was a three-way funding from the City of Winnipeg, the federal government, WD, and the Province of Manitoba, \$300,000 each to take it over and make it a local operating authority from a federal Transport Canada controlled authority.

Mr. Edwards: That is bridge funding to allow for that transition, or is there going to be any capital purchases flowing from that? What is the idea behind that \$900,000?

Mr. Downey: Mr. Acting Deputy Chairperson, that is basically the set-up costs of the authority, legal, contracts had to be put together, basically the developmental part of it, and once it becomes operational, it is repayable.

Mr. Edwards: What then is the total for those three? We have the \$300,000 for the airport. I know there is a \$600,000 for GWE. Is that the extent of it, and maybe the minister can just indicate what UMA had got and repaid.

Mr. Downey: The amounts are \$300,000 for Winnipeg Airport Authority; \$300,000 for UMA, which has been repaid; and GWE is \$484,000, which brings a total of \$1,084,000. The difference I think the number the member has is that there is a training component that goes with GWE to assist the training at ACC at Brandon.

Mr. Edwards: Actually, I think that there is the training component in addition to a \$600,000 contribution to the capital cost—at least that is what the press release initially said. The total contribution to GWE is I think a \$1.4-million facility, \$484,000. Was there any money from other levels of government, because I believe—and I do not have it in front of me, but that there was a total of \$600,000 contributed?

Mr. Downey: Mr. Acting Deputy Chairperson, I would have to double check. As far as the Department of I, T and T is concerned, the number which comes under the MIRI program is \$484,000. I can check as to whether or not there is any other

department of government. I know there is a training component which is over and above this. As far as additional government money, I cannot speak to that, but I do know this is all that the MIRI program has put into it.

Mr. Edwards: In the agreement with GWE, the minister indicates that there was a forgivable portion if job targets are met. Are those job targets available? Is the time frame and the numbers available for public view?

Mr. Downey: That detail I can get for the member. We have a 115 job target here. I will get the details as to the additional information that he is asking for if there are additional commitments that have to be made.

Mr. Edwards: That would be appreciated. With respect to the Winnipeg authority, presumably there are no ties to jobs under that, that is simply that transitional funding. Is that correct?

Mr. Downey: That is correct.

Mr. Edwards: So we are not expecting the province, the other levels are not expecting additional jobs. It is just a joint decision to support this initiative.

Mr. Downey: Basically, it is bridge financing and there is not a job component tied to that.

Mr. Edwards: With respect to the two programs, the Industrial Opportunities Program and the Industrial Recruitment Initiative, is there a list—and we are not going to go over it here, obviously, but is there an overall list which lists the 42 projects, not just the six this last year, but is there an overall master list that could be made available?

Mr. Downey: Yes.

Mr. Edwards: I appreciate that and presumably that 42 goes back nine years, the length of the program.

Mr. Downey: That is correct.

Mr. Edwards: With respect to these two programs and I see there are others, but I am particularly interested in these. How are these promoted? How are these dealt with? Is it based on interest being expressed by companies coming to

the government or the government answering them and telling about these programs? Are there educational initiatives, promotional initiatives, for these programs both inside and outside of Manitoba? If so, what are they?

Mr. Downey: Mr. Acting Deputy Chairperson, basically, we have a number of staff within the department that work within the different business initiative areas that are meeting with, making contact with and are being contacted by people interested in doing business in Manitoba and/or businesses in Manitoba planning to expand, any combination of ways. We do usually receive calls, people who are talking or thinking or needing support to expand their business. They will make a contact to some department of government, if not I, T and, T, maybe Rural Development or vice-versa. But, basically, it is through the staff that work within the department.

Mr. Edwards: Is the strategy to respond to inquiries or are there specific targeted initiatives that members of the department actually initiate themselves in terms of local companies or outside companies based on certain strategic areas that the government feels expansion can occur in? In other words, is there a proactive as well as a reactive aspect to these programs?

Mr. Downey: Yes.

Mr. Edwards: Is the information available as to which specific companies have been approached by department officials as part of that strategy?

Mr. Downey: I missed the first part of it, I am sorry.

Mr. Edwards: Assuming there is a proactive approach and that the department would presumably have a record of approaches that were made to companies, is that information available for the last year as to which companies were approached by the department to consider expansion, consider participation in these programs?

Mr. Downey: I do not know whether we would have a specific list, but I would think that we could get some additional companies that were approached and some that did approach us. For

sure we have not been able to land or be successful in all cases. In discussion with the deputy minister and with different staff, they are always aggressively working.

* (1640)

We have the six strategic areas which we have been working on. We have several managing partners who are aggressively out there looking for opportunities. I would not guarantee the member I could get a list of all the people that we have contacted or have contacted us, but I could give him some ideas of the numbers that we are talking of if that would be helpful to him.

(Mr. Deputy Chairperson in the Chair)

Mr. Edwards: I realize there are the six strategic areas, and I am not looking for a log of every phone call that was made either in or out to the department to businesses under these programs. What I am looking for are the companies within those six areas that were specifically targeted by the department to determine if they—there is obviously this proactive aspect, and that is the aspect that I am specifically questioning on here as opposed to those who approached us—but the companies that the department targeted and attempted to interest either in coming to Manitoba or expanding in Manitoba under these programs.

Again, I am not looking for every phone call that was made, but presumably under those six strategy areas there are specific companies that were set out as reasonably with having a prospect of success. Whether or not they were ultimately successful or not, obviously, we can tell by comparing it to the ones that deals are now in place. There may be others that people are working on now and will be in place in the next year.

What I am looking for is the companies that the department under those six initiatives specifically targeted and went out to attempt to interest, and if possible, an outline of whether or not there are still some negotiations underway or it was unsuccessful or successful.

Mr. Downey: Mr. Deputy Chairperson, I would try and be as helpful as I can, although I think there may be some negotiations and discussions that are

still ongoing. Talking publicly about them may not be in the best interests of the plans of the company that may want their strategy not made public, so I do not want to overextend my generosity in this area.

If there is a reporting system which I feel is able to be provided for the member, if not publicly, in a confidential way I might be able to do that. I do not want to put in jeopardy some of the work that is being carried out. Even though the proposal or the company may not have gone ahead, say, six months ago, conditions may change that may have them come back. I am a little cautious on that, but I will try and be as helpful as I can, if the member will accept that. If he is not, he can push me again for additional commitments. I will try and be as helpful as I can on giving him information that we feel is not damaging to potential businesses.

Mr. Edwards: Obviously, it is not the intent of this to damage any negotiations that are ongoing. I think the other side of this is I am not asking for details of whatever negotiations are going. I would like to know other than possibly the name of the company and the current status, i.e., we are still in negotiations, negotiations have broken off, or obviously there is a deal in place. I accept the minister's statement that he will use his best efforts to see if that information is available and can be provided.

With respect to the Industrial Recruitment Initiative, it is indicated there are three projects involving about 250 jobs. With the 250 jobs and three projects, I see here GWE is 115, Winnipeg Airport is none, UMA is repaid. Where are the other 135 jobs?

Mr. Downey: I did not follow the member.

We talk about 115 with GWE. UMA did not meet their target, or did not accomplish the goal that was established, and that was 200. So that is 315. The Winnipeg Airport Authority had no job commitments.

Mr. Edwards: What I am reading from is the wording right above where it indicates: "The program has been in effect for 2 years and has resulted in 3 projects involving about 250 jobs."

Are those three projects spoken of there the three we have just talked about, airport, UMA and GWE, because if so, UMA may well have been 200 jobs, but that has not panned out, so those I assume do not count in that 250. Winnipeg airport has none, we have talked about that. GWE has 115. Should the figure currently based on the UMA record be 115 jobs in that statement?

Mr. Downey: You will not get a debate from me on that. That is probably the case.

Mr. Edwards: With respect to the program having been in effect for two years, that is the extent of the activity in those two years. The statement that is three projects, that is the two-year record, or are there other projects from the prior year?

Mr. Downey: These represent the ones that have been signed by the government, not including any that are being worked on now and/or from prior years, I am told.

Mr. Edwards: But the three does represent a cumulative number for the two-year period.

Mr. Downey: Yes, that is correct.

Mr. Edwards: Thank you.

With respect to the Surface Transportation Technology and indications there about the bus industry, what is happening under that particular heading? I recall back in, I think, June or July of last year sitting in a committee talking about New Flyer and writing off what we wrote off, and it was an enormous amount of money. I do not know what it was—\$107 million to \$114 million essentially. Is this the tail end of that initiative, or what is this about?

Mr. Downey: No, Mr. Deputy Chairperson, this does not have anything to do with New Flyer. This is dealing with Motor Coach Industries.

Mr. Edwards: Motor Coach Industries is the sum total of this particular program's effort at this point.

Mr. Downey: Yes.

Mr. Edwards: When it indicates here that they are working on a newly designed, newly engineered intercity bus and the creation of over 40 high-level

engineering jobs, how much money has been committed to MCI in this program, and what is the timetable on that? Is MCI close to fruition here? What is happening with that project?

Mr. Downey: Mr. Deputy Chairperson, because there is a series of numbers here, projections and —would the member just give me a little bit more of an idea of the specifics of the question, so I can—

Mr. Edwards: I would like to know what monies have been committed thus far under this initiative by the department and on what terms. Maybe we can start with that.

* (1650)

Mr. Downey: Mr. Deputy Chairperson, I am told that \$5 million has been committed, and that is out of a total package, I believe, if I am reading this correctly, of just over \$21 million of which the province and Western Diversification are also involved. Our commitment is a \$5-million package of which we have not flown that amount of money because the request has not been there for that amount of money at this point.

Mr. Edwards: Can the minister tell us how much of the \$5 million has been committed and, in fact, gone at this point?

Mr. Downey: Yes, I am told that just over \$1.3 million has been actually spent by the province.

Mr. Edwards: With respect to the \$21 million, is our contribution to that capped at \$5 million and the other \$16 million comes from Western Diversification?

Mr. Downey: No. Motor Coach Industries has a commitment of \$11 million, Western Diversification just over \$5 million, and us at \$5 million.

Mr. Edwards: What is the time line on that? Is there current information as to when this project might come to fruition? I am not quite clear on what they are actually doing, except designing a new bus. Is that going to come to fruition at some point? When are we going to pay out the rest of the \$5 million?

Mr. Downey: Yes, Mr. Deputy Chairperson, I am told that the commitment is there to have the project completed within the two years, so I would expect that would require the provincial commitment to flow in that period of time.

Mr. Edwards: Now the two years, when was the signing date? When did the agreement start?

Mr. Downey: Mr. Deputy Chairperson, 1991-92, so it is to be completed within two years from now.

Mr. Edwards: Okay. So it is to be completed two years from now, that is, it was originally a four-year agreement, or was it originally a two-year agreement, in which case we would be finished by now?

Mr. Downey: Originally, a five-year agreement.

Mr. Edwards: Now I see on the line that there was actually—is it \$500,000 that was contributed this year out of the \$1.3 million that has been committed so far?

Mr. Downey: Mr. Deputy Chairperson, \$500,000 is next year's commitment.

Mr. Edwards: What was actually committed this year?

Mr. Downey: For the year 1994-95, it would be \$500,000, and for 1993-94, it was just under \$195,000.

Mr. Edwards: That is for creation of over 40 high-level engineering jobs. Is that the 40 jobs in the design stage over that five-year period that are to be created?

Mr. Downey: Part of it is a bigger employment picture than that. I think they have something like 1,400 employees in total, and this adds to the R & D component, of which the 40 engineering jobs are to be added to that, I believe.

Mr. Edwards: Is that money, the potential for \$5 million, a loan, forgivable loan, grant? What are the terms of that money?

Mr. Downey: It is an R & D grant.

Mr. Edwards: Meaning obviously that it is nonrepayable?

Mr. Downey: Correct.

Mr. Edwards: Is the grant similarly tied to employment numbers? Is it tied in any way to future employment beyond the 40 jobs in the design stage?

Mr. Downey: Yes, it is tied to employment being maintained in the province.

Mr. Edwards: Does that mean that it is tied to existing employment being maintained, or are there new employment targets which are built in to the repayment agreement?

Mr. Downey: I am told, Mr. Deputy Chairperson, that they have to maintain their existing job level.

Mr. Edwards: Now presumably that would be taking the job level as of the time the agreement was signed back in 1991-92. Can the minister indicate what that job level was?

Mr. Downey: It is my understanding—and if it is not correct, I will correct it—it is 1,400.

Mr. Edwards: Are there currently 1,400 people still working at Motor Coach Industries, or at least are there currently the same employment complement as there was in 1991-92, or have they gone down or up? Does the minister know?

Mr. Downey: It is my understanding, I am told—and again, this is subject to further correction, if there is a change, but I think these are accurate—this was based on 1,400 when it was started, and they now have something in Winnipeg of 1,400 to 1,500 jobs.

Mr. Edwards: With respect to the Business Immigration Program also listed under this heading, obviously that program had its difficulties in this province, resulting in the May 1993 withdrawal after the December 1992 moratorium. Where is the province at in terms of that program? Are there any discussions to reinstate it under a different monitoring system, or is the province out of its sum total for the foreseeable future?

Mr. Downey: Our current position, Mr. Deputy Chairperson, is to not move forward at this particular time. We have asked the federal government to maintain the position which we have put forward, and that was, one particular project, a freeze on the funds. There has not been a

decision to change and advance in any other area of the Immigrant Investor Program.

Mr. Edwards: To the minister's knowledge, have any other provinces placed moratoriums on this in a similar fashion?

Mr. Downey: I am told that there is not any moratorium placed on by any other province.

Mr. Edwards: I do not want to go on too much further. Can the minister indicate why ours went awry and others did not? Was there something differently done in Manitoba? I do not have that report in front of me, but what happened here that did not happen in the rest of the country, or is the rest of the country just not as concerned about some of the problems?

Mr. Downey: I do not know whether one could assume that there are not problems in other provinces. It is not for me to speak to other provinces. That is why we are taking the position that we are—is not to change our position because we believe it is the correct one. It is not a matter of trying to get this behind us so that we come in line with other provinces. If there are problems in other provinces, we believe they should be dealt with the same way as we want to deal with them.

I think the country should in fact deal with it openly and honestly because it has not left the best impression of investing in Canada, and it is unfortunate.

We think, if we can get back on track in Manitoba, that some day the policy could be revisited, but we want to do so on a sound footing.

Mr. Deputy Chairperson: The hour being five o'clock, time for private members' hour, committee rise.

HEALTH

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 Health. We are on Item 1.(b)(1), page 81.

Would the minister's staff please enter the Chamber.

Mr. Dave Chomiak (Kildonan): Madam Chairperson, yesterday when we left off we had discussed briefly the situation of the CT scanners, and I asked the minister a question concerning Seven Oaks. I am wondering if the minister can give me any idea, does he have any idea when a decision will be rendered with respect to the CT scanner at Seven Oaks?

Hon. James McCrae (Minister of Health): We are looking at a proposal put forward by Seven Oaks, we meaning the Imaging Committee, and I am not able to say when the Imaging Committee will make known its views when it addresses the Seven Oaks proposal. At that point, it will make its recommendations and then we will move accordingly. At this point I am unable to tell the honourable member when.

Mr. Chomiak: Madam Chairperson, earlier on during the Question Period in the House I indicated to the minister that the member for The Pas (Mr. Lathlin) was going to ask some general questions. We are waiting now for the staff that can deal with those questions, and I appreciate the fact that the minister lined up the specific staff to deal with the questions that will be posed by the member for The Pas.

In the interim period I am going to advise the minister—the minister is very fond, has spent a lot of time in this committee talking about the Province of Ontario. I generally do not spend a good deal of time dealing with other provinces, but I do have a document here dealing with utilization of nurse practitioners in Ontario, which is a summary of a paper produced by the McMaster University School of Nursing. I thought, if the minister would like, I will forward a copy of that document to him for review by the committee and by his nursing adviser concerning the issue of the nurse practitioners and their future in Manitoba, because I think there are some excellent recommendations in this paper. I will be forwarding that to the minister for review.

Mr. McCrae: Madam Chairperson, we too are interested in what is happening in Ontario. When they are positive things, we are interested in those positive kinds of things as well as, for comparison

purposes, some of the others. I refer to the others only when hypocrisy causes people to raise questions about health matters here, so I am very happy to look at things that are going on in Ontario. In some areas, Ontario leads the pack, it is true.

In fact, in the area of midwifery, which I just had occasion to make some comments and announcements about today, Ontario is out ahead of the other provinces. So I think it is important that I be fair too and recognize that some very progressive things come out of Ontario and that has been the history of Ontario. Ontario has played an important role.

With respect to nurse practitioners and nurse-managed care issues, the department, in consultation with other providers and consumers, is maintaining an ongoing dialogue with respect to the role of nursing. As a matter of fact, it was just last week, because of all of the charges and countercharges and things that do go on amongst professionals, I convened a meeting. I felt that one of the best ways to help resolve some of the outstanding nursing roles and education issues might be to call several groups together and discuss it.

I invited Dr. John Arnett, a psychologist, to assist in leading or moderating the meeting. We invited representatives of the Manitoba Association of Registered Nurses, the Manitoba Association of Licensed Practical Nurses, the Registered Psychiatric Nurses Association of Manitoba, representatives of nursing aides, and our government's new Nursing Adviser, Carolyn Park, who is in the vicinity and may join us at some point.

That meeting was a day-long meeting, and it was designed to discuss roles and those things. I invited the Manitoba Nurses' Union, and we did that in a collaborative way to set the date so that it worked for everybody. On the day before the meeting, I got a message that the Manitoba Nurses' Union was not going to attend.

I got on the telephone and spoke to Vera Chernecki to urge her to ensure that if she could

not be at the meeting that she would at least send a representative. However, that was not to be. Unfortunately, the Manitoba Nurses' Union set its priorities in such a way that it did not attend the meeting. I found that regrettable, but I did not find that enough of a reason not to allow the meeting to go forward. The meeting did go forward. I think that as nursing professionals, addressed together, rather than apart, their roles in the continuum of care in this province and nursing education needs will have a better chance of success. That is why we regret the MNU did not go to the meeting. I think it was important. In any event, that is water under the bridge; it did not happen.

We had the other partners in health attending. They are going to have more meetings. They are going to, I hope, report to me by June 15 with what kind of progress they have made in these discussions. As part of all this, the issue of nurse practitioners, the issue of nurse-managed care and the role of nursing as a group, we will be able to address those issues, I think, better if we can come to an understanding amongst ourselves about who should be doing what and so forth.

So once some of these meetings have been completed, I am very hopeful for a positive result so that we can move forward in a positive, collaborative and co-operative way in the future and not be engaging in disputes over one thing and another in the delivery of health services in Manitoba.

* (1510)

Mr. Oscar Lathlin (The Pas): Madam Chairperson, I would like to thank the Chair for allowing me a little bit of time to ask the Minister of Health (Mr. McCrae) some questions as well.

I wanted to start off by getting into federal-provincial agreements. I know that there are all kinds of federal-provincial financial arrangements that are made from time to time. Some arrangements are still in existence. Some arrangements have expired. Areas, for example, where there have been federal-provincial financial arrangements would be in the areas of policing,

justice, natural resources, social services and health.

Now I wanted to maybe ask the minister a couple of questions on Health as it pertains to aboriginal people from the area that I come from. I know that there is a federal-provincial health agreement that has been in existence since 1964, Madam Chair. One of my questions for the minister this afternoon is, what amount of money, federal money that is, does the provincial government, namely the Department of Health, get from the federal government, namely the Department of National Health and Welfare? How much of that money is incorporated into the provincial Health department to provide services for nontreaty Indians and treaty Indians in Moose Lake, Grand Rapids, Easterville and Shoal River? Perhaps at the same time, Madam Chair, I would ask the minister if he could provide me with funds that are allocated for each of those communities.

Mr. McCrae: I apologize to the honourable member for the delay. I had to be brought up to date by staff of the department as to the situation, and I have met with, for example, Swampy Cree people on the issue. The issue is one of long standing, it is true, and the issue I think resolves itself into a consideration of the following: the bands I believe want to have provincial funds focused or transferred to the bands.

The position that we have been taking is that we want to see band governments reach understandings with neighbouring communities so that if funds should be transferred that all of the people in a particular region would then be appropriately looked after under such an arrangement. So we await resolution of some of those issues before we engage in amendments to those agreements like that.

Mr. Lathlin: Thank you. Madam Chair, I am not sure if I understand the minister's response. It is my understanding—and I think I have a good understanding of the negotiations that have been going on between the Swampy Cree Tribal Council and the Department of Health.

Originally the idea came from negotiations that had gone on between Swampy Cree and the federal government. The federal government has a health transfer policy which I am sure the minister is aware of. Not all that long ago, the federal Minister of Health was in Winnipeg and made a public statement as to the federal government's intention on implementing the health transfer policy.

Now, from what I understand of the issue, Madam Chair, the federal Health department is ready to do business with the Swampy Cree Tribal Council, but I think where the problem arises is at the provincial level in that the Department of Health, through the minister, is insisting that there be agreement between Swampy Cree, which represents treaty aboriginal people, for Swampy Cree to get an agreement with the neighbouring communities, as he puts it, usually Metis people who live adjacent to each other in some of the communities.

I believe Swampy Cree Tribal Council is ready to move ahead with the health transfer process. Negotiations and meetings have gone on for quite a long time. I was copied a letter that was written to the Minister of Health (Mr. McCrae), oh, a month, two months ago maybe, where the tribal council was expressing a high level of frustration that they are experiencing in their negotiations with the Department of Health.

What I was interested in knowing from the minister though is, the monies that are federally appropriated, given to the provincial government, how much is it? How much of that money is being used in Moose Lake, Grand Rapids, Easterville and Shoal River as a result of that joint agreement?

Mr. McCrae: Madam Chairperson, I regret if anybody feels any frustrations. I think that part of the problem here has to do with, as I said, communities in the vicinity. I mean, we are talking in Manitoba about regionalized health care service delivery, people working together. That remains part of the discussion or the debate or perhaps the frustration too, but also part of it is I think that if there were to be a transfer directly from the province to the band that there might not be a total

understanding here about the levels of services that we are talking about transferring money for.

You see, we can only transfer funds to the level of service delivery that we as a government here in Manitoba provide services. If bands want to enhance that service, that then is not something we are prepared to sweeten the pot up, if that is the right expression, to cover. If we are going to enter into that kind of arrangement, it would be at the levels of funding that we make available now. Only if and when government policy in Manitoba were to change and more services were to be part of our total system would we want to increase the funding accordingly. I think I have got that stated correctly. So those are some issues that remain outstanding.

* (1520)

I think that maybe we could reduce the frustration if both sides understood that is the basis from which the provincial government is operating. We do not want to have a situation where some regions of Manitoba have a wider variety of services or higher level of services, or lower for that matter, than the rest of the province. So that remains a problem for us, and if it creates frustration, I would ask that the parties get together and discuss those things. It is just that we cannot, I do not think, enhance service under one funding arrangement and not do that everywhere else in the province, and that becomes the problem for the provincial government.

Mr. Lathlin: Madam Chair, I regret that I do not have that letter with me here, because as I recall it, the thrust of that letter had to do with every time there is an agreement, or at least every time the Swampy Cree Tribal Council thinks they have reached a tentative agreement with the department, the department through the—as Mr. Dorion puts it in his letter, the bureaucracy will change things around in between meetings. That was the frustrating part that was contained in that letter that was written by Mr. Dorion, the executive director of the tribal council.

My understanding is that the whole problem lies in the fact that the Department of Health is not

prepared to finalize or conclude the negotiations. The federal government is standing there waiting for the two sides to come to an agreement.

Now, I am going to ask the minister again, if you are—I will give examples here. If your budget for Moose Lake, for example, is \$100,000, that \$100,000 is required to provide health services to Moose Lake. I understand there are Metis people there and there are treaty Indians there. My question is, how much of that \$100,000 is federal money that is geared towards treaty Indian people. The same thing would go for the other communities, like Grand Rapids, Easterville and Shoal River. Is there any sort of breakdown that would give us that information?

Mr. McCrae: I will ask my staff here to work on the second part of that question, and I will talk about the first part.

The honourable member has stated that there is some frustration with the Health department bureaucracy, and on this occasion, I will say that I do not think that they have any complaint with the bureaucracy that they do not have with me. I am quite prepared to say that, as I understand the department's handling of this, I do not have any quarrel with the department on this issue.

There are some times, as I have said, that the bureaucracy gets in the way, in some programs, of the public seeing a user-friendly sort of a system, but in this particular issue, I do not believe they should blame the bureaucracy. If they are unhappy they could blame me if they want, because I have had discussions—[interjection]

Well, okay then. Do not blame the bureaucracy, blame me. The bureaucracy has had a rough ride the last couple of days, as a matter of fact, and so on this one they are into this with me. I will just pause before I do this.

To continue, Madam Chairperson, with respect to the hypothetical situation the member points out, the \$100,000 example, we do not know what federal monies are being spent on reserves. Let us take Moose Lake, for example. We do not know what the federal people transfer there to be spent there. We know how much provincial dollars are

spent both on the reserve and off the reserve. We know that amount, and as part of an agreement, if we get one arrived at, that is the amount we could transfer under the agreement.

Other issues arise and that is, I believe, what the aboriginal negotiators refer to as gaps in the service, that somehow we are supposed to come in and plug those, fill those holes. That in our submission is not something we need to be responsible for, and maybe it is the honourable member's frustration but it sure is mine, too, has been ever since I have been in politics, all the rules that we have to have, federal, provincial, whose responsibility. I do not care for that system, but until Ron Irwin and the Assembly of Manitoba Chiefs get some things sorted out, I am afraid we are all stuck with that.

The honourable member knows my frustration about that, but I do say also that myself and the Minister responsible for Native Affairs, the honourable member for Lac du Bonnet (Mr. Praznik), we did send a letter to the Swampy Cree on this topic, setting out some of our concerns and responses to some of theirs. The ball in my view is in the court of Swampy Cree at this time. We are awaiting their response right now.

Mr. Lathlin: I am not going to dwell on that much longer, but I would like to say, as I leave that area, for example, one of the areas that is frustrating the tribal council is initially when negotiations started, the federal government was a part of the negotiating process, I guess. Somewhere along the way, the Department of Health, provincially, advised the tribal council that the federal government was—either the Department of Health, provincially, did not want the federal government to be part of their negotiating process anymore. It was something to that effect as I recall from Mr. Dorion's letter. That is one example.

The other example is when meetings are held, the tribal council, as I stated earlier, has the understanding that there is an agreement or a tentative agreement, and by the time letters come out to the tribal council or when the next meeting is held, you know, certain positions change on the

part of Health. Mainly that is what frustrates the tribal council.

The last time I talked with Mr. Dorion, I believe it was in February, end of January, their position was that if the provincial government is not willing to come to a conclusion of the negotiations or come to an agreement, that they were willing to go the route of health transfer without the participation of the provincial government. That is why, I believe, they are now asking the provincial government, the Department of Health, as to what amount of federal money is involved in the 1964 agreement so they can get on with their health transfer process, because the minister was here in Winnipeg a couple of months ago and made that public statement. So they want to go ahead; they do not want to get left behind. As the minister stated, there is all kinds of activity going on right now with regard to Mr. Irwin's and the Assembly of Manitoba Chiefs' negotiations on the dismantling of Indian Affairs.

* (1530)

So I can understand the tribal council's position on that, but as I said, what they wanted to know was the amount of federal money that is given to the provincial government for the provision of health services to those 64 agreement communities.

Madam Chair, I might add that recently I went back to reading the report that was prepared by George Bass who is the Chair for the Northern Air Medical Services task force when they presented their interim report to the steering committee of the Health Advisory Network in September of 1992.

Their third recommendation had to do with, and I quote from the report: Recommendation (3) It is recommended that the 1964 Memorandum of Agreement be rescinded and that there be established a new division of responsibility—including in this case they were talking about a new means of patient transportation, co-ordination among Manitoba, Canada and First Nations.

