



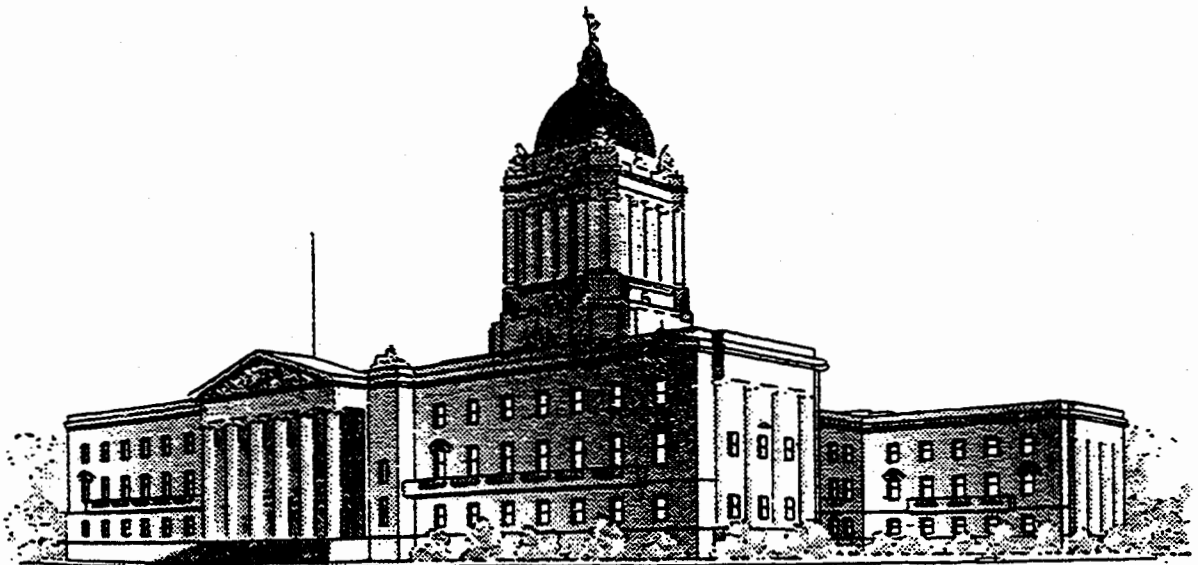
First Session - Thirty-Sixth Legislature

of the

Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(Hansard)**

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Sixth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 12, 1995

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Committee of Supply

Mr. Marcel Laurendeau (Chairperson of Committees): Madam Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

I move, seconded by the honourable member for Morris (Mr. Pitura), that the report of the committee be received.

Motion agreed to.

TABLING OF REPORTS

Hon. Albert Driedger (Minister of Natural Resources): Madam Speaker, I would like to table the financial statements of Venture Manitoba Tours Ltd. as of March 31, '93 and '94 together with the Auditors' Report.

Introduction of Guests

Madam Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the Speaker's Gallery, where we have with us today Dr. Bogdan Trach and Mrs. Lidia Antoniuk, both of Ukraine.

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

Also in the public gallery, we have twenty-three Grade 6 students from St. Malo School under the direction of Mrs. France Sicotte. This school is located in the constituency of the honourable member for Emerson (Mr. Penner), and thirty-five Grade 9 students

from Rosenort Collegiate under the direction of Mr. Grant Plett. This school is located in the constituency of the honourable member for Morris (Mr. Pitura).

We have a delegation from the Waterhen First Nation located in the constituency of the honourable member for Dauphin (Mr. Struthers).

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

* (1335)

ORAL QUESTION PERIOD

Winnipeg Jets Agreement Tabling Request

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

Madam Speaker, in 1991, we received a copy of a summary agreement between the Province of Manitoba, the City of Winnipeg and the Winnipeg Jets hockey team indicating an operating loss agreement. We were told publicly at that time that the operating loss agreement would run about \$10 million over the six years of that agreement that the Premier had signed, and it took us about three years later to find out that the government had in its possession projections to show a \$43-million loss over that same period of time.

In light of the fact that we received on Friday a number of summaries of agreements and proposals that have been made by the province to the present owners of the Winnipeg hockey team, and in light of the fact that we are a shareholder, the public of Manitoba through this Premier's signature is a shareholder to the hockey team, would the Premier today table the full text of the proposed purchase agreement so that all Manitobans can see it and review it as they should?

Hon. Gary Filmon (Premier): Madam Speaker, as part of the preamble, the member referenced the fact that we said the losses would be about \$10 million. They turned out to be \$9 million over the life of the

agreement, not the 43 that he went around the province saying, very falsely, of course. So it is that kind of misinformation that does not help any debate on issues of this nature.

There is, at this point, no agreement that has been agreed to, and so there is nothing to table because nothing has been agreed to.

Mr. Doer: Madam Speaker, I will get some xeroxed copies of the auditor's report so the Premier can refresh his memory on the \$43.5-million loss.

Is the Premier saying today that in light of the fact that we are 18 percent owners of this team at present, we have invested or committed ourselves to \$111 million in public investment to a new facility, \$37 million of which has been committed by the Premier, that Jules Benson is on the interim board, is the Premier saying that he is just like Barry Shenkarow and has not agreed to this proposal? Is that what he is saying or could he tell us whether it is yes or no to the proposed purchase agreement, as outlined by Izzy Asper and articulated as a full and embellished agreement of the deal that they had previously with the owners of the team?

Mr. Filmon: Madam Speaker, getting back to the postamble or preamble to this question, the fact of the matter is that the estimate was \$10 million, the actual tax expenditure was \$9 million, and the member continues to refer to a worst-case scenario which we said was not the basis on which decisions are made.

In return for the \$9 million that we spent, we received \$17 million in direct taxes to the provincial government. That is exactly the scenario, and of course, New Democrats would have had the team out wearing a Minnesota uniform years ago. That is exactly where they have always stood on this issue. That is fine. They can get away with all of the criticism. They can get away with all of the negativism that they want, but that is why they are on that side of the House.

Madam Speaker, the proposal that he is referring to is a proposal between the group called Spirit of Manitoba which is the successor to MEC and Jets &

Hockey Ventures, which is the majority-ownership group under Mr. Shenkarow. Those are the proposals that are out there which have not been agreed to, and, therefore, at this point, there is nothing to be tabled.

Winnipeg Jets/Arena Donations—Tax Deductibility

Mr. Gary Doer (Leader of the Opposition): This is why the public is quite concerned. There are secret negotiations going on between the business community. There are secret taxes that the government has been involved in preparing, and the Premier will not table that in this Legislature and will not even tell us whether it is yes or no in terms of the proposal. No wonder the public does not trust this government in terms of dealing openly and honestly about their money and their investments in their community.

I would like to ask the Premier a final question, and I hope he answers the first question about whether it is yes or no. The Premier has indicated in this House before that he is opposed to a tax-free status for people like Hartley Richardson and others to be considered a charity under the tax act.

Has the government now reversed its position with this proposal to purchase the hockey team, which says it is subject to a tax agreement from Revenue Canada on the charitable-status proposal?

Hon. Gary Filmon (Premier): Madam Speaker, again, we have always indicated that the decision on that particular issue rests with Revenue Canada, and I have not changed my position on the matter.

* (1340)

Winnipeg Jets Operating Losses

Mr. Tim Sale (Crescentwood): I would like to table a document in regard to my question.

Madam Speaker, the government has frequently stated that the people of Manitoba will not be subject to any further losses under any circumstances or conditions, and yet article 4 of the agreement of which

I have just tabled the summary states that: If and when the team is ever sold, the payments for the various partners in the project will include, before any monies are paid out to the province or the city, the repayment of the endowment fund. It will include any liabilities for the Spirit Limited partnership; that is, their losses. It will include any monies contributed to the fund.

Will the minister confirm today that the impact of article 4 is to put the Jets' losses back on the public side of the ledger?

Hon. Eric Stefanson (Minister of Finance): Absolutely not, Madam Speaker, and one other element of any potential agreements that are reached is there will be a separate lease agreement between the City of Winnipeg and the Province of Manitoba through whatever entity owns a new entertainment facility if it is built.

That lease arrangement, Madam Speaker, will have a sharing of proceeds based on any disposition, a sharing of proceeds of 50-50 on any disposition for a fixed period of time, which basically puts governments' dollar-for-dollar, coming out equally with the new money that is going in to keep the Jets here in Winnipeg, being the first dollars out, but the government is getting a very direct return before any other distribution to any other equity holders.

Mr. Sale: First of all, is the minister then saying to the House that there are some requirements in this deal which have not been referred to in the deal at all, specifically in regard to some period of time before which the team can be sold? Is there a fixed period of time before which the team can be sold in any paper that you have submitted so far as part of this deal?

Mr. Stefanson: The agreement the member is referring to is one that was tabled late Thursday between the Spirit of Manitoba which is the group of Manitobans, private-sector investors, who want to keep the Jets here in Manitoba, an offer being made to the current owners of the Winnipeg Jets Hockey Club.

There will be many other types of agreements. One of the most significant will be a lease agreement between the City of Winnipeg, Province of Manitoba

and the new venture that owns the hockey club. That will have a fixed term on a lease.

It will have a sharing of disposition on any sale of any hockey team. It will have a disposition of 50-50 if the venture makes any profits. That will be an agreement that will deal with those kinds of issues.

Guaranteed Stay

Mr. Tim Sale (Crescentwood): The contempt for the public continues—

Madam Speaker: Order, please.

Mr. Sale: Will the minister tell the House today, what is the government's proposed length of the guaranteed stay of the hockey team should this offer be accepted?

Hon. Eric Stefanson (Minister of Finance): The proposed term of lease on the new facility is a minimum of 20 years, potentially longer.

Having said that, if under a worst-case scenario, if the money that the private sector has raised is all utilized, if the endowment fund is depleted, if for whatever reason expenses cannot be controlled and the operations continue to lose money, there might well be a period earlier than that that it is in the best interests of everybody to dispose of the team.

If that happens, as I have already outlined very clearly for this House, any proceeds of disposition would then be split 50-50 with the two levels of government. They would get a return of 50 percent of the proceeds. The other 50 percent of the proceeds would be going to the private sector.

Today, we are talking about values for these franchises of \$80 million or \$90 million or \$100 million. So that gives you a sense of the magnitude that would come back to the two levels of government basically as an endowment fund and towards the \$111 million that governments would put forward to build a facility.

* (1345)

First Nations Child Mortality Rate

Mr. Oscar Lathlin (The Pas): Madam Speaker, today we are seeing information released from the annual report of the pediatric death review committee of the College of Physicians and Surgeons of Manitoba indicating that Status Indian children were two and a half times more likely to die before they turned 14 than the non-native children.

Data from Medical Services branch since 1976 indicates that the infant mortality rate amongst the registered Indian population has not changed in almost 20 years. These are real people. These are human beings we are talking about.

Given these statistics, I would like to ask the Minister of Health, if as the Minister of Health of this province, does he feel any sense of responsibility over this situation, and what is he prepared to do in responding to that tragic incidence of death amongst First Nations children?

Hon. James McCrae (Minister of Health): The statistic referred to by the honourable member in the report of the Manitoba College of Physicians and Surgeons dealing with infant or child deaths in the province of Manitoba is, indeed, indicative of a larger issue, and is not a new one.

In fact, it is a very old issue in this country of ours and one that I think we have made some beginnings here in Manitoba at addressing by bringing together various departments through our Child and Youth Secretariat and by accepting the bulk of the report on the health of Manitoba's children.

There is a lot of work to be done, and this is only one statistic. In every statistic relating to the status or well-being of people in Canada, those statistics relating to aboriginal peoples in our country are consistently worse than statistics relating to the rest of the population.

I am very, very mindful of that. The honourable member and I have both been mindful of that for a very long time, and I think with the child health strategy, we

may be able to be successful, it is my hope, in bringing various jurisdictions, various orders of government together to attempt to address the problems associated and which lay behind these statistics.

Department of Health Aboriginal Health Specialist

Mr. Oscar Lathlin (The Pas): Given that the aboriginal health specialist's position within the Department of Health was just filled in 1993, I would like to ask the minister if he feels that this one single \$29,000 resource within a \$1.8-million health budget is sufficient to deal with those conditions within the Manitoba aboriginal population, such as the prevalence of Type II diabetes to be up to 8.7 percent of the Indian population compared to 3 percent for the rest of Manitobans, suicide rates being five times higher, 47 percent of on-reserve housing lacking central heating, higher hospitalization case rates, just to name a few, Madam Speaker.

Hon. James McCrae (Minister of Health): Madam Speaker, I do not think any one initiative, taken all by itself, will address the enormity of the problem that our nation faces in this regard.

My best hope is to attempt to achieve partnership. It is not something I would like to claim the kind of success that I would like to claim, but it is something I and my colleagues are quite prepared to continue to work toward.

Aboriginal Health Care Tripartite Agreement

Mr. Oscar Lathlin (The Pas): Is this minister and his government committed to working with other levels of government, specifically the federal, and aboriginal governments like Swampy Cree Tribal Council, to co-ordinate a tripartite approach to both address and remedy those horrible conditions?

Hon. James McCrae (Minister of Health): We always have been, Madam Speaker, and always will be. The thing that needs to happen is that all levels of government need to come to the table prepared to give and to take, and it cannot be all my way. It cannot be

all somebody else's way. We are going to make progress when we decide that women and children in our province come first.

* (1350)

Waterhen First Nation Meeting Request

Mr. Stan Struthers (Dauphin): My question is for the Minister of Northern and Native Affairs.

Earlier today, on behalf of a delegation of residents from the Waterhen First Nation, I asked the minister to meet with them following Question Period.

Is the minister prepared to review with an open mind the buffalo compound situation at Waterhen?

Hon. Darren Praznik (Minister responsible for Native Affairs): As the member has indicated, he wrote to me earlier in the day and asked if I would meet with representatives of the delegation that are here today at 2:30. I am certainly prepared to do that. I am not going to comment one way or another on any specifics of issues they might wish to raise at that particular time.

We will have our meeting following Question Period.

Mr. Struthers: Would the Minister of Native and Northern Affairs then be willing to release publicly his analysis regarding the situation concerning the buffalo compound at the First Nation at Waterhen?

Mr. Praznik: Madam Speaker, one should appreciate that the member, this morning, sent a letter to my office asking for me to meet with the delegation. He is asking now for specifics and analysis on particular issues.

I, quite frankly, am not fully conversant with the matters that are going to be raised. My deputy minister had some discussions today while I was tied up in other meetings. The particular issue that he raises was not one that was flagged with my deputy minister, so, quite frankly, he asks today in Question Period for information that I expect to be raised with me following Question Period.

I think it is quite unfair to ask for a comment today on an issue that has not really been flagged other than this morning with me. I will await our discussions following Question Period.

Mr. Struthers: How long then is the minister willing to meet this afternoon with the delegation from the Waterhen First Nation, given that this is not an issue that just came up this morning? It has been in the news and in the media for the better part of the year.

Mr. Praznik: Madam Speaker, first of all, the member for Dauphin wrote to me this morning requesting a meeting which I am prepared to have. The member did not request a meeting a week or so ago in which I would have had an opportunity to prepare information for issues. He did not flag issues that he wanted to discuss.

I must also indicate that my deputy minister in discussions that he had today in setting up this meeting for this afternoon, the issue that he raises was not one that was flagged. The issues that were flagged for discussion are somewhat different. They may be related; I am not sure. I will have to wait for the meeting.

I would suggest to the member for Dauphin that if he wishes to be effective in trying to advance whatever position with government, he should be more specific and give people an opportunity to come to the table prepared to discuss information because they have had suitable notice to be prepared.

The member has not provided that and today in Question Period, possibly to play to the gallery, the member asks these questions. I think there are better ways to be more—

Point of Order

Mr. Steve Ashton (Opposition House Leader): Madam Speaker, I think the comments of the minister are highly out of order. If the minister does not have an answer, it would be better if he would sit down and leave it at that rather than make accusations against the member for Dauphin who is doing his job as a member of the Legislature in asking this question.

Madam Speaker: The honourable member for Thompson indeed does have a point of order.

I would remind all honourable members that answers to questions, according to Beauschene 417, should not be lengthy, should not contain argument or debate and/or provoke debate.

Seven Oaks Hospital Funding Reduction

Mr. Dave Chomiak (Kildonan): Madam Speaker, two weeks ago in this Chamber we raised with the government the issue of the more than \$2 million in cuts at Seven Oaks Hospital. We got the usual government denials.

Today I have in front of me a memo that outlines those cuts. It indicates that those cuts are in fact \$2.4 million and will result in a loss of approximately 45 positions at Seven Oaks Hospital.

My question to the minister is, what is the government's position on these cuts since they have been imposed on the hospital by this government?

* (1355)

Hon. James McCrae (Minister of Health): Madam Speaker, last November the honourable Minister of Finance (Mr. Stefanson) made known to the hospitals, personal care homes and community health centres that the budget for those institutions for this fiscal year would be the same as for last fiscal year, that being \$1.2 billion.

Within that appropriation it was made clear that there would be more money made available within that appropriation for personal care facilities and for community health centres. That means the money would come from the acute care sector, which is what health reform is about. It is about bringing closer to the community, services in the community and making sure that the acute system is able to look after its responsibilities as well.

Seven Oaks Hospital is in a similar position to other hospitals, in that it has to make its contribution. We are

doing that with the aid of labour adjustment strategies, which we hope will keep the possibility of layoff to an absolute minimum.

Mr. Chomiak: Madam Speaker, my supplementary to the minister is, what is the minister's position since this memo says that these cuts are pending the government's decision as to whether they should go ahead with the cuts? What is the government's position regarding the cuts that they have imposed on Seven Oaks and the potential loss of up to 45 workers at the hospital?

Mr. McCrae: Each year there is a process followed, Madam Speaker, between the government and the hospital sector whereby proposals are made to come within certain kinds of targets. Those proposals are reviewed by health consultants in the Department of Health. Health consultants visit hospitals to ensure that changes do not impact negatively on patient care. That is my bottom line. If any reductions taking place in our hospitals have to happen, we would like to ensure that our labour adjustment strategy is applied to the maximum benefit of the people who work in those institutions.

Mr. Chomiak: Madam Speaker, the minister has not answered the question. I will ask it a third time. Will the minister advise this House whether or not—and we would rather have more nurses than consultants—they will reject the recommendations to cut more than 45 positions from the staff at Seven Oaks Hospital who can afford no more cuts?

Mr. McCrae: Madam Speaker, that is the same language honourable members opposite might have been using seven years ago. Previous to that, it was not the language they were using as they were closing down beds in Manitoba hospitals.

Judicial System Affirmative Action

Mr. Gary Kowalski (The Maples): Madam Speaker, my question is for the Minister of Justice.

We are all aware that courts are amongst the most important institutions shaping our society. For our

legal process to achieve just results, it is important that membership of the bench reflect the composition of society.

In Manitoba, only one of seven appeal court judges is female. With appointments imminent at both the appellate and the Queen's Bench level, I would like to ask the Minister of Justice what lobbying efforts she has undertaken on this issue.

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, the member is quite right that our courts do need to be representative of the people of Manitoba, and I am well aware of the issue.

The action I have taken is to directly write a letter to my federal colleague the federal Minister of Justice, telling the federal Minister of Justice that we in Manitoba are aware of the appointments being made, and we would ask that full consideration be given to all applicants who will be applying.

Mr. Kowalski: Madam Speaker, what response has the minister given to the letter written to her some time ago by the Gender Issues Section of the Manitoba Bar Association on this issue?

Mrs. Vodrey: Madam Speaker, certainly, to my knowledge, I have replied to all of those letters, indicating to that Gender Issues Section that a letter has been forwarded to the federal Minister of Justice on behalf of this issue.

* (1400)

Photo Radar Legislation Introduction

Mr. Gary Kowalski (The Maples): My last question to the Minister of Justice is, does the minister plan to introduce any legislation to facilitate photo radar for the province of Manitoba?

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, as this issue falls to our colleague the Minister of Highways and Transportation (Mr. Findlay), I will take that question as notice on his behalf.

Milk Industry Pricing Structure

Ms. Rosann Wowchuk (Swan River): Madam Speaker, changes made by this government over the past few years to the milk industry have had a negative effect both on the whole industry and on consumers.

In light of the fact that we have some of the highest child poverty in the country, and milk is an essential commodity for healthy children, I want to ask the Minister of Agriculture how he can justify changes that have been made that will remove the maximum pricing of wholesale and retail milk.

Hon. Harry Enns (Minister of Agriculture): Madam Speaker, members will be aware that we have had for some time a commission that annually reviews the pricing structures of this important commodity in the province of Manitoba. They undertake to examine producers' costs as well as processors' costs and come to a determination, I believe it is on an annual basis, that adjusts upwards or downwards the price of milk.

What has happened in this, the last current round of this annual occurrence was that they determined that the producer input costs had increased only very slightly, but there was quite a dramatic increase in the costs that the processors faced in the containers, basically the paper containers for the production of the milk cartons.

That should come as no surprise to any of us. There has been a very marked increase in the costs of all paper products. Those were considered by the commission, and the recommendation was made at that time to establish the prices that the commission announced last Friday.

Ms. Wowchuk: Can the minister indicate, although there are regulated prices that have to go up, why has he allowed the maximum pricing to be removed, and whom did he consult with? Did he consult with the antipoverty groups that have real concerns about the price of milk for consumers?

Mr. Enns: I have to correct the honourable member. We did not remove the maximum limits. We removed

the maximum limits from certain classifications, but the basic one litre/quart of milk maximums continue on the question.

What I am pleased to remind the honourable member and indeed remind all members, it was this government that removed the minimum pricing mechanisms that were in place during the NDP reign of government. There was a period of time that your government refused to allow the price of milk to fall because we insisted on minimum levels.

Ms. Wowchuk: What assurances can this government give to people who live in rural and northern Manitoba who do not have the access to milk that is being sold in competition that the price of milk will not go out of hand, and they will still have the ability to purchase milk for children as an essential commodity and they are not going to have to pay an extremely high price for it?

Mr. Enns: I can assure that we have every intention of maintaining the level of control that currently exists which is, as I said, the maintenance of a maximum ceiling on the most popular, the one quart, the one litre container of milk that is purchased in most cases.

Where that has been removed is in some of the higher volume supermarket chains where in fact price competition in many instances keeps the price of milk within the levels that are acceptable to most Manitobans.

But, Madam Speaker, the price of milk in the province of Manitoba relative to any and all other jurisdictions is very comparable, and our consumers are receiving value for their dollar.

Public Housing Herbicide Spraying Notification

Ms. Marianne Cerilli (Radisson): Madam Speaker, I have a number of concerns about the maintenance policies of this government for public housing. Today, specifically, I want to ask how tenants are to be informed prior to herbicide spraying in public housing. What is this government's policy for notifying tenants in public housing prior to spraying for herbicides?

Hon. Jack Reimer (Minister of Urban Affairs): I would like to thank the honourable member for Radisson for that question because the use of chemicals and the use of herbicides and pesticides in any type of accommodation is of a highly cautionary note because of the fact of the contagious aspects some people might have to chemicals.

The process is to inform the people 24 hours in advance and ask their permission to come into their suites for spraying or any type of fumigation.

Ms. Cerilli: Madam Speaker, I do not think we are going to be spraying herbicides—

Madam Speaker: Order, please. I would remind the honourable member for Radisson that Beauchesne's 414 says, regarding a supplementary question, it should not require any preamble and must be asked to obtain clarification of the answer or answers provided by the minister.

The honourable member for Radisson, with a supplementary question.

Ms. Cerilli: Madam Speaker, I appreciate your indulgence. I would like to clarify for the minister. I am speaking of herbicide sprayed on lawns in public housing developments, and I am wanting to clarify the government's policy of informing the tenants prior to the spraying being conducted. This is a chemical that is harmful to children and to pets. I want to make sure that the government has a policy, and I would ask that the minister table the notice to inform the tenants prior to spraying.

Mr. Reimer: Madam Speaker, I got carried away with roaches there. I am sorry. I will take that question as notice for the member.

Ms. Cerilli: I would ask that the minister would consider ensuring that notification of tenants would occur during and after spraying since often, as I have had complaints, tenants are concerned that the spraying is begun one week and completed the final week, and there is the chance that children and pets could be on the lawn and be contaminated by hazardous chemicals. Will the minister—

Madam Speaker: Order, please. The question has been put.

Mr. Reimer: Madam Speaker, every effort will be made to inform the tenants of the program and the application of any type of herbicide in their complex.

Urban Planning Government Position

Ms. Becky Barrett (Wellington): Madam Speaker, Plan Winnipeg, the provincial land-use policies under The Planning Act and the guidelines of sustainable development of the Manitoba Round Table on the Environment and Economy all outline a strong mandate for the province to be involved in municipal planning issues, based on the principles of containment and revitalization.

How does the Minister of Urban Affairs reconcile this leadership mandate for the provincial government with his comments this weekend, and I quote, that growth is determined by demand, the provincial role is to act as a facilitator to provide a forum, and that he is not prepared to undertake any jurisdiction?

Hon. Jack Reimer (Minister of Urban Affairs): Madam Speaker, in the contents of what the member for Wellington has outlined, I disagree in the sense that the direction and the planning will be done on a consultation basis with the City of Winnipeg and surrounding areas, and as a department, the consensus that comes forth is what will be taken.

The position of direction and of enforcement and of being heavy-handed in it is not within this department's mandate.

Ms. Barrett: Madam Speaker, I would like to ask the minister why he, and by extension his government, has abrogated the leadership, not heavy-handedness, but the leadership responsibility in addressing the difficult and vital planning issues facing not only the City of Winnipeg but also the capital region.

Mr. Reimer: Madam Speaker, what we are looking at with the questioning here is a philosophical difference in direction. This government will do it in consultation

with the municipalities around it and will seek consensus not only with the City of Winnipeg but the surrounding municipalities.

On the other hand, members on the other side are looking for direct government intervention, direct control by the government and a direction set up that is on the control end of it.

Madam Speaker, we will be in a consultation process with the City of Winnipeg. We will access and facilitate with the surrounding municipalities so there is a direction and an agreement as to plans and the future development in the area.

* (1410)

Ms. Barrett: Madam Speaker, I would like to ask the minister, in light of his earlier answer that it was consultation, not leadership, how he will respond to the direct requests for leadership brought by the City of Winnipeg and the Town of Selkirk in their responses to the workbook on the Capital Region Strategy, if his words this weekend are an accurate reflection of his government's policy in regard to municipal planning.

Mr. Reimer: I would like to point out to the member for Wellington that the committee meets on the basis of about three times per year in trying to set up a formula of consensus with it. Each member has the ability to bring forth their concerns at that time. There is a discussion. There is a formula and a development that is put into place so that the whole strategy of working together within the city and within the municipalities is approached in a more constructive manner.

Taking Charge! Program Implementation

Mr. Doug Martindale (Burrows): Madam Speaker, the Minister of Family Services likes to talk about programs for single parents on social assistance. Regrettably, there is lots of talk and no action particularly when it comes to the Taking Charge! program which was announced by her and the Honourable Mr. Axworthy in September 1994. They have appointed the board of directors, but none of the 4,000 single parents who are supposed to be taking

advantage of this program have been accepted in the program because it is not open yet.

Can the minister tell us when she plans to finally get around to opening up Taking Charge! so that single parents can take advantage of this so-called program?

Hon. Bonnie Mitchelson (Minister of Family Services): Madam Speaker, I thank my honourable friend for that question because it does again give me the opportunity to indicate our government's commitment to single parents and trying to reverse the dependency that has been in place for many, many years for those that are on social allowance.

The Taking Charge! board is working very proactively in the recruitment of an executive director and in location of storefront space so that office can be opened just as soon as possible.

Mr. Martindale: Madam Speaker, I would like to ask the minister how single parents can become independent when the program does not exist yet. I would like to know, why is it taking so long? It has been since September '94. Is it going to take a year?

Mrs. Mitchelson: Madam Speaker, again, I thank my honourable friend for that question because this is something new. It is something that is not happening across the country, and we have ensured that—
[interjection]

I want to assure this House and all Manitobans, Madam Speaker, that, in fact, we have taken our time to put in place a board that has membership from the community, from the business sector and from those who understand the issues surrounding single parents.

That is not an easy undertaking, but we have, in fact, a board in place which is very proactive and committed to single parents.

I have every confidence that the program that will be up and running in the very near future will be the best across the country to address the issues for single parents and removing the dependency on our social allowances system.

Evaluation Process

Mr. Doug Martindale (Burrows): Madam Speaker, I would like to ask the minister why in the Order-in-Council which was made public, the last page, the page for evaluation, was absolutely blank. Could it be related to the fact that there are no job creation goals in this program?

Hon. Bonnie Mitchelson (Minister of Family Services): Madam Speaker, again, I thank my honourable friend for that question.

In fact, there will be an evaluation program. Unlike programs that have been in place for many, many years right across this country, there will have to be measured outcomes, and those measured outcomes will be the determination of how many single parents become independent of our social allowances system, and no longer, Madam Speaker, will there be programs in place in perpetuity where, in fact, a dependency is created.

This will be a program that will develop individual needs assessments for individual women and help them through that path of dependency to independence.

Unemployment Insurance Changes Government Action

Mr. Steve Ashton (Thompson): Madam Speaker, the member for The Pas (Mr. Lathlin) referenced the situation facing many First Nations people earlier today.

Many of the underlying causes are economic, Madam Speaker, and I would like to ask if the government could indicate what its position is to the latest indications from the federal government there will be major cuts to unemployment insurance, cuts that will have a dramatic negative impact on many First Nations communities in northern Manitoba.

What action will this government be doing in response to those major cuts?

Hon. Gary Filmon (Premier): Madam Speaker, the last time that there were changes to the federal UI, they

resulted in an offloading of about \$4 million or \$5 million a year to the provincial government.

We have indicated that we are concerned about the impacts of the proposed changes, because in general it means they will have longer periods of time on provincial welfare and therefore greater expense to the provincial government.

Regrettably, the federal government has indicated they are not prepared to engage in any discussion or negotiation with us. They will simply inform us after they have decided on what changes to make.

Madam Speaker: Time for Oral Questions has expired.

NONPOLITICAL STATEMENTS

Chiropractic Run and Walk

Mr. David Newman (Riel): May I have leave to make a nonpolitical statement about a charitable event in St. Vital Park yesterday?

Madam Speaker: Does the honourable member for Riel have leave to make a nonpolitical statement? [agreed]

Mr. Newman: Yesterday morning, in St. Vital Park, the Manitoba Chiropractors Association presented its 10th Annual Chiropractic Run and Walk in support of Winnipeg Harvest.

The event is an opportunity for Manitoba chiropractors, supported by their families, patients and friends, to get involved and provide tangible assistance to the less privileged in Winnipeg. Over 1,200 individuals, including seniors, babies in strollers, toddlers in arms and amateur running enthusiasts, including myself, of all ages participated in this event.

The objective of the organizers is to get everyone involved either as volunteers, over 200 yesterday, or as participants, over 350 registered runners and 650 walkers, and to enjoy an event that stresses the importance of health and the opportunity to help those less fortunate than us.

Yesterday's biggest winners were Winnipeg Harvest and the families that are supported by Winnipeg Harvest. A preliminary count of the proceeds raised through the pledge walk estimates the donations totalled at least \$10,000 with the receipts of the coin collection boxes from each chiropractic office still to be added.

In addition, hundreds of kilograms of baby food were also collected through an innovative food-for-food picnic, which encouraged participants to bring an article of baby food in exchange for a picnic voucher.

Chiropractors throughout the world are celebrating in 1995 the centennial of the founding of their profession by Dr. Daniel David Palmer, a Canadian from Port Perry, Ontario. Sunday's event marked the end of Spinal Health Week in Manitoba. Thank you.

* * *

Hon. Vic Toews (Minister of Labour): Madam Speaker, I wonder if I could have leave to make a nonpolitical statement.

Madam Speaker: Does the honourable member for Rossmere have leave to make a nonpolitical statement? [agreed]

Mr. Toews: I have had the pleasure of declaring June 11 to 17 as Public Service Week in Manitoba.

Just to give you a few details, Public Service Week became a reality in 1992 when Bill C-328 was passed in the House of Commons to recognize the value of services provided by public servants from all jurisdictions. The act designated the third week of June as National Public Service Week—

Madam Speaker: Order, please. I would like to remind all honourable ministers that I feel this type of a statement is indeed a ministerial statement and should not be made as a nonpolitical statement. There is precedent for that.

I wonder if I might ask for the co-operation of the honourable Minister of Labour to reintroduce that as a ministerial statement or request leave to do it now.

MINISTERIAL STATEMENTS

Public Service Week

Madam Speaker: Does the honourable Minister of Labour have leave to make a ministerial statement at this point in the day? [agreed]

* (1420)

Hon. Vic Toews (Minister of Labour): Madam Speaker, I thank the House.

Just continuing on, in Manitoba, there is a steering committee whose members represent all three levels of government, which has organized a number of events which will be held in conjunction with Public Service Week. These events include a blood-donor clinic, seminars and noon-hour information sessions. There will also be public service relay teams and a hospitality booth at the Manitoba Marathon to be held June 18.

I am certain members of this House will join with me in recognizing the value of services provided to Manitobans by public servants of all three levels of government in this province. Thank you, Madam Speaker.

Ms. Becky Barrett (Wellington): Madam Speaker, on behalf of the official opposition, I would like to, as well, respond to the ministerial statement dealing with Public Service Week in Canada and certainly join with the Minister of Labour in recognizing the value of the services provided by the public servants throughout this country, not only at the federal level but also provincial public servants and municipal public servants.

I think it is important that we stress the two words that reflect the duties that these people perform. They perform public services, and I think far too often, we, in our communities, forget the essential nature of the public services that these people provide to all citizens in the country.

Our public service is what enables us to all be equal in our public hospital system, in our public Legislatures and our public garbage collection. All of the services that the public servants in the country provide for us

enables us to be equal as the recipients of those services. We do not have to be able to pay in order to get the services of these public servants.

I would just like to again state that, on this side of the House, we retain our strong commitment and support of the work that these public servants do on behalf of all citizens in this country in increasingly difficult circumstances.

I think it is a wonderful thing that the federal government instituted Public Service Week in the country, and I just hope that the rest of the actions of all levels of government carry on with the understanding of the vital role these people serve for all of us. Thank you.

ORDERS OF THE DAY

Hon. Jim Ernst (Government House Leader): Madam Speaker, would you please call Bill 3, The Maintenance Enforcement (Various Acts Amendment) Act, for second reading.

SECOND READINGS

Bill 3—The Maintenance Enforcement (Various Acts Amendment) Act

Hon. Rosemary Vodrey (Minister of Justice and Attorney General): Madam Speaker, I move, seconded by the Minister of Family Services (Mrs. Mitchelson), that Bill 3, The Maintenance Enforcement (Various Acts Amendment) Act; Loi sur l'exécution des ordonnances alimentaires - modification de diverses lois, be now read a second time and be referred to a committee of this House.

Motion presented.

Mrs. Vodrey: Madam Speaker, it is my privilege to present the second reading for this government's maintenance enforcement legislative initiative, which is designed to enhance Manitoba's ability to collect maintenance payments.

These measures are quite extensive. In addition to substantial amendments to The Family Maintenance

Act, we are also introducing corresponding changes to The Personal Investigations Act, The Highway Traffic Act, The Pension Benefits Act, The Garnishment Act and The Parents' Maintenance Act.

This government's approach acknowledges that the end of a relationship does not release an individual from their obligation to support their family.

In our society today it is unfortunately true that families can face a variety of pressures and influences which may result in their breakup. It has been shown that the disintegration of the family very often has a significant and negative economic impact on children. It is commendable that our system of family law attempts to bring some degree of stability into these situations through the Maintenance Enforcement Program.

Many of the payers enrolled in the program do live up to their obligations for child or spousal support and do so co-operatively. However, there remain many other individuals who deliberately seek to avoid or ignore their financial obligations as determined by the courts.

At the present time in Manitoba, 95 percent of the 11,700 orders administered by our Maintenance Enforcement Program involve child support for over 20,000 children. These children rely on the program to protect them and, under present legislation, we are unable to protect all of them adequately.

Our responsibility to protect the rights of Manitobans of all ages has resulted in the amendments placed before this House. This government is asking the honourable members of this House to help us reach those individuals who seek to abandon their financial obligations and undermine our court system. We do not believe it is acceptable to have families and children live in poverty because court-ordered maintenance payments are ignored.

These measures should send the strong message that paying maintenance is a payer's first obligation. The best interests of the family demand that these payments be made. These changes will substantially strengthen enforcement efforts, provide invaluable information on

the location and assets of delinquent payers and help us get more money into the hands of children and families.

With input from various sources across the province, we have formulated a set of initiatives which focus on insuring the well-being of children and families being served by our maintenance enforcement program.

Madam Speaker, the major areas of reform to expand our enforcement power being placed before this House are on reporting delinquent payers to the Credit Bureau. Under this action we are proposing amendments to The Personal Investigations Act and The Family Maintenance Act. These changes will give the maintenance enforcement program the ability to report persons who fail to pay support payments to the Credit Bureau.

Maintenance defaulters will find their credit ratings within the community downgraded or seriously impaired as a result of their actions. Unlike other reporting to the Credit Bureau, the program will not be obligated to disclose the address of the maintenance recipient.

Suspending and refusing driver's licences and vehicle registrations—to further expand the maintenance enforcement program's authority, we are introducing changes to The Highway Traffic Act and The Family Maintenance Act. As an enforcement measure, the program will have the authority to request a delinquent payer's driver's licence and vehicle registration privileges be suspended.

We believe this will operate as a serious incentive to pay for many defaulters. Prior to this measure being taken in a case, the program will serve notice on the defaulting payer. It will indicate that within 30 days of the notice they are required to either meet with the program staff to arrange suitable repayment plans or request a court hearing to set up a repayment schedule. If the defaulter does not address the arrears in an appropriate manner within the 30-day limit, the suspension of his or her driver's licence and the vehicle registration privileges in the province of Manitoba can occur. I would remind the House that in Manitoba, the penalties for driving while suspended are severe and are heavily enforced.

Under the proposal, the payer can have these privileges suspended if they do not attend a court hearing to set payments or if they default on a repayment plan. After suspension, the payer may still make arrangements with the program to comply with a repayment plan or order, in which case the privileges will be reinstated.

If the program is unable to serve the payer with notice then it may request the Department of Highways to refuse to renew the person's driver's licence or vehicle registration.

* (1430)

A defaulting payer may not appeal this action to the Licence Suspension Appeal Board. Their recourse is to deal with the arrears through the program or through the courts. The payer can apply for a court order reducing payments, reducing or cancelling arrears, or suspending enforcement if justified in his or her circumstances.

Attaching pension benefit credits: Our initiative proposes amendments to The Pension Benefits Act and The Garnishment Act. These amendments will eliminate some problems relating to garnishment of pension and other payments, where employees can request receipt of these payments on termination of their employment, but they have simply chosen not to make the request. Designated officers will also be given the ability to garnish a payer's pension benefit credits. This action will make Manitoba the only jurisdiction in Canada allowing these credits to be garnished.

This is a significant departure from the rule that a person's pension benefit credits are protected from seizure to pay one's debts. This proposal clearly reflects our view that defaulters should not be able to avoid their obligation to support their families while building up a fund for their own retirement. Other creditors, and even the payer, will have no access to these credits. We recognize that under Manitoba's marital property law, other people, such as a new spouse, can acquire interest in a payer's pension. The amendments will preserve the fixed right of such a person to a division of the payer's credits.

Whereas of the date of service of the garnishing order a person does not have a fixed right to a division of the payer's credits, the garnishing order will take priority. In that case, the other person will only be entitled to his or her share out of the remaining credits, if any.

If a pension plan administrator is served with a garnishing order for pension benefit credits, and they know or suspect that another person has an entitlement to a division, a process is set forth for the court to determine the issue with notice to the spouse and other interested parties.

Attaching jointly held monies: This amendment affects The Garnishment act and will enable the program to garnish monies a payer holds jointly with other persons. This measure will ensure that payers cannot avoid their obligations by placing money in joint bank accounts and therefore out of reach of the program. Under this change, the money will be presumed to be the sole property of the payer. However, the right of bona fide joint holders will be protected. The payer or other joint holders may ask for a court order determining the payer's actual interest and requiring any excess monies be paid out to the actual owners. The person applying for the court order will be required to prove the payer does not own all of the monies involved.

Also, under The Garnishment Act, we are amending sections concerning debts for maintenance payments. Currently, only those garnishing orders against wages remain in force indefinitely, so long as the support order or employment continues. We have proposed that garnishing orders issued for monies other than wages will now remain enforced indefinitely for maintenance debts. This is very important when payers are not paid as employees, or other monies become payable to them after the date the garnishing order is served.

The amendments will also make garnishing orders against wages effective the day after service rather than the Monday following service. This applies only to garnishing orders against wages for maintenance debts.

Increased penalties. Madam Speaker, our changes also clarify procedures at show cause hearings. We

have increased maximum penalties to 90 days in jail from 30 and from \$500 up to a \$1,000-fine for persons found to be in wilful default. The burden will be on the payer to show that he or she is not wilfully in default.

Madam Speaker, other amendments included in this Maintenance Enforcement initiative concern The Family Maintenance Act and The Parents' Maintenance Act. These various other amendments confirm that court orders of support cannot be overridden by support agreements. The program can require payments be made in specific ways, clarify the duties of a designated officer permitting them to ascertain default as well as enforce payments. It will greatly increase the powers for the program to seek information about the payer's financial situation, employment and address as well as the recipient's address.

This also means time frames for compliance are set forth. Court orders for compliance may be obtained, and the program cannot be charged a fee for obtaining this information. It will clarify the deputy registrar's duties to advise the program of information obtained at the hearing attended by the payer. It will state that there is not any limitation period for collecting lump sum support orders. There is presently such a provision in place for periodic payments, and it confirms that information obtained by the program will be confidential except for enforcement purposes.

Under these and other amendments, although the recipient's views will be considered, orders to repay arrears made by deputy registrars will no longer be reviewed automatically by a judge or a master at the recipient's request. Orders will be reviewed by the program, which will determine if it is necessary to refer it to a judge or a master for redetermination.

Hearings which have commenced will be continued before the same judge or master, if an adjournment takes place, to ensure consistency in dealing with defaulters. We have also added justification for adjournments. Appeals from masters' orders will no longer be pursued by holding a completely new hearing, which can be time consuming and costly. Appeals will be based on the transcript and other evidence considered by the master in the same manner appeals from judges' orders are handled.

We have made provisions for program immunity for any enforcement action taken in good faith. For any orders under The Parents Maintenance Act, enforcement will be undertaken in the same manner as other support orders. This eliminates the possibility of different or contradictory enforcement schemes.

Madam Speaker, this government is making changes to force those individuals who are defaulting on maintenance and support payments to live up to their obligations. With these amendments we are strengthening the Maintenance Enforcement Program and creating the most effective deterrents for those seeking to evade its reach. These changes will have a direct and very influential impact on defaulting payers. They will experience specific consequences for their actions, consequences they will not enjoy in any way.

Madam Speaker, this government is serious about its intention to enhance the program's ability to reach defaulting payers. The seriousness of this intent is reflected in the wide-ranging amendments before this House.

We are closing loopholes, adding new avenues of access and increasing our ability to protect Manitobans of all ages relying on the program for support. I wish to assure the honourable members of this House that I will continue to pursue support from my federal counterpart to further maximize our efforts.

Madam Speaker, we are doing everything possible to force individuals who are defaulting on maintenance and support payments to live up to their obligations. Flagrant maintenance default will not be tolerated in Manitoba. We are serious and we are serving notice to payers flaunting the system. With or without their co-operation we will hold them to their maintenance obligations.

The initiatives before us now will make it even more difficult for identified payers to evade these obligations or place their assets beyond the reach of the maintenance enforcement program. Our changes will substantially strengthen enforcement efforts, provide invaluable information on the location and the assets of delinquent payers and help us to get more money into the hands of children and families.

Thank you.

Ms. Becky Barrett (Wellington): I move, seconded by the member for Osborne (Ms. McGifford), that debate be adjourned.

Motion agreed to.

* (1440)

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

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty, with the honourable member for La Verendrye (Mr. Sveinson) in the Chair for the Department of Industry, Trade and Tourism; the honourable member for Sturgeon Creek (Mr. McAlpine) in the Chair for the Department of Education and Training; and the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Health.

COMMITTEE OF SUPPLY (Concurrent Sections)

INDUSTRY, TRADE and TOURISM

Mr. Deputy Chairperson (Ben Sveinson): Order, please. Will the Committee of Supply please come to order. This afternoon this section of Committee of Supply meeting in Room 254 will resume consideration of the Estimates of the Department of Industry, Trade and Tourism.

When the committee last sat, it had been considering item 2.(a)(1) on page 98 of the Estimates book and on page 25 of the yellow supplement book.