Even the Northern Air Medical Services task force deemed it appropriate and recommended that the 1964 agreement be rescinded and work get on.

Perhaps my last question on that issue, Madam Chair, is to ask the minister whether he could give me an indication as to when these negotiations might conclude. I remember reading Mr. Dorion's letter again wherein he said they were asking for a meeting. Has that meeting been held in response to Mr. Dorion's request for a meeting? I understand from the letter that he was requesting a meeting with the minister.

My suggestion to the minister, if he were asking for my suggestion, would be to advise him to meet with the tribal council chiefs and lay all the cards on the table, and maybe at the same time clear up any misunderstandings that may be there and also deal with the numerous frustrations that the chiefs are experiencing in their negotiations with the provincial government. I do want to know, though, when I am advising him to meet with the chiefs of the Tribal Council. Also, I would ask him to maybe give an indication as to when those negotiations might be concluded, because it is quite important for the Tribal Council in their endeavours to establish the infrastructure that is going to be required in the event that the health transfer takes place.

Mr. McCrae: Madam Chairperson, I realize this is important to them, and I respect that. I think that the members of the Swampy Cree Tribal Council are trying their best to deliver the best quality services to the people they represent as they possibly can. So it is not a question of any lack of understanding of the importance on my part, because I agree with the honourable member.

The cards are on the table. I believe they are. I think everybody understands what the issues are, and then it is a question of agreeing to a course of action that everybody feels is satisfactory and will be able to live with and sustain over the longer haul.

Just a brief chronology—I do not have the dates, but earlier this year, I met with the council. I then asked my department to ensure that they followed up by meeting with representatives of the council as well. Following that meeting amongst officials, we sent out a letter setting out our understanding, I take it our staff did or our officials, of the positions

taken and so on and asking for a response from the Tribal Council. We are at the point now where we are awaiting that response. So we are working with them. There are some principles that they have in mind and some that we have in mind, and that is the nature of these kinds of discussions and negotiations.

There is always that other party, that federal government, as well. I mean, the honourable member is asking me things like about what monies are coming in from the federal people. I do not know that, and that is something that Mr. Irwin or the Tribal Council itself could tell the honourable member, I would think. Was it Mr. Irwin or Madam Marleau, the Health minister? One of those two can tell the honourable member those things better than I can, because they are federal monies. I realize the report of the Arrow Medical Services is available.

I just want to point out to the honourable member something that he said a while ago with respect to the 1964 agreement. There is no reference to money in that agreement. That agreement sets out issues like who is going to deliver what and to whom, that kind of an agreement, without reference to dollars or numbers of dollars.

Mr. Lathlin: Still on that issue, Madam Chair, I would like to point out to the minister that the federal government usually does not get into an agreement with a provincial government unless things are spelled out very clearly, particularly when it comes to aboriginal people. In fact I think I had to go to the federal government for this information, and that is Natural Resources, in the trapping area. I was able to find out for myself that indeed there had been a five-year agreement. That agreement expired last year, and the provincial Natural Resources department annually received a little over \$300,000 a year from the Department of Indian Affairs for a treaty Indian trappers program. So I guess we will have to go to the federal government to get those numbers, seeing as how the minister is not able to break them down for us here today, Madam Chairperson. So I will leave that as it is.

Mr. McCrae: I hope the honourable member and I are understanding each other. The money the federal government transfers is not transferred to the provincial government. It is transferred to the band directly. Swampy Cree Tribal Council or the bands can tell the honourable member, if they wish to do so, the amounts of monies that are transferred from the federal government. The province is reimbursed by the federal government for services provided to Status people off reserve.

* (1540)

Strike that last statement. I was incorrect there, Madam Chairperson. We do not bill the federal government for services provided in our off-reserve facilities for services rendered, and I will get more detail around that for my own purposes.

The services we deliver on reserve are basically of the nature of public health services, nursing-type services in a public health way. That is the kind of contribution we make on reserve, and so it would be discussions like that, discussions surrounding those services that would be the subject of any transfer that Manitoba would be contemplating under any change to the 1964 arrangement.

Mr. Lathlin: Madam Chairperson, I know, for example, in the children's dental program, the minister says that there is no federal money coming into the department for the provision of health care services to those communities that are tied up in the '64 agreements, but the provincial government is also noted for not going into reserves and providing services for nothing. I know that much because time and time again when I was chief I tried negotiating things with the provincial government, and each time I was shown the door to the federal government because that is where I belonged; I was a federal responsibility.

So that is why I cannot understand why the minister would say that there is no federal money to finance that '64 agreement. The provincial government is not noted for providing any kind of service to reserves for nothing.

The recent example is the DOTC policing. The provincial government does not have a track record of entering into federal-provincial agreements and financing the agreement all by themselves. Surely there are federal funds that come into the Department of Health for the provision of or for the financing of the 1964 agreement.

Mr. McCrae: Madam Chairperson, I think the honourable member and I are getting into one of those classic discussions that we used to get into when we talked about the constitution and those arrangements. I really, truly and sincerely wish the federal government and the Assembly of Chiefs in Manitoba well in their discussions for getting the federal government out of some of the management and the governance of aboriginal people in Manitoba, because something has to improve.

I will just vent my own frustrations. The honourable member no doubt has some. I have some because we have all these different and special rules for different people in Manitoba. All that it ever ends up doing is it leads to agreements that go back to 1964 that we have trouble changing, to discussions about so and so is not getting fair treatment and a neighbouring community is not going to get fair treatment if we deal with things in a certain way.

My frustration is, I think the member knows, a lot like his own, depending on which side you are on. It is just a real mess in my view and has been for probably over 125 years in Canada.

I look forward to the day—I do not know if it means throw out the Indian Act altogether, but it certainly means make some changes there. Maybe Manitoba First Nations can help lead the way for all First Nations in Canada. I wish them well because the issues the member is raising really sound so much like so many other discussions we have had with respect to jurisdiction and who is responsible for what.

My concern as a Health minister, formerly as a Justice minister, no matter what portfolio I might be in, it is fairness for all Manitobans, the highest

level of service for all Manitobans that we can get together and provide. That is my bottom line. I said that to the Swampy Cree representatives who came to see me. I think they understand that.

I also know the wish and desire of First Nations to want to take some control over their own affairs and their own services. That somehow has to work into a scheme that treats all Manitobans relatively equitably when it comes to the delivery of health care.

I just say that so the honourable member will understand where I am coming from, and I say too that we continue to await a response from the Swampy Cree Council so that we can move forward with these discussions.

Mr. Lathlin: Madam Chairperson, if as the minister says there is no federal money financing the '64 agreement, why is he so reluctant then to rescind the agreement if it is not going to cost him anything and allow the tribal council to go on their own and make their arrangements with the federal government?

Mr. McCrae: I hope I was clear. I think I talked about it a little while ago. The issue resolves itself to a consideration of the matter of the level of service being provided by Manitoba now. As part of these discussions, Swampy Cree seems to be saying to us, there are gaps in the service and we need this and that enhanced, which really ends up calling for more provincial dollars than is presently being spent. That to me creates this inequity that I mentioned a few minutes ago.

If that was not on the table, I suspect we would be closer to arriving at an arrangement. If there is frustration, it may be frustration at the provincial government not being prepared to provide services in one region that would be at a higher level than services provided in other regions. That would be the position of Manitoba that might be causing the negotiators for Swampy Cree some frustration. That, however, is not something I do not think I can negotiate, in other words, say that the First Nations will get a better or higher level of service than other parts of Manitoba. I cannot agree to that, and if that is the source of their frustration, I am

sorry, but that is not my problem. That is something that the Swampy Cree people will have to come to grips with. If they want to move forward—we have not said we are not willing to move forward on this. We are not saying that is not possible or is not on or that we do not agree.

They are saying that there are gaps in service. So that requires—and I do not know if there are gaps in service or not, because there is still a federal presence and we are not aware to what extent the federal people are involved in financing services on reserves. So the honourable member, as I say, I suggest in helping him get an understanding of this, if he needs or wants to know about the federal contribution, find out what that federal contribution is by asking Swampy Cree itself how many dollars come in to the reserves for health care. Maybe they will share that with you. I do not know if the federal government does that or not, but if that is an area of confusion, that can be settled by asking Swampy Cree how many federal dollars are coming in.

* (1550)

Mr. Lathlin: The Swampy Cree Tribal Council and I know how much federal money goes into the tribal councils and into the individual First Nations health programs. We know that because we have contribution agreements with the federal government. What we are interested in knowing, and what the tribal council is interested in knowing, is that federal portion of whatever it is that is financing the 1964 agreement.

Mr. McCrae: We as a province are not given an amount of money from the federal government in trust for those particular people. That is my understanding. We cannot break it down in the way that the honourable member seems to be suggesting we could. We are all here together, and our EPF arrangements, our equalization arrangements—equalization is basically a tax issue, and I have got the former Minister of Finance here, who is helping me too with this discussion. The EPF is not measured in the way that the honourable member seems to be suggesting I should know how the EPF affects the people in, let us say, the Moose Lake Reserve area.

That is not how the pie is divvied up. We receive transfers from Ottawa on the EPF, on the cap, on the equalization. Unfortunately, on the EPF it has been dwindling since 1977 or so. That is another story. The fact is, it is not broken down in the way that the honourable member's question implies that it is.

Mr. Lathlin: Madam Chair, I will get to my last three points. The tendering and the awarding of travel services for the Northern Patient Transportation Program is causing a lot of concern for the board of directors at The Pas Health Complex, particularly after they had learned that American Express is one of those companies that have been short listed. The first part of my question to that would be to ask the minister to maybe give us an update on that process, whether in fact contracts have been awarded or they are on the verge of being awarded or where is it at.

Also, if we would maybe explain as well if it is in fact being contemplated that the work be awarded to—or American Express is one of the companies being short-listed. The concern that I always have and is also being expressed by the people from The Pas Hospital is that if it is awarded to—well, in their words, this contract, if it is awarded the way they think it is going to be awarded, will not do anything to boost economic development in the North. They also say, as per usual, most of the benefits will go to southern Manitoba and even to foreign interests.

Could I ask the minister maybe to give us an update as to how the Northern Patient Transportation Program is going to be managed with respect to the tendering and the awarding of the contract process and also maybe to take into consideration the concerns that were expressed by people from The Pas if the work does indeed go to foreign interests?

Mr. McCrae: Madam Chairperson, after a brief discussion with staff from the department, we would request the honourable member's forbearance in allowing us to take a little bit of time to research the question that he is asking and give him a full and complete response perhaps in writing or I could read it into the record at the next

sitting. If that would be satisfactory to the honourable member, I would prefer to do it that way rather than venture into an area that I am not quite prepared to respond to.

Mr. Lathlin: Madam Chairperson, the last two questions that I have, again, have to do with The Pas and area. I know the Minister of Health this week during Question Period alluded to the mental health program. During Question Period he mentioned The Pas. I think when he did that he expected me to smile and maybe rush over there and pat him on the back.

The concern that is being expressed to me by the people from The Pas and people from The Pas hospital is that they are satisfied that the work is progressing well on the physical renovations. As a matter of fact, I think it has gone to the point of awarding an architectural contract to a company.

The concern, however, they have is that the human resource components to the program have not yet been finalized. They expressed to me that if we do not get moving on the human resources component to the program, we are going to have a facility there and nobody to run it. Maybe I could ask the minister to give us an update on that as well.

Mr. McCrae: I had the opportunity last fall to visit The Pas to talk to the board there, the administration, nursing staff, and I was very taken by the attitude of the people of The Pas and their attitude about delivery of safe and quality health care services to their fellow citizens. That has been my experience in many communities.

I would like to ask the honourable member to try to understand that we are talking about redevelopment of hospitals in Manitoba. That means we have a commitment to the future of those hospitals. That is what that means. Hospitals are changing. Hospital operations are changing. Services delivered at hospitals are changing.

We announced an additional eight acute psychiatric beds for The Pas. That is going to require staff. We are not going to establish acute psychiatric beds unless there is staff to look after the people in those beds.

On the other hand, in our review of staffing guidelines province-wide, we are going to find some hospitals that have more staff per patient day than you will find in other hospitals of Manitoba. That is not fair unless, as in the case of The Pas, an appropriate case can be made for a hospital like that, that is on several levels, three I think it is. That is a different building configuration and may require attention in terms of our staffing guidelines. Some nurses made the point to me that the level of acuity of illness of people in The Pas hospital could well be higher than in other places.

* (1600)

(Mr. Ben Sveinson, Acting Chairperson, in the Chair)

If that is true, then we should indeed take account of that when we are looking at staffing guidelines. Any other legitimate issues that come forward in an examination of staffing guidelines ought to be looked at. At the end of the day and after all those things are looked at with the help of the MARN, the MALPN, the College of Physicians and Surgeons, a decision is arrived at that The Pas hospital has quite a lot higher or a little bit higher level of RNE, registered nurse equivalence, than Dauphin or somewhere else like that, then a decision has to get made to be fair to the people in both communities.

Some hospitals in Manitoba have operated within the staffing guidelines and provided very high levels of quality care to patients. Others for some reason have not been able to do that. I do not know where The Pas fits into all of this, but I say that whichever side it comes in on, there is a fairness issue, but there is a patient care issue which is the No. 1 overriding concern.

If The Pas hospital is used to operating and providing high levels of quality care with a level of staffing even below the staffing guideline, I say, share with us how you learned to do that, because we would like to know how you did it. If, however, The Pas hospital is operating with an RNE equivalent that is way up or above the provincial average, well, I want to know why that happened, too. If it is because of the physical configuration of

the building, if it is because the acuity of illness of the people at The Pas hospital is higher than elsewhere, those are legitimate considerations that should be looked at.

I am trying to make sure that the process moves along so that we do not put this off. I know people who know they are overstaffed at their hospital and they know that is going to have to be addressed. They are saying, Mr. Minister, get on with it, it is necessary to do. We want to know what to do with the rest of our lives, if we are going to be laid off or if we should be redeployed or placed in some other kind of—retrained or whatever is going to happen. We just want to know.

I am sensitive to that, I say, to the honourable member. So I am asking the department to move that process of reviewing the staffing guidelines along and not to waste any time on it, because we should indeed move along, not only for the personal reasons of the staff who might be involved, but also to right whatever inequities exist in the province with respect to staff. I just gave that answer to give the honourable member an idea of what I am looking at.

In terms of redevelopments and changes in hospitals over the years, and I do not know how old The Pas hospital is, but I know the Brandon Hospital, the present building is about 30 years old. As I was saying the other day, over the years we have added to a building that was designed 30 years ago, added all kinds of new services and new equipment and new staff. I imagine if you check the staffing levels of Brandon General Hospital 30 years ago, I wonder what it would be, or 30 years ago at The Pas, I wonder what it would be as compared with today.

The fact is redevelopment, adding capital programs to hospitals, means there is a commitment to the future of service delivery at that hospital. Now does it mean that that service is going to be delivered exactly the way it has been delivered for the last 30 years? Absolutely not, because we have wasted money for 30 years in the delivery of services in our health care system. The people are sick and tired of putting up with waste in our system. We have to address that, and that is

what restructuring is about. That is what shifting away from total reliance on acute care is all about. Now, in all of our regions, we have to make sure that we have appropriate alternative care models available for people to use so that they do not have to have reliance on expensive hospital care when that is not the appropriate care for everybody.

I just say all those things to sort of bring the honourable member up to date as to what the thinking is in the health care system.

Mr. Lathlin: Mr. Acting Chairperson, the last item that I have again has to do with The Pas Health Complex. The board for the The Pas Health Complex is trying to have the family residency program reinstated in The Pas. They, of course, realize that the board simply cannot be involved in the day-to-day operations and management of the hospital. It is virtually nonexistent today, I guess, but they still feel that in the overall medical personnel planning that their role is vital and I support that 100 percent.

So they are asking government to reinstate the family residency program. There are residents who have been to The Pas who speak quite highly of the local program as it existed and even apparently fourth-year medical students who go to The Pas from time to time have suggested that The Pas Health Complex hospital would be an excellent facility for extended teaching services for medical students and post-graduate medical training.

Now, the minister knows that I am a strong supporter of The Pas Health Complex being a teaching hospital because there is the Northern Bachelor of Nursing Program that is just coming to an end. I know the people from The Pas are working on a proposal that would see the development of a similar program maybe, but indeed a degree program that would take the place of the Northern Bachelor of Nursing Program that is just finishing. They are in the process of finalizing the proposal that would go to medical services and eventually would come—if it has not come to the provincial government all ready, it will come in time.

I know, when the Northern Bachelor of Nursing Program was operating in The Pas, The Pas Health Complex became sort of like a teaching hospital, I guess, because that is where the nurses went to train, besides coming to Winnipeg. That is why I want to go on record as supporting the board for The Pas Health Complex in their endeavours to convince government, the Department of Health, to reinstate the family residency program.

I am just wondering, Mr. Acting Chairperson, if the minister has any comments about that particular program.

* (1610)

Mr. McCrae: I think that some of the things that we have been doing in The Pas, Thompson and northern Manitoba demonstrate our interest in the development of health services there. I think that certainly in the area of mental health services, we have shown a commitment to the Norman region, The Pas and Flin Flon. I am always interested in trying to build on those kinds of commitments.

I think that proposals that come forward would be given serious attention, and we would be interested in any discussions that would flow from proposals coming forward. I just leave it with the honourable member that I and my department would be open to discussion of ideas and proposals that would come forward.

I know that it is quite a natural thing in a community that in some ways is a very successful community. The Pas and the Opaskwayak First Nation have been working very co-operatively together on a number of ventures, and that is all good and positive. In addition to initiatives begun, and I do not refer strictly to mental health delivery services but health services generally, we would look with interest at any proposal that came forward.

Ms. Avis Gray (Crescentwood): Mr. Acting Chairperson, I had a couple of questions for the minister about the nursing programs at universities, and I do not know whether this is an appropriate section to ask those questions. I can wait if it is not.

The minister indicated he would try. He is probably very familiar with this one. It is the development of the collaborative baccalaureate nursing program in Brandon University. I know the minister has had an opportunity to meet with the staff out there and see their proposal, and I have had that opportunity as well. I must say that in meeting with them and looking at the type of program that they would like to see as well as some of the specialties in mental health, it sounds very promising. I am wondering if the minister could tell us the status of their particular proposal. I recognize there are some decisions that would have to be made with the Department of Education as well, but I would ask from the Department of Health side what his position would be on this program.

Mr. McCrae: This is a proposal that requires and has the participation of a number of groups and organizations, including Brandon General, Grace Hospital, Brandon University and the MARN and the department. We are awaiting a final proposal that addresses some of the information requirements that the department would need in order to give the go-ahead, if that is the right expression. So I think the work is ongoing. There is interest. I have attended more than one meeting about it. I think in the development of any proposal it does take some time and exchange of information, which is not complete, but we are hoping to receive the information we need in the near future.

Ms. Gray: Mr. Acting Chairperson, can the minister tell us then, given that the information provided was acceptable to the minister in principle, is he generally supportive of looking at this baccalaureate program out of Brandon University?

Mr. McCrae: I have stated at the outset, when I have discussed this with Dr. Anderson at the university and other people as well, that in principle, yes indeed, I am always interested in seeing development of the things happening in the city of Brandon. But I also look at this from the point of view of a Minister of Health, and we are going to need to know what the population needs

are expected to be as reported on by those who know how to do that. What will the population needs be in terms of what kinds of nursing professionals will be required. How many people should we be putting through this system? Will the curriculum be appropriate to the kinds of population health needs there will be in this reformed health system for the future? Costs are always an ongoing issue. All of those things remain the issues to tidy up, if you like. I look forward to the day when Brandon will be another, as Brandon so often is, major, major centre for education, training of various kinds.

Ms. Gray: Mr. Acting Chairperson, I thank the minister for those comments. We look forward to the rest of the information the minister requires so that in fact that group can move ahead, because it is not the type of program that can happen overnight anyway, but we look forward to progress in that area.

I am wondering if the minister can tell us—I think the Department of Health is supportive, and I am not sure of the move towards registered nurses becoming baccalaureate nurses, the move towards that by the year 2000. Is the department supportive of that concept, and if so, could he give us the status on the number of RN training programs that are still operating in Manitoba?

Mr. McCrae: It is a hard question to answer because there are many people out there who feel that is the direction nursing is heading in, in any event. I am also concerned, as I spoke earlier, about all of the nursing professionals in the province and the future of their professions. For that reason, we have called together, with the help of Dr. John Arnett and our departmental staff, all of the various nursing professionals, because if BN 2000 means that there is a negative impact in any other area of the profession, that is a concern that we cannot just brush aside. That is important to people in Manitoba because somehow—well, licensed practical nurse professionals are concerned about how that will impact their particular profession.

In many ways service needs are changing. Acuity of care in acute care centres is on the rise,

same as in personal care homes, so we have to have well-trained people in the future, but we have not made a formal declaration that it is going to be BN 2000. But in so many ways we are moving in that direction to some extent anyway, so we need to get a clarification of the roles of the BN, of the RN who is still in the system, the role of the LPN, the RPN and so forth. That all has to be understood, I think, by everyone before we make any firm declarations of support.

Ms. Gray: Mr. Acting Chairperson, I take it that the answer was not yes or it was not no. Can the minister tell us, when is there going to be some decisions made on that? I ask that question because if some of the schools of nursing who train potential registered nurses are going to continue functioning in the next fall term, et cetera, I think these schools need to know if in fact they are going to be viable or whether in fact there is going to be a winding down of registered nurses without having a BN.

Mr. McCrae: That is a legitimate point. Yet I am not able to make judgments or decisions about a thing like that until I have the information in my hands that would help me make a proper decision. So we rely on our partners, the nursing organizations, to work with us collaboratively to make sure that decisions we make are based on information and good solid information.

So it is towards that end that I think I have taken a bit of an initiative here to bring the various nursing professionals together to try to sort out and clarify roles for the future. Maybe what I have done will help me answer that question sooner.

* (1620)

Ms. Gray: Mr. Acting Chairperson, is this the same committee that is going to be reporting to the minister by mid-June, the various nursing professionals? The minister nods his head in the affirmative.

Could the minister perhaps provide terms of reference for all the different activities and issues that this committee is going to be looking at?

Mr. McCrae: Mr. Acting Chairperson, it started out fairly informal in its nature. I do not think we

were able to answer that question before that first meeting, where basically we talked about the various roles and education matters. As these meetings continue, I expect that its own terms of reference will crystallize, if at the end of the process, and I think they understand this as a mandate, to do what they can to try to identify clearly how each profession fits into the continuum of care in a future health care delivery system.

They already know that that is their basic mandate in term or terms of reference. There is not something written, but that is the understanding of the parties around the table.

Ms. Gray: Mr. Acting Chairperson, was there not a report that the Department of Health had looked at, and I do not remember the name of the report, but it involved looking at the roles of LPNs and RNs and involved spending some time at Brandon University and meeting with the individuals there? I am not sure of the name of the report, but the department was involved. The department has been involved in reports that look at the functions of registered nurses, registered psychiatric nurses, or LPNs, and I am wondering what has happened to that report.

Mr. McCrae: Mr. Acting Chairperson, the honourable member can sort of take her pick. There is the Sullivan report, there is the Desjardins report as it has been called, for the LPNs I think it is. This whole professional conflict—what I call it, but it is really not quite a conflict—goes back 28 years. The issues of the overlapping qualifications amongst nursing professionals goes back 28 years. Here I am in 1994 hoping and thinking and wishing and dreaming that maybe finally we are going to be able to resolve all this.

I think it is asking a lot, and yet I am trying. I really am hopeful that there can be a meeting of the minds, but I already know that—like, today for example, at the announcement by the government to move forward with the area of midwifery, that creates another profession, and creates maybe a little bit of professional conflict, as I call it. However, I do offer to give the honourable member a chronology of the history of the nursing profession. The reason I mention the 28-year issue

here is because I have recently read that chronology, and it might be helpful for the honourable member. If there is some report that is available that she reads about in that chronology, she can ask and I will see what I can do about getting it for her.

You know, the system is changing fairly dramatically, now and in the future, and the role of nurses of various kinds may change, and the more we understand each other today, the more likelihood we are going to be able to move forward. If we can all put the focus on the patient or the health care consumer, then that helps us too in ironing out whatever difficulties exist. But I will undertake today to make available to the honourable member a copy of that chronology that I recently read. There may be questions flow from that, and I would welcome them.

Ms. Gray: Mr. Acting Chairperson, I am wondering if the minister, though, has some type of a time frame. Granted there have been these issues for 28 years, but his government has been in power for six years, and I am wondering if he has a sense of when he would like to see some of these issues resolved in terms of the variety of roles of various nursing professionals. What we want to see is your vision here in Manitoba over the next 10 and 20 years.

Mr. McCrae: For a couple of reasons, Mr. Acting Chairperson, I would like to see a lot of these issues resolved yesterday. The reason I say that is that we are trying to make partners out of all of these groups as we move forward with changes to the health system. There are some who seem not to wish the partner. I mentioned one group that failed to show up at the meeting, which I thought was an extremely important one, because for the first time we brought so many together in a long time. But from the point of view of nurses working in the system and worrying and wondering what the future is going to be for themselves and for their profession, for their sake, I would like it to be yesterday.

For the sake of the people who will need care, for their sake especially too, I want to see matters resolved because I want safe and efficient care to

be delivered to the people. So I want it to be done right now, but I am realistic enough to know that is not going to happen and it certainly did not happen yesterday. Even today I have reason to believe that with the coming on stream of a professional discipline of midwifery that there are those in the nursing area who feel that should have been part of their responsibility. So you can see how these things develop, and I am just hoping that we can all come to terms with all of these things, to do it together and keep the health of the consumer as the focus of our discussion.

Ms. Gray: Mr. Acting Chairperson, I just want to change tracks. I thank the minister for that discussion on professionals.

It has been indicated to me that patients from Health Sciences Centre and St. Boniface Hospital are being moved to other community hospitals, specifically Concordia, and I have received a couple of calls from individuals who have family at Concordia, as is this example, and who, they feel, are now being forced out of Concordia into palliative care or to the municipals because of other patients being transferred from Health Sciences Centre and St. Boniface. This is apparently what the staff is saying. Can the minister comment on this?

* (1630)

Mr. McCrae: I know of one case that has been brought to my attention, and it boiled down in that case to a dispute between the family and the hospital as to the appropriate placement of the family member. I know of that. I guess it is a question of, are these moves to long-term or chronic care facilities necessitated because of a backup of beds or because long-term chronic care is the right place to be? I would like to get to the bottom of that.

If it is a suggestion that some people just prefer to be in one place, I think we have to address that realistically and remember that there are some people who need to be in that place. So we have to sometimes move people to long-term chronic care if that is the proper place for them. In the same way, hospitals ought not to be used inappropriately

on a weekend or for whatever reason. If home care is an appropriate alternative, then home care services should be made available. If long term is the right alternative and it is available, then we should use it to make the beds available.

So I do not know whose judgment it is that we are talking about here. If this amounts to a dispute, then that is a dispute, and it is not a comment on lack of capacity or something like that. That sometimes happens. But I am told that we have beds at—there are interim beds at Concordia, Deer Lodge and Riverview for people before being panelled for personal care.

Ms. Gray: Mr. Acting Chairperson, just a comment, I agree with the minister that, if in fact palliative care or another facility is more appropriate for a person, then it should be that hospital that is working with the family to ensure that the person receives that appropriate care and that the moves are made in consultation with the family and with their assistance.

As well, the minister then has indicated that people are being moved to interim beds at—it was Deer Lodge, Concordia and—

Mr. McCrae: Riverview.

Ms. Gray: Oh, and Riverview, and these are individuals who have been panelled for personal care home?

Mr. McCrae: Yes.

Ms. Gray: And awaiting placement? Okay. Does the minister have statistics on the number of beds, and how many people are flowing through from Health Sciences and St. Boniface to these other facilities?

Mr. McCrae: I only have one statistic at this moment, Mr. Acting Chairperson. Any others that are available, we can make available if the member asks for them. I understand that there are 179 people in this interim situation at the present time.

Ms. Gray: Mr. Acting Chairperson, what is the purpose of this move? Is it because of moving people from more expensive beds to less costly? Is that the reason behind this or—

Mr. McCrae: There is always a need in our acute care centres to have capacity available for people who need acute care. So, if you do not need acute care, we would put you into this interim system so that we can provide those who need acute care with those services.

In addition, if long-term or interim chronic care is more appropriate than acute care, then that is more appropriate. The case that I am aware of really boils down, I think, to a dispute. It boils down to a dispute between hospital and family, and hospitals have to do their best to try to work these things out in individual cases.

Ms. Gray: Mr. Acting Chairperson, my only comment about that, if in fact it would be the hospitals themselves, and people in the Department of Health feel that these interim beds and moving people from Health Sciences Centre and St. Boniface to these interim beds is appropriate use of beds, then I would hope as well that that information is communicated by the hospitals to their staff, because I think in the case of some of the calls I have received, concerns expressed by family are being supported by some of the staff. So I think if we all have the same idea as to what is going on and why, that might—and assist the families in making that transition.

Mr. McCrae: I agree with the honourable member and would ask staff to take note of that suggestion. There are people working in our hospitals—it has been reported to me by people who have stayed at the hospitals that you are being discharged today instead of tomorrow because of government cutbacks when that is not the reason at all. Those things are being said. That is very disturbing to me because patients are the people who I work for. For those kinds of things to be said, I find it disturbing, and yet I do not have control over what people say, but people in positions of authority in our hospitals, from my information, do their best to try to carry out amicable and courteous and co-operative relationships with the patients at the hospitals and most everybody else does too. I know that there are some few people working in the hospitals who engage in telling patients things that are not so, but

that is not something I can control. I dare say, I do not suppose hospital management can control it either.

Mr. Chomiak: Mr. Acting Chairperson, the minister made a major announcement about midwifery today and indicated that a council would be established, an interim body, and legislation. I am assuming, from reading the terms of reference and from reading the government news release, that we will not be seeing legislation this current session. Of course, that is also contingent upon the length of this current session, but if one assumes this current session should proceed, say, no longer than what is the norm—I am just wondering, I assume that we are not looking for legislation this session, or am I incorrect in that?

Mr. McCrae: Mr. Acting Chairperson, at first blush, I do not think so. On second blush, if the honourable member and colleagues wish to keep the Legislature going for a very long time, then that would alter my answer considerably.

I am very, very happy to have been able to be the Minister of Health at a time when we can announce that we are going to move forward in the area of midwifery for Manitoba moms and families. I do not claim to understand everything, but I believe that women in Manitoba want choice, and that is something I can respect. I am glad to part of a system that is able to respond to that.

It is not necessarily a move that is made without some courage and some careful thought, obviously careful thought because we just finished talking about professional issues. As the member knows, professional issues do come up from time to time in this business. I think that with our announcement today, we can now move forward with the help of Carol Scurfield, who is going to lead the Implementation Council, and that Implementation Council will serve as the governing body for midwifery until legislation and regulatory frameworks can be set up. Obviously, we will need the Legislature to get a legislated framework.

We are empowering the council to serve as that interim body and also to implement, to make

recommendations to government as to what we should be doing next with respect to setting up the program. I mean, the honourable member knows that even though midwifery has been around for centuries, it has not been formally recognized through regulation and legislation in Manitoba, and so we have a lot to do. We have lots to learn from jurisdictions that have done it in the past and from others that are getting into it. Ontario has begun the process. That was the reference I made earlier when I was talking to the honourable member that Ontario leads in some areas and leads in some other areas, too. In this area, Ontario is out there; B.C., I believe, and Alberta have stated their intentions and we are doing that.

With the help of Carol, Ms. Scurfield, we are fortunate, I believe. One person asked me today, why would you have a doctor lead this council, and I said anybody who asked that does not know Carol Scurfield. That was basically all I needed to say to make my point, and it did make the point.

So in addition though to Carol Scurfield, there will be other interested parties, parties who have an interest in this. Who knows, somebody might even have a conflict, I do not know. But they are all going to be involved to help give the government good advice on how we should move forward on midwifery.

Mr. Chomiak: Mr. Acting Chairperson, did the minister also announce today the composition of the council, or is that still pending?

Mr. McCrae: I did not other than the chair. The other appointments will be made as soon as we can make them, and they are pending.

* (1640)

Mr. Chomiak: Mr. Acting Chairperson, this is an academic question, but it is my own understanding of the issue. Effectively today nothing changes with respect to the recognition or the legality of the practice of midwifery in Manitoba other than we now have a council in effect. It is an interim body that will make decisions until a permanent legislation is in effect. This interim body really has no legal standing of any kind other than an advisory role, and midwifery is still formally in

the, shall I say, legal limbo that it always is until legislation comes into effect. This is simply an academic question I am just trying to frame.

Mr. McCrae: Mr. Acting Chairperson, in the narrow legal sense the council is not empowered to act as a college of physicians and surgeons, for example. That is not legally possible. The only way to actually get midwifery operating independently would be to get legislation passed. So I say if we should happen to move quickly enough and the honourable member keeps the session going long enough, then conceivably we would be able to have legislation. We would sure want him to support it and do it in a hurry too, but that is probably not likely, in my judgment. We will have to see how long this session lasts.

In that strict, narrow legal sense, no, we are not able to move forward as far as legislation would allow us to move forward. There are midwives, I am told, operating in Manitoba who operate in conjunction with members of the medical profession, and that will continue in the meantime.

Mr. Chomiak: I am advised that one of the weaknesses in perhaps Ontario—and I was just advised of this second hand—was that aboriginal and Metis representatives and others, outreach was not done perhaps as extensively as is being proposed here. I think that is a very positive aspect of this with respect to the outreach, and we certainly look forward to the legislation coming before this Chamber. I assume this body will be funded by a line item, under what appropriation in Health?

Mr. McCrae: When we do get into it line by line, the honourable member will note the Women's Health initiatives, and it would be in that area from which this council will be funded.

Mr. Chomiak: Mr. Acting Chairperson, I assume subsequently if, for example, legislation were to be passed this session and the process were to begin, say, January 1, 1995, most of the expenditure would come under medical section of MHSC under that particular appropriation, or which pool of money would it come out of?

Mr. McCrae: I think we are—I am speculating a little bit here, Mr. Acting Chairperson, in that I would see probably this being as separate from the medical services line in the Estimates, but it is a little early for me to tell.

Mr. Chomiak: That is fair enough; I was just trying to structurally ascertain the direction. I appreciate it is a little bit of a difficult question at this point. It may not at this point be actually a high priority.

I just turn now, having spent time complimenting the department; I have another helpful suggestion I am going to pass on to the minister. I know the member for Pembina (Mr. Orchard) will express his comments to the minister of how high in the past I have attempted to be helpful and make positive suggestions—

Mr. McCrae: He talks about it all the time.

Mr. Chomiak: Yes, I am sure he does.

Hon. Donald Orchard (Minister of Energy and Mines): I am still waiting for you to do it.

Mr. Chomiak: Helpful suggestions to the department.

Mr. Orchard: All I hear is ranting and raving and negativism.

Mr. Chomiak: You should leave cabinet and then come to our caucus; it will be fun.

Mr. Acting Chairperson, to continue my discourse on this course of action here, I had occasion this morning to meet with the group of individuals who are involved in the mental health field. I know this does not directly apply to the—it applies generally to the 1.(b) appropriation. During the course of our discussion talking about issues of preventative nature, we got onto the topic of children. I said, well, of course you will know you have been able to make representations to the government's committee on Healthy Child, and not one of the five representatives from the mental health community that I met with was even aware of the committee's existence.

I was actually quite surprised because I had assumed that it was fairly widespread in the community that this committee was operating, and

that prompts me to ask of the minister two questions. At what point in the deliberations is the committee in its work; and secondly, how extensive was it? I was under the assumption that it was very widely drawn, because many individuals whom I have contact with were aware of the operations of that committee. But how extensive the field from which people were drawn was in terms of that committee and the various working groups underneath it?

Mr. McCrae: Mr. Acting Chairperson, there is a fairly extensive list of people involved in Healthy Child. I wonder if the honourable member wants me to—I guess, I missed what the question was.

* (1650)

Mr. Chomiak: I know that the member for Pembina (Mr. Orchard) is convinced I am laying a trap in this question, but I can assure him I am not. It just struck me—I actually developed my own answer for this question. I will give you the answer to the question, and then the minister could guess the question perhaps.

Mr. Orchard: Let us hear your answer, Dave.

Mr. Chomiak: The member for Pembina says, let us hear the answer.

Mr. McCrae: You do the answer, and I will do the question.

Mr. Chomiak: Okay. I will go back to my initial—I was struck by the fact these individuals were not aware of the existence of the committee, even though I was aware of the fact the committee was fairly well represented from individuals that I was aware of. It struck me that perhaps the reason that these individuals were not aware is some of them were active in other committees under the Department of Health, of the 89 that are still existing, and perhaps there was not really a connection between—the committees perhaps are not liaisoned amongst each other in its entire process. I am wondering if perhaps that might have been the weakness, because it seems to me that integration between some of these various committees would have been quite useful in the whole process and maybe perhaps that is it.

Mr. McCrae: I am going to pass on the honourable member's suggestion to the co-chairs of this committee, Dr. Brian Postl and Marian Boulanger, who is a nurse at the Health Sciences Centre. We will pass on what the honourable member has said. It may well turn out to be helpful.

Mr. Chomiak: Mr. Acting Chairperson, my next question to the minister concerns—he had indicated he would table or provide us a list of those positions that are contained in this appropriation that I am sure will soon be—

Mr. McCrae: Mr. Acting Chairperson, the secretary to the minister, Sonia Smith. I do not know if you know Sonia very well, but she has been around for long enough that the honourable member and I can both learn some things from Sonia Smith. She goes back to when Roland Penner was the Attorney General, they called him in those days. She keeps telling me that Roland Penner is such a nice guy, and I say, I know he is a nice guy, Sonia, I know he is a nice guy. I had quite a lot of dealings with him when he was dean of the law school and I was Minister of Justice, and we had dealings even before that when we were in the House, when we used to call him things other than just Roland. But now I call him Roland and he calls me Jim, and we are pretty good buddies.

That is the kind of person Sonia is. Actually she goes back to before Roland to Gerry Mercier, his lordship Mr. Justice Mercier, and then after that was Victor Schroeder. Then when it came time for me to take over the Department of Health as minister, I felt that I did not know how I was going to manage if we could not have Sonia Smith. So Sonia Smith, who has been with Justice except for a very brief time when she joined Roland in the Education Department, is in Health and we both have our hands full, there is no question about that.

Then there is Kathleen Hachey, my special assistant, and another special assistant, Barbara Thompson, and an executive assistant, Cameron MacKay. Barbara is fairly new, but Cameron MacKay is a very interesting fellow. If the honourable member had accepted my often-made

invitation to come and visit me in my office, he would have met all these people.

There is an administrative secretary, Lorraine Lejko, and there is clerical support. There is one job that is shared between Jackie Mackstead (phonetic) and Naomi MacKinnon and another clerical support person, Betty Hammond. A very, very busy office, and the people there, we try to make sure that they are always nice and courteous and friendly to the public that we deal with so much.

Then we get to the deputy's office, where the member would have you believe that big bucks get spent, but speaking of big bucks, did the honourable member hear about Marc Eliesen and what has been happening with Marc?

An Honourable Member: He got fired.

Mr. McCrae: Well, besides a lot of rumours about his getting fired, Marc Eliesen, you might remember, was involved with Manitoba Hydro, ended up in B.C. I think he spent some time in Ontario too, did he not? Yes, he went to Ontario too. I do not know, maybe they ran out of money in Ontario. I am not sure, but off he went to B.C., and there he is pulling in a salary of a mere \$158,000, I think, or was it higher than that even? [interjection] No, I have got it somewhere else, what he was getting. He really raked in the dough there. I will just get that out for you because I know you will want to know this. I did not know Marc Eliesen directly, but I know—

An Honourable Member: Did you see the contract he had in B.C.?

Mr. McCrae: Well, I was just dealing with it. I did not know him well. I do not know how this came up. I had it all there, but anyway, I will get the precise numbers for Marc Eliesen maybe next time this matter comes up. But if you want to talk about big bucks, now that is where the big bucks are, unless it is with Michael Decter. There it is. This is according to the Vancouver Sun, May 5, '94. Marc Eliesen signed a five-year contract with Moe Sihota. I do not know if you know Moe Sihota. I know Moe Sihota. He is a minister with the government there. Well, Moe signed a

five-year contract with Eliesen that pays the Hydro chief \$195,000 annually, plus, oh, a performance bonus of up to 30 percent. He has been paid the maximum of \$58,000 each year to date, and now the story is, he is about to be fired. Interesting. I wonder about the symbolism there.

The Acting Chairperson (Mr. Sveinson): Order, please.

Point of Order

Mr. Chomiak: Mr. Acting Chairperson, I asked the minister about staff in his office, the deputy minister's office. Is the minister telling me that he is contemplating hiring Marc Eliesen?

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

* * *

Mr. McCrae: Mr. Acting Chairperson, the Department of Health in Manitoba has a budget of \$1.85 billion, but we cannot afford Marc Eliesen. But the minister would like me to finish—[interjection] but I was not quite finished about Marc Eliesen, though. We will get back to Marc Eliesen next time. In addition to the deputy minister and the deputy's office, there is an administrative officer, Norma Bonnici. There is a secretary to the deputy minister, Janice Kereluk; clerical support, Wendy Jamison; and the provincial nursing adviser is under this appropriation, for whatever reason.

The work goes well beyond just advising the deputy minister, because the work includes a whole lot of consultation, attending meetings and working with all kinds of people out there and giving direct advice to the minister which he so often needs. Carolyn Park, the provincial nursing adviser is also attached for budget reasons to the deputy minister's office.

The Acting Chairperson (Mr. Sveinson): The hour being five o'clock, committee rise.

Call in the Speaker.

IN SESSION

Hon. Jim Ernst (Government House Leader): Mr. Speaker, there have been some discussions between House leaders this afternoon respecting the continuation of Estimates consideration today. I believe, Sir, if you were to canvass the House you will find that there is unanimous consent to waive private members' hour and for the House to sit beyond 6 p.m.

Mr. Speaker: Is there unanimous consent to waive private members' hour? [agreed]

Is there unanimous consent for the House to sit beyond 6 p.m.? [agreed]

Mr. Ernst: Sir, I think you will find there is also unanimous consent for myself to again move the motion to resolve into Committee of Supply and for the committee to sit beyond 6 p.m. and rise at its discretion.

Mr. Speaker: Is there unanimous consent of the House to allow the honourable government House leader to again move the motion to resolve itself into a Committee of Supply and for the committee to sit beyond 6 p.m. and to rise at its discretion? Is there unanimous consent? [agreed]

Mr. Ernst: Mr. Speaker, that having been done, with the understanding that only the section of the Committee of Supply meeting in Room 255 to consider the Estimates of the Department of Industry, Trade and Tourism will sit, I move, seconded by the Attorney General (Mrs. Vodrey), that Mr. Speaker do now leave the Chair and that the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Industry, Trade and Tourism.

COMMITTEE OF SUPPLY

INDUSTRY, TRADE AND TOURISM

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 Industry, Trade and Tourism. When the committee last sat it had been considering all the items of the department on page 102 throughout, by leave of the committee.

Is there still will of the committee to continue on in that fashion? [agreed]

Mr. Daryl Reid (Transcona): Mr. Deputy Chairperson, I have a few questions, and I believe it would probably fall under the Industrial Opportunities Program.

The minister had a news release that came out on April 28 dealing with an expansion to a Winnipeg furniture manufacturing plant, Palliser Furniture. I have some questions that are flowing out of that news release, because a portion of that plant's total operations is within my own community of Transcona.

Can the minister give me some indication on whether or not the \$1.8 million loan from the province to Palliser and the interest that is associated with that, is the interest forgivable if certain criteria are met?

Hon. James Downey (Minister of Industry, Trade and Tourism): Yes.

Mr. Reid: I believe there was an agreement that had been signed as well in 1988 dealing with this same plant when they were upgrading or expanding their facilities at that time, too, and it was interest forgivable at that time. Were the criteria met and was the interest forgiven on that loan at that time as well?

Mr. Downey: Yes.

Mr. Reid: Can the minister give me an indication on the amount of interest that was forgivable on the 1988 loan and what the anticipated interest forgivable will be for this current agreement that was just signed?

Mr. Downey: I will get that information for the member. I do not have it right at my fingertips right now, but I will provide it for him.

Mr. Reid: I thank the minister for that.

This plant is obviously going to create more jobs by way of the announcement, at least. This plant has been in the community for a number of years. There have been some problems with the plant, as I am sure the minister knows, pertaining to environmental concerns.

Can the minister tell me what the current number of jobs for that plant operation is prior to the announcement of the additional 238 new jobs?

Mr. Downey: I do not have that number. I know that they are operating, mentioning the environment, they are operating within the environmental permit that they have. As far as current jobs are concerned, it is my understanding that they have, I think, probably 1,380 jobs. That is what the department has indicated to me, and the jobs indicated in the press release will be over and above that.

Mr. Reid: I have no problems with the fact that businesses within our province are expanding and creating further employment opportunities, but it makes me wonder why an operation that has been historically profitable, and I believe on revenues of some \$150 million, at least I think it was two years I saw that figure, that was the revenues, why a plant at this operation where one would expect a ROI of probably somewhere in the range of 7 to 12 percent could not finance their operations through their own profits.

Mr. Downey: A couple of points, Mr. Deputy Chairperson—one is that they are introducing a brand new technology to the province and to the country which we believe will add substantially to the export opportunities and the overall wealth of the provincial economy. As well, I think the assembly or the distribution of their product from what was traditionally being distributed from the United States will now be carried out in the Winnipeg operation, adding something like 400 loads of product a year going out of the plant.

So I guess the overall incentive to do it and the economic benefits that flow from the decision to support this plant were justifiable enough in our mind as a government, and one can always question whether a company should have or should

not have support. We are maintaining and increasing jobs. In the overall benefit, we believe that the province will be better for it.

Mr. Reid: The only question I had arising out of the announcement was the fact that if you take—I do not know what the actual profit figure is, because this is a private company. At least, I hope it would have been part of the agreement that the government would know what the profits of the company would be so that we would be assured of fulfillment of the contract obligations. If a company is showing a profit on their \$150-plus million revenue a year, one would think or presume that there would be enough revenue available through the company's profits themselves to finance a venture that is some \$7.2 million, because if you have an ROI of—I am just picking a figure here—10 percent on \$150-million revenue, there is \$15 million right there, which is only half of the profit that they would generate in one year.

* (1720)

Mr. Downey: I personally do not know what their profit picture is. This has gone through the normal process that the department goes through as it relates to development of support for the project. Again, there is some element of risk when you look at the new technology that is being brought in. How much, I would not say there is a great amount, but I guess there is some. It is new technology that is being brought to the province, and we are pretty pleased it is going to be here. In most cases, I say the companies that have received support under such programs have exceeded, and I do not know particularly whether this company has, but in most cases they have exceeded the job commitments that they have initially targeted for.

So at the end of the day I would say that in the majority of cases, the province has been better off than what the initial target was as it relates to jobs. Again, it is a debatable thing, but we believe in the best interests of the industry and the jobs that it is creating that it was the right thing to do, and we will stick by that decision.

Mr. Reid: The 1988 agreement, I think that was the year that it was signed, was available to myself. I know I have a copy of it or a portion of it at least for my viewing. Is it possible to get a copy of this current agreement?

Mr. Downey: Mr. Deputy Chairperson, it is not normal that we provide them because it is confidential information as far as the business plan is concerned. As far as the interest, the amount of the interest that is forgiven with jobs, that is no problem, but the actual agreement itself, I will not commit to provide to the member.

Mr. Reid: I find it strange that the 1988 agreement was made available during the terms of its operation, yet now we cannot see the current agreement 1994, and I do not understand. If there is privileged information pertaining to the manufacturing process, I could understand, but if it is dealing with provincial taxpayers' monies that are being given by way of an interest-forgivable loan to this company, one would think that the agreement should be a matter of public information.

I am sure, if there is some portion of it that the minister feels is maybe not for public consumption and if he could explain to me why it should not be, then maybe that portion of the agreement could be deleted from the information that could be released.

Mr. Downey: Mr. Deputy Chairperson, I will look at what the member is referring to in 1988 and as to the documentation that he has available to him. If it is the same kind of thing that he is asking for now and a precedent has been set, and the company has not got a problem with it, I have no reason not to provide it, other than the confidentiality of a private business.

We will take a look at what he has gotten from the 1988 agreement. I will make my assessment from there and provide as much as I can that is providable, providing we do not break any confidences and the company is in agreement.

Mr. Reid: In the news release of April 28, it indicated that some of the jobs are going to be—well, have already been created, 50 new jobs

at the North Kildonan plant, as the first phase of the agreement.

Can the minister give me an indication what portion of that North Kildonan operation was enhanced or enlarged to create these 50 jobs? There was some process of change.

Mr. Downey: I would have to get a breakdown as to the different parts of the loan application and the development application as it relates to the different parts of the operation, but I know in total there has to be an additional 238 jobs created through this loan program or the interest is not forgivable.

Mr. Reid: I believe in the 1988 agreement, one of the stipulations in that contract was that X number of jobs had to be created within the overall company itself, not just strictly within Palliser, but within DeFehr Furniture's and Palliser's operation. Is that a similar condition of this contract, that 238 jobs would be created in the overall company?

Mr. Downey: The jobs have to be created overall in Manitoba.

Mr. Reid: Can the minister tell me: Was there any Western Diversification money tied with this agreement to expand the plants?

Mr. Downey: I believe there was, Mr. Deputy Chairperson.

Mr. Reid: Can the minister give me an indication of what kind of monies would have flowed from the Western Diversification tied into the expansion of this plant's operations?

Mr. Downey: I will have to check that as to what it was. I am told that it could be the same amount as what we have provided from the province, but I will confirm that number for the member.

Mr. Reid: I thank the minister for that.

I am glad that Palliser has expressed an interest in retaining their operations within the province and are growing, because I know there is a significant spin-off from their operation as well, environmental concerns aside, because that is still a concern within my own community, and to see that there are an additional 400 loads for our transportation sector that, I am sure, are going to

enhance whatever company it is. I think Bison Transport is doing that work now. There may be some work for other companies, as well.

In the second phase of the project for Palliser, it indicated that there is going to be manufacturing process changes in the Transcona plant, and there is some information that is provided in the news release indicating a component forming line, membrane pressing equipment, component finishing equipment, et cetera.

Are those the only changes to the Transcona plant, or are there other changes within their operational process that they will be undertaking as part of this agreement?

Mr. Downey: I will get confirmation of that, but I believe that is what it is. I know there is some new equipment being brought in, specialized equipment. I believe the Palliser people have proprietary rights to it. I think that is the additional work that will be done at the Transcona plant, but, again, I will get confirmation of that.

Mr. Reid: Does this agreement and the monies that flow out of this agreement to the plant involve the construction of more buildings upon the Transcona site?

Mr. Downey: I would have to double check that, but I do not believe so.

Mr. Reid: Maybe the minister, when he determines that, could let me know, because the residents have inquired of my office on whether or not there are going to be changes in the number of buildings on that site location.

Mr. Downey: I do not believe there will be any changes, but we will get confirmation of that.

Mr. Reid: I thank the minister for that.

Are any of these monies tied to any of the environmental processes the company may be putting in place to address some of the concerns that have been longstanding?

Mr. Downey: No, Mr. Deputy Chairperson.

Mr. Reid: Since the company is undertaking the second phase and it is bringing in some equipment, will this necessitate an increase in the production

from the particle board operation that forms the panel board for their new line of furniture?

Mr. Downey: I do not believe so, Mr. Deputy Chairperson.

Mr. Reid: Can the minister confirm that for me when he comes back with his other information, just to make sure that there will be no changes there, because that has been one of the strong concerns that has been raised with me by residents of my community?

Mr. Downey: I will get confirmation of that for the member.

Mr. Reid: I thank the minister for that.

This plant—it says in the news release that, with its head office here, there are six Winnipeg plants employing more than 1,500 people. Did I understand the minister incorrectly when he said there were 1,300 people in the employ of the overall company, or is this figure that is showing in the news release with the extra 238 jobs in addition to that 1,300?

Mr. Downey: I believe that the 238 will be in addition to the number that is shown there.

Mr. Reid: I thank the minister for that information. I look forward to receiving whatever information he can bring forward with respect to this contract, so that I can, in turn, give informed information to my constituents to allow them to understand the need of this company to expand. Hopefully, it will be good for the community and for the province as well, because I want to address some of the serious concerns they have with respect to the expansion.

Now, I am not sure if the minister can advise me, there was a press release that came out April 28 as well, the same day as the Palliser announcement, showing there was an agreement signed between Kansas and Manitoba on new economic initiatives.

Did this involve the minister's department?

Mr. Downey: Basically, it is the involvement of the Premier's Office and my office and the clerk in the intergovernmental affairs department with the Premier's Office. It is a joint effort that has been worked on with the Department of Trade and also

the Premier's department responsible for intergovernmental affairs.

Mr. Reid: I take it, then, because his name is used in the press release here that he was involved in some of the discussions or the signings or the agreement. Give me an understanding of what we would be looking at for Manitoba by way of changes to the transportation sector, the transportation industry, as it relates to the agreement between Kansas and Manitoba.

* (1730)

Mr. Downey: Well, I guess, just a general comment. With the increase in trade activity as it relates to the north-south movement through NAFTA and through the Free Trade Agreement, a Kansas location, as it is directly south of us and a lot of the work activity or a lot of the flow of goods and services will be moving directly through the two jurisdictions, the plans are to enhance the transportation sectors within our two jurisdictions so that we can maximize the benefits that will flow from it. It is a matter of getting representation from the transportation sector to see how we can, through the private sector, maximize the position of which we both find ourselves in, in geographic terms and also the movement of product.

We have a lot of like product being produced in both our jurisdictions as it relates to grains, as it relates to agriculture commodities, and it is a matter of trying to maximize for the people in business the positions in which we find ourselves.

Mr. Reid: Were there any Manitoba companies that accompanied the minister and the Premier (Mr. Filmon) or worked in conjunction with the government in signing for this agreement?

Mr. Downey: Not in the agreement that was signed, this last one he refers to, but there have been discussions with the transportation industry in some of the previous work that has been going on. I was not directly involved at that time. It was prior to my becoming minister. But it is our intention to actively involve the transportation sector as it relates to the setting up of a committee to further move towards a more enhanced activity.

I could find out what previous discussions have taken place from the transportation sector, and I will do that for the member, but it is our intention to involve as much as possible, for example, the Manitoba Trucking Association, the transportation representations from the different organizations, so we have a full cross section of them being involved in the opportunities that we see there.

Mr. Reid: I take it, then, that it will not be just trucking, there will be rail and air components. All modes of transportation will be involved in the process?

Mr. Downey: It would be my intention to have as many as possible and as broad a section as possible within the transportation sector.

Mr. Reid: Have the various modes been contacted to make them aware of potential new business opportunities for them?

Mr. Downey: I do not believe from this last agreement that was signed that there has been contact made yet, but there will be contacts made very shortly.

Mr. Reid: Does this new agreement tie in with the anticipated changes to the Winnipeg Airport Authority wherein we are looking at expanding the role of the Winnipeg International Airport?

Mr. Downey: Is he referring to the work that is being done by the Kleysen organization? As far as I am concerned, it should include them, and we will see how that fits in. It would be my intention to have them involved as well.

Mr. Reid: I am happy to hear that because I think there is a significant opportunity there for the airport, and since this falls within the, I believe, 24-hour distance circumference for trucking and rail, it could provide great opportunities for Manitoba in the future.

If we can have transportation come into an intermodal hub at the airport, tying in with Kansas and other midwestern states, then we can increase our opportunities for us here in Manitoba, and in Winnipeg more particular.