Item 2.(a)(1) Salaries and Employee Benefits \$1,490,200.

* (1450)

Mr. Tim Sale (Crescentwood): I would like to start, Mr. Chairperson, by talking about the MUSH sector briefly, a sector we talked about on Friday, and it refers to the question of the agreement on internal trade.

The minister and his staff reassured us that their view was that, should the MUSH sector be brought into the provisions of the AIT, that this would not automatically open up national treatment, it would not trigger national treatment under the NAFTA agreement.

I consulted a couple of trade experts over the weekend, and I will say for the record that they said the same thing, that they agreed with the minister and his staff, but they then went on to qualify what they said very carefully. [interjection] No, in fact, neither of them were lawyers. The minister said, were they lawyers? No. The qualification that was shared with me went this way, that you could still use the defense of regional procurement under the NAFTA agreement to keep tendering and procurement in the MUSH sector out of the hands of companies from across North America, but in order to do that you would have to have a very clear and clearly articulated policy that was public and that could be defended in trade tribunals in terms of its purpose as a regional development priority.

So, if, for example, the minister wanted to defend our small health industry sector and treat that as an incubation sector that was being strengthened in order to become globally competitive, as was the Western Flyer bus company in the example I gave last week, the minister would have to have a very clear written policy that could be defended against a challenge from another company, either Canadian or American, that would challenge the need for such a regional development policy or its appropriateness.

Does the minister have any comments in response to the input that I gained from a couple of tradespeople?

Hon. James Downey (Minister of Industry, Trade and Tourism): It is appreciated, Mr. Chairman, although we do have a considerable amount of time from the time in which these Estimates are being debated because the MUSH sector does not come into effect until July 1 of next year, 1996. This does not come into effect as when the provinces' agreement

comes into effect, so we do have some time to further clarify, and if a written policy is needed to protect them, and if, in fact, the government were to do that, there would be ample time in which to do that.

Mr. Sale: I thank the minister for that answer. I think the particular question that we have is, is it the minister and the government's intention to articulate a regional development procurement strategy for any or all of the four subsectors that are under the MUSH heading?

Mr. Downey: At this time, Mr. Chairman, it was our intention as we entered the free trade agreement, the internal trade agreement, with the other provinces as it related to procurement and provincial governments, was to have it apply to the MUSH sector basically the same as it applies to the provincial governments.

I know there is a need to further discuss with some of the municipalities their concerns as to a cap of the amount of money for contracts which have to be put out to public tender, the efficiency with which they can actually do the contracting.

I know there has been a concern brought forward on the operational side of it. There has not been a concern brought forward as to any intrusion of U.S. companies bidding where, in fact, it would impede regional economic development.

Again, it is an area where regional economic development can be used for many purposes. One that I would hope would not be used is to circumvent the trade agreement which was entered into with the principles of having the movement of goods, services, people and bidding capabilities for small companies to bid in adjoining jurisdictions.

One of the concerns that also came forward, and it was a question, but I think it helped satisfy some of the minds that were out there as it related to what extent—would the free trade, in fact, as it relates to MUSH, if a municipality opened up, would the agreement allow them to have some form of mix of private and public investment in some of the capital projects that are being carried on their communities, and it is my understanding that the agreement will allow that.

Under a system where municipalities continually only allowed bidding to take place within their own jurisdiction, whether it be engineering or construction firms, then how would it ever open up so they could see other alternative ways of doing it, and making sure maximum efficiencies and opportunities were being applied to their jurisdictions.

I think the internal trade agreement, quite frankly, will help.

As I said, the objective certainly is to save the taxpayers money, lower costs and I think create greater opportunities for some of the smaller Canadian companies.

Again, specifically as it relates to regional development, I think there is enough consideration, or there has been enough consideration so that it in fact, is workable, to some degree.

But again, it is a fine balancing act as to whether or not it is used truly for regional economic development or is it used to circumvent an agreement, which is to allow open and free bidding nationally on major projects.

Mr. Sale: Mr. Chairperson, I thank the minister for that thoughtful response. In the main, I do not think I could take exception to it.

Our concern is that large companies, and they do not necessarily have to be American, but they often are, have the pockets to engage in predatory pricing in order to win contracts. Should they then become, in effect, a natural monopoly, which is the sort of thing that happens with laundries, for example—once you build the capital facility and put together the infrastructure to collect and distribute hospital laundry—it is very hard for another company to come in and bid against that existing supplier.

So what I would like to ask the minister is, is the minister able to tell us what mechanisms are in the department to monitor whether predatory pricing is likely to become or is becoming a problem in any of the sectors where there is not much in the way of a real market for the services?

Mr. Downey: Under the internal trade agreement, that is what you are still referring to, and there is, I understand indication that it is, I would expect that the secretariat as it relates to the operations of the Internal Trade Agreement well could be, if not charged, could be asked if that could be carried out, in a monitoring system within the structure that is established for the provinces and the federal government.

They will be stationed here in Winnipeg, as I indicated the other day, and we are pleased that the internal secretariat will be here in Manitoba. Again, that could be a responsibility that they are charged with. Again, that direction would come from a ministerial direction and one which I would take under consideration.

Mr. Sale: I wanted to put those concerns on the record because it does appear, at least in the health sector, which is the one I am most familiar with, that there is a substantial drift towards the use of non-Canadian companies to provide some of the bigger services. They may indeed provide quite efficiently but once they become the monopoly provider then it would be very hard to restrain them in terms of price gouging.

I would like to ask some questions about AECL. I gave some notice to the minister of this on Friday. I know some of the issues of AECL may well go to a different department, but I would like to just put on the record that in 1992, August 31, 1992, the Manitoba Bureau of Statistics under its director, Will Falk, undertook an economic impact assessment of the AECL laboratories, and in this, Mr. Falk noted, among other things, is that AECL has a \$54-million wage and salaries budget, that this has a multiplier effect in Manitoba bringing it up to \$74 million in wages and salaries, that for every dollar spent by AECL, the direct return to the Manitoba economy is 95.3 cents, that the employment directly at AECL is 1,021 with a further 731 full-time jobs dependent on AECL operations, again a significant multiplier effect.

I am sure the minister probably is looking at the same document that I am now, but the tax impacts on the province are substantial and positive, and the contribution overall to our gross domestic product is substantial and positive.

I want to ask first, is the minister and the department in an active relationship with AECL in regard to its future development direction?

* (1500)

Mr. Downey: The answer is yes.

Mr. Sale: Could the minister describe the nature of that relationship and where he sees it going?

Mr. Downey: I was afraid that question was going to come. I did not expect him to accept the yes.

Mr. Chairman, let me at the outset for the record state that this government feels very strongly that AECL and all the people who work there in research and part of that community are extremely important to our province and to our overall provincial economy, and they do make a major contribution to our province. The member is aware, as we are aware, that with less taxpayers' money available to support them, they have had to make some, and are, in fact, making some decisions which will cause change.

We have played a role as it relates to Whiteshell Park in a couple of ways. One is that we have funded a technology park feasibility study or have been part of a study. We have contributed \$25,000 to that, and we have had staff, some of the staff sitting here, who have been either part of discussions or been in departments in ongoing dialogue as it relates to the future of the park, and also we have put forward some technology assessment and a targeted market study of some \$37,400 as part of the work that they are doing in that regard.

So it is really a matter of trying to find future opportunities for AECL as it relates to many areas of activity. Again, what the main objective is, is to try and find private-sector work, to try and find international work that can be carried out at AECL, and quite frankly, I do not know where else we could find the assembly of some 800-plus highly trained, professional, scientific-type people. I think that is just tremendous. So I think we need to further work aggressively with them to find options and opportunities for them because we do not want to lose

that base of technology and that cluster of people who, I think, have done some tremendous work.

Again, some of the sales of power units that have recently taken place—I believe they have signed one. The last one that was signed was with South Korea when the Honourable Jake Epp was the minister, and it had some supporting activities for AECL in Manitoba. I also believe it had more of a greater support for Chalk River in Ontario.

One of the other things that we have to appreciate is that I think Ontario Hydro put forward a considerable amount of support for the work that is being done by AECL, and all I can say is that we—and I cannot tell you about Manitoba Hydro. The minister during his Estimates may be able to talk to you more about Manitoba Hydro's involvement with AECL, but we have had an active part, and I say as a government, we are strongly supportive of making sure that the operation stays viable here in Manitoba.

Mr. Sale: I am glad that in a general way, the minister is positive about this. I think AECL languished under more or less all provincial governments until the federal government began to threaten it with its life and the province began to wake up to the potential of that centre out there as a very concentrated research and development resource, and I do not think most Manitobans, and I certainly would include myself among them, had any understanding of the scope and scale of work that was being done there, and that most of it, in fact, had little to do with atomic energy, per se, and a great deal of it had to do with applications of atomic physics but not the generation of power, although the Slowpoke reactor was developed there.

Does the minister have an understanding of the cuts that have been coming to AECL from the federal level, and has there been any discussion with AECL about how they might survive these cuts?

Mr. Downey: I could ask the department maybe for specific information on time frames, but I know they are working towards trying to get themselves more self-sufficient and more dependent upon outside sources other than the federal government. I know they are moving and working as aggressively as possible. I do

not honestly know if there has been a time limit or a further indication as it relates to what federal funding will do to them.

I think the one thing that they have been informed about, and one that I have a feeling about, is that there is not going to be any additional federal funding that will go to them, that they have to, in fact, get out and aggressively market themselves as a research base and service.

I guess that is the—the member has not commented on it. One of the things that I see and that is the most recent development that I can report on a positive note was the sale of the Slowpoke reactor to South Korea which added some stability, I think, to some of the jobs that were there, and maybe added a few.

Other initiatives that are being carried out, other than reduction of support by the federal government, I cannot report on. I will make a commitment to the member, if there is any intelligence internally within the Department of I,T and T as what the future plans of the federal government has as it relates to the Whiteshell AECL operation, then I will report that to the member.

Mr. Sale: I thank the minister for that. Just for the record, I do not believe that it is a Slowpoke reactor that was sold to Korea. I think it was the standard heavy water design that was sold. I think they have had difficulty placing Slowpokes anywhere. It was on the market and now I think it is off the market again.

Mr. Downey: It was the Candu reactor which they sold.

Mr. Sale: I want to then move into the area which I know largely impacts on the Minister of Environment, but from an industry, trade and development of jobs perspective it certainly is also of interest to this department. I suspect there must be some interdepartmental group that either has been or will soon be struck to deal with this.

AECL filed, I believe it was in the early part of the winter but it might have been late last fall, documentation for an environmental impact study

coming from more than 10 years of exhaustive study of the question of the safe storage of nuclear wastes. I am aware of this work because I canoe through the experimental lakes area frequently with my wife. Those lakes are dotted with monitoring devices to monitor the release of gases and the rate at which those gases are released through the Canadian Shield country. The environmental impact documentation is about three feet high, and I think only insomniacs would try to read through it.

Nevertheless, the hearings will be held this fall. I would like to have a sense from the minister as to the government's general direction in responding, in participating in or appearing at these hearings, and, secondly, how broad public policy might be framed in terms of the siting in Manitoba of a large, hopefully safe, storage of nuclear waste, if indeed that is not an oxymoron.

Mr. Downey: The specifics as it relates to the environmental hearings and any activity that would be carried out there, I think would be more appropriately asked to the Department of Environment because they are the agency and the department which will be the ones that are more directly involved.

* (1510)

Mr. Sale: I understand from an environmental perspective that is true, but I think there is the potential for in excess of 1000 full-time high-skilled construction jobs over quite a long period of time. It is not like a hydro dam that would be built over a short number of years, but an extensive amount of excavation over a long period of time, then the question of encasing, entombing, backfilling, monitoring and guarding. This is not a short-term project. My understanding is that their time line goes to 2030. I do not imagine my time line goes to 2030, but that is the kind of thing we are looking at. So could the minister comment on the whole question of government response to the storage, safe or otherwise? What is the government's position going to be on this?

Mr. Downey: I guess I could answer the question with a question. Is the member advocating that we go out and aggressively promote and try to make sure that we

have that capability here in the province of Manitoba? Is that the intent of which I am to take the question?

Mr. Sale: No. I will be very frank with the member. My own view is that nuclear waste and nuclear power, while they have been, in Canada's case, more or less safe, there are abundant indications from around the world, from Windscale in England, from Chernobyl, from Three Mile Island, from the Fermi plant, and, in fact, if the minister has ever toured Chalk River, he will know there is an entombed plant there, too, which most Canadians do not know about. It is a small reactor from the early 1950s, but there was a major spill and they did what Chernobyl did; they tombed it up with concrete.

I do not view nuclear power in the same benign way that the promotion suggests in Ontario, but I am conscious that we have benefited from their nuclear power and that their economy has contributed to our economy, and we have got a problem in this country with the safe storage of high-level wastes. I do not have an answer to that but—I am speaking personally, not for my party—I am not de facto opposed to it. I would rather, in fact, have it stored safely in a secure setting than stored where it is now. We have got the bloody stuff; we have got to do something with it. I think that is quite a separate issue from the question whether we promote further use of nuclear power.

I think it is going to be a very tough public debate. I am wondering how the minister and his government are planning to handle that debate and whether they have any overall strategy to deal with it, because it is a lot of jobs, it is a lot of money, it is a lot of time and there is risk involved. We have not generally had a good record in dealing with that kind of complex issue at a government level. It has generally deteriorated into a lot of name calling and factionalism. We are going to have to face this sometime.

Mr. Downey: I did not intend to get into a philosophical debate on the storage of nuclear waste, but I guess I could enter into a little bit of a dialogue on it.

I first of all believe that we in Manitoba, with our hydroelectric power, as low cost as it is and as

available as it is, we, as far as using it for the production of electricity, I do not believe will be faced with the problem of production of it, of nuclear waste through that system for many, many years, if ever. My preference is to continue to develop the Manitoba hydroelectric system with the use of water power and that is the first position.

As far as the safe storage of it is concerned, again, I would look to people who are professionals in the field as it relates to that, I would look to people like the professionals at AECL and would not try to second-guess them, because I certainly have a limited knowledge. I do not know of any direct—and again the member is being, I think, very open and fair, saying that it does create and could create tremendous numbers of jobs and economic activity.

Again, one has to bring into balance at what cost, and I think at this particular point the people of Manitoba would be somewhat apprehensive as it relates to entering into a proposal that would in fact have it stored in Manitoba. We are not the producers of any large quantities of it, if any, that I am aware of, and so to invite it into your backyard, it would take some long-term public debate and a clear understanding of whether or not we could see an advantage as it relates to the jobs.

My suspicion at this point would be they would not be comfortable in having it brought in. However, there would be a process, and I say there are people at AECL, there are professionals in this field, and there is a process through the environmental department and environmental hearing stages that could be carried out. At this particular point I can see nothing more at this particular debate or time to say that, if brought forward by AECL and all the security was put in place to further open the public dialogue and debate on it, that is what would happen.

As far as being out actively promoting it, we are not, and, again, appreciating the position that the member comes forward, when I am sitting here as a cabinet minister I cannot say that I am sitting here as a private individual speaking for this private individual. I am here as a cabinet minister, and I have to speak for the department.

Having said that, at this particular point, I think further clarification as to the handling of any move in that direction would certainly come under the purview of the Department of Environment, and you could further dialogue during those Estimates as it relates to their position.

Mr. Sale: As the minister knows, I may well be in trouble with my own party for stating a personal view on the issue, be that as it may.

Mr. Downey: If you are asking for defence, I cannot promise it.

Mr. Sale: No, I will defend myself, I think.

What I—and I will not push this past this statement—what I am suggesting to the minister is that this is not an environmental impact process or hearing like many others. This is one that has very large risks and benefits associated with it on both sides, and I would hope that the government would think about some perhaps more constructive ways of handling the process than simply doing the linear by-the-book environmental impact process.

I would think, for example, that all of us on both sides of the House might be well served by having extensive, adequate briefings on the issues at stake, that we would all benefit from some leadership from the government to try and avoid the issue becoming hysterically polarized before it starts. So I am raising a concern that I think this is not like a lot of the ones we do. This is not small potatoes, and it touches people at a nerve end. People are afraid of the potential. I do not have an answer for it, but I think from a public policy point of view the management of it calls out for something more than just the ordinary process.

Mr. Downey: Mr. Chairman, the first thing the member would have to consider is repealing his former Premier's legislation making Manitoba a nuclear-free province then. That would be the first thing he would have to go against, would be his former Premier's legislation.

Mr. Sale: I think when that legislation was passed AECL was even more involved in nuclear power than

it is now. So, we did not have much problem with that, and that, as the member knows, was not the point of the legislation.

We can move on to a couple of other questions in this area. On page 24 of the additional information book the proposal to develop—if I can find the quote here—it is in the third line of Trade and Global Markets. An additional \$500,000 budgetary authority is allowing Manitoba Trade to establish a single, highly visible export identity for Manitoba.

I think we talked earlier about that being the rationale for the Manitoba Trading Corporation being activated to a higher extent and being funded to a significantly higher extent than it has in previous years. Could the minister indicate what the current plans are for doing this? In structural and departmental terms, what are you going to do to achieve this goal?

* (1520)

Mr. Downey: First of all, one should determine the need for doing it, and I think as we see a more global market opening up to Manitoba has been demonstrated the need for an additional support mechanism that would help carry out trade activities as it relates to particularly some of the smaller companies that do not have the resources and/or the current technical capabilities of reaching into some of the market opportunities that are out there. Whether they are under NAFTA or whether they are into the Asian markets or wherever, the government felt there was need for the implementation of a trading corporation that would be of some assistance.

So that is the thought behind it in that regard, as well as the adding to it of some additional people whom we believe would have, under a restructured way, knowledge that would further enhance and support individuals in that whole arena. So that is the thinking behind it. It is basically part of a commitment to Manitobans as it relates to trade out of Manitoba.

I think there are not many days go by that we either are not contacted by or in discussion with either people from outside of Canada looking to strike up some form of trade relationship or smaller companies, particularly

within Canada and within Manitoba, looking for some form of structured support to give them as it relates to market activities outside of the province. Again, as we have said many times, Manitoba depends very heavily on trade. Eighty percent of our trade, I believe, our product is basically traded outside of the province in other provinces and the trade percentage that goes into other jurisdictions. I do not have the numbers on it, but it is, it is our survival, if we do not have effective trading activity. So that is the thinking behind it and that is what we are proceeding to do.

Mr. Sale: Could the minister indicate, my understanding is that MTC is a corporation, established as a Crown corporation. Is that correct?

Mr. Downey: That is correct.

Mr. Sale: Who are the other board members of MTC at the present time other than, I think it is your—is it the assistant deputy or the deputy? It is Mr. Kupfer, assistant deputy.

Mr. Downey: Currently, the membership is made up of Stephen Kupfer, Rod Sprange and Mike Bessey and with Mike Bessey leaving the employ of government, there will be another individual put in place of Mr. Bessey.

Mr. Sale: I hope Mr. Bessey finds Harvard a good place to be.

So it is a corporation then, and it does have a board of three people. Could the minister explain what the functional relationship will be between Mr. Kupfer and his corporation, in effect, as the officer of a Crown corporation, and the various managing partners that are in the various divisions currently in the department?

It looks to me like we are putting MTC in that line now and that the intention is to manage the trade operations through this corporation's activities rather like a Crown corp within the department. Can you comment on that?

Mr. Downey: We are still, Mr. Chairman—as the member knows, the amendments to the act are before the legislature. I believe it will be used as a supportive

tool for any managing partner that sees need to use the instrument to enhance activities as it relates to trade. That is basically it. It is another tool within the department to enhance the objectives of trade activities which, of course, at the end of the day return economic benefits to the province and job opportunities for those people who are in the export business.

Mr. Sale: Could the minister just explain the footnote on page 25 of the supplementary information? The appropriation of \$812,000 represents a \$500,000 increase for a new trade and investment promotion initiative less a \$200,000 nonrecurring amount for MTC.

Mr. Downey: The nonrecurring amount was basically in there for the Arctic Bridge work that was done.

Mr. Sale: I am sorry to admit my ignorance, but I do not know what the Arctic Bridge is.

Mr. Downey: The Arctic Bridge was an agreement that was struck, and work was done to enhance trade activity between the Port of Churchill and Murmansk. There was a study carried out and some work done, and, basically, it was to enhance trade between those two jurisdictions. These were the resources that were made available for that purpose.

Mr. Sale: Just so that I can understand this MTC role more clearly—and I am not being critical of it. I am just wanting to understand it. What it sounds like the minister is saying is that there will be a corporate identity called Manitoba Trading Corporation, which any of the partners, the directors of the various groups, could use in terms of flowing agreements, reaching agreements with potential clients, new companies. It would be the vehicle that from a corporate and legal point of view, a new industry might interface with in working with the department.

Am I understanding that correctly?

Mr. Downey: That is a fairly accurate assessment.

Mr. Sale: As I have said, I do not have any problem with this. It does seem to me that you are moving,

perhaps in a deliberate and appropriate way, to a special operating authority or a special operating entity.

That is not necessarily a bad thing, but are you going to make plans and lay them out, or is it just going to kind of become an SOE de facto?

Mr. Downey: In the initial stages of it, it was seen to be able to satisfy a need as it related to trade, enhancing trade and trade opportunities for Manitoba companies.

It will be, I would say at this stage, relatively flexible in how it participates to meet that objective, because there are any number of situations which we are faced with as it relates to companies trying to embark upon international or trade outside of this province. We needed this capability to work and work with them and support them.

The member indicates that it could flow to an automatic special operating agency, if that is what he is referring to. If that were seen to be advantageous as the entity unfolds, then, as he has indicated, he does not have any problem with it, and I would not see where I would have any problem with it if it moved in that direction. The point is, we do not have an effective mechanism today. We are trying to put one in place.

Mr. Sale: I think that is good. I did not say that I had no problems. I said that I did not have any problems in principle with it, and I do not.

My concern would be that this is a vital area of government and SOEs tend to move beyond the scrutiny of Estimates, and to a certain extent they become line entries instead of detailed entries, and I would not want this area to move beyond the kind of scrutiny that I think it should get. I do not have an in-principle problem with SOEs. I think it is a question of how they are used.

The regional representatives of Manitoba list Hong Kong, U.K., Japan and other locations. Could we have a list of the regional representatives with their locations, salaries and expenses for those?

Mr. Downey: Yes.

Mr. Sale: Could the minister just expand a bit in terms of their sense of the current cost benefit of these regional reps? Some have been open, some have been closed from time to time as the perception of the utility has gone. I think one was closed in The Netherlands, if I am not mistaken.

* (1530)

Mr. Downey: Basically, I can give him the names. We have Richard Walker in Hong Kong who is under contract to carry out services for the province but is not prohibited from carrying out some additional work on his own activity. There is no office provided in that situation.

We have Mr. Watson Laing who is in the U.K.— [interjection] Yes, actually living in Windsor Castle, a touch of royalty there. Goes right to the top. [interjection] No, he did not live in the part that burned. That is under contract.

And we have a lesser contract but a very important one with a person by the name of Anne McDonald in Tokyo carrying out some activities as it relates to the province. She is an expatriate Manitoban and a very highly qualified person as are the other individuals representing and working on behalf of the Province of Manitoba.

We, unlike other provinces, have not gone out to the expense that some other provinces have in foreign service. Rightly or wrongly, we have not. Other governments previous to us have not. We believe there is an important role to play.

However, we also know that the federal government have representation in those areas and we depend heavily on the federal government representatives, and, in a lot of cases, have worked very closely with the department to make sure that we have adequate and proper representation in those foreign markets.

I am not able to, at this particular time, disclose in detail some of the benefits that we are seeing, but I know we have seen some very positive activities flow from those contracts, and one that, without disclosing something that is not able to be disclosed, there will be

one announcement that will be coming shortly that will have fairly significant impact on future trade activities for Manitoba. I will be announcing that when it is appropriate. There are other processes that have to be gone through.

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

I think we are getting value for our money. It is an important role for people to be in, and I could elaborate, as I say, on some of the individuals but I do not think that is necessary. We are, I think, carrying out the most efficient of any province in the country as it relates to having representation in other jurisdictions.

Mr. Sale: I wonder if the minister has a sense of the trade with each of these regions that is influenced by these three people in terms of some kind of time series. How are we doing over time with these regions? I picked some dates, but I do not have any particular reason for them, 1991 to '94 or '95, or some convenient period of time.

Do we have a sense of trade with the regions and whether we are getting better or are we getting worse?

Mr. Downey: I am prepared to provide the trade numbers over certain periods of time. We have that with those jurisdictions.

One area that probably I could just further elaborate on, that we are seeing some growth in, of course, is the tourism industry. One of the objectives of employing an individual in Tokyo, there are major moves between the Government of Canada to encourage a greater amount of Japanese-Canadian trade activity, tourism activity. This individual is very active as it relates to the proper connections in Tokyo. We look for some greater results there as it ties in with the Japanese tourism industry.

Again, the U.K. is the same thing. We have a major aerospace sector, which has very close linkages with the U.K. Bristol, of course, being owned by a U.K. company and a lot of work activity, we want to make sure we have proper and appropriate contacts with those jurisdictions. So those are basically some additional comments.

Mr. Sale: I have one more question in this area, Mr. Chairperson, and we can pass this subappropriation.

I apologize for my voice today. I woke up in the middle of the night with very little of it. It sounds strange to me; I do not know how it sounds to you.

Dow Corning had a pilot project in Selkirk which, I believe, has been terminated. There is another company looking at Selkirk whose name, I think, is Saskatchewan Heavy Industries. I am not absolutely sure that that is the legal name of the company in Manitoba. Could the minister provide us with some information about both of those initiatives, why they are either going forward or did not go forward and whether substantial provincial funds were committed, in any case?

Mr. Downey: Mr. Chairman, I will comment on the Saskatchewan Heavy Industries proposal that was being proposed for Selkirk. There was a proposal that came forward by a group of individuals that had requested provincial government support. We stated, I think it was, 16 points which we would expect them to accomplish. One of them was to raise some \$28 million of an equity investor or investment capital and 15 other conditions which had to be met. To this date, I am not aware of the fact that they have come back and have met those conditions, and so we are still in that pattern, unless the department has something further to add.

I understand there have been some changes, Mr. Chairman. They have changed their legal name to Tayco—

Mr. Sale: Could you spell that?

Mr. Downey: T-A-Y-C-O. Maybe I am wrong on the numbers of conditions. I know it was originally 16 conditions. It may even be more than that, but apparently they have met the condition of which No. 1 is. They had to raise some \$200,000 to do a feasibility study to go out and raise equity capital, raise the 20-some millions of dollars that needed to be raised to carry on with the project. That they have accomplished to this date, that they have raised the \$200,000, and

they are out now in fact soliciting the additional capital needed for the project.

Mr. Sale: Could the minister just indicate whether he has any sense, or his officials have any sense, of the time line on this proposal that has been made? Presumably, it is manufacturing mining industry machinery, and our mining industry is undergoing somewhat of a boom. What is the timing on this?

Mr. Downey: Again, Mr. Chairman, it is not for me to put time frames on when it is out in somebody else's area of doing the work that has to be done. There is a possibility within months that there could be some showing of some positive results, but again it is not for me to say. I am not the one that is carrying out the work activity. We would hope that it gets carried out positively, but again there are certain conditions and one of them is to raise a substantial amount of capital.

* (1540)

Mr. Sale: Could the minister comment on the Dow Corning proposal?—and this may again be that I have just not found the references. Did it fail because of a technology question, a marketing question? What was the reason for their winding up?

Mr. Downey: I think I would not say that it failed. I would say we have seen a substantial investment by Dow Corning. We have seen a considerable amount of money both put forward by the provincial government and by WDO to support a new technology as it related to the processing of silicon metals and the development of that product. So I do not consider it a failure.

There have been quite a few jobs in the interim period during the testing process that were created. It is my understanding that it did not meet some of the technical and economic benchmarks that were put forward that would warrant commercialization of the technology at this particular time. So rather than advance and go to a greater plant, which would have been the desirable decision for us, that was not able to be done, and it was the people who were carrying out the project activities, that being Dow Corning, that made that decision.

They—as Dow Corning have a considerable amount of resources in it, as do we, as do the federal WDO office have considerable resources in it—are looking for an alternative use for the enclosed arc furnace process that is in East Selkirk.

Again, we believe that there could be some additional or some new opportunities found for that furnace, and, hopefully, that happens sooner rather than later. But, at this point, we do not consider it a major loss because it has created a considerable amount of employment, and there is major capital invested in that facility that is potentially usable.

Mr. Sale: I did not mean to use the term pejoratively—failure in the sense that it failed to go ahead, not in the sense that anybody is to blame for it. I know very little about this area, but what I have read suggested that it was sort of leading-edge technology and pushing the technology to new applications.

Is there any residual benefit to the province, having been a major partner in the proving of this technology, or does Dow Corning own it entirely and has, in effect—well, one might say, they have used public sector research grants to forward their own technical capacity, but we have no further stake in that.

Mr. Downey: The benefits to Manitoba, as I have indicated, is we have a considerable investment from Dow Corning in a plant in Manitoba that has created considerable numbers of jobs. The ongoing use of the plant, we would hope we could find some company that would be, in fact, encouraged to use it. I believe that Dow have something in the neighbourhood of \$30 million invested in the plant. Manitoba's contribution, I believe, is \$6.6 million, and Western Diversification is in basically for the same amount.

The point I want to make is that there is a considerable amount of capital investment. It has created some employment. We would hope that on a sale of this particular plant to any other individuals—we know that we would participate in a percentage of the sale proceeds.

Mr. Sale: I think the minister partly answered my next question, and that was the question of equity in the

plant. Do we have equity in the plant roughly in proportion to our investment? Is that the deal?

Mr. Downey: I do not believe it is considered as equity. We would get a percentage of any revenues that were generated from the plant in operation of it in a commercialized way, or if it were to be sold, we would recapture some of our money, if not all of it, through the proceeds of the plant to the number of, 20 percent of the sale proceeds would come to the province.

Mr. Sale: Again, this is because I am new in the portfolio, so I do not know, Dow Corning still owns the plant then and is looking for an opportunity to use it but not within their own company. They are looking for someone to come in and either lease it or buy it.

Mr. Downey: That is correct.

Mr. Sale: I think we can pass this particular section, 10.2, 2.(a)(1).

The Acting Chairperson (Mr. Pitura): 2.(a) Industry Development (1) Salaries and Employee Benefits \$1,490,200—pass; (2) Other Expenditures \$1,473,800—pass.

2.(a)(3) Grants \$152,800.

Mr. Sale: Whoa, whoa. I am having difficulty finding the numbers you are quoting, Mr. Chairperson. The first one was \$1,490,200. The next ones?

The Acting Chairperson (Mr. Pitura): \$1,473,800.

An Honourable Member: Where am I finding that? I am sorry, Mr. Chairperson. I just did not want to pass too little money for the department to operate on.

The Acting Chairperson (Mr. Pitura): 2.(a)(3) Grants \$152,800—pass.

2.(b) Financial Services (1) Salaries and Employee Benefits.

Mr. Sale: I just have a few questions in here. One is on the Manitoba Industrial Recruitment Initiative,

MIRI. I tried to make sense of the difference between MIRIs and MIOPs. For the life of me I cannot make a distinction between the two and perhaps it is obvious and I am missing it. Could the minister comment?

Mr. Downey: Basically, the difference is the MIRI program is one which allows the government, through negotiation, to provide a loan which would be written off totally, the loan and interest. MIOP is basically a repayable loan with the ability to forgive some of the interest in return for job creation. The reason for the difference is that, initially, with some of the new activities that are taking place with new technologies, under MIRI there would not be necessarily any plant or product to take security on, so it gave the ability for the write-off of loan and, basically, the province would not be in as secure a position as they would be through a MIOP program.

Mr. Sale: Thank you for the explanation. Just an observation, and nothing more than that. From the point of view of transparency to users, it is not always helpful to have that kind of fine detail broken down. It would be better for the department to know what it is rather than the public to have to try to make the distinction. I am sure that is what happens. I find all of those things confusing. Inside people understand them and it is not confusing to them, but to the public, they have a hard time making the distinction, just an observation.

* (1550)

Can I ask about the preferred provider program? There are a number of sectors, I particularly know of the health sector, where companies can become preferred providers by doing some things. Sometimes it is by donating some equipment. Sometimes it is by agreeing to put materials up for test. Does this program have anything to do at all with this department?

Mr. Downey: Not that I am aware of.

Mr. Sale: Again, I guess I would ask, why not, because it sounds very similar to some of the things that you would be doing. I think it is a Health department program. It just seems strange to have little pieces of programs that have to do with procurement

and supporting companies to supply Manitoba in different departments, especially in a sector as huge as Health. I will just make that observation, I guess.

A question about Carté International—last year Mr. Storie asked a number of questions about Carté. I believe the Hansard discussion showed that Mr. Storie's view was that most of the jobs that were to be created were in fact transferred from Winnipeg so that there was not much net new job creation but in fact simply a relocation. That was at least the gist of the questioning in Hansard.

Could the minister comment on the status of Carté and the targets?

Mr. Downey: Yes, the proper pronunciation is Cartay.

Mr. Sale: Carté. C-A-R-T-É?

Mr. Downey: Yes, it is a transformer business where they build hydroelectric transformers. In some cases, not in all cases, there is not necessarily a stipulation of a major job increase, although I believe there was in the initial stages. It maybe has adjusted downward. But in some cases it is also looked upon as the maintenance of jobs are also important, and I guess it was the company's decision that a move to a different location and the decisions that were made gave it the kind of stability it needed to maintain the jobs, and that is really probably the basis for which it was made. I really cannot indicate any further than that.

Mr. Sale: Well, I apologize to the company for not knowing it was Carté. We will put an accent on it, and we will make it Carté.

I think Mr. Storie's concern, and it would be mine, too, was that the loan was premised on public perception that this was a job increase rather than a job protection situation, that the government used the loan that it made to the company in promoting its job creation activities and did not make it clear that that was not the case with Carté, but that in fact you may well have been doing a useful thing, but you were not creating new jobs. You were relocating a plant.

Mr. Downey: No comment.

Mr. Sale: Could the minister give us a status report of the loans that are currently out under these various programs that would be to places like Medix, MacLeod Stedman, Carté and any others that are current in terms of the loans that were given, terms and the jobs that were to be either saved or created?

Mr. Downey: Was that not in that list of material that I gave the member?

Mr. Sale: This is MIOP. Oh, I am sorry, MIRI is down at the bottom. Thank you. I withdraw. Thank you. I did not see MIRI.

Okay, on page 14 of the annual report of the department of 1993-94, I presume it is, there is a reference to a directory of some 1,800 firms representing Manitoba's industrial capacity. Could the minister describe how that directory is maintained, how it is made available, et cetera?

Mr. Downey: Yes, the question I believe was, how is the database maintained or how is it developed and maintained. Is that—do I understand the question correctly?

Mr. Sale: Yes, Mr. Minister.

Mr. Downey: Basically it is within the Research department of our department. There is a process that the individuals who work for the department carry out in making sure that they through direct contact and/or other informational systems that are available, they make sure it is fed into the Research department. I am not sure whether there is additional information that I can provide as to how it is done specifically, but if there is I will provide that to the member.

Mr. Sale: My concern is that this is obviously a very useful tool. Has consideration been given to making it available on interactive video, on diskette, on the Internet, on any of the business bulletin boards? Can you key-word search it? What is the capacity of this tool to be user-friendly in effect?

Mr. Downey: It is available on diskette at this particular time. Again, I think the department are pretty aware of the valuableness of it and will make it

available in as broad a way as possible so that it can be used as a resource base for business.

Mr. Sale: Mr. Chairperson, can it be key-word searched? Is the diskette free? Can we have a little more information about the nature of this, and if it is in that kind of frame may we have a copy of the diskette?

Mr. Downey: Yes, there is a charge of \$25 for each diskette. So we will see that you get the proper application form for it.

No, the member makes a good point. I am assured by the department that it is available through a broad range of mechanisms, and if it is not to the satisfaction of the member I am sure that he can let me know. I will give him a more specific answer as to all the systems and the process that is available.

Mr. Sale: I recall when I was watching—I very rarely watch TV—but I was watching TV one night, when the Canadian consul general in Seattle happened to hit the news. Maybe the staff might recall that particular story. He had put up a bulletin board page on the Internet with information about the characteristics of companies and individuals that Canada was looking for within the area that was his particular concern, which I think was B.C. It might have been B.C. and Alberta.

He was getting very fascinating responses because precisely the kind of people that he was looking for are the kind of people who will look on bulletin boards on Internet because they are proactive people and they understand how this technology works. So I am not being critical. I am simply asking whether the department has thought of ways of aggressively marketing this, not waiting for requests but pushing out there and making sure that it is as user-friendly as possible.

I ask then a further question on this. Has the minister considered placing this resource in Manitoba's public libraries or other commercial libraries such as Chambers of Commerce or other locations? Has that been considered?

Mr. Downey: Again, I would have to check with the department as to what all areas have now, and what

technology is used to make sure it is properly distributed and what are some of the potential ways to make it further available to the public.

* (1600)

Mr. Sale: Mr. Chairperson, a procedural point, would the committee consider a five-minute break?

An Honourable Member: Sure, no problem.

An Honourable Member: Take an hour if you like.

Mr. Sale: No, I am learning too much; I cannot afford to take an hour.

The Acting Chairperson (Mr. Pitura): Order. Is it the will of the committee to take a five-minute recess?

An Honourable Member: And leave the clock running.

The Acting Chairperson (Mr. Pitura): And leave the clock running. [agreed]

The committee recessed at 4:02 p.m.

After Recess

The committee resumed at 4:07 p.m.

The Acting Chairperson (Mr. Pitura): I call this Committee of Supply back to order. We are on item 2.(b)(1).

Mr. Sale: Going to this list that the minister supplied of MIOP and MIRI statistics, the last column is headed Jobs Created and To Be Created, but there is no distinction between targets and actual.

Does the minister have the data that separates target from actual here?

Mr. Downey: Yes, there is an audit done each year. I have not got it right here, specifically, although it might be on the bottom.

In most cases, I say this in most, not absolutely all of them, but in most cases, particularly under the MIOP program they have, for all programs, basically exceeded the target which they have to create and in some cases substantially passed the targets.

I will try to identify for the member which ones may not have reached the target, but they are very few. I will attempt to try and get that information.

Mr. Sale: I thank the minister for that. In the case of Boeing Canada, my understanding is that, unless there is another loan that I am not aware of, this was not new jobs but this was a saving, a retaining or a protecting strategy. Is that incorrect?

Mr. Downey: I am told by the department that it was for the creation of new jobs, and they actually created substantially more than what the target was.

Mr. Sale: Then I think, Mr. Chairperson, I must be recalling a different program from Boeing that was made at a different time that was intended to protect some jobs which subsequently were lost when the industry turned downwards.

The heading Unannounced MIOPs at the bottom of this list, could the minister tell us what an unannounced MIOP is?

* (1610)

Mr. Downey: Basically, it is an unannounced MIOP. I am not trying to be smart. That is exactly what it is. It is a MIOP program that has been approved by government but has not been officially announced publicly.

It is in concert with the company as to when, in fact, that announcement is made. These will be made as it relates to the ones that are approved and will proceed as soon as possible. I certainly do not want to hold up good news, Mr. Chairman. I will be advancing them as quickly as I can.

Mr. Sale: I guess the government House leader is going to convey this information to the minister. I was just going to say at ten o'clock, we will finish—maybe.

Well, this will depend on, of course, the member for St. Boniface's (Mr. Gaudry) long list of questions.

Under the Vision Capital Fund, could the minister describe the current operational status and level of the fund within the overall Venture Capital program?

Mr. Downey: I would just ask him to be more specific in asking what, particularly, the level of the funds—would he repeat the question so we can get the information?

Mr. Sale: I am asking first, Mr. Chairperson, for an overview of the current status of the Vision Capital Fund, the number of loans, a broad overview. I am not looking for particular information. I am wanting to have an overall sense of where the fund is at present.

Mr. Downey: Basically, at this particular time, the Vision Capital has made a total of 15 investments at a cost of just under \$11 million.

Mr. Sale: Is the list of projects available, Mr. Chairperson, or is that confidential information?

Mr. Downey: I will check, Mr. Chairman. The only reason is that we are dealing with private companies, and I am not sure whether I have the capability of doing that.

I have no reason to not, but if there is a confidentiality clause which we have to live up to, then I have to respect that. That would be the only reason, to protect the company or the interests of the company as it relates to providing that information.

(Mr. Deputy Chairperson in the Chair)

Mr. Sale: I thank the minister for the information. If you have to leave some information out for that reason that would be understandable, obviously, but it would be helpful to have a sense of the investments.

Could the minister also indicate whether there have been loans that have been written off in that list of 15 investments of \$11 million in any kind of venture, fund or generally companies which do not pan out? You

aim to have 25 percent of them pan out really well. Could the minister indicate?

Mr. Downey: There have been a minimal number that have had to be written off, but I would have to get the exact amount.

Mr. Sale: During the election campaign, the Canadian Liver Foundation telemarketing program failed. Could the minister indicate why this project failed and whether there are any learnings from that in terms of other similar projects?

Mr. Downey: The province had not flowed any money into that program, so we are not as a province at any loss as it relates to the actual cash that we may have invested. I would only be speculating. I guess it is a matter of some of the initial plans that they had thought would work out but did not. The intention was, I believe—and it is unfortunate because there were a considerable number of people who would have been employed, had been on the social assistance program. So I think the intent was certainly there, but for some reasons—whether it was management usually has some responsibility. Again I do not have the specifics, and again we did not lose any cash output from the province.

Mr. Sale: Perhaps the minister could clarify then, the list shows an amount in each case. I had assumed until his answer that that meant that that amount had been used. Is there some difference between the indicated amount and what was actually advanced?

Mr. Downey: Yes, that is the agreed on amount if conditions are met. Conditions were not met with that particular project so there were no funds advanced.

Mr. Sale: I am then, I guess, under the first one, Linnet. There is a blank in terms of total capital and jobs to be created in an amount of \$200,000. What is the status of that particular program?

Mr. Downey: Basically, that was a cost-shared study that was part of setting up the whole Linnet program which currently does have substantial employees today employed.

Mr. Sale: An area in which Manitobans and Canadians have been concerned is the whole business of Immigrant Investor Funds, and we had some serious problems in the province with one of those funds. An investigation, which was commented on extensively in last year's Estimates process—I understand that the Business Immigration Program is under review. I think it was December 1992, the province placed a moratorium on accepting new offerings; '93, withdrew from the program altogether; '94, the federal government placed a moratorium on the program.

What then is the status of this program, and is it still figuring here in our Estimates?

Mr. Downey: As the member may or may not be aware, it is a federal government program, and the federal government currently have it under review, of which, I believe, we have an individual who is currently either part of that review or involved in it to some degree, so that is basically where it is at.

Mr. Sale: Is the program being operated while it is being reviewed, or is it totally in limbo?

* (1620)

Mr. Downey: Prior to the freezing or the stopping of the program, there have been programs in place that we have to be part of administering or monitoring to make sure they are carrying out the objectives, but there have been no new approvals since the freezing of the program.

Mr. Sale: I am confused about dates. On the bottom of page 27, the period for the program operating is indicated 1987-1994, \$58.8 million, yet, on the next page we see that the province had put the program on hold in '92 and withdrew in '93. Statistics indicate it was still operating, and the last sentence on page 27 indicates during '95-96 fiscal we estimate an increase of 20 percent, or 110 entrepreneur cases, coming to Manitoba, so I am confused.

Mr. Downey: Basically, I am told by the department we are talking about two different programs: One, is the Immigrant Investor Program, which has been put on hold; the other one is the Entrepreneurial Program

which is continuing on. So we are talking about two different programs. Entrepreneurial is different than the Investor Program.

Mr. Sale: I guess the problem is that they are both under the same heading in the material here, and that was the source of my confusion. So if we could back up a moment. Then the entrepreneurial immigrant program is still in operation, but the investor program is the program that is on hold?

Mr. Downey: Yes, to both questions.

Mr. Deputy Chairperson: Item 2.(b)(1)—or do you have more questions on it?

Mr. Sale: I do. Under the Business Development Fund on the top of page 27, I am not suggesting that you have to give away large amounts of money in order to have an effective program, but this is a very small program, \$1.339 million, and that averages out on a just straight average to \$22,000 per firm. Some of it is grant and some of it is loan, I think. It is a very small amount of money. What is it that this program does? It sounds really impressive when you read it, but at 22,000 bucks a pop it cannot be doing a whole lot in that area. Could the minister expand a bit on that?

Mr. Downey: Basically, it is to carry out feasibility studies, work that involves Manufacturing Adaptation Programs. I know it does not seem like a lot of money, but it seems to be able to satisfy the need that is out there with the amounts that are being requested.