Mr. Downey: I appreciate the member's support because I believe that when one sees the vision that

has been put into that project and the opportunities that are there, it is going to place us as, I would say, North American leaders in transportation of major significance—air, truck and rail.

Mr. Reid: I take it, then, that the minister's department has been involved in the changes to the Winnipeg Airport dealing with the Kleysen group itself and other members of the community that want that change to take place, can the minister give me any update if his department has been involved, and what progress has been made to this point?

Mr. Downey: Involved to the point of being informed and supportive in a moral way at this particular time and would hope to become more involved as the project develops.

Mr. Reid: I think that is all the questions I have on this point for now, Mr. Deputy Chairperson.

Mr. Jerry Storie (Flin Flon): Mr. Deputy Chairperson, I was just thinking perhaps we should have the vote on salary now. The member's support is a little weak, but seeing as I am in such a co-operative—perhaps we can just go back and do some of the line-by-line stuff beginning with 1.(b).

Mr. Deputy Chairperson: Item 1.(b) Executive Support (1) Salaries and Employee Benefits \$511,500—pass; (2) Other Expenditures \$73,600—pass.

1.(c) Financial and Administrative Services (1) Salaries and Employee Benefits \$657,500—pass; (2) Other Expenditures \$332,500—pass.

1.(d) Research and Economic Services (1) Salaries and Employee Benefits \$396,500.

Mr. Storie: Mr. Deputy Chairperson, in that section really what I am looking for is an explanation of where the grant monies go from that division.

Mr. Downey: The money goes for the centres of excellence and Manitoba science fairs.

Mr. Storie: Could we have a breakdown just of what goes where?

Mr. Downey: Mr. Deputy Chairperson, I am told it is approximately \$253,000 for centres of

excellence and the balance would be for science fairs.

Mr. Storie: Could we have a little further clarification on which centres are funded and how much each received? This can be provided at some later date, as long as it comes in writing from the department.

Mr. Downey: Okay. Yes, we will provide that for the member.

Mr. Storie: This is sort of a general question. This section is supposed to provide analytic advisory support to the department, the Economic Development Board Secretariat. I am wondering if any of the staff or employees have been seconded to the secretariat, perhaps identify out of that number how many are currently working for the secretariat if any.

Mr. Downey: I am told there are none.

Mr. Storie: There are six managerial-professional staff in this area providing support to the department.

Mr. Downey: I am told the answer is yes.

* (1740)

Mr. Storie: I am assuming, and it is referenced in the Detailed Estimates, that the staff are responsible for reviewing the trade-related issues. I am wondering whether the department has prepared any substantive review of the impact, positive or negative, of the Free Trade Agreement since 1989.

Mr. Downey: I will check with the department, but I can tell you that the trade numbers from Manitoba as it relates to the Free Trade Agreement and related activities have been very positive. In fact, I think trade has increased something like 40 percent from 1990 to this year. As far as extensive reports, I will check. I will check for the member, and if we have some reports that have been completed, then I will provide them to him.

Mr. Storie: The minister talks about the increase in exports and I think he may be talking about the increase in value of some exports. For example, the largest single increase in exports is a result of the Northern States Power agreement. That is the

largest single one. That was nothing that this government did.

What we need to assess the real impact is an assessment of which items. Eighty percent of our trade was already tariff free prior to the Free Trade Agreement, so simply saying a number, that 40 percent increased, does not bear any relevance to the question of whether in fact the Free Trade Agreement has had any positive impact. That is the question.

The government supported, in my opinion blindly, the Free Trade Agreement. The question is: Is there any evidence to support the suggestion that it has been positive? We know, for example, there has been a huge increase in electricity exports, the largest single increase undoubtedly, more than \$110 million. That is the question. I understand the department may have done some analysis of it. Could the minister provide any analysis that has been done sector by sector on the question of the trade agreement?

Mr. Downey: Mr. Deputy Chairperson, just to further back up the numbers that I gave him, these numbers came from Stats Canada. The data shows that Manitoba's exports grew to the U.S. by 18.6 percent in 1993, following growth of approximately 14 percent in 1992.

Mr. Storie: Is that dollars? Is that the value of shipments?

Mr. Downey: It just indicates—it is in dollars.

Mr. Storie: So this may not actually reflect any actual increase in exports. It depends on the pricing of the product, the value of the dollar.

Mr. Downey: Mr. Deputy Chairperson, I will see what I can find as it relates to the impact, and if there has been some detailed work done on it, to further help provide information to the member.

Mr. Storie: This is not simply, I do not think, some esoteric point. The bottom line is that we are into a trade agreement. We supposedly believe in doing a periodic analysis of the pros and cons. One would hope that the department in this section would provide some sort of substantive report on the net gain if there is such a gain.

We were told, and this government supported certainly when it talked about the NAFTA agreement, the notion that the government should be prepared to offer adjustment measures both in terms of the labour component and in terms of the industrial component, should that be required. It does not seem to me the government is going to be in a position to know whether it is required unless they have some information at hand that is relevant. We are anxious that should be done. That was why the question whether this was working for the advisory, the economic secretariat or the Economic Development Board Secretariat or the department.

Mr. Downey: Mr. Deputy Chairperson, just further to the Free Trade Agreement, and I can refer to some notes I have here, one of the primary reasons for negotiating the Free Trade Agreement was to secure access to the U.S. market for Canadian exporters. One of the examples, in fact two of the examples one can refer to, is the dispute settling mechanism and the fact that in two cases we have had victories in pork and softwood lumber. I think that has been evident as to the outcome of that.

You know, if we were to look particularly at the agricultural sector, I think we have, in fact, seen substantial growth. The case I lay before you is one that is an example that, without the dispute settling mechanism, we would have had probably somewhat more difficulty in making our case.

So I think it has been an advantage, but I will make a commitment for what is available and what has been done as it relates to more specifics backing up what trade benefits we have had from it, and I am certainly prepared to see if it is obtainable.

Mr. Storie: Mr. Deputy Chairperson, I have no other questions on that section, other than that the minister has agreed to provide a breakdown of the money that is funded to each centre of excellence.

Mr. Downey: That is correct.

Mr. Deputy Chairperson: Item 1.(d) Research and Economic Services (1) Salaries and Employee

Benefits \$396,500—pass; (2) Other Expenditures \$193,900—pass; (3) Grants \$267,700—pass.

1.(e) Manitoba Office in Ottawa \$203,800. Shall the item pass?

An Honourable Member: 1.(e)(1).

Mr. Deputy Chairperson: That is what I said, (e)(1) Salaries.

Mr. Storie: Just some information on the Manitoba office—I notice there is a reduction in salaries. Is that reflected in a reduction in the number of staff in the office, contract staff?

Mr. Downey: The answer is yes.

Mr. Storie: Mr. Deputy Chairperson, when the government announced the creation of this redundant office, given that there is a federal-provincial section and the First Minister of the province is responsible for federal-provincial relations, I guess the question is, has the government now realized that it made a mistake? Is that why the de-emphasizing of the office?

Mr. Downey: No, it is not a matter of de-emphasizing the office. It was seen that we could operate it with less resources than we were operating with and get the same effectiveness from it. That is basically the reason for the decision.

Mr. Storie: Well, Mr. Deputy Chairperson, if the government wants to save money—I mean, we always hear this—this office could be closed. We have a thing in the province called a phone, and it is a very effective tool for communications. This is a total waste of money, a total waste of money.

The government is always saying that we are not providing advice and recommendations or providing alternatives. One way to save \$336,000 would be to close this office.

It is hard to imagine why in a country this small, where our leaders know each other personally, that this kind of effort is necessary, and, certainly, if you look at the record in terms of Manitoba's share of supply and services, this has been a waste of time. We are not gaining anything by this.

So with all due respect to the people who are there and trying to do their job, I think there are

other tasks we can put them to that would be of more obvious benefit.

This should not be necessary, and if this is necessary, then our federation is failing. So let us close the office and get on to other tasks.

Mr. Downey: Mr. Deputy Chairperson, I am aware of the fact the member is certainly free to express his feelings and has done so.

I believe it can be pointed out that it has been advantageous to the province, and I think that it will continue to be so as it relates to discussions on infrastructure, as it relates to activities that are carried out between the federal and provincial governments.

I would say we have the funds that have been committed to do this, and I think when you look at other provinces that are there, represented as well, that they would probably make the same case. We believe it is important to keep the direct contact we have in fact made, and unless the member has some additional information that could encourage me to do otherwise, we are prepared to support it, and believe it is worthy of support.

Mr. Storie: Mr. Deputy Chairperson, you know, the member referenced the infrastructure agreement. Prior to this government assuming office, there were agreements in tourism, northern development, mining, forestry, communications, transportation, agreements which make the infrastructure agreement look like a drop in the bucket.

* (1750)

All of that was accomplished without "an office in Ottawa." So I just make the point that it is not necessary, that if there is a will on the part of the federal government to co-operate with the provinces, we do not need to spend this kind of money.

I do not know whether every other province has an office; I do not believe they do. I know that some others do, but it should not be necessary. I do not think the minister, never mind the rhetoric, can support his contention that it has been beneficial. We have lost too many things over the last five or six years to support the view that it is worth doing.

It is not a lot of money, but it would certainly fund the Flin Flon Crisis Centre.

Mr. Deputy Chairperson: Shall the item pass?

Mr. Neil Gaudry (St. Boniface): What have been the benefits of the offices in Ottawa?

Mr. Downey: Mr. Deputy Chairperson, most provinces with populations of over a million have had offices in Ottawa—that is some additional information—and there have been active works done as it relates to the multilateral trade negotiations.

They have been involved in the discussions as it relates to the free trade agreements, discussions as it relates to GATT and the work that was done there, and they can appreciate the impact that the signing of GATT had and the close liaison that was needed between the province and federal government.

They are working closely on federal environmental and provincial environmental initiatives, generally activities that flow to industries in Manitoba and are related to Ottawa. I can use the defence discussions, I guess, that have taken place. They were not successful in getting our point across on the EH-101, but there was not much support from opposition parties in the province of Manitoba as it related to that either.

So there have been some positive things. Quite honestly, I have been in the role of minister from September, and those are all areas in which I will take into account the comments the member has made, and we will do a careful monitoring as to the outcome of the activities of the office.

Mr. Storie: I am prepared to give the minister one more try at answering the specific question: What has it done? Is there anything concrete you can say that would not have happened without this office? I mean, we have federal-provincial relations officials in Manitoba, we have people who work with the Premier (Mr. Filmon). It is just a generic, well, they seem to, you know, we have got a fax and we use their office.

Mr. Downey: Well, I can say genuinely that on many occasions when there have been intergovernmental discussions taking place with

Ottawa, the groundwork that has been done by the office in Ottawa prior to ministers proceeding to discussions, whether it is internal trade, which is one of the areas that have been worked on and has shown I think some substantial support.

Just to further elaborate on the activities, Mr. Deputy Chairperson, one always, I think it is a better understanding with people actively involved in an office in a federation like we have rather than sitting with a telephone in Ottawa that does not really I think do a very effective job of picking up the sense of how we could better Manitoba in relationship with Ottawa.

So I take seriously his comments and his questions and will make an assessment.

Mr. Storie: I have a somewhat less serious question. Does this office pick up Manitoba delegations from the airport and deliver them?

Mr. Downey: There have been times when I have been picked up by the people at the office when we have gone for a particular interprovincial—

Mr. Storie: So this is cheaper than taxis?

Mr. Downey: Mr. Deputy Chairperson, I will have to check that out.

Mr. Gaudry: Here it says in the Objectives: In general terms the Ottawa office assists the Manitoba government, its agencies, Manitoba firms, communities, organizations, and individuals in dealing with the federal authorities and in developing business.

You must have statistics somewhere to say what committees. What have they done for Manitoba in that office?

Mr. Downey: I could not have said it better myself what the objectives were.

Mr. Gaudry: I am asking for statistics to prove that the office is worthwhile being there. What has it done?

Mr. Downey: Mr. Deputy Chairperson, I will get a complete list of what the office has done for the member.

Mr. Deputy Chairperson: While I am checking into the committee's will, I see that we might just

take about a 30-minute break. Is that okay with the committee? Recess? We are down to 15.

The committee recessed at 5:56 p.m.

After Recess

The committee resumed at 6:14 p.m.

Mr. Deputy Chairperson: Order, please. When the committee was sitting prior to the break, we were dealing with 1.(e) Manitoba Office in Ottawa (1) Salaries and Employee Benefits \$203,800—pass; (2) Other Expenditures \$132,600—pass.

1.(f) Manitoba Bureau of Statistics (1) Salaries and Employee Benefits \$446,000.

Mr. Storie: The minister talked about the trade numbers, and I know that the Manitoba Bureau of Statistics in 1992 published in November a whole series of pieces on trade. To my knowledge, they did not put them out in 1993, and obviously they have not got to 1994 yet.

I wonder if the minister could indicate whether the trade statistics are part of the bureau's mandate or whether that has been discontinued.

Mr. Downey: I will check for the member on that. I do not have the information available to me, but I will check for the member.

Mr. Deputy Chairperson: 1.(f) Manitoba Bureau of Statistics (1) Salaries and Employee Benefits \$446,000—pass; (2) Other Expenditures \$120,600—pass. (3) Less: Recoverable from Other Appropriations \$60,000. We will move onto 2.

Mr. Storie: What is the recoverable?

Mr. Downey: It is recoverable from other departments if they want work done on their behalf. Pass.

Mr. Deputy Chairperson: We read it into the record, but we do not pass that one.

2. Business Services (a) Industry Development (1) Salaries and Employee Benefits \$1,496,700.

Mr. Storie: Mr. Deputy Chairperson, in this section how many managers or professionals are there out of this package?

Mr. Downey: A total of 26: one manager, 19 Professional/Technical and six Administrative Support.

Mr. Storie: Mr. Deputy Chairperson, how are the duties in this branch allocated? Maybe another question first. How many of these people have been with the department more than three years, and did any of the people from this come from the old Business Development and Tourism department? I just want to see what kind of experience there is here.

Mr. Downey: I am told that there is considerable experience here and some of them have quite a few years of experience.

Mr. Storie: With the department?

Mr. Downey: Yes, with the department.

Fifteen out of the 26, I am told, have been there longer than three years.

Mr. Storie: The second part of that question was, how are their duties divided? Are there area specialists, or—

Mr. Downey: Yes, they are divided into different sector responsibilities.

Mr. Storie: Would it be possible to get some sort of organizational chart on what these people actually do?

Mr. Downey: I can read it to him. We have manufacturing, services, processing, resources, external offices, regional offices and support services.

Mr. Storie: That is not part of the Detailed Estimates anywhere. There is no chart in here. Could the minister just give me those one more time?

Mr. Downey: Yes. Manufacturing, services, processing, resources, external offices, regional offices, and support services.

Mr. Storie: Then the offices, the trade offices, for example, the one in Hong Kong and the one in Amsterdam or Rotterdam, come under this. Is that what you mean by external?

* (1820)

Mr. Downey: They would have been here, but there have been some changes made, particularly as it relates to the way in which we deal with the Hong Kong office. There is no longer an office there, but a contractual agreement with the individual who currently runs the office, Mr. Walker. We also have the same kind of a contractual arrangement with an individual in the U.K., so they are no longer listed as external offices.

Mr. Storie: When did the government close the office in Holland? Was that three or four years ago?

Mr. Downey: In 1992, in Rotterdam.

Mr. Storie: Mr. Deputy Chairperson, the regional services, how many staff are there, and what is their relationship to the Regional Development Corporation?

Mr. Downey: There are three in the regional offices, and the Regional Development Corporations report to the Department of Rural Development now.

Mr. Storie: Where are these regional offices?

Mr. Downey: Brandon.

Mr. Storie: There is only one regional office, and there are three staff in that office?

Mr. Downey: Correct.

Mr. Storie: Any consideration of re-establishing offices in, for example, Dauphin, or any thought to establishing an office in Thompson, Flin Flon?

Mr. Downey: Mr. Deputy Chairperson, I think it would be fair to say that I plan to do some discussing with the Minister of Rural Development (Mr. Derkach) as to how we can better co-ordinate some of the activities and some of the programs that we have in our department and some that they have in their department so that we have efficiency of delivery of service, and also people who are able to talk to the clients or potential clients about programs that are in the different departments.

So that is not very far along, but I think in the interests of, as I said, efficiencies and lack of confusion for the people out there, we should look

at some of the ways of working more closely, but, to date, we only have the one regional office in Brandon. How we will come up with the combination of services in other regions, I think, is worthy of consideration, and we will be pursuing discussions with the Department of Rural Development in that regard.

Mr. Storie: One of the remarks one hears most often when you travel in rural Manitoba and meet with regional development groups or chambers of commerce or business groups or mayors and council is the view that there are just simply too many people with their finger in the economic development pie, that there is no real one-stop shopping centre where someone can go and expect to get all of the information that would normally be available for rural development and available through I, T and T. For example, the regional staff here tend to deal with programs offered by I, T and T. Do they do any outreach? Are they sort of a drop-in centre, or do they promote government programs in areas outside of Brandon? Do they travel to Dauphin, Swan River, Flin Flon?

Mr. Downey: One can appreciate the area that would have to be covered by that office, and I barely get a report as to how much work is done by those individuals going out either looking for it or that work that drops in. I would think they would be fairly busy, what comes to them, but I will check. That is part of what I think we have to look at, and I do not mind saying I think there is an area where we have to strengthen our presence in some of the other areas, whether we do it directly through I, T and T, or whether we do it through a combination of Rural Development and I, T and T. We are all working for the same cause; we are using the same taxpayers' money; and I think we should maximize our efficiency and maximize the exposure of programs that are available. Whether we do it directly as an I, T and T program or a combination of the two departments, I think, is to be determined. But I do not disagree with the member.

I heard the same comments. People, when they talk to government, want to have the person knowledgeable about all departments of

government and someone not saying, well, I work for I, T and T; I do not know anything about Rural Development programs. It should be that when you are talking to a development officer; they should know what is available to that client or that individual. So we have some work to do in that area, and we will be proceeding to do it.

Mr. Storie: Where is the office in Brandon?

Mr. Downey: I will have to check. I can get that information.

Mr. Storie: I am still waiting for an attempt at an answer.

Mr. Downey: As I indicated, Mr. Deputy Chairperson, it is in Brandon.

Mr. Storie: Well, more than one person from the Deep South has been staggered by the size of Brandon.

It does not happen to be on 18th Street? It is not to be confused with the regional cabinet office?

Mr. Downey: No.

Mr. Storie: I would appreciate knowing the location of the office.

The Resources section, could the minister explain exactly what those staff might be up to?

Mr. Downey: Generally they cover the area of industrial benefits, general industry in a broad sense of the word, energy initiatives and the Asia-Pacific business relationships, and the other as it relates to any connection that we have with the Department of Energy and Mines, as it relates to gas, minerals, electricity, steel mills and hydro-industrial benefits.

Mr. Storie: I would just like the minister to explain what exactly these staff do? Do they have the power to negotiate? Is that part of their role? At this level do staff sit down and say, well, here is what we can do? Are they bringing back proposals?

Mr. Downey: For example, they have the ability to go out and discuss—of course, the financial requirements would have to be brought back to Treasury Board and to government for approval, but they have the ability to go out in a preliminary way, indicate what government has to offer, what

resources we have available to them and bring together other departments that may be impacted.

Mr. Storie: There are a couple of variates, this one and the manufacturing and the processing sections specifically. I am assuming that given our resource strengths that there are opportunities out there.

Can the minister indicate what projects the department is currently working on that holds some promise, particularly resource? I know that you have another initiative that is called the energy intensive industries initiative, or some similar topic, and I am wondering whether you can give us some idea of what those people might be working on.

Mr. Downey: The areas that are actively involved with are the Dow Corning program at East Selkirk; that is one of them. Some of the Asian-Pacific discussions that are taking place with the Chinese trade mission that we expect to see in the province before too long following up on the Premier's and my trip last year discussing some industrial initiatives that relates to hydroelectric power. Those are areas of which ongoing discussions are taking place.

Mr. Storie: The minister and I have had this discussion in a previous life when the minister was responsible for Energy and Mines and the minister responsible for the Manitoba Energy Authority. I reminded him that if he had checked his briefing books when the government assumed office they would have found a list of projects that were one the books that were being actively pursued. One of them, of course, was the Dow Corning project which eventually established a pilot project here.

* (1830)

I think there were a lot of people who expected some sort of decision already in terms of whether this was going to be a marketable or feasible venture for Dow Corning.

There were a number of other energy projects in discussion, including a possible sale to the upper Mississippi power group and a couple of others. I remember challenging the minister to put together a list of projects that this government had initiated, other than fluffy discussions about something

Asian-Pacific, which is pretty noncountry specific, nonproject specific.

What exactly are the prospects? Are there any legitimate prospects that there will be companies coming here that require energy? We have not heard much about discussions about Alcan or Alcoa or Alumax or anything else in the last number of months. Where do the opportunities lie? Can the minister tell us some more specifics about what these people are working on?

Mr. Downey: Yes, I can, Mr. Deputy Chairperson, and it is not solely with the Department of Industry, Trade and Tourism, because there are cross-responsibilities as it relates to the Department of Energy and Mines, for example. Working on potash is another area where there is support given in a general sense of the way, probably the lead department, because it would probably fall within Energy and Mines, but again supported by work from this department.

As it relates to Dow Corning, the member made reference to the fact that he thought there would be a decision made by now as to further commercialization of the project. I would hope that sooner rather than later we would get a positive response on that. The recent budget that was introduced removing the sales tax off of electricity used in manufacturing and processing I think will go a long way to hopefully satisfy some of the cost concerns. Again, we have been working with the department through—this area would be working to some degree in the Louisiana-Pacific project, which is another resource-based industry which we hope can meet the environmental conditions which have to be met so that can proceed.

The member has to as well be aware of the fact that within the whole agrifood sector there is also work being done. There is an expansion of one of the major crushing plants taking place at the current time. There are a lot of things happening. We always could look for more to take place, but again we have to make sure that they are solid and sound, and we will proceed to try to encourage more activity to take place.

Mr. Storie: Mr. Deputy Chairperson, the minister referenced the negotiations, the discussions with Louisiana-Pacific. Just with respect to Dow Corning, is there any further obligation to the province or from the province to Dow Corning in terms of their pilot project, and is there any firm commitment from the province on Dow Corning should they decide to go into full production?

Mr. Downey: Yes, there is a further commitment that has not been advanced in the neighbourhood of \$600,000 to Dow Corning, and if the project does not proceed to commercialization, the project in Manitoba, then the total amount would have to be paid back. But we are hopeful that we can accomplish proceeding to a commercialization project.

Mr. Storie: Well, Mr. Deputy Chairperson, the last public comment that Dow Corning has made was not particularly encouraging, and I am wondering whether the minister can indicate whether he has had any correspondence or discussion with Dow Corning about the likelihood of this project proceeding.

Mr. Downey: I cannot honestly say that I would not agree with the member's comment. To my knowledge, there has not been a final decision made, and there is still work being carried on that would encourage the project to proceed here in Manitoba.

Mr. Storie: Mr. Deputy Chairperson, has the government made any financial commitment to Louisiana-Pacific?

Mr. Downey: Not from the Department of Industry, Trade and Tourism, and I do not believe there is one made from any other department either.

Mr. Storie: The government has made an announcement with respect to Saskatchewan Heavy Industries in Selkirk. Can the minister indicate what is the total commitment and what stage is that project at in terms of commencement of activity construction?

Mr. Downey: Mr. Deputy Chairperson, I believe there has been a proposal of which the province would participate in a \$2.5 million loan, but there

are several conditions which have to be met before that money would be advanced. One is that the proponent would have to have \$24 million of equity and/or loan capital available from another source before we would proceed with the money which we are committed to. As well, I believe there is a Grow Bond component which would have to be part of the project.

Mr. Storie: My understanding is none of that is in place.

Mr. Downey: At this point, we have not been informed that they have the monies available at this point. I understand they are working on it.

Mr. Storie: We can deal with this here or we can deal with this on the next page. I guess a number of other projects that the government has made commitments to have not proceeded. I would like to just maybe ask the minister about some other announcements that were made in the last couple of years and what the ultimate obligation of the province was to those projects.

The first one was MacLeod-Stedman where there was a \$1-million loan I believe, or offered, and there was a commitment to move some people from Toronto to Manitoba. I am wondering what happened to that loan. Was it ever provided? Was there any cost to the province for that project?

Mr. Downey: I want to provide accurate information and I do not have it available right with us tonight, but I will in fact get that for the member as to what involvement the government had and what the job component commitment was in return.

* (1840)

Mr. Storie: The other one was Royal Trust. The government, again, was going to provide some loan money to Royal Trust for the creation of a head office in Winnipeg or a customer service office in Winnipeg that was going to create 200 jobs. Can the minister tell me what happened to that project?

Mr. Downey: The member knows as well as I do that Royal Trust was bought out by the Royal Bank and so basically did not proceed with any move to Manitoba. I do not believe there were any monies

that flowed to Royal Trust. There were some related discussions if in fact something would have been concluded, but that did not come about. As he knows, the Royal Bank bought them out.

Mr. Storie: Can the minister indicate whether there was any financial commitment to the Apotex development in St. Boniface? I think the minister attended with the Premier and a whole bunch of other people a big sod-turning ceremony and a tremendous announcement which—

An Honourable Member: I think they will probably put the sod back that was in.

Mr. Storie: They are putting the sod back? That is too bad.

Mr. Downey: As far as the Apotex building and operation in St. Boniface is concerned, there were no monies flowed from the province.

Mr. Storie: Mr. Deputy Chairperson, there were monies flowed to Wang Canada. Can the minister indicate what status the Wang agreement has at the present time and how much did we lose?

Mr. Downey: I do not think that it was a matter of a loss. I think there was a matter of collecting what was owed to us through product and services for other areas. I will see what the actual number was, but I do not believe there was any direct loss. Any amounts of money that were owing, there is product that is in fact—[interjection] Mr. Deputy Chairperson, I will get the specifics for the member on that as well.

Mr. Storie: I am anxious to know those numbers. Perhaps if the minister is going to provide me with details on the Wang agreement, we could have some agreement on what is going to be provided. I would certainly like to see the details of the agreement that the government of Manitoba made with Wang. I would also like to know whether, in the solution to the problem with Wang, in fact we actually got value for money? I recognize that Wang has made some sort of commitment in terms of product to the Province of Manitoba. I think that there are some serious questions about the value of that product.

I am not an expert, but certainly our office and I have had an opportunity to use some of the

equipment. I am not sure, if I was making the choice and perhaps if the government was making the choice, I would have made the choices that they did. I would like to know what it has actually cost us. If we have ended up with product which may or may not be useful in the long run, then we have a problem. It seems to me that we are talking about \$4 million in terms of outstanding obligations that Wang had to the province.

Mr. Downey: I do not believe it was that much, Mr. Deputy Chairperson. I do believe we got product in lieu of the resources that we were owed. I will get that information for the member so we are accurate.

Mr. Storie: An additional piece of information that I would like to know is how many jobs was this project supposed to bring to the province, create in the province? Can we have a figure on what actually happened in terms of the job creation?

Mr. Downey: I will try and get as complete a package of information for the member as possible on that.

Mr. Storie: There were a number of other announcements made by, I think, the previous Minister of Industry, Trade and Tourism that were touted at the time as being unique and job creating, and one of them was with Mead Johnson. It was a supplier agreement, supposedly, for products that gave Mead Johnson some sort of exclusivity. Yet the minister contended that it did not interfere with the competitive bidding process. There were also supposed to be some benefits to Manitoba with this agreement.

I am wondering if the minister can tell us (a) whether that agreement is still in effect, (b) whether there have been any "benefits" to the province?

Could the minister read the briefing note into the record?

Mr. Downey: I am not aware of any—

Mr. Storie: You mean this was an utter failure?

Mr. Downey: No. The question the member refers to is Mead, and I have not—

Mr. Storie: I think it is Mead Johnson.

Mr. Downey: No, we have nothing to do with Mead Johnson on the briefing note that he refers to—

Mr. Storie: How about Medix?

Mr. Downey: No. I will check on it as well, Mr. Deputy Chairperson, for the member, but I am not familiar with it. I am asking staff here, and they have not got the—

Mr. Storie: Mr. Deputy Chairperson, for his information, there was a wonderful press release about Medix. I believe it was Medix, a U.K. company. One year after the announcement, I tried to contact Medix. They did not have an office or a phone in Manitoba yet.

I am wondering if the minister can tell us what has happened with this agreement?

Mr. Downey: Mr. Deputy Chairperson, I do not believe any monies flowed. It is Medix, Bepak [phonetic] is who it was. I know that Medix was bought out by another U.K. company, and the new corporate owners of the Medix company did not proceed to follow through with the strategy of entering the Canadian market, as was initially planned by Medix.

It was a change of ownership and a change of direction that caused them not to proceed into the Canadian market. I have had discussions personally with a former employee of Medix, and that is basically what happened.

Mr. Storie: Mr. Deputy Chairperson, one other project for the time being—there was another announcement with respect to Carte International. I am wondering whether the minister can tell us how much the government's obligation was to Carte.

Mr. Downey: Mr. Deputy Chairperson, prior to dinner, the Leader of the Liberal Party (Mr. Edwards) had asked some questions as it related to that, and it is on the record as to the support that the province gave Carte International. So if he wants to look back on the record, it is already there.

Mr. Storie: I think it was \$600,000.

Mr. Downey: No, it was \$500,000.

Mr. Storie: My question is, how many jobs did this \$500,000 create?

Mr. Downey: Mr. Deputy Chairperson, they are obliged to create 83 jobs under the agreement.

* (1850)

Mr. Storie: Well, Mr. Deputy Chairperson, here is where this gets tricky of course. Carte International is not creating any jobs. So I want the minister to make the record very clear that there are no new jobs whatsoever in this project. Will the minister acknowledge that is the case?

Mr. Downey: No, I will not, Mr. Deputy Chairperson. I know they are building a new plant in Morden. I would have to check further as to the employees that they had prior to the establishment of that plant, but it indicates here that under the agreement and I am told that they have an obligation to create 83 jobs.

Mr. Storie: Is the minister putting on record that Carte International will create in Manitoba 83 new jobs as a result of this \$500,000 investment?

Mr. Downey: Mr. Deputy Chairperson, I am being told by the briefing notes that I have that their obligation was to create 83 jobs. I will check further as to whether there was part of a new building component as part of that agreement or not. If there was more to it, then I will check on it. I do not want to put inaccurate information on the record; it is not my intent to do so. So that is why I will further check into it and make sure that what I tell him is accurate.

Mr. Storie: Mr. Deputy Chairperson, as the minister knows, perhaps the minister can tell us, where were these new jobs to be created?

Mr. Downey: It is my understanding, with the expansion of their plant to Morden and any activity that they were carrying out here in Winnipeg. Again, I will double check as to the numbers of jobs that they were to have created, but I am told and informed by the department that there was an obligation to increase by 83 jobs.

Mr. Storie: Mr. Deputy Chairperson, can the minister indicate what would happen if in fact there was simply a transfer of jobs from Winnipeg

to Morden? What would happen to that \$500,000 in taxpayers' money?

Mr. Downey: First of all, it is my understanding that it is a loan, the \$500,000 is, with a forgivable interest, but if the obligations under the agreement were not met, then it would have an impact on the repayable interest part of the loan.

Mr. Storie: Mr. Deputy Chairperson, I feel quite confident in telling the minister that there were in fact no new jobs created, that what happened was good-paying jobs in Winnipeg were transferred to Morden where they became less well-paying jobs. I would like the minister to report on that fully, and I expect him to carry out his obligations in terms of the agreement.

The point I am making is that we have Carte, we have Medix, we have Repap, we have Wang, we have Apotex, Royal Trust, MacLeod-Stedman, Mead Johnson and a list of other government projects which were announced with a great deal of fanfare that have amounted not only to nothing in some respects, but perhaps have cost the taxpayers' money on top of that.

Particularly when you deal with MacLeod-Stedman and Royal Trust, those kinds of projects, it leads me to question who is leading in the Department of Industry, Trade and Tourism. Why are we negotiating with companies on the verge of bankruptcy? Why are we negotiating with companies who either have no ability to fulfill their obligations or no interest in fulfilling their obligations? Why is the record in the department so dismal? I do not blame the current acting deputy minister, I can assure you.

Mr. Downey: Mr. Deputy Chairperson, I do not see them as failures at all. I think what has happened, in most cases, that there were discussions and negotiations entered into in good faith to expand and create jobs. Apotex, because of federal patent law, was brought in; it changed the decision on that particular company's activities. Medix, I said that there is a clear explanation as to why they did not proceed, and that was the fact that they were bought out by a company and did not decide to proceed to build in Winnipeg. I can give

him many examples. He refers to Repap. I think that Repap, quite frankly, has taken a substantial load off the backs of the taxpayers in the amount of loss which we were incurring under the previous arrangement that was there under Manfor, that there are millions of dollars. I can tell you that one of the other companies that he referred to, the Stedman group, I believe are now here and not only creating the numbers of jobs that initially were talked about but creating a greater number of jobs than what was initially planned.

Well, the member says no. I disagree with him. We have many successes in which the department has been fully involved, and I can list them if he would like me to list them. I can take the time to do so. I think it is important to point out that there are many areas of success. We will continue to work with those companies that come to the province, and we can encourage those companies that are here wanting to expand. Again, before the member was here, we did go through some of those projects which in fact have been successful.

He can refer to Hansard or I can put it on the record again.

Mr. Storie: Mr. Deputy Chairperson, the minister referred to Repap. The minister knows as well as anyone in this committee that the discussions that were begun with Repap were begun while I was the minister responsible for Manfor, and I certainly have no qualms about saying that had we continued as government we would have struck a deal with Repap or Kruger or one of the other companies we were negotiating with.

The bottom line is that the government ended up structuring a deal that was quite favourable to Repap in terms of forest management areas, et cetera, and they were not able to fulfill their obligations. There is a trend here that I think is worrisome, and I am going to deal with the rest of it because there are some other trends in the department that are equally worrisome, and not only a question of failed negotiations, in my opinion, but failed opportunities. We will get to those as we go into the other part of the department.

I also want to say that the minister talked about a list of successes. I would not want to start that debate if I were the minister because the list of companies that have failed in Manitoba in the last four years is significantly longer than the list of companies which have succeeded. One only has to check the bankruptcy statistics to know that. So if the government is going to take credit for the few successes there have been, the government had better be prepared to take credit, if that is the word you want to use, for the failures there have been, and there have been many.

I simply raise this because I think there is a problem with the way negotiations are going on with these companies, and I do not know whether the problem is that there are not enough staff in the department or the minister is not as actively engaged as he should be or, and this is certainly possible, the department has conflicting interests and there are conflicting agendas with the secretary of the Economic Development Board of Cabinet, the interests of the Economic Innovation and Technology Council.

It seems to me that somehow the focus is not as it should be in the department. The minister may or may not want to comment. It just seems to me that we should have a better success rate than we are having, and I do not know why that is. Maybe the minister wants to speculate, but I simply raise it as an observation.

Mr. Deputy Chairperson: 2.(a) Industry Development (1) Salaries and Employee Benefits \$1,496,700—pass; (2) Other Expenditures \$1,176,500—pass.

2.(a)(3) Grants.

Mr. Storie: Mr. Deputy Chairperson, the grants are fairly small in this particular section, \$152,000. Who gets the grants?

Mr. Downey: This is to support the different industrial sectors to participate and advertise their project in trade shows throughout the United States and wherever it is beneficial for them to go.

Mr. Storie: Could we have a list of companies who have received I guess it will be marketing

support or whatever you call it under this Grants provision?

Mr. Downey: Yes.

* (1900)

Mr. Storie: Mr. Deputy Chairperson, those are all the questions I have on that section.

Mr. Deputy Chairperson: Shall the item pass? The item is accordingly passed.

Item 2.(b) Financial Services (1) Salaries and Employee Benefits \$805,100—pass; (2) Other Expenditures \$259,400—pass; (3) Programs (a) Manitoba Industrial Opportunities \$3,524,500.

Mr. Storie: Mr. Deputy Chairperson, I assume that my colleague from St. James had asked for information on all of these programs, and that will be provided to both opposition critics?

Mr. Downey: Yes, anything I have committed to provide for the Liberal Leader I will provide for the opposition critic as well.

Mr. Storie: I wanted to talk for a minute about the Manitoba Industrial Opportunities Program. Could the minister just explain to me briefly what criteria are used to determine whether a project should be funded under this program as opposed to Industrial Recruitment or some other program, the REDI program for example in Rural Development?

Mr. Downey: I would ask that the member check the Hansard because I did deal with that as well in answering the Leader of the Liberal Party. If it is not complete enough, he can certainly get back to me.

I will just give him a rough idea at this time just to take a bit of time. This is more in the area of the bricks and mortar and the equipment support as it relates to plant upgrade and/or building. The Industrial Recruitment Initiative would be more along the service sector, the call centre support programs and new technology activities.

Mr. Storie: Mr. Deputy Chairperson, the reason I raised this is because we had a chance yesterday to discuss in Rural Development the REDI program, and I have a particular case in mind. I am not sure whether anyone in your department was involved, but I suspect that they are familiar with it. It

involves an entrepreneur in Leaf Rapids who developed a product for grooming snowmobile trails that is quite unique. He spent a lot of time, his own money and time developing this product and engineering it and designing it, and so forth, but needed some assistance from somewhere to get the project off the ground. He is talking about manufacturing a product that would be, even if he could capture 10 percent of the market, \$2 million or \$3 million worth of product, and received absolutely no success through the REDI program.

It struck me at the time that this was a project that was worth pursuing. I asked him, at the time, whether he had received any advice from Rural Development staff about any other program. When you described the Industrial Opportunities, I mean this is the kind of project that I know other businesses have applied for, similar manufacturing type businesses have applied for it, but it does not seem that anyone suggested to him that this might be a vehicle for getting support.

My question is, is the minister aware of the project? Did the department consider funding the project? Why would it not have been eligible, if it was not eligible, under the Industrial Opportunities Program?

Mr. Downey: Mr. Deputy Chairperson, I have to say to the member that I am familiar with the program, not through departmental activities but through other discussions I have had with the Minister of Rural Development (Mr. Derkach). I do not know whether there has been any direct request to the Department of Industry, Trade and Tourism as it relates to this project.

Again, under the programs we have, the participants have to have at least 50 percent participation. I would have to check the criteria. It may have qualified under this program where it does not under REDI.

I am familiar, not in any in-depth way, but I am a little bit knowledgeable of the project the member refers to and again can see if it might have fit better under this program. But there is substantial participation that is required by the proponent as well as by the province.

Mr. Storie: I guess it depends on maybe the criteria that is being used to determine what equity an individual has in a project. I do not want to air this particular case. I do not have permission to do it in terms of the actual details of the case. But, certainly, for a very small amount of money that may have triggered the project it seems to me the government had, first of all, delayed and then refused to support the project to the point where it may never see the light of day. That was my point.

Mr. Deputy Chairperson, I would just like to leave that one and relate a similar circumstance with a small Winnipeg company that was looking to manufacture wood products. They are called Caligiuri Woodworking. This was a project where an individual entrepreneur had in his hand a contract with a Japanese company to produce \$2.5 million worth of jointed wood product, and all he required was a loan support of approximately \$300,000.

Now there is a whole series of circumstances why this individual who had been in business for 26 years required support—strong record in the past, good product. I know that the government did consider supporting him I think under this program—same kind of project. Again, for some reason, and it has never been made clear to him or to myself, he did not receive support, and we lost 25 manufacturing jobs.

Can the minister indicate whether there were reasons that have not been made public at this point for not supporting this project? If so, can he share I guess the rationale the department used to turn it down?

Mr. Downey: There is a reason why support was not advanced, and I will not put on the record as to why not. I think it would not be fair to the individual, but I am prepared to discuss it with the member off the record.

Mr. Storie: Mr. Deputy Chairperson, I know some of the rumours, some of the suggested reasons for not supporting this, some of the fears the government had with respect to the proposal and this particular individual's financial security, but the bottom line was that he and his family

believed, supporters who backed him privately to keep his operation ongoing believed that this project would have worked. I believe, as well, that it would have worked had there been any real effort on the part of government to be supportive and not cynical and almost the opposite of helpful, almost encouraging roadblocks to be put up in his way.

There are a number of other examples of those kinds of things, particularly in the manufacturing sector, which are quite disturbing. Again, it points to a problem in the department, a problem with timeliness. Again, this project was delayed; this individual was given the runaround, the paper trail, yes, it looks okay, we need this guarantee, this certainty, to the point where the Japanese contractor said basically we need it now. If you cannot deliver it now, then it is too late. The same happened to the individual in Leaf Rapids.

* (1910)

My question to the minister is: Who is in charge? Who has ultimate authority for breaking through these kinds of roadblocks that face entrepreneurs dealing with the government process?

Mr. Downey: The managing partner, Mr. Deputy Chairperson, as the manager of the section, would have the ability to move forward with a program and a proposal to the next stage for approval. Again, I think a lot of things are taken into consideration which have to be considered when decisions are made. From the knowledge that I have and from what I have been told, the department was right in the decision that it made.

Mr. Storie: I guess we will never know because he is out of business. The minister, and I think a lot of other people—maybe the minister does not believe but I believe and a lot of other people believe that had there been that minimal support—I just want to put on the record what was being requested.

What this individual needed was one piece of equipment worth approximately \$300,000, an Italian machining piece of equipment that the government could have liened, could have

certainly required as collateral. Even in the eventuality that this particular contract could not be met, was not renewed or whatever, the government would, in all likelihood, not have stood to lose anything. There was very, very, very little risk, really, in this proposal, and there was the prospect of creating 25 permanent jobs.

I have looked at all the detail. I looked at the correspondence from the department. I looked at the explanation. I visited the plant. I talked to the individual. I talked to some of the people who were supporting him financially, and I think the government made a mistake. I know that the government has made other mistakes similarly. It is sort of a paradox.

On the one hand, the government will go into negotiations with a company that is obviously on the verge of bankruptcy, make a deal, make an announcement, a million-dollar deal, and then some home-grown enterprise that has been around for 26 years gets the cold shoulder. We have, on the one hand, the government negotiating contracts and agreements that do not seem to work and others that have potential and are local and small maybe by the standards of some of these other projects, which, because of the peculiarity or the characteristics of the individual, just seem to be ignored. I think that is a problem.

Mr. Downey: I guess the member usually is fairly fair, and if he has a look at the complete picture, I think would judge differently. Number one, it is my understanding that as anyone else comes forward to a government program they have to have 50 percent of the money themselves before the province puts up 50 percent. It is my understanding that was not in fact there. The member is asking us to bend the regulations or to change it on his behalf.

Secondly, one has to look at the past activities of which there has been involvement. I will say no more at this particular point.

Mr. Storie: I will sit down and have coffee with the minister and discuss this, because I do not know whether the minister is aware of it or perhaps I am misinformed. My understanding is that the

Royal Bank that also dealt with this individual were prepared to risk substantially more than what was being asked of the government to see this go ahead. That is my understanding.

It certainly struck me at the time—I did not discuss it with the Royal Bank obviously—but certainly if I was being given information that was remotely accurate, this was something that would have worked.

I do not want to belabour this. The point is that there are opportunities being missed on the one hand, and it seems to reflect more on the small local home-grown industry and mistakes being made on the bigger side.

Mr. Downey: Two points I want to make. One is I referred to them in my opening statement as it related to developing a capital pool for equity financing, but also there is the Vision Capital Fund that is available for individuals like that to advance to which is knowledgeable within the department.

Again it is another mechanism that could well be used. I am certainly not down on an individual who was at the objectives and tried to accomplish what the member has said. It may well have been that there may have been some other abilities to try and make this happen. Certainly it does not make me feel good that the individual was not able to proceed, but the criteria and some of the experience that apparently was there within the department was two of the reasons that they could not proceed to support the project.

Mr. Storie: We can pass them all in a minute, but the energy-intensive industries, I want to move back to that for a minute.

I guess maybe this is a related question, and it may be philosophical in nature, I am not sure. The minister referenced in his remarks or in comments to me earlier the fact that in the budget the sales tax had been removed from hydroelectricity, from electricity used in mining and manufacturing, a move which, on the surface I think, is supportable.

I had a question. Given that The Manitoba Hydro Act says that power should be produced and sold at the lowest cost, does this not actually affect

Manitoba Hydro ratepayers, this move? Does it not cost them?

Mr. Downey: The first direct cost is to the Treasury because that is where the sales tax was being paid to, so that is the first direct cost which is quantifiable.

Mr. Storie: The second question is, is the GST applied to the same hydro bill?

Mr. Downey: I would assume that it does.

Mr. Storie: Then the question is—I raised this when the GST was first discussed, and I recall raising it with the then-Minister of Energy and Mines Mr. Neufeld about applying for exempt status for Manitoba Hydro because it was a Crown corporation, using the argument of course that this was not a luxury, that energy was a necessity, and if it was not going to be applied to food—and certainly in northern communities where lots of homes are heated with electricity, it would be useful.

I am just wondering whether the government applied for or approached the federal government about the prospect of removing the GST from energy bills from high energy users.

Mr. Downey: I am not aware of any contact that has been made, Mr. Deputy Chairperson.

Mr. Storie: Getting back to specific energy intensive industries, how many people are working in this particular area? How many people have responsibility within the department for energy intensive projects?

Mr. Downey: Three, Mr. Deputy Chairperson.

Mr. Storie: Mr. Deputy Chairperson, there are three staff in this. How many? It was not coming across as it should have, I guess he just did not hear. There are three staff.

Can the minister indicate then what projects that those staff are currently working on we would term energy intensive?

* (1920)

Mr. Downey: Yes, Mr. Deputy Chairperson, one of the areas in which they have been working have been with the MIPUG group in the province, which includes Inco, Hudson Bay Mining and

Smelting, Repap, Canadian OXY, Simplot and Bristol Aerospace. Basically, those are the ones they are working with in the heavy industrial user groups. As well, the addition of the Dow Corning plant is the other major area in which they are working.

Mr. Storie: I understood that this particular section was tasked with bringing energy intensive industry to Manitoba. I am just curious as to what role they are playing currently with Inco and HBM&S, who have existing operations. Are we talking about opportunities for expansion, other industrial opportunities relating to their operations?

Mr. Downey: Mr. Deputy Chairperson, I guess it is a matter of providing dialogue, service and resources and working with them for proposed or planned expansions if and when they are to take place and encourage that to take place, looking after those businesses that were here and that are here. I know they were involved in the discussions and the work that took place prior to the removal of the sales tax. That is the kind of thing that they have been doing and proposed expansionary plans if and when they may be developed to encourage that, in fact, and to look for others.

If the member is referring to needing them to be out on the road marketing electricity as one would expect to take place under Hydro and/or Energy, but that is part of their job but not their main job and also involved in—I know there have been some discussions as it relates to hydrogen, which has been part of the responsibility of one of the persons. There is a major, long-term, ongoing discussion as it relates to that development.

The whole Asia-Pacific activities as it relates to energy development, again, falls within this area and direct communication and dialogue with some of the engineering companies that work on contracts outside of the province and outside of the country to further enhance their sales as it relates to technology and that type of thing. But their main job is not out being the salespersons for electricity in Manitoba, which I believe—I do not disagree with the member. There are probably some

enhanced activities that should be carried out in that area.

Mr. Storie: I certainly, representing a number of mining communities, cannot complain about the department acting as a service component to the mining industry and being involved in discussions on the removal of the sales tax, et cetera, but obviously we have right now an opportunity to put in place industrial infrastructure to help us use the power that is being generated by Limestone.

The NSP sale ends in 2005. We do have and we will have after 2005 potentially a lot of energy to use, but it seems to me that some marketing should be going on that we may have an opportunity, a bit of a window here, to set some of that up.

I am sort of disappointed that the minister's first response is, well, they are talking to INCO and HBM&S. I talked to INCO and HBM&S. I spoke to HBM&S CEO two or three days ago—I should not say two or three days ago, it was probably two weeks ago. I asked him these same questions. I said, why is HBM&S not getting involved as INCO has in their manufacturing arm? Why has HBM&S never taken on the challenge of using their copper or their zinc to create another product. They said, we are a mining company.

So I do not know whether the minister is kidding himself or staff are kidding the minister. There are no plans. HBM&S has no plans to begin some sort of additional manufacturing component, certainly in the near future.

I am wondering if the minister can tell us—he said he talked about alternatives. Do any of the major companies in Manitoba that he referred to, HBM&S or INCO or Repap or Simplot, have plans to expand? Is the government working on plans, or are we still in the old area of speculation here?

Mr. Downey: Mr. Deputy Chairperson, I can tell the member that there has been an expansion and activities going on at Simplot this last year. I think it is \$18 million or something of an expansion with further development in mind.

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

I am not at liberty at this point to say too much about other potential plans, but I know some are being aggressively worked on, and I know some of the measures that took place in the budget hopefully will encourage that to take place. It is not that these people are not working and doing things.

There are also some discussions as it relates to the western power grid that will call on some of their time. The First Ministers of western Canada have again discussed it. We certainly see where it could be an advantage to us, but it is not a matter of them not being fully occupied. They in fact are.

I guess the member is somewhat speaking contrary to the Leader of the Liberal Party, and I guess that is not surprising, where he was—

An Honourable Member: Be nice now.

Mr. Downey: I am being nice—where he was emphasizing the need for, first of all, let us make sure we look after the businesses in Manitoba rather than going out and trying to find new business. I do not think the member would overly disagree with that, but I think it is a combination of both and a balance. I think we have to do more to go out and aggressively market our electricity resource and have the processing of all activities, whether it be minerals, mining activity, food, food processing, any related activities that are high users of electricity that we should have them here.

I would encourage any of these people, if they do have knowledge of potential major industries and they have leads on them, they are more than encouraged and I am sure would follow up on those leads. They are not denied the opportunity to do so, but to say that their specific job is travelling five days a week or seven days a week on the road out marketing it, they are not. Maybe we should have somebody doing that, and that is I think a question that we have to deal with with the Department of Energy and Mines and Manitoba Hydro minister.

We have to become more aggressive, and we now have the opportunity to do so with the removal of the sales tax off of it. It gives us another advantage. We did not have that advantage before; we now have it, and I think it makes it even more

attractive. We have a product to market; we have surpluses, and we have to get on the road and I believe aggressively market it.

Again, as far as this group of people is concerned, yes, they are certainly encouraged to do so, but it is not their sole mandate.

Mr. Storie: Madam Acting Deputy Chairperson, I am not suggesting they should not be dealing with home-grown Manitoba businesses at all. I think that there is another job that—this implies energy-intensive industries. It implies, I think, something to most Manitobans, something special, and that is utilizing our energy advantage to attract new people to Manitoba.

The minister and I have had this discussion previously, and I remind him that removing the sales tax may make some difference, certainly, to some of the companies.

The minister may recall that I introduced an amendment to The Manitoba Hydro Act, four or five years ago, that would have eliminated or changed the obligation of Manitoba Hydro with respect to energy-intensive industries. What we want to allow is to allow us to use Manitoba Hydro to provide incentive rates, as is done in many other jurisdictions, not only in Canada, but in other jurisdictions around the world. It seems to me we have placed ourselves in a significantly disadvantaged position by not doing that, and I think we should take a look at it. I would be all in favour of doing that because it seems to me that we are missing opportunities.

* (1930)

The other point that I have made, and I was attempting to make earlier, was that all of the people who at one time were responsible for marketing, particularly hydroelectric energy, but energy generally, have disappeared.

The Manitoba Energy Authority, which was created by my old cousin, Don Craik, was responsible for marketing Manitoba Hydro energy.

I know the opportunity for Conawapa seems to have passed us by, but the fact of the matter is that we are involved in a major firm energy sale to Northern States Power. We have an agreement that

lasts to 2005, and now is the time to locate other markets, because the minister and I both know what is going to happen in 2003 or 2000 when we perhaps—

Mr. Downey: Oh, no. I am not so sure whether you know what is going to happen.

Mr. Storie: Well, I think the minister and I both know what is going to happen. Unless we have some other place to market that energy, Northern States Power is going to say, that is fine, we will continue to take 500 megawatts, but we are only going to give you 50 percent of what we are paying right now. Unless you have an alternative source, an alternative user for that energy, you are in no bargaining position at all. So it is imperative that somebody be out there marketing Manitoba Hydro energy

Once the Manitoba Energy Authority disappeared, the minister referenced the Department of Energy and Mines. There is no one in the Department of Energy and Mines doing this. This minister knows, since he was the Minister of Energy and Mines, that is the case.

Manitoba Hydro may have marketing people, but I am not sure that they go into their marketing efforts with the same kind of approach, perhaps sense of urgency, that I think the government of Manitoba should feel. So my question is: Do any of these people have Manitoba Hydro experience? Do they understand what Manitoba Hydro needs in terms of its particular operation?

Mr. Downey: The answer to the last part of the question is, yes, they have.

Madam Acting Deputy Chairperson, let me just elaborate a little bit because I do not think we are on terribly different wavelengths as it relates to the marketing activity for Manitoba Hydro. I am not overly critical of them, but he, having been in the capacity that I am now in this department, I am sure, was somewhat frustrated after being there, seeing probably Hydro not being as aggressive as probably they could be as it related to marketing of the product. They have seen their role as production, satisfying the domestic market, and that basically was their mandate.

I will not make any reference to his former friend who took over the Manitoba Energy Authority, who seems to be having some—I do not think he is having any problems financially; he has been mopping up across the land with the work that he has done with Hydro in Ontario and recently with B.C.

The point I want to make is that I think —[interjection] We maybe should see what happened while he was here. We should do a back audit.

The point I want to make is that I think the culture within Manitoba Hydro has to be encouraged to become more aggressive on the marketing front, that they do have a greater responsibility to become aggressive, and we have to work with them to do that. One has to be cautious and careful that we do not invoke some countervail trade action from jurisdictions where we are marketing into by bringing in rates that are, what would you call them, preferential or that type of thing. I do agree with the member that we have to become far more aggressive with the marketing of our resource, but particularly as it relates to the use of it here for processing and manufacturing and that kind of activity.

Again, that is why the Minister of Finance (Mr. Stefanson), having been in the responsibility that I am as Minister of Industry, Trade and Tourism, saw it as an impediment to have the sales tax on it. I am expecting, and I would hope within the next few months, that some of the companies that are here see the ability to expand and grow their operation.

Without disclosing any information that I should not, I know that one company is, in fact, looking at expansion of their operation. I think this should trigger it. I know they will certainly be pressed hard to now move on an expansion of their plant in Manitoba. It will mean jobs. It will mean use of the electricity rate here in the province.

So, again, I do not want the member to say, well, you made promises and false hopes. I believe that we can do that with some of the moves we are making. Again, that is not enough. I think we do

have to get out and market, and we do have the opportunities here in Manitoba. We have the people; we have the raw product. Let us put it together and export added-value products into the international marketplace. We are not on a different wavelength at all. I think it is acceptable that we have to be more aggressive.

Mr. Storie: Madam Acting Deputy Chairperson, I think we will accept the minister at his word. We have heard similar words in the past about what the government intends to do. I would certainly like to—no, actually I would not like to be back a year from now. As it turns out, I was just kidding about that.

I would certainly like someone to be back before this committee a year from now to ask the minister to table a list of projects that are actually underway, that are being considered. I asked this minister at least four years ago where the projects were, that we had a list of projects that were in discussion in 1987, 1988, and every year as we proceed a little further down this government's tenure. Those projects have just all fallen by the wayside, and all the minister can say is, we are generally talking. We would like to see something specific happen. It seems to me that unless someone is given direction in this section to go out and find it and to find a way to do it, it simply will not happen. Maybe that is a challenge for the minister, to change the direction, establishing new objectives for staff in this area in particular.