Point of Order

Mr. Downey: Mr. Chair, on a point of order, I wonder if the committee would be so generous as to allow me in about five minutes to take a five-minute break, as I have a group of students who are in from rural Manitoba that I would like to just speak to for a minute. I would appreciate it if we could in about five minutes take a five-minute break.

Mr. Deputy Chairperson: Is it the will of the committee that in five minutes we will take a five-minute break and we will leave the clock running? [agreed]

* * *

Mr. Sale: The last sentence says, in this Business Development Fund, that some of it is grant, some of it is loan or at least it could be. Are there in fact loans under this program at the present time?

Mr. Downey: Yes, the Manufacturing Adaptation Program is a loan program, so there are both.

Mr. Sale: The Pine Falls Paper Company, Mr. Chairperson, I think we are all glad that that mill was saved by the workers and the company that they formed, and with the co-operation of governments, there is nothing but good news in that. I am not critical of that. In the long run, Abitibi, like all forestry companies, is going to have to come to terms with the way in which they harvest their timber. We know they are still cutting in provincial parks and that we are the only province that allows that to happen, in Nopiming specifically.

I had a particular involvement with Pine Falls when it was run by Abitibi. We, when I was working with the United Church, put together a small camping centre on the Maskwa River. If anybody has driven up there they will know there is a little retreat centre that is now being used as a native alcohol treatment centre as well as a youth hostel. At that time Abitibi promised us, and I guess we should have got it in writing, but they promised us they would not be cutting up to that road allowance and that it would stay as mature timber and they would give us that. Within four years they had strip-harvested all the way up to the road that is access to the camp.

What is this department's role in terms of securing longer-term forestry practices? In some senses it comes under your mandate, in some senses it comes under Environment, I suppose some of it comes under some other mandates of parks or whatever. Is there a lead in this area, and is there some kind of policy work being done to try and move this company into a sustainable long-term pattern instead of what I think is a shorter, relatively short-term sustainable pattern?

Mr. Downey: First, I appreciate the member's comments as it relates to the Pine Falls Paper

Company, as they have now taken it over completely from Abitibi, so it is now the Pine Falls Paper Company that do the forest harvesting.

It is also, I am pleased to note, that in the Berens River area there was previously a company known as Channel Area Loggers that provided very needed work opportunities for the aboriginal people of that community, and the government were involved working with them in Channel Area Loggers. They now have taken it over as a community-owned corporation, which we are pleased, and again the harvesting for them is extremely important as it creates jobs, employment and wealth and keeps them from being on social assistance or unemployment. As well, there are major programs carried out in the replanting of seedlings. There were some contracts let with some of the community people out there.

The lead department that the member is referring to as it relates to harvesting quotas and forest management falls within the Department of Natural Resources. Again I think it is important to have a balanced policy. We have, I believe, a balanced policy where we believe in the long-term sustainability of our forests. We have worked, I believe, very hard to make sure that any agreements or any involvement that is carried out in the forestry activities, for example, in the west side of the province with Repap, they have to make sure there is a living, breathing tree for every one they harvest, and that is in fact working out very successfully.

I think that most of us here clearly understand that if you do not harvest the forest with the thought that that has to replenish itself to be there for an additional harvest, you are in trouble. So we are sensitive to that in a very major way, but again we also appreciate that you need employment opportunities for individuals, and again, it is a balance. The Department of National Resources is the lead department as it relates to the allocation of timber and the licensing of harvesting of our forests.

*(1630)

I would only add that it is times like this, when we see the devastating forest fires that are raging through our northern provinces, as to the impact that forest fires

have whether it is a park or whether it is not a park, it just is a matter of being a terrible, terrible situation which threatens people and animals and all of those things that depend on the forests for their livelihood.

However, there are certain limitations which we have in controlling them, and we are doing our best. It is a matter of carrying out the sustainable development policies, and that is what we do.

Again, all I can say at this time for the record is we are extremely pleased and proud of the employees, the management and the individuals that put themselves forward to take over the Abitibi plant with the Pine Falls Paper Company operation. I think it proved to be the right decision for them. It proved to be the right decision for us as a province to financially support them.

Mr. Deputy Chairperson: I believe the will of the committee is to break for approximately five minutes and leave the clock running. Agreed.

The committee recessed at 4:35 p.m.

After Recess

The committee resumed at 4:40 p.m.

* (1640)

Mr. Deputy Chairperson: Order, please. We are on 2.(b)(3)(e).

Mr. Sale: The minister indicated in his opening remarks that he thought that perhaps the total loan amount to Pine Falls would not be required. Could you indicate what the total loan is expected to be and what the conditions of that loan are in terms of forgiveness and repayment?

Mr. Downey: Basically, it is all repayable although on the two projects, the effluent treatment and the recycling part of the operation, it is deferred until the latter part of the loan. It would be paid after the initial

loan agreement was paid off, and there is no forgiveness of interest.

Mr. Sale: What is expected to be the scale of the loan, now that it is clearer? What is required, Mr. Chairperson?

Mr. Downey: It really would be speculative except we have an indication that they probably would not draw the full \$30 million. I think it would be unfair to speculate at this particular point.

Mr. Sale: Mr. Chairperson, on the list of MIOP and MIRI statistics of course Pine Falls does not show up because it is a special case. So the agreed upon ceiling was \$30 million. What has been advanced to date?

Mr. Downey: I understand there has been nothing advanced to date.

Mr. Sale: The provision for this year is only \$2.5 million.

Mr. Downey: The provision which has been allocated in our Estimates is for the interest. At this particular point, as I have indicated, there has not been any money drawn, so at this point we cannot honestly say how much will be drawn, but this is an interest amount which has been allocated for with an interest that we have to pay on the money that we would have advanced to them.

Mr. Sale: Again, I am a little bit puzzled. It seemed in all of the lead up to the Pine Falls takeover that the public sector loan ceiling of \$30 million was absolutely vital to the takeover of the plant, and yet the plant is in the new company's hands. It is operating, I believe, at full capacity, and no monies have been advanced. So could the minister explain why the change in circumstances?

Mr. Downey: The market has turned around substantially for the value of pulp that is being produced. I think at the time it was being negotiated, the loan was something in the neighbourhood of \$450 a ton or a tonne. I am not sure how they measure it. It was a ton or a tonne.

Mr. Sale: It is heavy in either case.

Mr. Downey: One is 2,200 and some pounds, the other is 2,000 pounds. I am not sure which it was. Anyway I think it is a ton, and I believe it is probably close to double that at this particular time. So I think it is a matter of their cash flows have been able to satisfy what their demands have been to date, although they still have the capability of doing that, and quite frankly it was essential, as the conditions were at that particular time, to make this project fly.

Mr. Sale: Mr. Chairperson, I believe in some of the material I have read about Pine Falls is the intention to put in place a de-inking capacity. Is that capacity under construction, being planned or completed?

Mr. Downey: I am told that the engineering work has been done and they plan to proceed later this summer.

Mr. Sale: My understanding had been that the \$30 million was related more to the de-inking plant than it was to the actual takeover of the old operation.

Mr. Downey: Yes, the basic lending, the loan proposal was for the upgrades that had to take place. One was the de-inking, and the other was the effluent treatment part of the operation.

Mr. Sale: So, Mr. Chairperson, then it is not so much the question of the price of pulp that helps with the cash flow. It is the fact that the requirement for the \$30 million is tied to work which is not yet substantially complete. That is the reason it has not flowed then.

Mr. Downey: To some degree, but I imagine the cash capability of the company is substantially greater than it was when the purchase was taken. They probably have a cash reserve which can carry out some of the work, and I suppose they would invest in that work rather than borrowing the money. It is the decision that they have taken.

Mr. Sale: Could the minister indicate the state of the effluent upgrade?

Mr. Downey: I am told that it is in progress at this particular time, the upgrading of the effluent treatment.

Mr. Sale: I thank the minister. I am glad the company has not required the money. Maybe they will not and everybody will save money. That is a good thing. Could the minister comment on whether there are any loans or anticipated potential loans for reactivating mining in the Bissett area?

Mr. Downey: That, we hope, is a good news story. We know there has been some considerable amount of work carried on. There have not been any loans under the Department of Industry, Trade and Tourism, although I know, and I have been told this by the owners, that under the programs in Energy and Mines, that if it had not been for the mining incentive programs, they probably would not have done the work that they have done which could well lead to a decision of reactivating the mine some time in the not too distant future.

Again, the questions would be more appropriately asked in the Department of Energy and Mines, but I do not believe there are any direct loans out of Industry, Trade and Tourism.

Mr. Sale: I wanted to ask that question because it ties into the earlier statement, the earlier aspect of our discussion around the one-window approach, the special operating agency or role of MTC, however you want to characterize that. It seems that the government, and I do not exempt our previous governments from this comment, but it seems that the government has a great number of programs in a great number of areas for industry.

Industry is not a single dimensional thing, but I am wondering about the degree to which you can co-ordinate Manitoba's industrial marketing and opportunity-seeking when the focus of doing that is spread among three or four or five different departments. That must be difficult unless some miracle has happened since I worked in government. It was always hard enough to work within your own department, but when you had to try and work across and between and among departments, it was even more complex.

Mr. Downey: The member is leaving himself very open as to if he wants to compare the time when he was

in government and now, but I will not rise to the challenge and try and help him out.

Mr. Sale: I thought we had an agreement that we were not taking shots.

Mr. Downey: We have. I will not do anything to—

Mr. Sale: So you will restrain yourself even one more time.

Mr. Downey: It is a legitimate question that the member raises. That is, are we carrying out the most efficient and most effective way in which we can deal with industry, whether we are talking industry of the manufacturing, the mining, a broad cross section of areas.

We have been working to co-ordinate that. Some of the work is being done through our department, Economic Development Board. I would take it that the member is suggesting that maybe we should even look further as to a co-ordinated approach. I have no trouble with that.

Again, I think the Premier made it clear during the election campaign that one of the policies that we will be trying to deliver on and working towards is making our government more user friendly and, by making it more user friendly, might mean, hopefully, less either contact points or red tape.

I think he can appreciate, having worked within the system, there can be some tremendous frustrations. That is what I am hearing from him as he is talking. I am not disagreeing with him, but I think we have not done badly. I say this genuinely.

I think there has been an appreciation for the difficulties that have been out there and I say that in respect to the staff that have been working on our programs. They do appreciate that there are different disciplines within government that should be brought in, and we have attempted to do that to make sure that there is not frustration between departments and frustration by people trying to use the departments.

* (1650)

Speaking of the Department of Energy and Mines, here comes the minister and he will be certainly ready to deal with all the tough questions I cannot answer for you, Mr. Sale.

Mr. Sale: I thank the minister for that answer. Perhaps he should tell the honourable Minister of Energy and Mines (Mr. Praznik) that his department has just been moved into Industry, Trade and Tourism and that we will be able to shorten the Estimates significantly as a result.

It is a serious point, because when the Department of Industry, Trade and Tourism says in material it has sent high, wide and handsome that we are providing a one window, one-stop shopping, clear identity, et cetera, but, footnote, we are one of five departments that has a range of programs. You have got to talk to Rural Development about Grow Bonds and you have got to talk to somebody else about something else, but if you happen to fit into this list, then you talk to us and we have a one window. I think it would be helpful if the one window really were one window and not one among many.

Mr. Downey: I appreciate the member's comments.

Mr. Sale: In terms of critical skills shortage, I am not sure where that reference is—maybe I am on the wrong page here. The reference to critical skills shortage, I cannot see it in the short term, it must be up further. We can pass this item.

Mr. Deputy Chairperson: Item 2. Business Services (b) Financial Services (1) Salaries and Employee Benefits \$749,900—pass; (2) Other Expenditures \$258,100—pass; 2.(b)(3)(a) Manitoba Industrial Opportunities \$3,874,500—pass; 2.(b)(3)(b) Venture Capital \$68,700—pass.

2.(b)(3)(c) Surface Transportation Technology \$2,600,000.

Mr. Sale: Mr. Chairperson, that is a very substantial increase. It is not a large amount of money in total, but it is a substantial increase. What is happening with MCI on this project? That is the MCI intercity bus, I think, is it not?

Mr. Downey: Basically, the money has not been drawn on the earlier part of the program, so it is a matter of the resources being moved to the latter stages of it and being available for work that may be carried out under the agreement.

Mr. Sale: Mr. Chairperson, could the minister indicate the status of that project?

My recollection is that the bus itself or at least a prototype has already had substantial in-service testing, and I have been in the bus myself. I am wondering what is going on here.

Mr. Downey: I am not so sure he has been in this bus.

Mr. Sale: Okay.

Mr. Downey: We do not have a lot of information on it. Apparently it is very popular—or not very popular, but kept under wraps, I should say, at this particular point. As my deputy said, it is maybe the Stealth bus—

Mr. Sale: I thought that was a transit bus on the weekend.

Mr. Downey: I am not sure what bus you were on, whether it was a Motor Coach Industries bus that you were on?

Mr. Sale: Yes.

Mr. Downey: You may have been on it but not the one that we were told is being developed.

Mr. Sale: I am referring to a bus that had a handicap lift built in, handicap seating built in and was a full highway bus which I was in about a year ago, I guess, when it was on tour. But this sounds like a different product.

Mr. Downey: I believe it is a different product.

Mr. Sale: Okay. Thank you very much. I will look forward to seeing that one, too. Pass.

Mr. Deputy Chairperson: Under 2.(b) there will be a number of sections, (a), (b), (c), et cetera.

2.(b)(3)(c) Surface Transportation Technology \$2,600,000—pass; 2.(b)(3)(d) Vision Capital 2,800,000—pass; 2.(b)(3)(e) Pine Falls Paper Company \$2,574,100—pass; 2.(b)(3)(f) Manitoba Business Development Fund \$1,339,500—pass; 2.(b)(3)(g) Energy Intensive Industries—pass; 2.(b)(3)(h) Manitoba Industrial Recruitment \$2,507,000—pass.

Mr. Sale: Can I just ask what the footnotes mean in terms of increase in carrying costs? Is carrying costs interest that is being paid?

Mr. Downey: The answer is yes.

Mr. Deputy Chairperson: 2. Business Services (c) Small Business and Entrepreneurial Development (1) Salaries and Employee Benefits \$1,037,600.

Mr. Sale: This is the section in which there is a mention of critical skills shortage, and I would like to explore it a bit in this area to find out what other initiatives are planned. I recall the initiative around long-distance trucking, and I have had several meetings with owners and companies in that area and know that the province is aiming to train 500 or to identify 500 potential drivers and train them. Spokespeople in the industry indicate that they could use at least that number, so that is certainly positive. It is not a job that everybody wants or can handle, but it is a good job for those who are so inclined.

Can you give some indications of other areas where there are critical skill shortages, and what specific plans are being done to address those?

Mr. Downey: One that was debated extensively the other day, and that was in the garment industry in which there is some work being carried out now, I think, between the Department of Education's Training section and the garment industry as to program development for upgrading of skills and equipping people to deal in that industry.

The trucking industry that the member has referred to, I think it is 200 we were talking about, not 500—a correction. I do believe there is a—the 500 could be a number which the industry could use without any difficulty, but I know that we have currently—

Mr. Sale: It was the industry that said to me it was 500.

* (1700)

Mr. Downey: Okay, but I think the number we used, to correct the record, was 200 which are being worked with. I know that there are some areas that—talking particularly as it relates to the light-manufacturing sector, and I know, in some direct discussions we have had with the furniture industry in the woodworking sector, there have been some requests to—I have had some meetings, particularly with some of the manufacturers, to make available more apprentice-type-work activities within that industry. I know in the light-industry there have been some discussions as it relates to light-manufacturing, some possible demands in that particular area.

Those are some of the general areas which we have talked about, and I am encouraged by it. I know, in talking to some of the manufacturers of windows, particularly with the growth and the export demand, there has been one company particularly that is committed to expanding some 240 positions in the Steinbach area.

I am not sure how they are fulfilling their needs, but also in discussions with individuals a few days ago, expansion in that area particularly as it relates to the Japanese market, opportunities are opening up at a relatively rapid pace.

Again, it takes people to be trained in these areas to satisfy their needs. Our job, I believe, as a department is to try and identify those areas, to work with the Department of Education and Training, to work with the trade schools to make sure that we are clearly communicating the opportunities that are out there.

One of the difficult situations, and I think this is a matter of promotion and making sure adequate information is going into our high schools at senior levels, that there are some pretty good paying jobs that are out there, that everybody should not expect to—as it is said sometimes, it is absolutely essential to get a university education, that the community colleges, as was identified by the Roblin Commission, needed more

resources and expansion. That is what we have tried to target some of the resources of government into.

I am of the belief that our structure of new governance of our community colleges will reflect to the community colleges through the private sector, people who are on the boards, the needs that are in society to train these people.

Again, I think there are some excellent job opportunities that are out there in these trades. It is not for everyone, I must admit, but I am sure there are some opportunities there when young people are getting close to graduation from high school or maybe have been out for a year. Clearly, it is a matter of identifying these opportunities for them.

Are we effective enough in that area? We can always probably do better. I think we are doing a reasonably good job. The department, I know from reports I have had, are getting reasonable compliments from the garment industry as it relates to work that is being done there. Again, I can only reflect what I am hearing and what I am communicating with. I try, as a minister, to keep as much contact as I can with the different industry sectors to make sure that we are sensitive to their needs.

Mr. Sale: Could the minister indicate for the committee the degree to which the 200 trainees or slots for driver training have been filled? How has the public responded? How is that initiative going?

Mr. Downey: To get the specifics for that we would have to get him to ask the question of Education and Training. They would have the specifics of that question.

Mr. Sale: I thought the minister announced this one.

Mr. Downey: If not Education, Highways and Transportation were also involved in the announcement of it.

Mr. Sale: At the bottom of page 30, there are comments about the administration of The Co-operative Promotion Board and The Co-operative Loans and Loans Guarantee Board.

Could the minister share with the committee the most recent activity under that board, the degree to which new co-operatives are coming into being?

Mr. Downey: The most recent one that I can tell him is I signed a letter yesterday complimenting the formation of a co-op in the Elie area for the collection of straw for the potential isoboard plant for the making of fibre board out of straw. That is the most recent co-op that I am aware of that has been developed.

I do not know in volumes. It is maybe written down here how many numbers of new co-ops we have had over the last year. Again, that information is available, and I am certainly pleased to provide it to the member as to new co-ops. I think it is an instrument that is being looked at a little more.

Oh, I can give him the numbers right now. This is consulting services for co-operatives. Services have been provided to 80 groups desiring to start a co-operative enterprise. Of these, 15 have incorporated and approximately 20 more are in various stages of development. It is planned that consulting will be provided to 75 to 85 groups in the '95-96 year.

So that is, I would say, a substantive amount of groups looking at and organizing themselves into co-operative organizations.

Mr. Sale: I appreciate that information. Is there a pattern to where these co-ops or the area in which these co-ops are located, or is it all over the map?

Mr. Downey: I think pretty generally all over the province. I am aware of some individuals that, and from my recollection of letters of notification of acceptance that have been sent out, they are pretty much all over the province.

Mr. Sale: If I could just say that I hope that the government will continue to work in this area to promote co-operatives. I am aware that we used to have a department, and we have a division or a branch, and now we are down to substantially fewer numbers within an area. So the promotion of co-operatives does not seem to have had the same priority that other kinds of activities might have.

Mr. Downey: Well, I do not accept that from the member. I think that there has been a pretty aggressive move to support the co-ops. I have to remind the member that many members sitting around our caucus and cabinet table have been members of the rural communities that have either been involved in grain co-ops, Manitoba Pool Elevators, United Grain Growers. Certainly, I know of livestock co-operatives that are out there, and some of the new programs that have been established under the Department of Agriculture. They call them feeder co-ops, and they have been very successful. I can also tell him that there are many members, I am sure, of the credit union movement which is a very substantive co-operative exercise.

So I do not think the NDP should think that they can take total credit for being supportive of co-operatives. We have seen the development, as I have indicated, of substantial co-operative organizations under this government, and we will continue to promote them where they best fit the needs.

I say this again, in the agriculture community particularly, as I have indicated, the straw co-op that has been most recently organized. We are also seeing potential livestock feeder co-ops being expanded. So, again, it is a vehicle and a tool which I think plays a very meaningful role and will continue to do so in the development of our province.

Mr. Sale: I thank the minister for his comments. I just note for the record that we have the programs in the high school that promote the development of entrepreneurial skills. Junior Achievement I think is one such program. I am not aware of our curricula in the schools anymore spending any time at all on the virtues and roles of co-ops. I think that it is an area that has not been appropriately prioritized.

We build no more co-operative housing projects; that program died with the federal government cuts. And I would agree with him, the NDP certainly has no monopoly on co-ops. They began in the dark distant past in Greece and other societies and have been part of all societies that I know of for a long time. The modern co-op movement dates from some of the work that was done in the Maritimes which was not a hotbed of NDP governments or its predecessors, although the priest

that formed the co-ops along the St. Lawrence and Labrador shores I think was a socialist Christian—or a Christian socialist.

I am simply saying I think this is a very appropriate form of organization of entrepreneurial activity. They can be very efficient and effective, and I am sorry that the activity has been downgraded to being a subunit in a branch. I remember well when the Lyon government took power and the staff who were working on the development of the co-op curriculum were fired summarily, and the curriculum was ultimately sold to the Co-op College of Canada. I mourn the loss of that resource. That was not a shot at Johnathon, Mr. Chairman.

* (1710)

Mr. Downey: I just want to make it clear that this government has not downplayed in any way the importance of the co-operative movement in this province. I want that record to show that, state that it has not.

Mr. Sale: Thank you. Pass.

Mr. Deputy Chairperson: 2. Business Services (c) Small Business and Entrepreneurial Development (1) Salaries and Employee Benefits \$1,037,600—pass; (2) Other Expenditures \$1,040,300—pass; (3) Grants \$30,000—pass.

Resolution 10.2: RESOLVED that there be granted to Her Majesty a sum not exceeding \$21,996,500 for Industry, Trade and Tourism Business Services for the fiscal year ending the 31st day of March, 1996—pass. [interjection]

Resolution 10.2 was the correct resolution and the correct figure and it was passed.

We are on to 10.3, 3. Strategic Initiatives (a) Tourism Initiatives (1) Tourism Services and Special Projects (a) Salaries and Employee Benefits \$631,300.

Mr. Sale: There is a great deal in this particular area. I would like to just start by asking, again, we have (a) to (f) in terms of initiatives, and yet in Manitoba one of

the biggest employment areas where there is a desperate need for a strategy, and I do not think we have one, and that is the whole area of transportation.

Now is this because it comes under several other departments? If that is the case, then I think we should talk about how to make it function better.