Is this where the small business loan program is funded from? Where is that then?

Mr. Downey: That is a separate initiative which comes a little later on in the program.

Mr. Storie: Then perhaps the minister can explain the Manitoba Business Development Fund.

Before he does that, there is \$216,000 set aside for Energy Intensive Industry. What is that exactly?

Mr. Downey: That is for the last payment for the Dow Corning silica plant.

Mr. Storie: So, for that particular section with three staff, basically that is it. There are no prospects in this fiscal year. If the only money that

is allocated in the budget is \$216,000 for the remainder of the obligation to Dow Corning, then there is nothing else going on, basically.

Mr. Downey: No, that is not correct. If there were other activity, it would be out of the MIOP or the MIRI program. That would be where they would go to find funding or get funding sources for that activity related to the energy-intensive activity.

Mr. Storie: The Manitoba Business Development Fund, can the minister explain what that is if it is not the small business section?

Mr. Downey: It is basically all the feasibility studies that are carried out by the department. Basically that is the feasibility study, also the Manufacturing Adaptation Program and Technology Commercialization Program and other special projects. But on the feasibility study, there are 50-50 cost-sharing arrangements with the department.

Mr. Storie: I am assuming that the member for St. James (Mr. Edwards) has already asked you for a list of projects that have been supported there.

Mr. Downey: No, I do not believe we have under this particular section. We have agreed to on some other areas, but again, we will provide whatever we have available for the member so that he is informed.

* (1940)

Mr. Storie: Just in reading the description here that is also the loan assistance for the acquisition of state-of-the-art high-tech production equipment, I am thinking of Caligiuri Woodworking again, but perhaps if the minister would just provide a list of supports and the company that received the support under this program, that would be sufficient.

I do not have any other questions. Perhaps we can go ahead.

The Acting Deputy Chairperson (Mrs. Render): 2.(b)(3) Programs (a) Manitoba Industrial Opportunities \$3,524,500—pass; 2.(b)(3)(b) Venture Capital \$68,700—pass; 2.(b)(3)(c) Surface Transportation Technology \$500,000—pass; 2.(b)(3)(d) Vision Capital

\$2,612,100—pass; 2.(b)(3)(e) Crocus Fund, zero—pass; 2.(b)(3)(f) Manitoba Business Development Fund \$1,738,000—pass; 2.(b)(3)(g) Energy Intensive Industries \$216,400—pass.

2.(b)(3)(h) Manitoba Industrial Recruitment.

Mr. Storie: Just a follow-up on the member for St. James' comments here. If I recall, one of the grants went to Wardrop and associates under this program?

Mr. Downey: You are referring to UMA?

Mr. Storie: It may have been UMA, right.

Mr. Downey: In which they did not meet the employment requirements and the money was paid back.

Mr. Storie: Have there been any other announcements in the last six months in this program?

Mr. Downey: GWE.

Mr. Storie: So GWE received support under this program.

Mr. Downey: Yes.

Mr. Storie: How does this fit generally with the criteria? I see a pretty big difference between supporting an initiative from UMA and GWE in terms of the kind of service that we are supporting.

Mr. Downey: Madam Acting Deputy Chairperson, this is more the Business Services sector that fall within this type of program and that is why it fits in this particular category.

Mr. Storie: What was the amount of the loan to GWE?

Mr. Downey: \$484,000.

Mr. Storie: Can the minister indicate how many jobs GWE has currently in its Brandon operation?

Mr. Downey: I do not have the current number, but I believe that the initial target was 115, and because of a contract that they have acquired since starting up that it will be substantially greater than that. I cannot tell the member exactly what it is today, but I know they are hiring and I know they are training, and I know that they are aggressively on the ground. If they are not up to full speed, they intend to be very shortly.

Mr. Storie: Has the minister asked the question of the company in terms of full-time employment, long-term employment, what the prospects are for people in Brandon in terms of those two criteria?

Mr. Downey: Madam Acting Deputy Chair, it is my understanding that it is expected that before any forgiveness would take place that the job would have to be there for five years. So it is at least a five-year duration of a job. I think the member referred to \$5 or \$6 an hour.

My understanding is that the salary is a little higher than that. I will get some of those details for him, but it is a longer duration than just a few months. It is a five-year time period, I believe, is what the department tell me, and so I think it has long-term implications.

Mr. Storie: When the minister talks about a five-year, the agreement with GWE includes a provision that the 115 jobs—is the minister saying the minimum will be available for a period of five years, that those 115 are not 115 jobs that last for two months or three months, that they are full-time equivalent for five years?

Mr. Downey: That is what I am told by the department, that it is a five-year commitment for 115 jobs.

Mr. Storie: Madam Acting Deputy Chairperson, can the minister indicate whether he has had any discussions with GWE about the turnover rate of employees in this kind of operation?

Mr. Downey: No, I have not.

Mr. Storie: So the minister is not able to say whether in fact the general experience in telemarketing is going to be the same sort of experience that people in Brandon have with this company, in that the jobs, that there is a very high rate of turnover that a few months is a long time in this business.

Mr. Downey: I cannot confirm that by the member. I would hope and I would think it is my feeling that they are reasonably good jobs, that there is a major training component that will be part of it, and as we develop the call centre business and the telecommunications business in the province that there will be an expanding need

for people of these qualifications. Like it or not, I think the member has to acknowledge that the jobs probably will be reasonably good and reasonably paying. I would hope that the member would give it a chance, give the company a chance and give this industry a chance in Manitoba, because we see it as a major growth area that I would hope he would be supportive of.

Mr. Storie: Madam Acting Deputy Chairperson, I am certainly prepared to give GWE a chance. I certainly would have felt more comfortable if the minister could have said categorically this evening that, yes, this company operates with high-skilled people and that these jobs are the kinds of jobs we would want our children to have on a permanent basis as an occupation or a career.

I think we are all familiar with the kind of telemarketing operation that runs out of a rented room downtown. You go in, people come in, and they do it for two days and they are gone. This may be an entirely different style of operation, and it would have been nice if the minister had perhaps understood that.

It raises the question about, again, the kinds of negotiations, the kind of in-depth understanding that the government has of these projects. It seems to me that if the government was in a position to better explain what this company did, what we might expect from the company, what the people who may be employed could expect from the company, we would all feel a little more comfortable.

Mr. Downey: Madam Acting Deputy Chairperson, I do not think I would have any problem with any family member working in this type of business. I think the experience in Manitoba is something that is the stability of the workforce, and the fact that there is not the kind of turnover there is in some other jurisdictions.

* (1950)

In fact, the range of pay that I am told is being paid, and you get into the telemarketing agent wages from \$6 to \$12 per hour; customer service reps from \$8 to \$16 an hour; and then you get into the training section where you get \$30,000 to

\$40,000 a year; managers range from \$35,000 to \$50,000; and senior management goes \$50,000 and up. Time will tell if people will in fact stay for that kind of salary and job. It is my understanding there has been quite a lot of interest in those jobs.

Again, what I said at the outset was I think the reason we are attracting a lot of companies is the stability of the workforce and the fact that they do hang in there and maintain the employment that is expected of them.

Mr. Storie: Well, Madam Acting Deputy Chairperson, that gets into a whole other area, but the stability of the workforce also relates to the desperation of the people who are looking for jobs. In the Philippines, they get people to pound on bricks for a few pennies a day, and they come and they work day after day after day. That does not mean that is the kind of economy that we want to have.

The fact of the matter is that the government has made this announcement, I guess, hoping for higher praise for its efforts. I am concerned that the minister's sort of inability to tell me, for example, how many jobs are \$6 and how many are \$18 an hour, \$6 an hour versus \$18, may be another example of negotiations that went on without perhaps a fuller appreciation for what was being offered and asked, but maybe time will tell.

To be fair to the company, I have not been out to visit GWE, and perhaps I will take an opportunity in the next little while to do that. I hope I am pleasantly surprised and that there is more—

An Honourable Member: Phone them first.

Mr. Storie: Phone them first. I am assuming if they are successful, the lines will be busy.

But I am certainly open, and I hope that there are more \$8 an hour jobs than there are \$6 an hour jobs.

(Mr. Deputy Chairperson in the Chair)

Mr. Deputy Chairperson: Shall the item pass? The item is accordingly passed.

2.(c) Small Business and Entrepreneurial Development (1) Salaries and Employee Benefits

\$935,900—pass; (2) Other Expenditures \$1,015,00—pass; (3) Grants \$30,000—pass.

Resolution 10.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$16,081,800 for Industry, Trade and Tourism, Business Services, for the fiscal year ending the 31st day of March, 1995.

3. Strategic Initiatives (a) Tourism Initiatives (1)(a) Salaries and Employee Benefits \$743,000.

Mr. Storie: Mr. Deputy Chairperson, did you go ahead and pass (c) as well?

Mr. Deputy Chairperson: I sure did.

Mr. Storie: You are talking way too fast.

Mr. Deputy Chairperson: The honourable member can relate back, though, because we do have leave to go anywhere within.

Mr. Storie: I have to flip through too many pages in my Detailed Estimates book.

Mr. Deputy Chairperson: Why do you not just clarify which item before you ask the question, if you do not mind.

Mr. Storie: Sort of generally (c).

There is a significant increase in Other Expenditures. Perhaps the minister could indicate what happened there.

Mr. Downey: Mr. Deputy Chairperson, I referred to these in my opening comments under the small business start program.

Mr. Storie: We never got a copy.

Mr. Downey: Well, if you had been listening, you would have heard it.

That is what the increase mainly is, Mr. Deputy Chairperson.

Mr. Storie: I am intrigued as to why this is buried in Other Expenditures. What would be wrong with labelling it "losses" somewhere? Why is it buried as Other Expenditures?

Mr. Downey: That is not a loss, that is new resources for a new program, and I do not think we should bury it either. I think we should be very up-front and very bold letters with it.

Mr. Storie: Perhaps we are not just reading from exactly the same hymn book here. In my notes, it

says, "2. Reflects increase for new initiative and provision for losses on Business Start Program."

Obviously, if it has two components, the next question is: What is the provision for new initiatives and what is the provision for losses?

Mr. Downey: The provision for losses is in the existing Business Start Program and it is approximately \$99,000. The increased resources for new initiatives under the small business start program are something like \$239,000, so the losses are just under \$100,000 for the old program. For the new program, it is \$239,000.

Mr. Storie: Mr. Deputy Chairperson, could we have a list of the projects which have required the department to allow for losses?

Mr. Downey: Yes.

Mr. Storie: There is one other note here I had made and I kept looking for it in the department's Estimates. Is there no longer a Co-op Development branch at all?

Mr. Downey: Yes, there is.

Mr. Storie: Where is it hiding?

Mr. Downey: It has been moved in with the Small Business branch, but there still is a responsibility for a co-operative development section of the province for co-operatives and it is with the Small Business Development branch.

Mr. Storie: Well, I want to put on record that the treatment of the co-op sector by this government leaves a great deal to be desired, that what started off as a department and diminished to a branch and then to a section of a branch and then to perhaps a staff person—I am not sure whether you can even say that—and then it disappears. In the Detailed Estimates of Expenditures for the Province of Manitoba, it has disappeared; it is lumped in with Small Business and Entrepreneurial Development.

It seems to me that we have lost something significant, that co-ops, particularly credit unions in the last little while, have been very successful and deserve a great deal more attention, not less, and less and less every year.

Mr. Downey: The member can express his opinion. I think that we had considered that the

co-operative movement—and have always done—is very important. I, coming from the agricultural community, fully appreciate the importance of the co-operative movement as it relates to whether it be the grain marketing business, whether it relates to some of the processing activities that have taken place throughout the province where groups have come together to jointly put their resources together. Credit union movement is a good example. We consider them as business. It is a structure which supports business. It fits in with the business sector, and we have not had any criticism from the co-operative movement as to what we have done. I would suggest that I think the healthiness of each and every co-operative is the important question and that we still have people who are there prepared to support and develop them on an ongoing basis. That is what we are doing.

* (2000)

In fact, I think we may be able to enhance some of the business activities as it relates to co-ops by doing the kind of thing we are doing. I can use several examples of new co-operatives that have started over the last year or two that are very successful and would encourage a continued activation of them if it is a vehicle or a mechanism that can be used to start a business. So I do not see it as anything but, I think, recognizing them as a business, having them as part of the department of business and—yes, there is still a recognition of the credit unions and the co-operative regulations under the Consumer and Corporate Affairs branch. There is still an identity for them within that section of government, so it is not a matter of not recognizing them. We still have our annual co-op week in Manitoba which there is still, I think, very important recognition given of them.

So it is a matter of, I think, organizing the department to work with them, as I am sure they want to be worked with, on a very businesslike approach.

Mr. Storie: From the minister's words and what I read here is that there has been another staff eliminated from the co-op development area because of consolidation, so we are losing our

staff. I just want the minister to clear up what exactly the people who are in Consumer and Corporate Affairs do in terms of co-ops.

Mr. Downey: Again the reason for one less person is as a retirement of Mr. Vic Hryshko, who was a long-time, dedicated civil servant, who has taken his retirement. Rather than moving to fill that position, it is a matter of the people that are there who are very experienced in the co-operative movement, and adding to the business development section, we felt, would work. We will certainly be observing as to how it works. We actually have four people currently in the co-operative development section.

Mr. Storie: Four people in the Department of Industry, Trade and Tourism?

Mr. Downey: Yes.

Mr. Storie: The minister referenced some Consumer and Corporate Affairs.

Mr. Downey: Yes, Mr. Deputy Chairperson, there is a direct relationship with the Consumer and Corporate Affairs department of which credit unions and caisses populaires, and the co-op regulations—the operation of co-ops and enforcement of those regulations—come within the Department of Consumer and Corporate Affairs.

Mr. Storie: Let us be clear that they have no responsibility for co-op development. This is talking about registering co-ops, the incorporation of co-ops, the establishment of the articles of incorporation, et cetera.

Mr. Deputy Chairperson, the point I am making is that co-op development is a separate activity, that only a few short years ago there were literally dozens of co-ops forming on an annual basis, some of them housing co-ops, some of them worker co-ops, some of them fishermen's co-ops, ag co-ops. The minister's suggestion that somehow they should be or can be lumped in with all kinds of other small businesses and entrepreneurs, I think, misses the point of co-ops.

The fact of the matter is they are not like other businesses; they require a lot more effort to get initiated. It is not a case of a single entrepreneur.

They require, in most cases, a lot more development work. I think in the next 10 years, in the next 20 years we are going to see co-ops and co-operative effort play a much larger role in our economic affairs, partly out of self-preservation.

I think that the government is undermining part of our heritage. The co-operative movement helped to build this province and the fact that it has disappeared from the Estimates process and has disappeared as an active department and then of branches, I think lamentable and will be noted by some certainly.

Mr. Deputy Chairperson: Okay, we are now dealing with 3.(a)(1) Tourism Services and Special Projects \$743,000—pass; (b) Other Expenditures \$625,800.

Mr. Storie: Mr. Deputy Chairperson, if we just have a list of the projects that are being supported in this year or anticipated to be supported, special projects?

Mr. Downey: Yes.

Mr. Storie: Mr. Deputy Chairperson, I am wondering if he can just give us some examples?

Mr. Downey: No.

Mr. Storie: No? Mr. Deputy Chairperson, why am I not surprised? We can wait a second while we—I am anxious to know whether this is like every other area where the minister was talking about—well, we are very concerned but we do not have anything specific we can talk about.

Mr. Downey: Mr. Deputy Chairperson, we are really talking about funds here that operate the tourist information centres and the toll-free telephone centre, inquiry services, publication distribution, technology support and that type of thing. That is the funding under this program.

Mr. Storie: Well, those were identified. I am just wondering if there are any special projects. Several years ago or a year or so ago, they were talking about the introduction of CD-ROM interactive tourism information booths, and I am wondering if we are moving to that state. Is that going to be part of—

Mr. Downey: Mr. Deputy Chairperson, we have the new inquiry centre—which I referred to in my opening comments—at The Forks, which is the main special project that is underway. We will be opening it sometime later this month, the 19th of May, I believe. So that is the only special project that I would think would fall in that category.

Mr. Storie: Is there no discussion, no thought, no work in the department on innovative customer-visitor interaction stations? Is that going to be part of the new—

Mr. Downey: Mr. Deputy Chairperson, part of the information centre is a major theatre activity which would in fact be an opportunity for the kind of activity he is referring to. I am not clear as to what he is talking about in addition to that, but we do have personnel working at all our information stations. Maybe he could further clarify what he is after.

Mr. Storie: The department several years ago, maybe six or eight years ago, had small, little booths that presented videos and dialogue. You could push the button and you saw a little picture—you know. There was some discussion at that time of the next generation of those that would provide a huge range of information and services and maps, and I was wondering if this would include any special projects work in this division.

Mr. Downey: I do not believe so, Mr. Deputy Chairperson.

* (2010)

Mr. Storie: The minister referenced the opening of the new tourism information centre, idea centre, whatever it is called, at The Forks. Can the minister indicate how much that is going to cost?

Mr. Downey: Mr. Deputy Chairperson, I do not have the exact figure, but it is in excess of \$2 million of which 50 percent of it is ours and 50 percent of it is the federal government under the Canada-Manitoba Tourism Agreement.

Mr. Storie: Is this money that was allocated under the 1995 Canada-Manitoba Tourism Agreement?

Mr. Downey: I am told, no.

Mr. Storie: Mr. Deputy Chairperson, this \$2.2 million is being allocated out of the new \$10-million Tourism Agreement.

Mr. Downey: I am informed that it is from the previous agreement.

Mr. Storie: I raise that only to finagle an invitation from the minister to attend the official opening, seeing as this was one of the projects that was identified when I signed the Canada-Manitoba Tourism Agreement in 1985. So I just thought maybe that would spur the minister to extend an invitation to speak at the official opening and to bring greetings.

Mr. Downey: Mr. Deputy Chairperson, I will take that under consideration.

Mr. Storie: I do have one concern with the project at The Forks, and it is maybe picky, I do not know. It seems to me that architecturally, it just does not fit very well with the theme of the railroad buildings. I have not seen it completed, but I am wondering, is there some intention to have brick, sort of a façade or something on that building? It is not finished yet. Is there any intention to have it sort of meld in with the rest of the theme at The Forks?

Mr. Downey: I understand that was part of the signing of the agreement, that they accepted the minister's architectural ideas at that particular time. That is why it looks like it does.

Mr. Storie: Mr. Deputy Chairperson, that may be legitimate criticism. He may have seen the provincial building in Flin Flon.

Mr. Downey: I do not know the—

Mr. Storie: Do you know of Red Square?

Mr. Downey: I know Red Square in Flin Flon, but the design and the development of it as to how it came about, it is a fair comment, if there has to be a theme and the whole objective is to make sure that it provides the necessary information and the kind of facility that people can learn about in the tourism activities throughout the province.

I, quite frankly, do not have any problem with the way it fits in. I have visited it, and I think it is not all that bad, and no, I had an early preview of it

and anticipate we will have an explanation for the member at the opening, if he gets an invitation to tell him why it was designed the way it was.

Mr. Storie: I do not want to suggest that I have any problem with the design. It is a question of ultimately its appearance, and I could not tell from my last trip down there; however, I want to move on to the more serious question.

The province operates a number of other tourism booths: one at Emerson, one on 16, one on No. 1. Where is the other one? There is one at Russell.

Mr. Downey: Kirkella, Virden, Whiteshell and Emerson.

Mr. Storie: Have any of those been upgraded in the last little while, particularly the one on No. 1 Highway?

Mr. Downey: The one at Kirkella, I believe, was newly built something like two or three years ago. It is a very fine facility, a very up-to-date and modern facility in the constituency of the member for Arthur-Virden (Mr. Downey).

Mr. Storie: Mr. Deputy Chairperson, the other statistic that I would like the minister to provide is the number of visitors, whether the minister can give us some sort of 1993 perspective on the number of visitors, particularly from the United States, visiting Manitoba, as well as the number of other foreign visitors.

Mr. Downey: Yes, I have those numbers, and I will get them for the member. Just a minute, please.

If he looked at the opening comments, I believe I had referred to them in there as 2.5 percent. I do not have anything on the European visits, although I know they were up substantially.

I will give him the numbers, Mr. Deputy Chairperson. The 1993 total arrivals by U.S. residents at customs in Manitoba are up by 2.5 percent over last year's performance figures.

Mr. Storie: How many visitors?

Mr. Downey: I do not have the actual numbers, Mr. Deputy Chairperson, but I guess I can get those if they are available.

Mr. Storie: We often pay a good deal of attention to the number of American visitors we get to Manitoba. I think everyone appreciates in the industry that it is actually Manitobans visiting friends and relatives in Manitoba that really create the majority of the activity in the tourism industry. But the influx of tourists from other parts of the country and other parts of the world is really the creation of net economic wealth for the province. The rest of it is just recirculating, in effect.

My question is, there has been some criticism amongst the industry of the province's promotion, and its campaign in particular last year, I think the one that was kind of emotive, but not very specific, that focused on heritage and the aboriginal ancestry but was not very specific. I am wondering whether the same promotion is being considered for this year, or is there a new initiative underway?

Mr. Downey: Mr. Deputy Chairperson, we are currently carrying out a campaign in the United States, something in the neighbourhood of \$236,000, I believe, of which there is a television, there is a radio, there is a billboard promotion. There is a component of radio ads, as well.

I can get further information that my assistant has gone to get at this particular time, but I think we can generally say that we see it as successful, the program that was in place last year, and it is a further advancement of that program this year, particularly working on the customer service side as it relates to encouraging them to come and use their higher-valued dollar, also providing a service for them at the border when they return as to the applications for a refund of the GST and the PST so that there is a convenience for them.

I think one of the best advantages we have in the whole of the tourism industry when we talk particularly family-related activities and through some of the information we have available to us, that people are looking at safe places to holiday as it relates to families particularly, that we offer that security in Manitoba. We, I think, have had some good experience.

* (2020)

The member asked earlier about some of the monies and how we spent it in relation to trade shows and that type of activity. I know particularly the northern resort communities and some of the lodges that are providing tourist attractions, that they are very, very positive and very busy from direct reports. I do not have any statistics other than just in direct communication with some of the operators of some of those facilities. Through their work and efforts in advertising their product in the south, their businesses are continually growing, and the member may have some knowledge himself representing an area where there are quite a few prime fishing locations. So we are carrying out a fairly major campaign, particularly in the United States and in Ontario and in Saskatchewan.

Interestingly, and I would like to put it on the record, I think it was a good move by Saskatchewan. They spent the whole week at the Brandon Royal Winter Fair with quite an extensive booth, and I noticed a lot of people paying attention to it as to what kind of travel activity they would find in Saskatchewan.

I think sometimes we probably do not do enough work right at home in advertising our own product to our own people, whether it is right here in Manitoba looking at other parts of the province and/or neighbouring provinces, concentrating enough on the traffic that can come in, and there may be some ideas we can get from other areas.

But we are carrying out a fairly major campaign, and I will continually support it because it is one of the major growth industries we have in the province. Tourism, I think is—it employs something over 20,000 people now. It is an in excess of \$1 billion industry to the province, and when one looks at the kinds of activities that are taking place throughout the world, we have all the opportunities, I believe, to encourage them to come.

We had recently this winter a special promotion for the viewing of the northern lights with some Japanese tour people who were in, and all reports were that it was very successful. Again, it is a matter of trying to target your money where you feel you can get the best bang for the dollar you are

spending. So we will continue to do that and adjust where we have to, to try and advance the province.

Back to the point I was making at the beginning. One of the best things we have, along with the beauty and all the clean air and environment and the water and the fishing and all the special events that we have throughout the province, is the ability to travel and holiday safely. That, I think, is something that we will continue to promote as a great place to come with your family and enjoy your summer, winter, spring or fall holiday.

Mr. Storie: Mr. Deputy Chairperson, perhaps the minister will send me some copies of this information. I am not sure that he answered the question about whether the campaign that he just indicated was underway in the United States was a continuation of last year's, particularly the television campaign. Is it the same campaign, the same theme, kind of natural, or is there something that has been added?

Mr. Downey: If we had not been in committee this afternoon I would have had a chance to give him first-hand information because one of the things I had on my agenda this afternoon was to see one of the television ads that were being put on in the United States so I could have more clearly answered the question.

It is my understanding that it is not unlike last year's, but I will not give him a definite answer on that until I find out for sure. Those are the kinds of numbers. We have the ability to maybe expand a little bit that program, but we will see how the first one goes and what the responses are that we get from it.

Mr. Storie: Mr. Deputy Chairperson, I think the minister hits the themes right in his comments. I think that the issue of, you know, clean and relatively unspoiled and natural but safe is probably—and cheap, this year anyway—very attractive. But it struck me that last year's campaign sort of missed—mind you, the dollar was much higher then, but there was criticism. The minister probably knows this from his own region that there were groups who said that the advertising campaign that the province put on, first

of all, clearly did not support a lot of the regional interests, did not target anything specific, was kind of a feel-good about Manitoba.

But the regions felt that what was going to happen, and I am talking about the Interlake, I am talking about Eastman and Westman, I cannot say the Parkland specifically, but those other three regions felt that it meant come to Winnipeg and felt I think that it was a very nice ad campaign, but that it was not going to serve their purpose. Is there any intention or is the department doing anything to serve the regional interests more directly?

Mr. Downey: Yes, I think, again, we have tended to over the past maybe focus, and quite legitimately—we have got some major attractions in Winnipeg with Folklorama, Festival du Voyageur which is an extremely important event for a winter holiday. It is I think something that we can build on and expand, and we supported the Fort Gibraltar fort, the development of that for more year-round activity. I do not disagree that sometimes we tend to maybe focus a little bit more on the larger centre.

But I think that when we get people to the larger centre, and that is where I think the Information Centre at The Forks will work to show people the other regions of the province. For example, there is a head frame for northern Manitoba with my polar bear out of my office, which I really feel badly about giving up, but in the better interest I felt it was important to do so. That I think will, when people are here, give them cause to go out into the regions because of the advertising that we are doing. So I think we should be clear that it is all a matter of getting them here and then taking full advantage to show them what we have in the other regions.

Another area that I think we do not promote enough, and that is the national park at Clear Lake and Riding Mountain. I think that is a major tourist attraction that we do not market enough. The same with when you look at the southwestern region when we have a little controversy over the Boundary Commission Trail and the Red Coat Trail, but again there are some extremely, extremely important historical sites in our

province, and if it had not been for the work that was done in those areas we would have probably not had the province we have. So it is a matter of making sure the people know the full agenda items that we have.

For example, there are many European people who just like to go in areas where they can just do nothing but walk. That is what their interests are, nice quiet areas. We have lots of nice quiet areas where they can walk to their hearts' content. So it is a matter of trying to maximize the opportunities and expose them to the people whom we can attract to our province.

I think we are trying to look at a broader area, and I will put on the record tonight, and I have talked with my deputy minister, that maybe to try and bring the province together when we get the information centre put together, that we should and will consider the establishment of a major tourist or tourism forum, where we bring the different regions of the province together or different people who are interested in activities and have one major focus to bring the different ideas together as to how they can work at the grassroots level to tie into the system.

* (2030)

I say this with respect, sometimes governments tend to think they have some of the better ideas. I think it is time we made sure that the grassroots fit in, as well, as to what they think they have to offer through government activities. I know, again, speaking with some of the people from St. Boniface and, in particular, the chamber of commerce from the Franco-Manitoban community, where there are something like 60,000 people from Quebec, French speaking, who travel through Manitoba through the different times of the year and want to do something that would further encourage the added activities when they get to Winnipeg, for example, or St. Boniface, where some of the outlying communities could attract them, those which are French speaking, non-French speaking, that they could better tie in.

We have had some very good meetings with them, that we think will be very helpful. They were

quite satisfied to know we were trying to encourage that, but I do not disagree with the member. I think we do have to try and maximize the total province as it relates to bringing people to it because each region, quite frankly, you can spend a considerable number of days just learning about it, whether you are in the north, south, east or west. Everything is unique. We should maximize those opportunities, and that is what I believe we can build on. I think the potential is there.