Mr. Downey: Yes, we are trying to address that concern that the member brings to the table, and we will be, are, in discussions with the Department of Highways and Transportation to make sure there is a very strong and positive linkage between the two departments, and that transportation is given a greater profile.

It is not that it is not an important industry within Manitoba. It is, certainly. Up to this point, the predominant role has been within the Department of Highways and Transportation. However, on the developmental side, one could consider, of course, the aerospace industry as being a very major part of transportation.

As we have indicated, we have major transportation industries being developed under the initiatives of Manitoba Industrial Opportunities, whether it is the development of carrying capacity for bulk commodities, whether it is the development of the truck cab component parts with Franklin Enterprises that are a major part of it.

We, of course, have two bus companies of which direct discussions, support and dialogue have taken place with our department, so we may have to and may want to consider adding another word as it relates to the aerospace and transportation industry sector. That is a possibility, one which I would not be in disagreement with.

Mr. Sale: Mr. Chairperson, I thank the minister for those comments. I think that a very strong case can be made for Highways being the hard infrastructure, but the strategy of transportation being a matter that should fall in the purview of this department because increasingly—I am sure I do not need to say it, you know it—we are talking about integrated, multimodal kinds of transport, so having one in one area and one in

another just again confuses the entrepreneurial public who want to find the right place in government to get the support they need to do the job properly.

Since the minister has kindly opened this up a bit, could we spend a few moments on the question of the rail issue?. With the privatization of CN, and we have talked a little bit about this, the northern hemisphere strategy north of the airport and the bayline questions, those are all intensely related to the rail and multimodal.

Can the minister indicate where the point of co-ordination is, and what the stage of the development of the strategy in that area is in regard to rail and the multimodal greater modal terminal at the bayline?

Mr. Downey: Just let me give a little bit of an overview, as I see it, as it relates to the northern hemisphere distribution alliance, which we have been basically the lead department as it relates to that.

It is a major, major initiative which takes more than just one department to be part of it because the developmental stage takes partners, like the trucking industry that has been part of it, like the airline industries will be part of it, and like the rail industries.

There are also regulatory aspects that have to be brought to the table. There have to be decisions made as it relates to approvals of where different infrastructures are built. One could say that Urban Affairs has a fairly major important role to play as well because of the relationship with the city.

It is not a matter of any one particular area that has sole responsibility. I think it is a matter of developing a team approach, which we have done and will continue to do. In my estimation, we have gone through a pretty preliminary stage of a vision—the private sector, Mr. Hubert Kleyson who really was the individual that brought this forward to government several months ago as a vision, working with the manager of the international airport, working with Mr. Gord Johnson who is the technical person, the executive general manager of the program, to really get a grasp and to really get that vision put more into a workable form.

There are still many disciplines that have to be part of it. I see it as a lot of the initial work, getting the vision down to some hard realities. I think that is getting closer. The contacts that have to be made with the necessary airlines, whether it is in Europe to hook up with transporting product from Europe to Canada or to the United States or to Asia, the costings and the efficiencies which we can demonstrate have to be put together. That is as well being done.

The other part of the puzzle has to be the piece in Asia, which we need to have either a major airline connection at that end or airports that are in that similar vision of themselves as being regional distributors. Again, it is a major initiative and a major strategy, and there is a strategy. The member referred to not having a transportation strategy. There is a major strategy that is being applied here. There have been major resources that have been committed both by the provincial government and the Western Diversification. So there is a strategy.

We certainly have identified some products that could in fact be moved into those markets as a backhaul from here on major air carriers, which is key. It is a matter of putting loads of product together to bring into this country or drop off or redistribute and also to be able to gather loads, which the trucking industry could complement and/or the rail industry.

* (1720)

So that, I think, is getting well down the road and starting to take shape, and I certainly compliment the people that are working on it. As far as the rail component, again, there are major decisions that would have to be made as it relates to intermodal traffic. We know where the CN activities are located as it relates to the airport. Again, Urban Affairs, the City of Winnipeg have to be major players in the development of this whole program. How do you shift, if you were to shift, from that area for assembly to another area which may be north of the airport and of the city?

Major decisions by a lot of players, but I think what is in place is the vehicle in which to do that, and, again, I think it will create a tremendous amount of employment. Let us face it, Manitoba and Winnipeg

have a history of being the hub of transportation and distribution, and I see us as continuing to expand into the 21st Century our capability of being that hub for redistribution and connections of major markets, both through Europe and Asia, and that Winnipeg and Manitoba will play a role.

I also see it playing a role with the north-south traffic and the movement of traffic of which we are currently seeing with the increase of trade under the North American Free Trade Agreement under activities that will in fact come by truck and by rail. After all, we are 800 miles from Chicago and 1,500 miles from Toronto. The numbers of people to be provided with services, I think we are in a very competitive position.

Of course, then, that takes us to what activities are taking place up the bayline. Again, we can offer, I think if the political will were there, a pretty impressive connection through to the northern Port of Churchill. Again, if the will to do it is there, and that is—go back to the comments we talked about earlier here with some of the discussions and the vision that was carried out in our Arctic Bridge—that there is an opportunity to see movement assemble, a product assembled here moved in every direction, either by rail, by air or by road, which eventually, if given the right policies and the right supports in place, political if not anything more, to see the Port of Churchill become a lot more aggressively used for products other than grain. I know some of the discussions that are coming out of the northern United States could well see a greater relationship of use of the northern rail line, possibly with sourcing of product in the northern United States.

Again, all of these things are all very preliminary, but they all tie together, and it goes back in my mind to where we are naturally placed as a province and a city to be the hub, the distribution and the activity of a tremendous amount of transportation activity, the same on telemarketing and communications. I, for the life of me, you know, somebody has to make the case to me that, again, going way down into eastern Canada is a far better place to set up than right in the centre of Canada when your distribution of messages and activities could well be distributed right from the centre of the country, but some people are making that decision based on the information on what they have.

Again, we have been very successful in our telemarketing in our whole call centre activity because I think people want to be in the centre of our country. It gives us a two-hour advantage both ways to do business in the East and in the West. It lengthens our period of time.

So I apologize if I have gone a little bit longer and broader than what the member has asked for, but I honestly see the whole development coming down the pike very well. More co-ordination. One can always have more co-ordination. Is lack of co-ordination a detriment? No, it is not. I think there has been to this point good co-operation from within government. I see good co-operation from within the private sector. I again say to the member, I think there has been some extremely important work done at this stage by the private sector.

Talking recently with some of the financial organizations that are part of it or lending money or at least prepared to lend money to some of the organizations that are part of this, they are pretty intrigued and enthusiastic as well. So I think it will just further develop as the next few weeks and months go on. We will be playing and have offered to play a more aggressive role as it relates to connections into Asia. We have had some recent contacts that would give me the idea that there are certain countries or airports or people setting up the same basic principle in their jurisdictions that they will be the distribution centre for the big part of Asia, and we, of course, would like to tie into that.

Mr. Sale: The minister's digressions are interesting, because it is good to see the vision that he has. I take it that we really could add a (g) here. It sounds like you are de facto the lead department on transportation strategy at this point. That is not a negative. I think that is a positive. That is what I would hope to see.

I would just say, as I think we have said in the House and you will probably hear it again—you will likely get quite tired of hearing it—that we hope to see the same kind of initiative and attempt to provide leadership in something as vital as the bayline and transportation strategy as we have seen in regard to the hockey team, that pumping \$200 million into a hockey team is not

a—[interjection] Well, no, I was just setting him up. The question of strategy and energy and priorities for the bayline; the fact the Transcona Shops has lost and will lose more jobs. The locomotive shop has virtually no activity going on in it at this time.

CN is open to privatization; 15 percent is the maximum for any one company to own of it under the privatization legislation. However, it would be a very easy matter to find four or five American buyers of 15 percent, in which case Winnipeg is not in the middle of anything. It is at the far end of an American perspective, especially if the lines east of Thunder Bay or east of Winnipeg become all, or virtually all, CP. Then our strategic location is not nearly as obvious as it is when we are placed in the middle of an east-west network.

I know the minister spoke of north-south and being pleased that that is developing. We are not opposed to the development of more trade, but I think we have to have a very careful look at the strategy that we are going to use in regard to our role in rail transportation.

The fundamentals of that industry have shifted. You know as well as I that both CP and CN conceive of themselves now as North American railroads not as Canadian railroads. Their logos and their corporate headquarters—CN I believe is in Chicago now. Corporate headquarters are in Chicago for their North American operations.

So the shot regarding the Jets may not find the right mark, but it is a question of priorities and strategies. We are very concerned about transportation.

I appreciate any comments the minister may have on that.

Mr. Downey: Again, I have to correct the misinformation that the member puts on the record. This government is not putting \$200 million into a Jets hockey team. This government has proposed to be part of an entertainment complex that is far more than a hockey arena. There will be, as I said the other day, some professional hockey played in the facility that is being built, but it will carry out a tremendous number of activities other than professional hockey.

We are not, I say not, putting \$200 million in a hockey team, as much as they may want to try to continue to say that. I would hope that when the complex is being built that the member is as adamant about opposing the jobs that people that he sees need a job when they are there working and building and feeding their families, the money that is there, that he is aggressive in criticising those people that are working to help accomplish that as he is trying to be negative about the whole move that the government is making to make something very positive happen, an attraction for more than just professional hockey teams. So keep the record straight. It is not \$200 million.

I think the other comment that has to be made is, and I say that when he talks about fundamentals, we will continue to be in the centre of a lot of activity. We will not see us being at the end of anything.

* (1730)

Two rail lines currently have been moving product through this country for many years with great and tremendously important linkages to the United States. We are continuing to see manufacturing product developed in this country. We will continue to see overland traffic product needed.

The other thing that should be brought to the attention is I do not think that the public of Canada are of the mind to continue to pour mass amounts of money into subsidizing businesses that are not going to make some money and pay returns. That is not on.

I mean, look what happened in Ontario last week. The public of Ontario made a decision that they were not going to continue to go into debt in a massive way to support a philosophy that quite frankly is along the same lines as the member from Crescentwood.

The public of Canada are saying we have to get our act together as a nation; there is not room any longer to pump major subsidies into companies that cannot make it. We can get into the whole debate whether it is right or wrong to privatize.

I quite frankly am of the philosophy that believes that private operating organizations are far more

efficient than government operations and government subsidized organizations.

The marketplace is eventually the mechanism that will determine the survival of almost every activity that is carried on as it relates to business. We have seen it in too many cases, whether it is the forestry product operation that we sold after getting into office—the member I am sure would not agree with what we have done, but we did privatize that. We privatized an oil company which we did not need; it cost us \$16 million of valuable taxpayers' money for an experiment.

Again, I do not want to get into this philosophical debate, but I can say that transportation and the trucking industry and the rail industry and the air industry will continue to grow and expand.

This is another area that I was—why am I making this statement? The federal government and the removal of the subsidy to the movement of grain out of western Canada was done—the former Minister of Agriculture I believe, Mr. Charlie Mayer, offered something like \$5 billion to replace the Crow rate, to pay out to the producers of western Canada so that there no longer had to be any subsidies paid. He was quite frankly unfortunately removed from office. They did not accept, they would not even entertain the \$5 billion that was offered for the transition for the federal government to get out of payments.

This current government comes along, offers \$1.6 billion, offers it to the landowners, and so what debate has been going on is between the landowners, whether they should get the money or whether the people operating the land, rather than saying to the federal government \$1.6 billion is an insult quite frankly, and let us join together, landowners and operators, and go to the federal government and say at least give us the amount of money the federal government offered us under the Conservatives and Charlie Mayer. But, no, they have thrown crumbs on the table, and they have got us fighting over crumbs rather than saying the real loaf of bread is the one we should jointly go together and get.

I am surprised that Mr. Goodale was able to fly into Regina and was not met by a group of Saskatchewan

Wheat Pool farmers and all the farmers of western Canada quite frankly to give him a real roasting.

To my knowledge they have said that this is all there is. So the point I am making is that there is a mood in the country of Canada that these large subsidies, paid to anybody, are not on any longer.

Mr. Doug Martindale (Burrows): Hockey players included?

Mr. Downey: The member for Burrows (Mr. Martindale) said hockey players included. I will remind him again, it is not the government that are paying for any subsidies to hockey players. We are in the position of building an entertainment complex which will carry out many activities which I would hope he and his family would see fit to go and be part of, whether it is a major convention which would bring spiritual people together, whether it is a convention to bring people who are non-spiritual people together; I am not sure what it would be.

Trade activities, we are in a world of trade, and we have to be able to demonstrate our qualities and our capabilities. That is the kind of thing, and I used the example of the Morris Stampede grounds recently as to what they were able to accomplish with a complex in their community.

I think the NDP and their members would, certainly they have a right and a responsibility to criticize, but I would hope, I would hope that they would put true facts on the record, not trying to lead the public to believe that there is \$200 million going into a hockey team because that is not in fact what is being proposed, and I would hope they would be honest enough to state what is in fact happening rather than what they want the public to believe is happening.

Mr. Sale: Thank you for the answer and the lecture. For the record, the subsidy that is being proposed is \$111 million for an entertainment complex which is essentially a hockey arena. It is not the big complex that was proposed by another operation. Thirty million dollars in infrastructure for that arena from the City of Winnipeg; something in the order of \$50 million in tax, either breaks through charitable status or tax

forgiveness by virtue of the investments being treated as a business expense, plus, apparently, the potential total loss of the shares as held by both the current owners, the excess shares over what they would be paid for, and the 36 percent shares held in the public sector.

The fact of the arena is absolutely inseparable, as the minister knows, from the demands of the hockey team for such an arena. The fact that the arena will have other purposes is indisputable. The experience in other cities is, without major anchored tenants, such buildings are completely prohibitively expensive and cannot be made viable. It is like love and marriage, you cannot have one without the other. The Jets want the arena, the arena needs the Jets.

Insofar as the public sector is primarily buying and building, it is true that we are not building the hockey team but it is equally true that we would not be doing that were it not for the needs of the hockey team. That is neither here nor there. We both put our own views on the record in this regard.

An Honourable Member: Preaching the last sermon, preaching last.

Mr. Sale: Inevitably, we get to preach last, the way the rules go.

Commenting on the top of page 34 in regard to call centres, does the department have any statistics indicating the relative turnover and wage rates of staff in the call centres?

Mr. Downey: I will get that specific detail if they have it. I will just give you some personal experience because I think it is important to put it on the record. Experience that I have had, and that has been two different occasions in visiting the AT&T call centre activity that has been recently developed here in Winnipeg, in one of a very positive nature.

I guess, to say at the outset, the individuals who were brought into the call centre activity have seen, particularly with the developing industry, an opportunity to go and advance from basically the actual operations, operator-type systems, into management and to advance their careers very rapidly. That is what

my first report is, and, again a general comment, at satisfactory wage scale levels. Again I will give a little more detail.

We do not have the turnover rates, but I can give you some of them. The average salaries for some of the teleservicing agent wages are from \$5.50 to \$12 an hour; customer service representatives from \$8 to \$16 an hour; trainers from \$30,000 to \$40,000 per annum; managers from \$35,000 to \$50,000 per annum; and senior management from \$50,000 to \$100,000 per annum.

They are wage rates that I think are certainly acceptable because the experiences of hiring people in those sectors has been very positive. Because it is a growing industry, new opportunities are developing. People move into the system, and as they move into it, advance very quickly into management roles.

I use the example of AT&T Transtech, which made an announcement a few months ago of their expansion to expand several hundreds of jobs and move into the Trizec building, renting one or two floors to further advance their business. People in there, and the ones that I have seen and have been exposed to and talked to, are extremely pleased with what has taken place. That is one example.

I think that it generally applies across the board as to an industry that is growing and developing. There are opportunities, you move in, you get a clear understanding, management opportunities open up, and they open up for internal people. With that, of course, goes a pay increase.

* (1740)

Mr. Sale: I would not dispute that there are some good jobs in this area. I do take issue with the continued promotion of these as high-tech jobs. There is nothing high tech about operating an automated calling system and using a script.

The minister's party and our party did that with mixed success for four to five weeks recently and we know that that is not exactly a high-tech operation. The equipment that is used is very high tech. The

development of software for predictive marketing is very high tech, but the bulk of the jobs are not at all high tech.

I think it would be a service to the industry and to the people working in it if the government would try and discover the turnover rates in this industry, because my anecdotal experience is very different from the minister's.

My anecdotal experience goes more towards the younger people I have known who have worked in this kind of industry. It is not an industry that people stay with very long, in my experience. If they move up to management, they may stay, but everybody cannot move into management.

I am interested in the comments as to whether the turnover rate is, as I think the minister is implying, fairly low. I think we should have some data on that.

Mr. Downey: I will attempt to get as much information as it relates to turnover as possible.

Mr. Sale: Could the minister indicate what the term "publication (influencer) packages" means, in the second phrase in the Objectives of the department?

Mr. Downey: Does he want my definition or the department's?

Mr. Sale: The department's. It is jargon I have never met before so I thought I would find out what it meant.

Mr. Downey: It is basically promotional material.

Mr. Sale: I think it is always helpful to write things in English as opposed to jargon. So thank you. That makes sense as to what that would be. In terms of the toll-free telephone telemarketing centre, is this operated by government staff, or is it contracted out? How do these centres operate with tourist promotion?

Mr. Downey: Currently government, looking at contracting it out.

Mr. Sale: It is currently operated in-house, and you are looking at contracting out.

Mr. Downey: That is correct.

Mr. Sale: Can you tell us a little more about the type of contracting out? Who, for example, would provide such a service?

Mr. Downey: The best in the field.

Mr. Sale: I have no doubt about that, but it does not answer the question.

Mr. Downey: We will identify those people who are providing that type of service, and as I indicated, we will find the best in the field and for the best price that they can do it for us. That is really what we are looking at. We are just at the very preliminary stages. We have just announced it right at this particular time so we now have to go to work and do it.

Mr. Sale: Did I miss the announcement, Mr. Chairperson?

Mr. Downey: No, I just told you.

Mr. Sale: You just made it now. I see.

I want to just spend a little bit of time on the question of the tourism business here. I ask the minister to respond and maybe talk with his staff about this, but I have a perception about Manitoba's promotions which is different, quantitatively and qualitatively different from the promotions of some other states and territories in particular.

We seem to have a great range of things that we promote, but they are not woven together. When I read the material for Manitoba, I get the sense of a potpourri from which I could choose things in which I was interested. I do not get that destination sense that is part of the whole theory of getting people to choose a destination. I will give you an example.

We have, and this is an example that is near and dear to my heart, because I grew up in a railroad town that was a lake port and had a good airport. So I have this tremendous love for things mechanical. I think the finest creature that ever was made on God's Earth is a steam locomotive. I am that old fashioned.

We have the oldest operating steam locomotive in North America in the Prairie Dog. It is an American 040, I think, or whatever wheel designation is, 240. We have the Lower Fort. There is a branch line between here and the Lower Fort. We have the river with the river boats. We have the locks and we have The Forks. We have a historic station. Where does the train run out of? It runs out of St. James. If you think in terms of an integrated package, we have a four- or five-day experience to offer people that we could put together from the elements that we have here.

I know I am speaking as a bit of a train nut, but trains are an incredibly attractive promotion for hundreds and hundreds of thousands of people in North America who still have some heritage, or if they do not have the heritage in their own family of the railroad, they remember it, and there is some sort of fond reminiscences of that.

When you put a package together, you put together some Folklorama, a round trip to the Lower Fort, one way by boat, one way by train, you put guides on the train that can talk about the history, you put people in costume, and it becomes a destination, a memory for a family in which they get a real sense of the place they went to. If you have visited Louisbourg for example you know what I mean. Louisbourg in the summer is a destination place where you are exposed to the history, to the culture, to the architecture, et cetera.

My sense in Manitoba is that we do not do that, at least we do not do it well. The minister I am sure can think of other examples of where packaging and promoting—the VIA Rail experience to Churchill. I know that it is promoted, but I would not say that it is promoted well or promoted with any integral vision of what could be done with Fort Prince of Wales and all the things that happen along the bayline from the mining and aboriginal communities through to the various destinations.

I am not being particularly critical of this government. I know that we were government for periods of time, but I am interested in whether there is any sense that we need to rethink how we package the promotion of this province so that it has much more of an integrated destination motif to it, rather than the

potpourri of events that are contained in the Free Press publication that got the department into such trouble recently. This is just a grab bag of stuff. Could he comment, or is that unhelpful?

Mr. Downey: No, that is a fair comment, but let me just at the outset say that we have seen a pretty significant turnaround in our Tourism statistics. Of course, he has to appreciate our first market draw is from the United States or northern United States which is showing very strong numbers with an increase of overnight visits by 10 percent, more than twice the national increase. This represents 25,000 more tourists from the United States alone generating an estimated \$7 million in incremental revenues. The international visitations were also up and accommodation occupancy was up 5 percent in Winnipeg and 13 percent in rural Manitoba compared to 1993. So what we have seen, whether it is market promotions or whether it is the dollar difference or whether it is any number of things, it is working.

I will comment in a little bit of a different way as it relates to my response to, are we theming it, are we targeting enough. When you are in a province as diverse as Manitoba, you have to try to reflect that diversity when you go to the marketplace, No. 1. You have many constituents who have to be satisfied that you are out there marketing. If I went to Clear Lake and I said, boy, we are doing a tremendous job. We have a whole lot of visitors going in to ride the train between The Forks and Lower Fort Garry. They would say what about Riding Mountain National Park, hey, what about us. I could go into northern Manitoba and they would say, yes, great, you have a great train run, but we have such a regional diversity which we have to try to address.

There are as many experts in tourism as there are tourists. Our main theme though is a friendly clean place to visit, a safe, friendly, clean place to visit. Explore Manitoba, water, air and that whole friendly atmosphere which they have to see. Within that advertisement are special activities of which we are trying to draw people. Again, I do not believe that it is government that should be putting that package of material together. We should be helping, but it is the industry that has to develop the packages, whether it is

fishing trips into the North where we have many successful ones. They go into the United States and promote it. If it is a matter of train trips on the Prairie Dog Central, it is up to again the people who are running the system to aggressively promote it.

* (1750)

Our job is to try to do an overall theme and I think the department have done it reasonably well. Again, it is explore Manitoba. Manitoba is a huge place with many, many attractions within it. So to specifically say there is one thing, there is one region, we have tried to theme it all. Again our main market area is the United States, and we have to keep driving towards that and the overland traffic that comes is the greatest number.

I will comment. He makes reference to the Free Press article in defence of the department—and I say this in defence of the department—there was a proposal given to the department as to being part of a promotional package. The department agreed to the cover of the material. From that point on, it was the Free Press who took on the responsibility of putting the package together.

We did not approve putting in two pages of advertisement for Grand Forks. I was shocked and astounded that a newspaper that depends on Manitoba business and Manitoba circulation that they would see fit, quite frankly, to do that to the area and the community which they depend on their livelihood. So they have taken the full responsibility for that and they should. I was astounded by it, and I have to say to the point where I am not sure what further decisions will be taken as it relates to that.

The member does not need to feel that we are not upset about it. The department is certainly disturbed. We, myself as a minister, are extremely upset. The point I can make as it relates is there was editing of maps as particular parts of regions in Manitoba, editing which took towns and communities totally off the map, and I have to say it was not in the best interests of the promotion.

I will be hard-pressed to be talked into giving a nickel to them in another year's promotion. I will be

hard-pressed to pay the bill which they are asking us to pay on this particular promotion, I can tell you that, and we have given them notice that we certainly are not going to be easy to come forward and pay that bill. It is an embarrassment. I think it should be—it is an embarrassment to the Free Press as much as anyone that they would carry out such an activity.

So I have clearly stated on the record as to how I feel. Granted, I will give them credit. They have put letters of correction in the paper so I am not being one-sided on this. They have put letters of correction.

I am really excited about tourism in Manitoba. To me it is the one industry that will continue to grow and expand. I have been so bold as to say I look forward to the doubling of the tourism industry by the year 2,000. Little did the department know when I put that challenge forward that in the year 1999—I did not know it either—but in the year 1999 we are going to have the Pan Am Games come to Manitoba which in one fell swoop will give us a tremendous, tremendous boost in our overall tourism revenues, in our numbers of people working in tourism. It is just great.

When we look at the World Youth Baseball that was held in Brandon last year, again it kind of just shows the people in the world that we can entertain at a world-class standard. Another clear demonstration is the World Curling that was held in Brandon this year.

Of course, it would be the opportune time to congratulate the two Manitoba participants who did exceptionally well. There were comments about we are disappointed that Connie did not win the gold prize. I am exactly the opposite.

I am extremely happy she won the silver and I congratulate her for that. Yes, it would have been nice to win the gold but it certainly was very nice to win the silver medal, and she should be congratulated on a tremendous showing that they made.

The same with the Burtnyk rink, who by the way Mr. Burtnyk was actually born in Reston, Manitoba, which happens to be in my constituency, so that really makes the people of southwestern Manitoba pumped up.

So you have given me the opportunity to really wander here a little bit, but I say genuinely our first market is to attract people to a clean, safe environment for family vacations and holidays. It is to provide them with a broad variety of product that appeals to them. Apparently it is working. I will always take advice and criticism as to how we can improve that.

One of the things that I think we have to do—and that is why we set up our forum last year to bring industry people together, a tourism forum—is we have to develop some confidences within our tourism industry that we truly are world class, that we should invest in tourism a lot more than we have. To me that is a confidence that we have to develop, that there is a market out there to go after. We have been a lot more narrowly focused.

We now see the Japanese coming in pretty major numbers to see the northern lights, to see all the polar bear activity. That is spreading. There are numbers—I have talked to the U.S. We have done the U.S. thing. Europe is another major market for us in the whole ecotourism activity. That to me has got a tremendous opportunity.

The Japanese that we are targeting to have two million more Japanese come to Canada by the year 2000. There are something like 500,000 today. There are shoulder tours that they call, that people would come to Banff or to the Rocky Mountains and would then find another opportunity to come back to Canada.

Single women, business women in Japan are looking for safe places to come to holiday in. We believe we have got a lot of places that can appeal to them. So it is a matter of a broad range of product being focused enough that appeals to people, that will satisfy their appetite, and it is absolutely critical, absolutely critical, when we go to the marketplace with product that we have people who are equipped and trained to give them a world-class vacation when they get here.

The worst thing we can do is to attract people to come and have them disappointed with the holiday that they have because that kind of news spreads far worse than anything else.

So our strategy is, we are going to keep growing and expanding with our Explore Manitoba into the U.S. market. We are going to further excel and try and get more European activity, and, of course, with the Japanese market that is one, and the Asia markets, that is one which we believe is totally untapped, and we will be going after it for Manitobans.

Again, it is a matter and it is critical I believe that the industry—it is a Catch-22 situation—you have to have the product, you have to have the marketing that goes with it, and you have got to move together. If you have the marketing proposal, for example—and I know I am taking a little more time than I should; the member wants to comment—we have an aboriginal tourism potential here.

Europe really wants to come and see an aboriginal tourism activity. The aboriginal community at this time would also tell you they are not ready for it. They are in very, very embryonic stages of developing that product. As that develops and we bring people from Europe, I think the market potential is unlimited for economic development for our aboriginal communities.

Again, I think it would not be doing the tourist a favour or the aboriginal community a favour, if we advanced and promoted it, until we have the product that would satisfy the customer. That again is why we have to work and develop this industry together and collectively.

Mr. Chairman, I will let the member make a comment before the committee rises. I apologize for taking all the time, but I just felt that speech coming on and I just had to get it off.

Mr. Deputy Chairperson: The honourable member for Crescentwood, if he wants to make a comment now or he can wait till we come back.

Mr. Sale: When you have got to do it, Mr. Minister, you have got to do it. No, let us call it six o'clock.

Mr. Deputy Chairperson: The hour being 6 p.m., I am interrupting the proceedings of the committee. This section of the Committee of Supply shall resume sitting at 8 p.m.

EDUCATION AND TRAINING

* (1450)

Mr. Assistant Deputy Chairperson (Gerry McAlpine): Order, please. Will the Committee of Supply please come to order. This afternoon this section of the Committee of Supply meeting in Room 255 will resume consideration of the Estimates of the Department of Education and Training.

When the committee last sat it had been considering item 2. School Programs (b) Education Renewal (1) Salaries and Employee Benefits on page 39 of the Estimates book.

Hon. Linda McIntosh (Minister of Education and Training): Mr. Chairman, this is some information that was asked for in the last round, and I have it provided for the members today. One is the fourth person on one of the committees that was asked for, and the other is the representation on some of the steering committees, and they are listed here. I will not read through them, since I am going to table them, but I just present there are five pieces of paper altogether that have information that was requested.

Mr. Assistant Deputy Chairperson: I thank the honourable minister for those submissions. The Clerk will copy and distribute.

Ms. Jean Friesen (Wolseley): Mr. Chair, I thank the minister for tabling the documents.

I think at the end of last time we had ended with veering too close to current legislation on parent council issues. I want to move away from that and to ask about school reviews. Part of the New Directions, I think, includes provision for review of schools. I wonder if the minister could tell us what is envisaged there and what kind of timetable is being proposed.

Mrs. McIntosh: This is one that will probably take a fair bit of time to fully flesh out and develop because of its importance. The purpose of the school review process is to help to ensure that schools will provide an effective learning environment and to help strengthen

the school accountability to students, parents and the community.

The development of guidelines for the school review process will begin in the fall of '95, a couple of months from now. In the fall of '96, the year after that, a legislative amendment that provides the minister with the authority to initiate school reviews will be in place. In the fall of '97, again, one year after that, requirements for the school review process will be released.

School reviews, Mr. Chairman, will only be initiated in the rare cases where there is enough concern expressed by the parents, the community and the other educational stakeholders to warrant such investigation.

Ms. Friesen: Let me backtrack a bit. Must it be concern expressed by parents, or may it be concern expressed by other members of the community, or must it come from the school council? Has the minister thought through any of those alternatives?

Mrs. McIntosh: Mr. Chairman, that still has not been decided, although we know and we hope that more than just parents will be interested in what is going on in the schools. We have to look at that kind of issue, and that is one of the factors I was referring to when I said this will take time to develop, because of the many factors included.

When we begin in October '95 to take a look at how we are going to do this, we will be looking at that question, like the protocols and the criteria for initiating a school review, who, why, what, et cetera. We will be looking at the roles and responsibilities of this department, Manitoba Education and Training, because there is a role there, and a responsibility. Also, school boards, school staff and advisory councils for school leadership in the whole arena of conducting reviews. We will be looking at dispute solving mechanisms, in the event that might be a way to proceed if the situation appears to warrant it, and the responsibilities for implementing the recommendations of school reviews.

Those are items that we have identified as areas that need to be explored in depth, thoroughly, carefully,

before we can announce the way in which we intend to conduct the school reviews.

Ms. Friesen: Does the minister intend that it will be the department who carries out the review?

Mrs. McIntosh: That is one of the questions we need to do some further thinking on before we make a decision because we could have the department in isolation. We could have a composite committee composed of the department and other bodies such as a school advisory council. We need to take a look at the composition, the function and the authority of a body charged with conducting school reviews. We are still exploring the very best way to do that, but certainly the Department of Education will not be removed from the process, whether its involvement be the sole involvement or whether it be in combination with other authorities. That we are still working on trying to come up with what we feel would be the very best model, the most effective model.

Ms. Friesen: As the department is examining proposals for a review, could the minister tell us what other jurisdictions they have been looking at to examine the way in which reviews are conducted elsewhere?

Mrs. McIntosh: The department has examined models in British Columbia. Here in Manitoba they have looked at the Fort Garry School Division. As far as other Commonwealth countries are concerned, they have looked at England, Australia, New Zealand. Those jurisdictions that I have identified have models that we felt were good ones to examine in preparation for our own decision making.

Ms. Friesen: Mr. Chair, some jurisdictions have created independent authorities to pursue school reviews. Has the minister ruled that out as a way of proceeding?

* (1500)

Mrs. McIntosh: Until we make our final decision, we are not ruling out any particular model. We are looking at merit, effectiveness, cost, a series of factors that will lead us to a decision.

So we have not at this point ruled any model out because we feel if models exist, they do warrant our examination, and while we feel that we want to ultimately have a made-in-Manitoba solution, the department is keenly interested in ensuring that these go well. When and if school reviews are asked for, we will be looking for our own model, but we have not ruled out adopting facets or components of other models that exist.

Ms. Friesen: I wanted to ask about the curriculum development in technology and sciences, particularly as it has in the past related to vocational education or industrial arts, as it is sometimes called.

What process, first of all, and what goals does the minister have for the review of curriculum in that area? I am thinking from the junior high level upwards.

Mrs. McIntosh: It is a good question because, while we used to have the two streams that were seen traditionally as fairly separate, where you would have the academic over here and the vocational over here, we now find that in the middle we have technology, and that has brought the two streams together in a variety of ways. So it is a changing face that we are looking at between vocational education, industrial arts and into technologies and the important use of technological equipment.

We have a number of things beginning that will help us link vocational and academic along with computers into new curricula development, and one that we will have coming up this September is, as a pilot, an apprenticeship beginning in the high schools that will allow students to get a headstart, so to speak, on an apprenticeship, a bona fide apprenticeship, and so many of these areas now involve computer knowledge or computer literacy.

I was fascinated when I went on a tour not long ago of Kleysen, the big trucking firm, to see that all of their big semis were rigged with computers, so that in order to be a long-distance hauler now, the drivers have to be computer literate, because they hop into the rig, and they immediately go to work on the computer that is in the panel in the front of the truck, which, in the dispatching sense, has all the routes marked out, all the

mileage, everything, fuel consumption, just an incredible array of information there for the drivers to acquire and to make the whole long-distance hauling by truck more efficient, more cost-effective.

But that again now requires computer understanding, so the question is a good one, and, as I say, we have the one pilot beginning this September with an apprenticeship, and curriculum is being developed, and I have some information that will be coming to me from the staff in a minute that I can relay to you.

Mr. Chairman, the staff has handed me some information that I think will address the member's question, because we are talking about those last years of senior high being years in which this kind of preparation can take place for the world beyond high school.

We have technology and science resource centres helping to move technical education in the schools from a traditional craft skills emphasis to that better balance of employability skills such as, again, the areas we talked about before: problem solving, critical thinking, collaborative learning, decision making and applications across the general curriculum.

Those centres which are going to be designed to provide students with a facility to apply higher level mathematics, sciences and language arts relevant to simulations for business and industrial careers, those centres will support a new applied technology 40G [phonetic] curriculum, and it will include computer-assisted instruction, desktop publishing, computer-aided design and drafting, computer numeric controls, programable logic controllers, pneumatics, hydraulics, robotics, electronics and applied mathematics and sciences.

The computer interfaced applications trainers will be selected in concert with local infrastructure needs and industry partners. The centres will serve cross-curricular interest in electronics and/or applied technology 40G and modules of applications to the other subjects offered in the school. So we will be looking at how they apply, not just to that area but to other areas, as well.

We expect to have an additional 25 establishments for '95-96. So there are 25 centres. That is going to allow for about a total of \$1,700,000 for this fiscal year, an additional \$300,000 to complete the school year, and we hope, ultimately, to have 80 collegiates with the Senior 3 and/or 4 technology education offerings.

So we should be identifying about 50 some odd sites and supporting them over the next two or three fiscal years. Those are approximate time lines, approximate numbers.

Ms. Friesen: Mr. Chair, I want to explore this a little further. Is this the line that you would want to do it on? At the moment, we are talking generally, but I am interested in the sites and more detail on the curriculum.

Mrs. McIntosh: It actually falls under Lotteries, but we are happy to do it here, because it falls under Program Development and Program Implementation. So it is not inappropriate to ask to do it here, and we would be pleased to do that.

Ms. Friesen: Mr. Chair, the amount that is listed under Lotteries at the back of the Estimates book, is that the full amount that the schools will require in the '95-96 year, or is it like the special operating agency, and is it expected to raise additional funds?

* (1510)

Mrs. McIntosh: That is based on a school year, not the fiscal year. I should indicate that we have two pilot sites approved. One is at Portage Collegiate Institute and the other is at Garden Valley Collegiate in Winkler.

Ms. Friesen: I just wanted to follow the money for a minute. The estimated expenditure in line 16.8 is for \$2.444 million, and the minister earlier gave me a number of \$1,700,000. So that would be \$1,700,000 plus—

Mrs. McIntosh: It is \$1 million in total, with \$700,000 in one portion and \$300,000 in the other portion, for a total of \$1 million.

Ms. Friesen: That \$1 million plus then is over one and one-half fiscal years, essentially?

Mrs. McIntosh: It is one school year, and within that one school year you will have a portion of two fiscal years. So you have the one school year total of \$1 million within that two sections, each being a portion of a fiscal year. So you have \$700,000 in one of those portions, \$300,000 in another, for a total of \$1 million. That is the way the years overlap.

Ms. Friesen: The additional amount then listed in the expenditure for '95-96 is for other technology initiatives?

Mrs. McIntosh: Could you just clarify for us which additional amount you are referring to?

Ms. Friesen: Well, the minister said \$1,700,000. The estimated expenditure, under line 16.8 on page 145 of the extended Estimates, says about \$2,400,000. So I assume that there are other things in that line other than the school centres.

Mrs. McIntosh: I maybe did not make myself clear. I think I said \$1 million, and then maybe I did not make the pause big enough to say, \$1 million—\$700,000 in this section and \$300,000 in another. What I should have made clear to you was \$1 million, stop. Of that \$1 million, \$700,000 will flow in one fiscal year, and \$300,000 in another fiscal year. So it is just \$1 million in total. I think the way I said it I maybe misled inadvertently. Did I make that clear in the second explanation? Okay.

Ms. Friesen: Yes, that is fine. I know we are not looking at 16.8 right now.

I am concerned about the technology education. I want to get back to the role of technology under the New Directions program, and the concerns have been expressed to me, and I know to the previous minister, about the change in position as people perceive it in the industrial arts in the junior high school. People felt that, just like music and art and basic French, that the opportunities for industrial arts were being reduced in time by the government's timetable plans for New Directions.

Now I know those have been held off for most school divisions for another year, but my concern is about, if there is to be senior high changes in technology, and certainly an issue that I would support is linking it much more to higher level mathematics and to science, and to certainly having a curriculum that is based upon innovation and upon new materials as well as electronics. All of that seems to me to be a reasonable way to progress, but if you reduce the requirement for industrial arts at the junior high school, are you not in danger of drawing from a much smaller pool when you move into the senior high curriculum?

Mrs. McIntosh: I feel it is important to emphasize the importance that we place upon technology as being one of our foundation skills. We have identified four areas and one of them is technology because we know we are entering a world that is permeated with technology.

Choice will be there for students, and it will still allow time allocations for industrial arts at the junior high, so it is not that the opportunity for that type of training and learning will be taken away. It will be there. I guess with a lot of things I can recall way back when I was involved, expressing concern to the minister that in order to follow the curriculum as set, if we had adhered to the guidelines in terms of time that were put down on paper for compulsory subjects, we did not have enough time in the school day.

Of course, the answer was then and was in fact practised that we just simply ignored the guidelines, because there was not enough time in the school day to do all of the compulsory items that were on the agenda. We had compulsory family life, we had compulsory this and compulsory that, and there was not enough time, so we just kind of did our best.

Now we are saying that if we had a system where compulsory meant only if you could squeeze it in, let us be more conscious of our areas of endeavour. So we have identified the four foundation skills, technology being one of them, and those skills will permeate all the school and will be applied to other subjects offered in the school as well.

Ms. Friesen: In the past, industrial arts has been compulsory at the junior high level. In the future, it

will not be so. When subjects cease to be compulsory and school boards face financial difficulties, particularly in the case of industrial arts which is a more expensive program than many others, what can happen is that the expensive programs then are sacrificed. The expensive or specialized teachers then become the ones who are perhaps the first to be let go, or as those teachers retire, they are not replaced.

The same situation applies in a number of areas, but it particularly concerns me in industrial arts, because we did in the past enable all of our students, male and female, to be exposed to some aspect of working with their hands, working with materials, understanding some of the properties of materials, and one would have hoped to at least have some innovation-based technological curriculum which came out of that.

I am pleased to see the direction that the government says it is moving in to unite technology and science again and to make sure that it does not become the opportunity for only one segment of the population. What I am afraid of is that when you take away industrial arts in the junior high, you are then narrowing the opportunities for the number of students who might in the past have been willing and interested to unite their scientific and mathematical abilities with the electronic and other aspects of material-based innovation creativity that they could perhaps, under the new senior high curriculum.

Will we in fact only be drawing on a very small proportion of people who have had the opportunity to be exposed to industrial arts and to the beginnings of a new curriculum in the junior high grades? I wonder if it is not self-defeating to put a great deal of emphasis and money and time into a new technology curriculum and yet not to have built the foundations or—perhaps in the government's term—the market for that in the junior high levels.

Mrs. McIntosh: Mr. Chairman, I think just for clarification for starters is that industrial arts has always been a choice. It has not been compulsory for students except as one of a series of choices. For example, my children had the choice between industrial arts or what was then called home economics. I think they have changed the name. Both of them happened to choose

industrial arts which was one that they very much enjoyed. But it has not even been that either/or kind of a choice, because many schools provide a range of choices and electives. Some schools choose, for example, right now to have dance and choir as their electives rather than the traditional industrial arts courses.

* (1520)

In renewing curricula, all curricula will include applied real life applications including technology applications. There must be an applied focus in all subject areas. In this way all students will be exposed to the applied learning and will be potential candidates for a focus on technology education in Senior 1, Senior 4. We feel a vocational education to be very important and the focus on science and technology as the link between the academic and the vocational area is significant because the apprenticeship pilot, which students know will become available to them in the senior years, will again promote activity in the indentured trades. Technology as one of the foundation skills will help to promote the importance of the vocational programs.

I just wanted to clarify because it is an important distinction that some schools, you might have right now, no students taking industrial arts because it is not compulsory now in the sense, I think, that the member is referencing. What I expect could happen is that as we see more opportunity becoming available through, I will use again the example of apprenticeship programs, Senior 3 and Senior 4, that you might see a greater uptake on industrial arts at the lower levels because students know they can prepare for that extra opportunity at those last two years of high school which we now see as preparation for what they are going to be doing after they leave high school.

Ms. Friesen: Yes, you are right. I am generalizing from a Winnipeg 1 experience where students are encouraged to take a portion of industrial arts as well as a portion of what used to be called home economics.

I think the general point remains, where are the students going to come from for this new senior high curriculum? How is the minister going to be able to

achieve its goal of having students who are well versed in science and who have the mathematical ability and who have an interest in, I mean, it is getting across that barrier, really, the current barrier where vocational studies are seen to be for poorer students. That is a big leap and every jurisdiction in North America is facing that, or has been facing it for a number of years.

It seems to me one of the ways of making that leap is to ensure that there is a different kind of curriculum in the junior high at the time when students are beginning to look to the apprenticeships, to the outer world, to where they are going to find their place in the world, to begin to introduce them then to the idea that vocational education is not just for those who are perceived to be weaker academically.

Mrs. McIntosh: I have been watching and witnessing, with a really good feeling, a change in attitude from the public on the very point the member raises in that people are starting to accord the trades and training that it requires, a high level of manual dexterity and craftsmanship and technical ability, with the same kind of respect that it has been accorded for generations in Europe. I say hear, hear, it has been a long time coming.

I have seen it with those young people of my acquaintance who look very realistically and with equal measure at opportunities for themselves, and trades now are becoming as much sought after by the young people of my acquaintance as the university degrees and with no sense that they are settling for something second best, but rather they are exploring options that may lead to better abilities to earn money, quite frankly, than some of the university degrees.

I have a very good friend whose daughter has just completed her apprenticeship as a carpenter and has found that to be immensely satisfying and very pleased she chose that as a career option.

So I think the students, in terms of the question where will the students come from—getting off topic a little bit, but the students for the senior years technology education program will come from exposing all of our students to that type of experience, to applied learning, you will see applied learning to

real-life situations, problems in context at all grade levels in all subject areas.

I have to indicate, in terms of the involvement and the promotion of business education partnerships which I think will do a lot to stimulate interest in taking industrial arts or those kinds of subjects in the early teens or mid-teens.

Staff has just handed me a little note with an example indicating that mathematics problems must include a real-life focus on such technology education applications as logistics, robotics, electronics, et cetera, and in language arts all students have to be exposed to the skills of technical reading and writing. So those will be seen as important parts of communication, how to write technical reports, how to read them, and in doing that they will get again a sense of respect for and interest in some of those technical areas.

We do have a partnership that we are setting up between Education and Training and business and industry, and those partnerships are, I believe, critical for including work experience, on-the-job training, vocational practicum, co-operative education. We have got a committee in fact set up that includes members from chamber of commerce, school division people, Manitoba Education, in terms of developing an employability skills portfolio. That project was funded through the department's Student Support Grant program, and it measures skill areas critical to future job success as identified by the Conference Board of Canada, which we feel is a fairly good authority to give us that kind of information, and this also has a very strong business school co-operative aspect.