I said it when I was in other portfolios, I think we could quite easily, over a reasonable period of time, double our tourism activities in the province with the right kinds of strategies, and that means putting it to a \$2-billion industry and employing 40,000 people. I think that is the kind of potential we have. We just have to get on with it and market it.

Mr. Storie: Well, I want to thank the minister for that. I think there is some need to perhaps focus on more than just the city of Winnipeg, and that is a feeling that is out there very strongly, and it certainly exists in northern Manitoba, although we are somewhat more limited, I guess, in the kinds of opportunities that we have.

The minister talked about fishing lodges, and it is not always just the size of the fish that attracts people to our region, but certainly that is the main attraction, is the sports angling.

Again, the province's advertising certainly in the last year did not focus very much on that particular strength for our region. The good news is that the lodges, I think, have sort of pulled themselves together and have recognized that the kind of destination-kind of advertising that some other areas do quite successfully is better than trying to go it alone and compete as one of thousands.

Question to the minister on the timing of the ads. The minister says there is a campaign underway in the United States, and I am wondering who advised the minister on the timing of the campaign in the United States—[interjection] Oh, it was Marcel.

Mr. Downey: Mr. Deputy Chairperson, again, I depend on the department to, through their previous experience and the work which they do in the tourism business, to make those kinds of judgments. I do not, as minister. I am knowledgeable as to what they are carrying out, basically, as far as when they are doing it, but I am not unhappy with the timing which they have in place because for a lot of U.S. schools, quite frankly, it is not too long until their holidays start.

Personally, I can tell because I live right on No. 83 highway or basically just off 83 highway, and I can tell you from now on you see the boats and the campers and the fishing equipment heading north to his constituency to fish. From about middle of May on, it gets pretty busy. So you have to have your advertising out ahead of people wanting to move.

I should add as well, and I would like to put on the record, that we have the major event at Gimli this summer, the world sailboarding activity, which I think is a major, major attraction for that area and will be a major provincial event. We have the World Youth Baseball that is taking place in Brandon this summer, a game which is a credit to the community there. It is a fantastic facility. These kinds of events bring a lot of people and, once they have been here, had a good time and a good holiday, see some of the benefits that our province has, they will return.

So that is why I am a strong supporter of the special event activities. I think that once people come, they enjoy it. It is not unlike the Winter Games at Thompson this year. I am sure there were many of my constituents who participated in other areas who had never been to Thompson before and found friends, made friends, and quite frankly, will return many times because they found a new experience and friends to visit. Same that the reverse will happen that people they visited in those situations will probably return the visit to their own community. So special projects and events add a lot to the potential for internal tourism, but also neighbours visiting neighbours through a tourism activity.

So I may have spoken longer on this particular area than the member wanted, but I feel very strongly about it. It has tremendous growth potential—

An Honourable Member: We have got all night.

Mr. Downey: Now that you have had your rest—tremendous growth potential which I think would like the support of all members to bring ideas forward. I think it is just unlimited what we can really do.

Mr. Storie: Mr. Deputy Chairperson, the minister spoke so long, I forgot the question. I have a suspicion it was not answered. I gather the minister does not take his own advice when it comes to the timing of the advertising. My question was, who does provide advice?

Several years ago—this is back when there was a Tourism Industry Association of Manitoba—the advice was that you should begin your advertising campaign sometime in the late winter or certainly the early spring, that February, March would not be too early because people were making their plans, particularly if you are advertising as far south as places like Minneapolis, that people do not just pick up on May 1 and say, well, let us go, that they actually start their planning substantially earlier. It is certainly the experience in the fishing lodges in Cranberry or in Lynn Lake and points north. People quite often book the year before. They make their plans a long time in advance.

So that was why the question, who gives the advice? I think I raised this last year with the minister about the timing of the campaign. Who decides? Why is the decision made that we start—as you mentioned, American schools often get out early in June and they are making their decisions certainly months before that. Who makes the decision? Why is the campaign underway now and not earlier?

Mr. Downey: Mr. Deputy Chairperson, again, I would expect that it is done through the knowledge that the department has in the managing partner within the Tourism section. It may be that people who are listening to this year's ads will come next year. I mean, there is no limit to the time in which

we want them to come. So last year's ads may well be in fact bringing people this year, and this year's ads may be bringing people next year. So you are really spreading a wide net as timing. So one cannot say that there is not—that it is inappropriate timing.

I guess, again, the counter to that is there are some U.S. ads currently running in Manitoba to encourage Manitobans into the U.S. market. Again, to answer his question directly, it comes from the people who are supposed to be professionals and I believe are professionals in the tourism business within the department.

I think I have a correction to make. I think I put on the record that the current campaign that was being run in the United States was something like \$236,000—it is actually \$236,400. Anyway, I was just going by memory and it was a little out.

Mr. Deputy Chairperson, basically the answer to his question is it is a matter of a judgment call by the department, the people who are responsible for carrying out the campaign. I will ask them directly what kind of mechanism they use to determine when the campaigns run. I guess, as I said earlier, maybe some people from last year's campaign, who saw last year's campaign, are coming this year and from what they see now will come next year. Hopefully, there will be some coming this year.

* (2040)

As well, we depend heavily on some of the direct contacts that are made through the department and the people doing the bus tours. They have conventions where the bus tour people all congregate. We rely quite extensively on the direct contacts that are made there, and they have paid off substantially.

Mr. Storie: I like the minister's argument that there may be this cumulative effect, that if you have advertised over a long period of time—I think there is some logic to that. I think that was one of the things that the industry decided a long time ago, that if you were going to do major advertising in another market, you had to be there for a period of time.

My understanding was that there was a joint sort of federal-provincial tourism agreement some time ago, a decade ago, that did a study of sort of the timing of ads and when they were most effective. The information that was available then suggested that earlier was better than later, but there are probably so many other things that impact on people's decisions, including the value of the dollar the day before they leave or the week or the month before they leave, that it is difficult to determine.

The Marketing and Promotions section still has a component called co-op advertising. Do they still do co-operative advertising with individual tourism enterprises?

Mr. Downey: I am told the answer is yes.

Mr. Storie: Can the minister indicate—I assume that is where the other expenditures come in—sort of the scope of those? How many people are involved? Could we have a list of people who are getting support?

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

The Acting Deputy Chairperson (Mrs. Render): 3.(a)(1)(b) Other Expenditures \$625,800. Pass?

Mr. Storie: Just so it is on the record, I had asked for some specific information on the number of enterprises that were involved in the co-op advertising support program from the provincial government.

Mr. Downey: Madam Acting Deputy Chairperson, I will attempt to get that information for the member.

The Acting Deputy Chairperson (Mrs. Render): 3.(a)(1)(b) Other Expenditures \$625,800—pass; (2)(a) Marketing and Promotions (a) Salaries and Employee Benefits \$394,600—pass; (2)(b) Other Expenditures \$2,994,000.

Mr. Storie: Madam Acting Deputy Chairperson, just before we pass that, with specific reference to a consortium of lodges in northwestern Manitoba who put together a promotional piece last year, I am wondering whether there is money available

this year for a companion piece or a follow-up piece. It was probably 14, 15, 16 different lodges in the northwestern section of the province. Is there money available for that particular project this year?

Mr. Downey: I am not aware, specifically, to what the member refers, but if it was successful last year, I do not know the volume of money—again, I would think if it was successful last year, that they would have to apply again under the Tourism Agreement to qualify, but if there was good experience from last year, and it proved to be successful, it certainly would be entertained by the province this year.

Mr. Storie: On the same line, is this the area where special events—the minister mentioned the world little league championship—so there is no money in here that would be available for events like the Swan River rodeo or the Flin Flon Trout Festival?

Mr. Downey: I do not believe so.

Mr. Storie: Are there any grants available for those kinds of projects in the department in this fiscal year?

Mr. Downey: Most of those types of grants come under the Department of Agriculture, particularly the Swan River rodeo under an ag society grant. I am not aware of any that would come under the Department of Industry, Trade and Tourism.

I know that we did provide some funds for the program at Gimli this summer; there has been some monies provided. I will just get some further information here.

Madam Acting Deputy Chairperson, if there were a special event that the community felt there was a—like the world baseball championships at Brandon, then in fact an application could be put forward and it would qualify under this particular section.

Mr. Storie: I was a little concerned when the minister mentioned the Department of Agriculture, because the Flin Flon Trout Festival and rodeo is on at the end of June, so I think it would qualify now, because it has the rodeo function at the end of it.

It is interesting that the agricultural fairs do get support, but there are lots of other fairs and events that do not seem to be able to access that kind of support.

I did want to talk about a special project that the Greenstone Community Futures group in Flin Flon, the tourism development branch of the Greenstone group are taking on, and it is in relation to an International North American Science Fiction Convention that is being held in Winnipeg later this year. I am wondering whether the department has had, or whether they are aware of an application that has been sent in for some support of the printing of some material for that particular event?

Mr. Downey: I am not aware of any applications that have been brought forward at this point.

Mr. Storie: Madam Acting Deputy Chairperson, I did speak to someone in the tourism department about this, and the specific request was for some support for the reprinting of the science fiction book which was the source for the name of our community. The group had wanted to reprint the book called *The Sunless City*, and it was a major sort of initiative, and I am wondering if the minister could perhaps ask his staff to review their files and see what happened to that application.

Mr. Downey: I will.

The Acting Deputy Chairperson (Mrs. Render): (2)(b) Other Expenditures \$2,994,000—pass; (2)(c) Grants \$75,000—pass.

3.(a)(3) Tourism Development (a) Salaries and Employee Benefits \$424,700—pass; (3)(b) Other Expenditures \$278,100.

Mr. Storie: Is most of the activity in this section related to the Canada-Manitoba tourism? Is this where we talk about the rural facilities grants and that kind of—or do we deal with that in 4?

Mr. Downey: I think it is the next section that we deal with that.

Mr. Storie: Then what, other than general support to the industry, do they do? Is this where we discuss, like, hospitality plus initiatives and that kind of thing?

(Mr. Deputy Chairperson in the Chair)

* (2050)

Mr. Downey: Would the member repeat the question, please, so I can—

Mr. Storie: Tourism Development either implies—we are talking about capital facilities or we are talking about service, and the hospitality plus program I think was done in conjunction with the Chamber of Commerce, kind of a staff development kind of budget. This is what we are talking about here?

Mr. Downey: Right.

Mr. Storie: One of the major concerns a few years ago, I guess, was the quality, the training of the hospitality industry staff, generally. I do not think hospitality plus is still working. What initiatives is the department undertaking to sort of improve the quality of service?

Mr. Downey: Yes, Mr. Deputy Chairperson, it is a program called—SuperHost is the name of the program, and that is where the majority of the monies are spent; also for the purchase of office supplies, overall promotional material, rental of equipment, legal and professional services, debt service costs from previous federal-provincial agreements, and the educational component which I have already referred to as SuperHost. That is the main component within this section.

Mr. Storie: The SuperHost program, that is a cost-shared initiative? How does that program work?

Mr. Downey: Yes, Mr. Deputy Chairperson, it is a partnership arrangement with the industry. The comments I have from reference from the industry is that it is working very successfully. It gives the morale of the people working in the trade a boost. They feel once they have achieved the certificate, it encourages them to do a better job. The whole training component is pretty much directed by the industry and we are satisfied with it. I think it is developing people, and again, as I indicated in my more general comments, that with the opportunities for the tourism industry to grow, I think we will have to be even more aggressive as it

relates to the training of people to work in that whole area.

Mr. Storie: Well, the minister mentioned that there is cost sharing. How much did the SuperHost program cost, and where do the costs show up, because they are not in this section.

Mr. Downey: Mr. Deputy Chairperson, I am told that the majority of the costs which are incurred by the province are for material and equipment as it relates to the training program. The actual time component of the individuals is paid for by the industry component, but it is more the material side of it that is covered by the Department of Tourism as it relates to this program. We do not have an exact breakdown. It is something like 200 for the total component.

Mr. Storie: You will forgive us if we were smirking over here. I guess it is the tradition in committee where the assistant deputy whispers to the deputy and the deputy whispers to the minister and the minister whispers to the record. Perhaps we could throw away tradition and just shout out the answer if you know it.

The \$230,000 or \$231,000, some of that or all of that, goes to provide supplies and services for this program. How many people are trained in it? How many people have taken this SuperHost program?

Mr. Downey: I cannot give him an exact figure, and I will get that information, but there are hundreds of people who are involved in the training activities.

Mr. Storie: Has the SuperHost program, to the minister's knowledge, been offered in communities like Leaf Rapids or Lynn Lake or smaller communities outside the city of Winnipeg?

Mr. Downey: I do not believe so, Mr. Deputy Chairperson, but again, I will take that question as notice and get specifically where it has been offered.

Mr. Storie: Mr. Deputy Chairperson, I would appreciate knowing where those programs are being offered. Again, it seems to me I have heard of the SuperHost program being offered outside the city of Winnipeg. I think there was a program offered in Thompson, but I am not sure how long

ago. It may have been in Flin Flon, but I would like to see a list to see who participated.

The Detailed Estimates refers to this branch: it "assists in the development and implementation of rural, community based tourism action plans." That is a rather imposing task, and I am wondering if the minister can tell us what communities this department has been involved in developing such plans in the last year.

Mr. Downey: Mr. Deputy Chairperson, again we will get that information, so we are accurate as to the communities. We do not have the director of tourism here right now, so we will get that information. The director is Hubert Mesman.

Mr. Storie: Yes, this is an area where there was some work done five, six, eight years ago, 10 years ago, where there was an attempt to put together a strategy, and the regional development corporations were heavily involved in trying to develop, as one of their, I guess, diversification initiatives, the development of tourism. There was an attempt at that time to tie it into a regional strategy supported by the government.

I was thinking of a proposal that came from the Interlake to establish a series of red cabooses as information centres, so you could identify a region by something quite striking and unusual. The Interlake now has this Naturally Yours signage, and I am wondering whether that is the kind of initiative we were talking about, whether there are any plans to follow up that kind of initiative in other regions.

Mr. Downey: I think the concept is one which is solid. That, to me, is an area which I would like to get a greater understanding from the different regions as to what has worked and what has not worked. Getting back to what the member referred to earlier, about maybe targeting some specific work within tourism into too narrow a focus, and that is why I think that a conference dealing with the total tourism within the province would bring some ideas to the table.

I know I have recently had meetings in one of the rural communities where they feel that they have, quite frankly, been left out as it relates

to—and this came from the central region of the province where they feel they have a lot of activities to build on but really have not been included in a way which is meaningful to them. Again, this whole area is one I think we could further discuss fully if we were to bring the players to the table to hear what their ideas are and advance some as a part of government policy.

* (2100)

Mr. Deputy Chairperson: 3.(a)(3)(b) Other Expenditures \$278,100—pass.

3.(4) Canada-Manitoba Partnership Agreement in Tourism (a) Other Expenditures \$25,000—pass; (b) Grants \$234,000.

Mr. Storie: The list of grants, there seems to be an inordinately small amount of money in terms of grants. Is this capital grant, or is this some other form of grant—marketing grants or whatever—under the agreement?

Mr. Downey: Mr. Deputy Chairperson, I do not have the complete list here, but I can give him some of the examples that it was used for, such things as the Winnipeg Down Under exhibit at the Assiniboine Park Zoo, familiarization tours for approximately 154 buyers and media attending the Rendezvous Canada Marketplace. Support to Canada's National Waterfowl Festival at Oak Hammock Marsh. Support for the expansion of accommodation facilities at Holiday Mountain Ski Resort. Support to the U.S. Visitors Value Program, which I was referring to earlier as part of the U.S. promotion, which has gone very well. Of course, participating merchants are involved in that as well where they offer the same exchange for U.S. dollars throughout the industry, and also discount packages when people come to their businesses. That is part of it. Support to the Yellowhead Trail Tourism Marketing project is another example. Those are the kinds of things.

I can get the member a more complete list, but those are the kinds of activities that are funded under this program.

Mr. Storie: Mr. Deputy Chairperson, most of the expenditures that the minister referenced were

marketing-type initiatives, Winnipeg Down Under. Or was there a capital component?

Mr. Downey: There is no capital component in this section that we are talking about right now.

Mr. Storie: Holiday Mountain was not a—it was a marketing of some sort, basically?

Mr. Downey: Yes, that is correct, but the capital from the tourism agreement is not a part of this section we are in right now.

Mr. Storie: So it is the final section. Maybe the minister just wants to agree to table a list of the projects that have received support and make sure that there is an outline of the overall cost of the project, who the participating partner is.

Mr. Downey: Yes, I can do that.

Mr. Storie: In that case, I think we are done with that section, Mr. Deputy Chairperson.

Mr. Deputy Chairperson: Item 3.(a)(4)(b) Grants \$234,000—pass.

3.(a)(5) Grant Assistance—Manitoba Horse Racing Commission \$3,394,000—pass.

3.(b) Health Industry Development Initiative (1) Salaries and Employee Benefits \$478,700.

Mr. Storie: Just a question on the Manitoba Horse Racing Commission. We do not have—I do not have, I should say—the Estimates book from last year or the year before. How does the support this year, the \$3.3 million—and that is simply a return of the pari-mutuel tax. Is that essentially what it is?

Mr. Downey: The answer is yes.

Mr. Storie: It seems to me that not that long that figure was like \$5 million. Could we have some sort of historical—the last five years of this grant?

Mr. Downey: Okay, I can give a comparable amount for 1992-93. It was just over 3.5 million.

Mr. Storie: Go ahead. Have you got a few years?

Mr. Downey: Mr. Deputy Chairperson, 1992-93 was just over 3.5. The anticipated or the planned amount for last '93-94 was 3.9 but revised down to 3.7, and this year, the request, as indicated, 3.3. It is the anticipation of lower wagering at the track, and that is why the numbers are less than what they were previously.

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

Mr. Storie: When the Jockey Club decided to purchase Assiniboia Downs from Mr. Wright, was there any outstanding obligation on the part of the Wright family to the province, based on either a reduction in the parimutuel tax that was taken by the province or ongoing obligations that they may have had from contributions that were made to the upgrade, eight, 10 years ago?

Mr. Downey: Would you repeat the question again, please.

Mr. Storie: There were two sets of parallel agreements that were used to support the horse racing industry of a few years ago. One of them was there were actual monies provided to Assiniboia Downs for renovations, a major sort of face lift for the Downs. There was another agreement to reduce the province's parimutuel take, and I believe it was a three- or a five-year agreement.

I am wondering whether from that there was any obligation that the Wrights had prior to the transfer of business from the Wrights to the Jockey Club and whether those have been met, or were those obligations all fulfilled prior to that time?

Mr. Downey: Madam Acting Deputy Chairperson, there were no obligations on the previous agreement that I am aware of.

* (2110)

Mr. Storie: Can the minister indicate how many people the Downs is anticipated to employ at the present time, and how many racing days are there now compared to what there were last year or the previous year?

Mr. Downey: Madam Acting Deputy Chairperson, they are projecting or targeting 90 this year, and if the wagering is sufficient and they have the resources they are anticipating an extension of that. I believe they had 100 last year, I am told, and that is dealing with the Jockey Club and the thoroughbreds. There are some discussions taking place that the harness people would like to get back in for an opportunity to extend their meet

for some fall racing which is currently under discussions.

The Acting Deputy Chairperson (Mrs. Render): Moving on to 3.(b) Health Industry Development Initiative (1) Salaries and Employee Benefits \$478,700—pass; (2) Other Expenditures \$270,800.

Mr. Storie: Madam Acting Deputy Chairperson, is this the area where ARCOR would get its provincial support?

Mr. Downey: Yes.

Mr. Storie: Can the minister indicate what support ARCOR continues to get from the province, and how long does this agreement continue?

Mr. Downey: Madam Acting Deputy Chairperson, the amount that is budgeted for ARCOR this year, the provincial share, is \$950,000.

Mr. Storie: I wonder if the minister could refresh my memory on the province's overall obligation. Something like \$11 million comes to mind. What portion of our obligation has been met, and what is the federal share as well?

Mr. Downey: I believe the total provincial commitment is a five-year commitment of \$9.6 million, and if it is anything different from that—I will double check, but that is the information that is available here.

Let me just make a little bit of a comment because I think from recent meetings and discussions that I have had with ARCOR and the current CEO and president is that things are looking substantially better with some of the product line that is now being developed at ARCOR, and I think that, quite frankly, I am looking for a major turnaround in the numbers that are being advanced there with some of the product that they have, particularly ARCOR rail for the assistance of people getting in and out of bed and that type of thing, if the member is familiar with the product.

(Mr. Deputy Chairperson in the Chair)

It seems to me to be a—have a major opportunity. They are now doing some major marketing activities in the U.S., and I can tell you that they have—as recently as probably two weeks ago I was at ARCOR at an easy-garden promotional activity they were working on. I am encouraged that the investment that has been made there is not as much as it was considered; maybe some questionable parts to it earlier on. I think there is a turnaround in sight, and I am not discouraged by what I am seeing take place. That one product alone is extremely encouraging.

One of the things I was a little disappointed in and they have developed as well is the motor unit for the front of some of the disabled vehicles, and they were not able to find a Manitoban or a Canadian manufacturer to pick up the production of it, and it is now being done by a British firm in the U.K. It has applications for many, many areas in the industrial field, as well as in the disabled area of motorized carts.

It is unfortunate because I think it would have had tremendous income-generating activity for ARCOR. They will be getting a royalty off of it, but again, I do not think to the same magnitude that they would have had gotten if they would have been part of the production and the marketing of it directly from here. Again, I think there are brighter days ahead for them, and we are encouraged to see that take place.

Again, that is probably the best that I can report at this particular time. If there are more specific questions as it relates to product or that kind of activity, I will have to get the information to the members. I believe the numbers I have given are accurate.

Mr. Storie: The minister gave us some figures. The \$9.6 million, how much of that has already been advanced? How much is the federal commitment?

Mr. Downey: I am informed that \$3.8 million or 40 percent has been advanced to the corporation so far.

Mr. Storie: Is this cost-shared? Is there a matching contribution from the federal government?

Mr. Downey: There is some participation by the federal government. I cannot give the member the amount at this particular time, but again, we will find out the number and also make sure that this number I am giving him is accurate.

I do not think this is cost-shared. I think this is what the provincial responsibility is that I have given him.

Mr. Storie: This year, the government is providing a grant of \$950,000 to ARCOR. Can the minister indicate what kinds of revenues ARCOR is expecting this year from the products it has developed?

Mr. Downey: I do not have those numbers, but I am quite prepared to get them for the member.

Mr. Storie: Well, obviously, the important numbers would be interesting to know.

I am pleased at the minister's support of ARCOR. Despite some of the problems they experienced in the initial phases, be they caused by management or whatever, I think there is a lot of potential. Certainly, given our aging population and the investment we already have in the health care system, I think the products along this line should have huge potential.

My question is whether the government—what the department has done to help ARCOR and its management team, the team that is in place, sort of get stabilized and develop. Is there an active working relationship with the department, or are they just off there doing their own thing?

Mr. Downey: No, there is a direct communication linkage, and in fact, we have representation on the board of ARCOR. I have taken a very keen interest in it because of some of the products I see developing.

* (2120)

Once one visits their showplace and what they have over there, I think there is a tremendous opportunity, and one never knows what the next breakthrough may be. That is why I say I was

disappointed that there was not a Manitoban manufacturer found to produce the in-hub wheel, the electronic motor in the wheel, that would apply and will apply to many industrial activities, as well as strictly the disabled mobility carts which it is now used for.

Again, the ARCOR rail has really got major applications. If it is successful in getting into the U.S. hospital system, where they are targeting, I think it has tremendous profit potential for the company. In fact, I would hope the member would take the opportunity to visit ARCOR and could get some of the information directly from the president.

Mr. Storie: Just one other question, does the department or this branch have any sort of active involvement or ongoing involvement with Apotex, particularly the Rh unit? Is that transfer complete? Is there any obligation? Are we still owed money from that transaction?

Mr. Downey: No, they do not owe us any money at this particular time. I understand that there are discussions taking place with the department as to the development of a new project.

Mr. Storie: Can the minister indicate how much the Province of Manitoba received for the sale of the Rh Institute? How much did it actually cost Apotex?

Mr. Downey: I will have to get that information for the member.

Mr. Storie: I would appreciate receiving some of the background on that, how much we received. It is just sort of ironic that the Rh Institute would be developed with public money and become an internationally renowned institute, and it would be allowed to be sort of disbanded and sold off when the government has continued to support enterprises like ARCOR. It just seems inconsistent.

I am not suggesting they should not be supporting ARCOR. It is just that we seem to have lost control of something that could have been and probably should have been more successful.

I am finished on that section, Mr. Deputy Chairperson.

Mr. Deputy Chairperson: Item 3.(b)(2) Other Expenditures \$270,800—pass; (3) Grants \$950,000—pass.

3.(c) Aerospace Industries Development Initiative (1) Salaries and Employee Benefits \$310,700.

Mr. Storie: Mr. Deputy Chairperson, I have only two questions on this section.

One of them has to do with I guess recent discussions with the federal government with respect to our consolation prize after the CF—

An Honourable Member: The EH-101.

Mr. Storie: Yes, the EH-101.

An Honourable Member: And the CF-18.

Mr. Storie: That was the original one.

I understand now that negotiations have not been that successful and that in fact companies like Bristol will probably end up not benefiting to the extent that they had even hoped after those initial discussions. What is the status of that agreement, and what is the provincial involvement in those discussions?

Mr. Downey: Mr. Deputy Chairperson, the program that the member refers to with the initial budgetary cuts by the federal Liberal government, after the loss of the EH-101 and then the further reductions that impacted on the Bristol Aerospace program dealing with the CF-5s, the initial decision would have effectively cancelled the contract as the 23rd aircraft was nearing completion, which basically would have shut the program down.

After considerable negotiating by the department and other forces, the federal government increased the number from 23 to 37. This will allow the current production rate to be maintained until the end of this year with no layoff of any of the CF-5 workers during that period. It is hopeful that they will find some additional work to pick up that void after the end of this year, but it was a matter of saving some of the jobs for the period of the rest of the year.

Mr. Storie: The second question had to do with the spaceport project. We keep hearing that we are

near the announcement of, you know, the commencement of construction, and I have people phoning me from northern Manitoba saying, when can I head to Churchill? What is the status of that project? Has the money that the government originally announced in support of the project been paid out, or in limbo? What is its status, and just for the record, how much was it?

Mr. Downey: Basically, I am not aware of any money that was committed from the Department of Industry, Trade and Tourism. I believe there was \$75,000 being talked about, and, in fact, committed from the Department of Rural Development. I do not believe it has flowed at this particular time, but I would have to ask my colleague as to the status of it. I know that there was preparation to flow the funds from the department.

As it relates to the AKJUIT agreement, it is our understanding that, at this point, what they have expected from us is the lease on the property because it is Crown land. We also want to make sure the federal government maintains the current facility until the AKJUIT group is able to fully take over. We are hopeful, with the private sector that is involved and the initiative and the work that they are doing, that it can become a very viable operation. We understand that there could be some preliminary work done this summer, and we look forward to the overall development of it.

Again, we are encouraged; this could well be the main industry that Churchill has, as the industry develops with the launching of the rockets, and also the potential for the low-level satellites. With a small satellite launch, this could well grow into a very major industry, which we will continue to encourage, because it does have tremendous job opportunities and a real future if all the plans come together as they are being projected.

Mr. Deputy Chairperson: Shall the item pass? The item is accordingly passed.

3.(c)(2) Other Expenditures \$174,100—pass;
(3) Grants \$255,500—pass.

* (2130)

3.(d) Information and Telecommunications Initiative (1) Information Technology (a) Salaries and Employee Benefits \$364,700—pass; (b) Other Expenditures \$96,400—

Mr. Storie: I have two questions in this area. One deals with GIS. Can the minister indicate how much money has flown from the province to Linnet in this to date? What is the status of the GIS project? When does the province anticipate that this system will be functioning to the province's satisfaction?

Mr. Downey: Is that one question?

Mr. Storie: That is one question.

Mr. Downey: How much money, and what was the other part of it?

Mr. Storie: How much money? What is the status, where is Linnet at, and when is it going to be up and running?

Mr. Deputy Chairperson, I have other questions that are developing in my mind, so I will wait until the minister answers these.

Mr. Downey: Mr. Deputy Chairperson, I am not trying to, in any way, avoid the questions dealing with it, but the whole Linnet initiative has been moved into the Department of Natural Resources, which would be the appropriate place for the questions to be answered to which he had asked.

Mr. Storie: Well, Mr. Deputy Chairperson, things get more bizzar by the second. This was a major announcement—[interjection] Well, the member for Pembina may be more bizzar, but this is bizzar.

The government, when they announced this deal with Linnet, talked about the strategic importance of it and the importance of developing this technology. We now learn that the department has transferred it to the Department Natural Resources which has no economic development capacity, which has no staff or supports for developing the potential of this project.

I am wondering if this is an admission that this is really turning into a fiasco for the government.

Mr. Downey: No, very much the contrary, Mr. Deputy Chairperson. This is not in any way a

fiasco. The Linnet program, as I understand, has some very positive opportunities that will add to the overall activity that takes place right here in Manitoba. I can assure the member that questions which he will ask will be dealt with as it gets to the Department of Natural Resources, and we will make sure the information is adequate and complete. But it is in no way shape or form seen as anything but a positive initiative, which, we think, will carry out a very meaningful role and considerable job opportunities of highly technical nature to the province of Manitoba.

Mr. Storie: I am a little confused because the department's Detailed Estimates reports that part of the Expected Results of the Information and Telecommunications Initiative will be to, and I quote, "Continue the development of the geographic information system (GIS) industry." If the department is doing this, I am intrigued to know why I cannot get from the department how much money the government has provided to Linnet for the services so far, and what other departments have contributed either directly financially to Linnet or through the secondment of staff. For example, the Crop Insurance branch, we know, has staff seconded to Linnet. That is costing the taxpayers of the province, the people of Manitoba, money. I want to know how much is going to Linnet.

Mr. Downey: Mr. Deputy Chairperson, I have no trouble in getting the information for the member, but I just said the appropriate place to ask the question is in the Department of Natural Resources. The individual who is in charge of it has been with the program all the way through, Mr. Alvin Suderman. He has been seconded to the Department of Natural Resources, and that is where the program is now operated out of. So the questions he asked, we will make sure they are noted for the minister who is responsible for the Department of Natural Resources.

Mr. Storie: Well, Mr. Deputy Chairperson, we will have to pursue that, I guess, with the Minister of Natural Resources (Mr. Driedger). Perhaps the minister can sort of refresh my memory on the initial agreement with Linnet. That money did

come from the Department of Industry, Trade and Tourism, the initial support grant, how much was that?

Mr. Downey: I want to make sure that the member gets the right number, and I will make sure that it is delivered to him in the Natural Resources Estimates. It is no use my giving him a number tonight and having to correct it; I want to make sure that the number that he refers to is—

Mr. Storie: I do not want to be unduly pessimistic about the nature of this project or the likelihood of its success, but these kinds of initiatives are taking place in many other jurisdictions and have met with very, very limited success. Ontario and Alberta, I think, are two good examples where millions and millions and millions have been spent with no results, and I think it is unlikely that a project in Manitoba with our relatively small scale and limited market for that kind of information is going to be successful unless the government abdicates its responsibility and turns over information that is normally available through governments to this system and ends up charging user fees that are usurious. It is not going to work, and unless the minister can provide me with some information which would convince me otherwise, I think this is another area where they could perhaps cut their losses, so to speak.

Mr. Deputy Chairperson, one other question in this section, and it has to do with the proposed infrastructure agreement dealing with telecommunication, the information highway, and I am wondering whether this is the area where the department is going to be offering support to that, at least personnel support.

Mr. Downey: Mr. Deputy Chairperson, as far as the contribution of the Department of I, T and T, it comes within the staff component as it relates to the Information and Telecommunications section and the electronic highway section. As far as any direct funding, I am informed that we have provided support to MBNet, which has supported Manitoba's portion of Internet, and the commitment is for \$31,500, of which \$15,500 was paid last year.

* (2140)

As far as other infrastructure money that is going to be or could be involved, it would be more appropriately dealt with with the Minister of Finance (Mr. Stefanson), where the other Treasury Board—where the major funding comes from for the federal-provincial infrastructure program that is being talked about.

Mr. Storie: Mr. Deputy Chairperson, has the minister seen or can he share with committee an overview, a little synopsis of what is in the works, what is planned, what does the future look like in terms of this information highway?

I assume the department is discussing it. I mean, they have a role to play here. What are we talking about?

Mr. Downey: I guess we are talking about a lot of activity from distance education to community of the future activity, where other components tie into it, to the whole new capabilities for services that the public will be looking for.

There has not been, how should I put it, a direct financial commitment by this department at this point. I do not mind admitting, I think, more understanding of, what the total package will look like has to be further developed. There are some urgencies because we have the distance education community pressing for the services that are needed.

We are involved in discussion and dialogue with other departments as to how best this should be carried forward. But there are some capabilities, I guess, and I do not understand it totally, I have to admit, as to what all the correct pieces are. The member can well understand that if and when you buy equipment in this area, you want to make sure you buy the right product because, if it is like the computer business, the day you purchase equipment or get involved in it, it can then become outdated very quickly.

So it is a matter of making the right decisions, having the best mechanism in place, and at the current time, the government is working on co-ordination of decisions in that regard. We have the federal government with their discussions and

proposals as it relates to the electronic highway as well, and I cannot basically say that I have any more involvement than that, that we have staff working on it and involved in it, but as far as a financial commitment out of our department, there is not anything that is contemplated in a major way.

Mr. Deputy Chairperson: 3.(d)(1)(b) Other Expenditures 96,400—pass.

3.(d)(2) Canada-Manitoba Communications Technology Research and Industry Development Agreement (a) Salaries and Employee Benefits \$69,000—pass; (b) Other Expenditures \$290,100—pass.

(c) Grants \$676,700.

Mr. Storie: Mr. Deputy Chairperson, I am just looking at, I am thinking, maybe a discrepancy between the Detailed Estimates and the Estimates of Expenditure.

Could the minister indicate what the \$676,700 in grants are for? What organizations are getting that support, or what companies?

Page 49. It says Grants/Transfer Payments. It has \$935,700 versus \$676,700.

Mr. Downey: Mr. Deputy Chairperson, basically the amount of money that is shown here is grants for IRIS and TR Labs.

Mr. Storie: And the discrepancy is?

Mr. Downey: It is explained later on, on page 49.

Mr. Storie: Well, it is not explained very well where it comes from, but those two figures do look—if you add the \$676,700 and that together it does look surprisingly like the right amount. But that could be coincidence. My friend, the accountants could be wrong.

I am sorry I did not catch the last two. I wanted to write the two down that you referenced that got grants.

Mr. Downey: IRIS and TR Labs.

Mr. Storie: What is IRIS?

Mr. Downey: It is a company that provides updated meter-reading services and new technology that relates to that kind of activity of

which the application could be with Manitoba Hydro, any of the utilities.

Mr. Storie: The one where it reads it automatically.

Mr. Downey: That is correct. It is an automatic service which has tremendous potential, we believe; it is time saving and has applications worldwide.

Mr. Storie: I am finished with that section.

Mr. Deputy Chairperson: Item 3.(d)(2)(c) Grants \$676,600—pass.

3.(e) Environmental Industries Development Initiative (1) Salaries and Employee Benefits \$239,000—pass; (2) Other Expenditures \$69,300.

Mr. Storie: There is no grant money being made available in this section. There are a couple of environmental industries developing in the province, one of them in Altona or Morden that recycles tires. Could the minister maybe explain just briefly how those are supported by the province? How do they recycle the tire tax and who gets the money in—[interjection]

Mr. Downey: I have to contain the excitement of the member for Pembina (Mr. Orchard) who represents Winkler. Basically, as I understand it, for each tire that is recycled, there is a \$2.50 payment from the fees collected when tires are sold; as well, that is paid directly to the—for each tire that is disposed of in that particular process. As well, I understand that there is a Grow Bonds component in which the province is involved which comes under the Department of Rural Development. But, as far as Industry, Trade and Tourism is concerned, I do not believe there is any support to this project.

* (2150)

Mr. Storie: Just to clear. The \$2.50 tire tax is returned to the government or to the company?

Mr. Downey: No, the company that disposes of the tire is paid \$2.50 for the disposal of the tire. The government collects \$3.50 a tire, I believe it is, into the fund.

An Honourable Member: I thought it was only \$2.50.

Mr. Downey: No, it is either \$3.00 or \$3.50 a tire, and the payment of \$2.50, I believe, is made available to the person who recycles it. Plus, there is a 50 cent payment to municipalities that want to have their tires collected. It is paid to the municipalities that collect them to have them taken to a recycler.

Mr. Storie: Obviously, this works very well for the tire recycling. Are there other similar initiatives on other products contemplated, in the works—used oil, that kind of thing?

Mr. Downey: The answer is, yes, and to get into more detail, the Minister of Environment (Mr. Cummings), basically, is the minister who deals with most of these initiatives.

Mr. Storie: I have no other questions, Mr. Deputy Chairperson.

Mr. Deputy Chairperson: 3.(e)(2) Other Expenditures \$69,300—pass.

3.(f) Agri-Food Industries Development Initiative (1) Salaries and Employee Benefits \$220,400—pass; (2) Other Expenditures \$64,600—

Mr. Storie: Mr. Deputy Chairperson, I assume that the staff at least are in contact with the Agri-Food's lab. Are these employees at the lab—these are departmental employees that work with the lab in Portage?

Mr. Downey: The lab at Portage, Mr. Deputy Chairperson, is available to departmental staff who want to refer clients to them. Basically, this is operating under a manager who does contacts with the food processing industry; it enhances—it is like the other managing partners. They are directly involved in potential food processors, agricultural product processors, and that is what their work is.

Mr. Storie: Can the minister point to any particular products that have been developed with the department over the last couple of years, the last year in particular, and what new initiatives the department is working on?

Mr. Downey: Yes, I can. There would be some work that would be directly involved as it relates to, and I said some of them in my opening

comments, Ready Foods, which was a maintenance of 130 jobs in Manitoba, Woodstone Foods at Portage la Prairie—

An Honourable Member: Ready Foods is the poultry?

Mr. Downey: Ready Foods is the poultry—yes, chicken nuggets and that type of thing.

Mr. Storie: Just go very slowly here.

Mr. Downey: Ready Foods Ltd.; Woodstone Foods at Portage la Prairie; Gilbert International, a mini-quiche company; Winkler Meats; Supreme Produce. Again, there are other areas that are being worked on and that they would have been involved in are activities like probably the Ayerst Organics from the industrial development side of our program, the oilseed crushing activity that is taking place; Canamera Foods have a major expansion at Harrowby, but I do not believe there is any direct provincial money in that program. They are working with the department.

Those are the kinds of activities, and it is one of the areas which I can indicate to the members of the Legislature that we are very encouraged with. We think we have the opportunity in Manitoba to further enhance the processing of a lot of agriculture products, whether it be in the grains, oilseeds, livestock sector, but again, it adds to diversification.

I have not heard the recent discussions as they have taken place today with the sugar beet industry, but we desperately hope there is a positive conclusion to that discussion so that industry is able to be maintained and jobs of a hundred-plus at the plant and many hundreds of farmers who produce sugar beets can continue on and generate the economic development of the province.

Those are the kinds of areas that are carried out under this section.

Mr. Storie: Just so we could have some numbers here, Ready Foods. The minister referenced sort of salvaging that operation, maintaining the jobs. How many jobs were there in that project, in that company?

Mr. Downey: There is a maintenance of 130 jobs and the creation of 15 new jobs. In Woodstone Foods, creating 20 jobs. [interjection] They process peas into pea flower and extract protein from the pea flower product. [interjection] Gilbert Mini-quiche at Arborg, that was in my introductory comments as well, so all the good news is—[interjection] The number of employment jobs to be created, 15. Winkler Meats, maintenance of 40 jobs and addition of 10; Supreme Produce, creation of 25 jobs.

Mr. Deputy Chairperson: Shall the item pass? The item is accordingly passed.

Resolution 10.3: RESOLVED that there be granted to Her Majesty a sum not exceeding \$13,718,200 for Industry, Trade and Tourism, Strategic Initiatives, for the fiscal year ending the 31st day of March, 1995.

Economic Development Board Secretariat (1) Salaries and Employee Benefits \$536,500.

Mr. Storie: Mr. Deputy Chairperson, is Mike Bessey still the chair or CEO or whatever the heck he is?

Mr. Downey: Secretary to the Economic Development Board.

Mr. Storie: Can the minister indicate what his salary is?

Mr. Downey: I have not got that information for the member, but I will take it as notice and get it for him.

Mr. Storie: It is more than \$100,000?

Mr. Downey: I do not believe so. I will find out though, specifically, what it is.

Mr. Storie: Could the minister indicate, is this a salaried position, or does Mr. Bessey have a contract to do this position?

Mr. Downey: It is my understanding that he has a contract for this position.

Mr. Storie: Has the minister previously tabled the contract Mr. Bessey has?

Mr. Downey: I have not.

Mr. Storie: Can the minister indicate whether he is willing to table the agreement?

Mr. Downey: Again, I will find out the amount, and I will consider my capability of tabling it.

Mr. Storie: This secretariat receives a lot of money, and it is, I think, confusing to a lot of people, not the least of which is the Economic Innovation and Technology Council, about the relative roles of Mr. Bessey vis-à-vis the secretariat and his role in the council.

We talked a bit about the confusion that seems to exist in the department, their inability sometimes to negotiate good contracts and good agreements with companies, and missed opportunities. There are certainly many people who suspect that part of the problem is in the lack of clear lines of authority within the department, that Mr. Bessey has some authority and has direct lines to the minister and to the Premier in his capacity as chair of the Economic Development Board of Cabinet. I am wondering whether the minister can indicate whom Mr. Bessey reports to.

Mr. Downey: Basically, the reporting is through EDB as the secretariat to the ministry of I, T and T. However, with the Premier chairing the EDB board and Mr. Bessey being secretary to it, there is a direct relationship to that as well. But, basically on the ongoing activities, particularly on project development, a very close relationship with I, T and T, as relates to some of the due diligence—all the financial work is done by I, T, and T as it relates to due diligence and that type of thing on programs, so there is a direct relationship with I, T and T.

* (2200)

There is also a small staff complement and certain special project areas that are carried out under the direct direction of Mr. Bessey in that shop, and it depends on the specific project. In general, it is a co-ordinated effort of working with I, T and T and EDB.

The direct relationship, as I say, as far as the funding is concerned, comes from the Department of I, T and T, and EITC, which is also the body established for development of policy and taking over the responsibility of the labs and a few other areas of responsibility. One has to appreciate that

the establishment of EITC and this process have not been in place for a long period of time, particularly EITC. I think, as we see the maturity of the relationship, it will be one of very positive activity for the province. We are seeing some new ideas come forward in how to encourage economic development. Again, I see it in the time I have been the minister responsible as one that, as time goes on, will grow and enhance the kinds of business opportunities that we are able to take advantage of.

Mr. Storie: Mr. Deputy Chairperson, could we have a list of the professional staff who support the Economic Development Board Secretariat?

Mr. Downey: Yes.

Mr. Storie: Thank you, Mr. Deputy Chairperson.

The secretariat's Supplies and Services seems to be disproportionately high. Can the minister indicate what may make that unusually high?

Mr. Downey: Basically, they are made up of two contractual arrangements: one, a Mr. Gerry Moore, who brings expertise in the agriculture sector, former executive officer of the United Grain Growers company; and also there is a short-term lessor contract for Dr. Clay Gilson, who is doing some work in the red meat sector with Mr. Moore as well, but that is basically what makes that expenditure up.

Mr. Storie: Can the minister tell us what the value of those contracts is and perhaps provide us with some terms of reference for these?

Mr. Downey: I think Mr. Moore's is in the \$75,000 range with an expense component that goes with it, and Mr. Gilson is—I would have to get that number. It is more because of the short-term nature of it, and the expertise that he brings to the particular subject matter that he is carrying out, but I have no trouble in providing that information to the member.

Mr. Storie: This highlights the problem that we have.

Mr. Downey: Mr. Deputy Chairperson, I do not want to not provide all the information. There may be another contract or two that—well, I will provide what there is.

Mr. Storie: I am assuming that, in the minister's remarks, he is undertaking to provide a detailed report on how that \$289,000 is being spent, including all contracts.

This highlights the dilemma that staff in the department—

Mr. Downey: Yes, I will provide it, as much—I will provide the information that the member has requested and do it as soon as we can.

Mr. Storie: Mr. Deputy Chairperson, I think this whole issue here, including the seven staff that are part of the secretariat, and the contracts will become a part of the secretariat's budget, highlights what is wrong with this department.

I remind the minister that it is not just my feeling that there are some shortcomings here. It is difficult to know whether it is because of the structure that is being imposed on the department or it is a question of leadership from the minister's office or minister's staff or whatever, but there is this problem. It has been referenced by many business people to whom I have spoken.

It was referenced by the member for Portage la Prairie, when he left, who was particularly critical of—[interjection] The member for Portage la Prairie, yes—not the current member, the former member for Portage la Prairie. It has been referenced by other people.

It seems to me that part of the problem lies in what is documented on page 56 of the Detailed Estimates. It says: "The Economic Development Board is supported by a small secretariat to provide economic development expertise and analytical support to Cabinet, the Economic Development Board, and the Economic Innovation and Technology Council . . ."

It seems to me that we have an unusual overlap of responsibility here. It certainly has not been clear when you try to find out what went wrong, and the minister has not been particularly helpful in trying to assist me in this process. With some of the discussions that have gone on with businesses and some of the agreements that have been struck, some of the opportunities that have been missed, it seems to me that part of the problem is the way this

thing is structured. In fact, you have a department with expertise providing analysis, another group second-guessing, providing similar but not necessarily the same information to cabinet. It seems to be a structure that is doomed to create duplication, and I am not sure what the motivation for the creation of this particular entity was. I am not sure why there is a crossover, particularly in terms of Mr. Bessey's role, but it seems to be a highlighted problem.

This branch, the secretariat, is spending a lot of money, and you have to ask yourself the question, why is this happening in this way when apparently we have the same expertise and the same work being done in the department as a whole?

I think the government should look at that; I think the minister should look at this. There is something not quite right, and I think it is the minister's responsibility to put it right because there are opportunities going wanting and there are things not being done that should be done and there are things being done, quite frankly, that should not be done.

I leave that with the minister. I am not in a position to be able to provide him with specific reasons, but there is something not right. It is not just noticed by myself or the people whom I have spoken to who have tried and failed to get support when they needed it or felt they needed it, but it has been noticed by members of the minister's own caucus.

Finally, Mr. Deputy Chairperson, I would like to ask specifically about the activities of the Economic Innovation and Technology Council. They provide grant assistance to the tune of about \$3.7 million. I would certainly like to have a list of grants that they provide, and I would like specifically to have some information about the innovation videos that the minister has acknowledged are in the process of being prepared. I would like to know first what the cost of those videos was, where the initiative for the videos came from, and what their purpose is.

Mr. Downey: Mr. Deputy Chairperson, I will deal with some of the general criticism at the outset as it

relates to the relationship between EDB and the I, T and T department and how the operation of it is working. I do not think there are any particular major problems; I think it is a matter of a change that has taken place as to what has traditionally taken place. That can sometimes cause some misunderstandings as to what role what group has to play.

* (2210)

I think, in fairness, there has been a lot of hard work put forward by both groups, particularly the people at I, T and T and also EDB staff, to expedite particular activities that are seen as major priorities within government. I think that has been helpful. I think, as time goes on, we will see a better working relationship as it relates to the different groups that are, hopefully, working with the same objective in mind, and that is to enhance business and job creation in the province of Manitoba so that we can see a greater economic return to the province as a whole.

He has given me the challenge of dealing with it as minister, and I am pleased I am here to be able to deal with it. If he has a perceived problem, I hope that I can resolve his perceived problem, and I am sure we will be able to. I do not see it as a problem, I do not perceive it as a problem, but I have heard some comments about, and there are some frustrations, I do not try to deny that. But I think, as time goes on and the relationship matures, it will be a very meaningful and very acceptable way in which we enhance business opportunities and encourage business to expand in the province and also come to the province.

The member refers to a video which the EITC group is working on. I am not sure that there has been a completed agreement on any video at this particular time. I know one is being worked on; I acknowledge that. I think it is doing precisely what it is supposed to do, and that is to portray innovation and new technologies that are being developed in the province of Manitoba. I think part of their job is to express precisely that, what is going on. I can say as well that the group of people that make up the EITC council are very dedicated people in Manitoba.

I think that to think that they should have taken over the responsibility as they are putting their time forward without any compensation of any amount, if any, they are coming forward and offering themselves as they have been asked to sit on the EITC council. So I see it as a major policy structure as it relates to new innovation and technology. They also are charged with the responsibility through staff to, I think, further enhance the work that will be done through the food sciences centre in Portage la Prairie, and through the other two labs that they are charged with being responsible for. It fits into their general area in a natural way of what their job is with the research activities that have to be carried out, and bring a broader range of scope to what the work is that we can see done within the province. Again, I cannot give him a specific cost figure as to the video. As I said, I am not sure it has been finalized and any contract signed, but anything that is done in that regard I am quite prepared to provide information to the member as to what it cost and to who all was involved with the process.

I think it is part of the responsibility that the council has to express to the public some of the things that are happening with the new technologies and the innovations that are taking place in the province. If they do not do that, then I think it is that they are not carrying out their mandated role. It is part of what the objective should be.

So I will provide as I have the information available to the member as to the information that he has requested, but I cannot do that until I am absolutely sure that a contractual arrangement has been concluded and with whom and what it will in fact be saying. Hopefully, I can invite the member to view the video and then explain to him as we go through what each part of it is attempting to do.

Mr. Storie: Mr. Deputy Chairperson, I am hoping I heard the minister undertake to provide an explanation for where the money expended under the innovation fund has been spent. This group had a very broad mandate, and I brought along the announcement when the Economic Innovation and Technology Council was created, and it was given

a fairly sweeping mandate, as they say. One of the mandates was to facilitate technology transfers. Certainly important work.

I recall when this was created, again, with a lot of fanfare, suggesting that the size of the board was too big, and I have no qualms whatsoever about recognizing the individual talents of members on the board. They are, to a person, I think, very capable, dedicated people. The problem is that the size of the board in itself, I think, precludes very quick decision making, a very strategic decision making, and so to task them, for example, with spending the \$10 million that was provided initially to the innovation fund, I think, is asking for a very long lead time. These decisions are not going to be made quickly. My understanding is that after three years they have funded four projects, and the largest of which is an innovation video.

My concern about the video was that it was going to be like the Lotteries, that it was going to be a government showpiece, that was going to be government advertising and nothing really fundamentally to do with innovation. I will try not to be too skeptical about the purpose of it. I will await the moment when I have a look at the video.

Mr. Deputy Chairperson, I think we still have a problem with the function of the board. The minister mentions its policy aspects. I attended, certainly, the forum that was held a little more than a year ago, and was very discouraged, I guess, not by the people who showed up to attend, the 400 people that showed up to attend the forum, but by the very controlled way in which the agenda was structured, in which the results were structured for the participants. It was, in effect, a very sophisticated survey. It was an opinion poll with very predetermined questions and almost automatic responses. I was sitting with a number of business people. I was sitting with the regional representative of the Canadian Federation of Independent Business, Mr. Botting, and we both agreed, I think, that this was quite a staged event.

This council, I think, could do important work, but I think it has to be given a mandate to go out and to consult and discuss and develop an agenda,

and it maybe can do something that the government cannot do. I do not care what the political stripe of the government is, whenever you sit down with a group of people, the people you are sitting down with automatically assume that you have an agenda that may or may not be consistent with their agenda.

But the council, because they are impartial, could sit down and really develop an agenda and say, what is it important that we do over the next three or five or 10 years and perhaps create some linkages, some partnerships, some spirit of co-operation that the government could not? But they were not allowed to do that. Instead, they were set up as a showpiece. They created a forum that was, without wanting to be too harsh, phony, that we saw at the end of the day a bunch of graphs that pretty much fit with what the government wanted the forum to say, rather than what the participants themselves might have wanted to say. They did not get a chance because there were not questions that they were allowed to ask or there were not questions that they were allowed to answer.

* (2220)

So I would encourage the minister to approach the council and ask them to really take on the task that they were given to begin with, and that is to provide some leadership to the government in terms of an agenda. If it is not consistent with what the minister thinks the agenda should be or if it is not consistent with what the government thinks the agenda should be, I think you have to leave that. I think you have to do maybe what the consensus is, and, hopefully, you can come to one. I think that is the task.

If they are going to be a policy body, then let us make them a policy body. Let us give them a mandate that is consistent with that. Let us not pretend that they are a decision-making body. Let us not pretend that they are going to fund and be responsible for technology transfer or technology commercialization, because they are a body of two disparate interests and probably not enough time to do a good job anyway, because, as you say, it is a volunteer activity in essence.

So I think it is another part of the structure of this department that should be reconsidered. I still think it is time for a real serious economic forum that takes two or three days or three or four days and where there is really meaningful participation. I know and the minister knows that a number of the—in fact, all of the labour appointees to this board have resigned, including Dan Will, who was one of the people involved in the innovation forum that was held a year and a half ago. There is a reason for it. They do not feel like equal partners.

Of all of the work of the Economic Innovation and Technology Council, there has been very little work on labour relations innovation. That is kind of surprising because some of the people on that council are part of industries or in leadership positions where there is innovation going on in the workplace. We need some innovation in the workplace. Maybe the Manitoba Sugar example is the exact example where we need some innovation, where the labour relations climate in the province is so hidebound that we cannot come to logical conclusions all the time. It is another area where the council, I do not think, has felt comfortable to tread, and I think they should be allowed to. So there is another challenge for the minister.

Having said that, unless my colleague has something else to add, we are prepared to let this section pass.

Mr. Deputy Chairperson: 4.(a) Economic Development Board Secretariat (1) Salaries \$536,500—pass; (2) Other Expenditures \$369,300—pass.

4.(b) Grant Assistance - Economic Innovation and Technology Council \$3,764,600—pass.

4.(c) Economic Innovation and Technology Fund \$1,000,000—pass.

Resolution 10.4: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,670,400 for Industry, Trade and Tourism, Economic Development, for the fiscal year ending the 31st day of March, 1995—pass.

5. Expenditures Related to Capital (a) Canada-Manitoba Partnership Agreement in Tourism \$920,000—pass.

Resolution 10.5: RESOLVED that there be granted to Her Majesty a sum not exceeding \$920,000 for Industry, Trade and Tourism, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1995—pass.

The last item to be considered will be the Minister's Salary, so the staff could leave the table now.

Item 1.(a) Minister's Salary.

Mr. Storie: Mr. Deputy Chairperson, as previously agreed, one of my colleagues, the member for St. Johns (Mr. Mackintosh), has some questions, particularly with respect to the Immigrant Investor Program. So I would request that the minister perhaps, although we are in Minister's Salary, have some staff available,

generally, where he can get advice, if he needs advice on specific questions about the program.

It is our understanding that I, T and T departmental Estimates will be reconvened, not this coming Monday, but the following Monday for approximately an hour, two hours maximum, to finish the Minister's Salary, and we can deal with the Immigrant Investor Program at that time.

Mr. Deputy Chairperson: That was agreed to previously by the House leaders.

The hour being 10:25 p.m., committee rise. Call in the Speaker.

IN SESSION

The Acting Speaker (Mr. Laurendeau): The hour being past 6 p.m., this House is now adjourned and stands adjourned until 10 a.m. tomorrow (Friday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, May 5, 1994

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