So in September '95 you will see all senior years schools encouraged to use this material with their students. Another area in which we are working that we feel is just invaluable and again a good working relationship has been developed with Education and Training, and that is Junior Achievement of Manitoba, and we have Junior Achievement now in rural and urban settings. They have got an excellent working relationship. There are about 300 projects right now operating in our schools, and we provide financial support to the program, fairly extensive financial support. The students who go through Junior

Achievement are consistent in their praise for what they learn through that relationship.

So we try to lead by example, by assistance, by bringing in partners from the world out there, the world in which our students will ultimately live, and we have, in terms of our own example, provided work experience for about 100 students during the year. So we have examples like River East, for example, with River East Collegiate we have got a career internship program. We are a business partner there, and students there can earn business internship credits, and this year, this summer, next month, a little less than a month from now, July '95, you will see them being able to get going with this type of initiative.

We have also been focusing our vocational education on a generic skills development model, so it is getting away from a narrow skill development as a model and allowing for greater flexibility in making choices in later years and into post-secondary areas. So that broad generic base, we hope, will encourage people to look for specialized areas that might surface in exposure, and the students then might be able to zero in on one of those specialized areas if the interest is sparked. I think those are ways in which we encourage students to participate and thus develop a body of students from which can be drawn those who will enter that area again in Senior 3 and Senior 4.

* (1530)

Ms. Friesen: Could the minister table the Conference Board of Canada report that the schools will be encouraged to use in September 1995?

Mrs. McIntosh: We could get a copy of that and bring it back and table it next round. We do not have one here.

Ms. Friesen: The River East career internship credit program that the minister made a reference to, could she explain a little more about that? I was not sure if I understood her, that the credits are to be earned by working in the department.

Mrs. McIntosh: Sixty students are involved at River East Collegiate, with parental consent. They look at

this as partnerships of course, as the member is undoubtedly aware, and they get accreditation for that work experience. They choose businesses, and we are one of the businesses that they have chosen, Manitoba Education and Training. Of those 60 students, two are with us and they will get a total of four months work experience with us, and they will get accreditation, as I mentioned earlier, for that work experience. So we are happy to have them with us. We are delighted to have them with us to be one of the businesses selected to provide work experience for some of those 60 students.

Ms. Friesen: I had thought the minister said earlier there were 100 work examples during the year. Does that mean that other schools beyond River East Division are involved in this?

Mrs. McIntosh: Mr. Chairman, we have the two different types of work that are being discussed here. One is the River East program which is where the River East Collegiate has a career internship program and has selected us as one of their businesses, and so we have two students in that category, but it is River East's program. It is their career internship program.

The other one that the member is referring to, where we have 100 students during the year, is a different program. It is one that we are in charge of as opposed to the one the division is in charge of. The one that we are in charge of we provide work experience for about 100 students a year, and they do things like they work in our library here. They usually are involved in alternative programs and I think we have some from Daniel Mac, staff is indicating. So we then will provide work for them as part of a work education.

The other is division initiated and we have responded by agreeing to be one of the many partners that they have identified for a business relationship.

Ms. Friesen: I want to go back a bit to the apprenticeship programs that the minister talked about for the senior high levels. Could the minister give us an idea of the apprenticeshipable trades that are being considered in that pilot project, where the pilot project is and the number of people you anticipate being involved?

Mrs. McIntosh: The pilot program will be with the indentured trades, and we could provide a listing of those. I think you may be familiar with them.

Ms. Friesen: I am interested in what the government is zeroing in on for a pilot project and where those pilot projects are going to take place.

Mrs. McIntosh: Right now I should just indicate that this will be open to all senior schools, regardless of where they are, any senior school in the province. There is no limitation. Wherever students indicate a desire to participate, the pilot will be made available and will take effect. So it is consumer driven in that sense. If they are interested they can ask; if they ask they shall receive a pilot program.

Right now, we have orientations going on. They started last month, they went on through May and through June, this June, so through those two months we have had orientations going on, taking place in the schools as we speak, so to put it, and we have not yet had any registrations with the Apprenticeship branch. We expect that those will come after the orientation has taken place, which should be completed at the end of this month.

What we are looking for in the pilots, as we put the pilots in place, is we want to obtain feedback from all of those who participate, and that feedback then will help us develop final policies and procedures to help us flesh out a full program once the pilot is complete. So in answer to the question, where will the pilots take place, it is wherever they are desired.

* (1540)

Ms. Friesen: The orientations that are taking place now in the schools, what would that mean? For example, has every school had an orientation and who is conducting the orientation, and what will schools be aware of at the end of that orientation?

Mrs. McIntosh: Mr. Chairman, we have orientations being put on, as I indicated, in all schools, and they are being done on a regional basis with the school superintendents, and they are being conducted by personnel from the Department of Education and

Training from our School Programs Division and from our school apprenticeship program.

So we have both areas of the department, post-secondary and K to 12 or K to S4, collaborating together, working on this project because, as you know, previously apprenticeships could not begin until the secondary schooling had been completed. So now we have this collaborative effort to begin an apprenticeship during those last two years of school, and hence we have got both sides of the department working together with school superintendents conducting workshops on a regional basis for every senior school.

We have a handbook as well that has been distributed to all school superintendents and through them to the senior schools which will help guide people and make them aware of the nuances of workers compensation, journeyman requirements, the whole wide range of issues that a person needs to know before embarking upon an apprenticeship program. In addition, trustees and industry representatives and students have joined the orientation for some of the sessions.

So it is not limited just to the administrators and school divisions. It does bring in as well businesses that might use journeymen or might use tradespeople, students, trustees and others that it is felt the orientation might benefit. So I do not know if that answers the question or not, but that is how we are doing it.

Ms. Friesen: It would be helpful I think perhaps if the minister could table one of those handbooks that is given to schools. Is that possible?

Mrs. McIntosh: Again, we can bring it in tomorrow—well, I presume tomorrow—with the other material that has been requested.

Ms. Friesen: Thank you.

If a school was to decide in the next few months that it was to take on a pilot project in apprenticeship, what is the next step? One of the obstacles has always been of course the issue of safety and compensation issues on the job and the liability of school divisions. I do not know whether the department is liable or not, but certainly school divisions are very concerned about

that. What is the next step in setting up an apprenticeship? What are the implications for the student in terms of his or her other studies and the rate of graduation and the timing of graduation?

Mrs. McIntosh: Mr. Chairman, the member will find when we provide the handbook that a lot of those questions are answered in the handbook. Just to give one answer, because the member has referenced it, and it is one that I think is of high interest and concern to all parties, and that is that whole issue of liability and compensation.

With the choice of indentured trades you will find that if the student is on the worksite then workers compensation is the responsibility of the employer. If the student is in the school then the school division assumes any liability. We have made that clear delineation between workplace and school and each body assuming responsibility when the student is physically in that area of endeavour.

I think the other questions may be answered I believe to the member's satisfaction in the handbook. If they are not, you can ask more detail and we will attempt to provide it.

Ms. Friesen: What would be the department's continuing role in this? It is a pilot project of the department to look essentially for a test group of students across the province. I am looking really for what will be the end result of the pilot. There will be an evaluation. How will you evaluate it? You will evaluate it presumably because you have had some representative basis across the province for judging it. Is it to be a one-year evaluation or will it be a second and third year? Is there a connection between evaluation and the success of the student in reaching a journeyman status, for example, which is often difficult for people in Manitoba, particularly in certain parts of the province?

Mrs. McIntosh: The member asks a good question. In terms of will it be one year or two years for evaluation, in the first year what we will be looking for are all those implementation issues. We will be looking for a very sort of broad evaluation of students in partnerships and schools. We will be conducting

interviews, possibly surveys as well, those kinds of communications to strengthen the program for year two, in preparation for year two.

* (1550)

After that we will be tracking the program for student success. We will always approve of course applications for apprenticeship through the post-secondary level of education and training, and kindergarten to Senior 4 we will approve for accreditation. Those two parts of the department will each have their own areas of examination and authority. The first year basically we will be looking for an implementation process. Long term we will be tracking the program for student success to see how well it is playing out upon graduation or upon completing the full apprenticeship.

Ms. Friesen: How many pilot projects does the minister anticipate in the first year? I do not know how the minister defines or how the department defines project. Is project a school that is involved with anywhere from one to 20 students, or does project mean an individual student who is involved in an apprenticeship? What language are we using here?

Mrs. McIntosh: It is a very good question the member asks, because in an endeavour of this magnitude where you have such a variety of interests in people wanting to come forward it is possible that an individual student could be a project. So we could perhaps identify two phases, one where you might have an individual student actually being a project because they have chosen a particular area of endeavour that is not being picked up by a lot of other students in exactly the same way. Similarly, of course, we expect that schools will have projects where you have many students involved in one activity, so it is possible that an individual student could in fact be a project. That is an interesting question. It is a good one.

Ms. Friesen: Does the minister have any sense of how many students will be involved in the coming year, in the first year?

Mrs. McIntosh: We do not have an indication as yet, and I hesitate to venture a guess. We have had many

schools indicating a very high interest and extremely enthusiastic about the opportunity that is coming up, but because the orientations are still going on and will be till the end of this month, we have not received any registrations at the Apprenticeship branch as yet, and I do not want to guess at how many I think might be coming in.

We do have a very high indication of interest from many schools, but what that will translate into, what registration, I always am reluctant to make guesses because you are never bang on, and then you have either overestimated or underestimated. It is like trying to pick an exact date. I prefer to speak in generalities until I have got a better sense of the numbers.

Ms. Friesen: Could we look for a minute at the costs of this program to the department, to school divisions, to schools and perhaps even to individual families?

Let us start with the department. The minister has two sections of the department who are connected with this, the Apprenticeship and the school programs. Is there an estimate, or is there a line that we should be looking at for estimating the cost of the department in the first year in terms of staff years and travel, communication costs?

Mrs. McIntosh: Mr. Chairman, initially what we have got for the department for producing the handbook and the orientation costs, and since we are using department people we do not have to go over and above the regular costs, we are looking at approximately \$6,000 to \$7,000 for the handbook and the orientation sessions.

* (1600)

The member had also asked about schools and individuals; we do not have that answer at the present time. We do indicate, though, that the production of the handbook and orientation is \$6,000 to \$7,000.

Ms. Friesen: Does the department anticipate that there will be costs to school divisions? Obviously it is going to depend in part upon the number of students involved and the nature of the trade, and location I would think as well, but will there be costs to school divisions and how are those to be allocated?

Mrs. McIntosh: There will be a processing of applications which will come through. We are planning to help offset that with a unit credit categorical grant of \$50 per student or unit. This credit is generally accepted as being fair, and that would assist with that cost.

Ms. Friesen: I am not sure I understood the processing cost. The school division will process applications from a school and pass them on to the department, or is it the school division that is going to actually do the bringing together of the employer and the student?

Mrs. McIntosh: Mr. Chairman, the school division would be a partner in the process with industry, with trades, so they would also have, in addition to that, the insuring of the other credits students take to make certain that they have the full complements of credit for graduation. While the schools would play a very important role in terms of making sure that between industry and them and the student that everything is processed in a good way and in a way that ensures the full complement of credits for graduation are delivered, there would be some cost involved with that, and we would be providing that \$50 credit per student or unit to cover off the cost of that for the school divisions.

Ms. Friesen: I just want to confirm that it is the divisions that will be bringing together the employer and the student, and the department is making the assumption that there are staff costs and time costs involved in that as compensation—or to assist with that, I would say, the \$50 per student credit goes to the school division.

Mrs. McIntosh: It would not always be the school division because in some places maybe the student himself or herself would negotiate a placement. The school division could be negotiating placements with industry and in all likelihood will be doing negotiating, but they would not be the sole entity doing that negotiating of placements.

School divisions would have to track students' records. Graduation requirements could, in all likelihood, be involved in negotiating placements with industry, although not exclusively—could be somebody else doing it.

They then have to forward applications to the department and receive correspondence related to that particular enterprise, and there would be time involved for them in terms of the programs ongoing.

Ms. Friesen: What are the staff and time implications for a school which became involved in this?

Mrs. McIntosh: We will learn a lot more, of course, once the pilot results are in. Our expectation, at this point, would be that those items I have just identified would probably be the full extent of what a division staff would be involved in, and as the member can see, would be fairly minimal in terms of time.

The receiving of correspondence and forwarding of applications is not an onerous task, is the responsibility, but it does not take a lot of time. Tracking the students' records, again, is not something that would be unusual for the school division to find itself involved in. It would just have a little extra component, because they would have this other thing to track and its impact on the other courses.

Of course, the possible negotiating of placements with industry may or may not be difficult depending upon the area students have asked for for their use.

At this time, we feel that the \$50 credit that we are discussing would probably help offset that cost. As I say, we will know better the realities once the pilot program is done and the results to that are in. That is the same, that \$50 that we are discussing is the same as other co-operative vocational education programming, and that is how the figure is chosen because it paralleled what we are doing for co-op.

Ms. Friesen: I am working my way through the levels, and I am wondering what the implication is for the school, for the individual school which has students in this program, whether it is one or 30. What will be required of the school in terms of staff time, supervision, timetabling, supply of equipment, and transportation?

Mrs. McIntosh: There should not be any costs to the school itself because in an apprenticeship program the apprentice is paid. The apprentice will be paid as they

normally are by the employer, and the school would not be picking up any of that cost.

* (1610)

In that sense it is a very true partnership with industry in that you have the normal relationship between apprentice and the hiring authority or the person directly involved with providing that apprenticeship training. That includes the transfer of funds to the apprentice for the work that is being done during the apprenticeship time. The school does not pick that up. The school should not have any cost. Transportation would be the student's responsibility and so on. It should not cost the division money in that sense. It should not cost the school, I am sorry, money.

Ms. Friesen: Will there be any time requirements for—and I do not know what term to use—supervising teachers? Is there going to be any connection between the employer and the teacher, or is really the role of this program simply to encourage divisions to bring together employers with younger apprentices than they might have otherwise been able to look at? I am trying to get at the additional educational component and if there is a model here of the German or European practice. One of the elements of that practice has been the relationship between the school and the employer. How do you anticipate that developing, and how are you building that into the pilot program?

Mrs. McIntosh: This is how we see the alignment occurring. We will have apprenticeship standards for the indentured trades program become more evident in the large regional schools and collegiates having vocational industrial offerings. There will be an increased alignment of standards, and articulation arrangements are expected to increase between schools and the Apprenticeship branch.

The Apprenticeship branch will be responsible for monitoring, but trades training will become more closely tied to the industry demand for the training. You will see it becoming more evident, apprenticeship standards in large regional schools and collegiates with vocational industrial offerings. The Apprenticeship branch will do the monitoring, or will be responsible for seeing that monitoring is done.

Ms. Friesen: On two elements of that, one is when, and this is a simpler one, the minister says the department will monitor, I just want to be clear on that. Does that mean that the Apprenticeship branch of the department will be monitoring the placement and advancement of the individual students in this program as they do other apprenticeships, or will it be something different for these, essentially, 16- to 18-year-olds?

Mrs. McIntosh: They will monitor as they do for apprenticeship because this is real apprenticeship. In the past students who wanted to go into apprenticeship at the age of 16 would inevitably quit school and go.

What we are saying is, they do not have to quit school to go. They can stay in school and still begin their apprenticeship, and we are hoping that those who are eager to get started in an apprenticeship, this will give them an opportunity to do that at the age they might like to do it without having to leave school to do it.

So part of the desire here is to encourage children, students—I should not call them children at the age of 16, they do not seem like children anymore. It is a two-pronged approach, one we wanted to make available to people in school, the opportunity to begin their apprenticeship work. The other was that we wanted as well to retain in school those students who might otherwise feel, if I want to get an apprenticeship, a bona fide, true apprenticeship, I have to quit school to do it.

We did not want them to do that. So it has got the two-pronged approach. Therefore, the apprenticeship, being a true apprenticeship, will be monitored and supervised as any apprenticeship is by the Apprenticeship branch.

They will have the added support, however, of also being a student in school with those ties to the staff in the school, which is something that would not be available for those who had left school and went into apprenticeship.

Ms. Friesen: Does the monitoring by the Apprenticeship branch involve regular site visits to the workplace and how regular?

Mrs. McIntosh: That question probably should be asked under the post-secondary section when we have got the deputy here and we can give a more complete answer. I can tell the member right now that the Apprenticeship branch has to ascertain and make sure that the safety standards, the apprenticeship credentials and the alignment with standards are all as they should be. How many trips to the site that requires, I do not have that now, but when we get to post-secondary I should have staff here that would have that detail.

Ms. Friesen: The earlier question I was asking, and I was drawing very generally from the European approach to apprenticeship, is that there is a link between the school and the worksite so that such apprenticeships are somewhat different than the standard apprenticeships as we have known them in the last couple of decades in Manitoba and elsewhere in Canada.

One of the advantages of this is that the employer can say, look, X or Y meets this, brilliant in this but needs this, and that the school is there to provide that ladder instruction that will enable the student to stay—and they are still relatively young, 16 years old, to be in an adult workplace—enable them to be successful. So that is what I am looking for. What is the link between the school and the employer, between the education and the workplace education?

Mrs. McIntosh: Again, a very good question, and it is one that as we proceed through the pile we will be searching out that kind of detail, because if you have got two partners working on growth and development you have twice the opportunity for growth and development to occur. So we will be, as we go through the pilot, looking for the right balance there between the school and the apprenticeship people.

Whether we end up with an exact replica of a European model or something more tailor-made to our own particular experience as yet is not fully determined. Again, looking at successful endeavours in other parts and other places and then essentially going with our own experience as the pilot evolves, what are people telling us, what are they thinking, how are they evaluating it, what suggestions can they make for modification, all those things we take into

consideration for Phase 2 after the pilot year is complete.

* (1620)

Ms. Friesen: Under the guidelines that are contained in the handbook or not contained in the handbook, perhaps are being dealt with at the oral orientations, who is it proposed is responsible in the school for that link with the employer? If the employer wanted to talk to somebody in the education life of the student, do they talk to the superintendent, that is, do they deal with the division, or do they deal with the school, do they deal with the principal or do they deal with the industrial arts teacher? What level are these linkages, perhaps many linkages, being made? How are we making that link under the terms of the pilot project between the education and the workplace?

Mrs. McIntosh: We have not mandated a hierarchy of contact, and we are saying that we believe the school division could make an indication of who they feel in their area would be the best contact person, and it may not be the same person in every division, I mean the same position. It may be that in one division they decide to make it be person X and in another division it may be person Y.

Ms. Friesen: I wanted to go back to the Portage la Prairie and Garden Valley schools which are two, I gather the two pilot projects under the—what is the term that is being used—scientific technology centres—technology and science resource centres. I understand the minister to say that eventually there will be 25 establishments, no, '95-96 there will be 25 and eventually there will be 80, but this coming year there will be two, Portage la Prairie and Garden Valley.

Am I right on that sequence, first of all, and secondly, could the minister tell us why those two schools were selected for the pilot?

Mrs. McIntosh: I should indicate that those two are already, they already have those. The 25 that will come in will be in addition to those two, and then ultimately we are anticipating about 80, but whether they are there now or just starting next year, your question is why those two particular schools.

They, quite simply, were the first two who met the criteria to apply, so they were first off the mark with the request to apply and they met the criteria, so the department said, you are on, we will be off and running.

Ms. Friesen: How were those criteria communicated, and what were the time lines on that? How did the department distribute its requirements?

(Mr. Peter Dyck, Acting Chairperson, in the Chair)

Mrs. McIntosh: Essentially we had these two particular schools showing the initiative of approaching the department and indicating that they wanted to proceed with this. This was not a formal pilot, the one that they are involved in now, it was a precursor, so to speak, and it was because of the enthusiasm and interest generated by this endeavour that now the formal pilot program is taking place—project is taking place.

Essentially these two particular school divisions, in terms of criteria, had a number of things that had been worked on over the years, put into place, and a proven track record, and those were some fundamentals that are necessary for this type of thing to work. They had developed very close working relationships within the schools and within the community.

In both of those pilots, they had strong support and advice from the business and industry partners, strong support and advice from trustees, from teachers, from superintendents, and were able to indicate their ability and willingness to work with Department of Education and Training officials. So you sort of had all the bases covered in terms of working relationships, which were really important to begin to do this.

They had a very relevant mathematics, science and language arts indicated as an outcome expected, and they expected and identified as an outcome, as well, that they would have consistent and higher standards as set by industry and so on. They had a core technology experience, education experience which was available to all the students in the school. And they had a program which could be supported on a shared-resource model, manageable under current restraints.

They wanted and could benefit from a strengthened local infrastructure which results from enhanced community involvement with the school. They had a facility created out of department initiative.

Anyhow, they had been sharing resources at the local level, which was, we felt, important, and they were able to produce. So the schools made a financial contribution equal to or greater than the grant the department provided, and we felt that was significant as well. What happened when they came forward with this request, of course, is that then as they began to talk to us about it, the word kind of spread, and as the information about this became known to other divisions, they became very enthusiastic and said we would like to try it too. And a number of them were also indicating that they were able to meet the criteria of business and industry and department working relationships. At that point we decided to go on a formal pilot, but we started with these two on an informal basis, and that has been a very useful experience to them, I hope, and to us very definitely.

The criteria were essentially those of good working relationships with industry and the ability to share resources and having the technological education ability to offer that to students in the school.

* (1630)

Ms. Friesen: How much money did each of the schools receive and how much money did the schools themselves put into the program?

Mrs. McIntosh: Staff is just looking up that information. While they are doing that I should just indicate that now that we have an indication that we will be setting up other centres of this nature, the criteria, of course, will become more specific. You will see that we will begin looking for the order of submissions, who comes forward, regional placements, readiness to meet the criteria for involvement. At the present time we have some larger number of schools who have indicated readiness and interest to proceed and we have not invited any schools to apply for funding and we have not confirmed that approvals have been incurred for all of the schools who have expressed an interest, but we will be encouraging schools in this

endeavour. As time goes by, and hopefully not too much time, we should see ourselves entering into a wider ability with the technology of science resource centres, as I have indicated, moving from the two to the 25 to the 80 over a period of some very few years.

Staff has just handed me a note indicating that \$40,000 came from the department. The local boards have allocated the \$40,000 as well as the equipment, the facilities and the upgrading that is necessary to make the pilots work. So they are contributing money and, in kind, provisions.

Ms. Friesen: Does that mean that there was, Mr. Chairman, \$20,000 to each of the schools for a total of \$40,000 departmental input?

Mrs. McIntosh: That is \$40,000 per site, so a total of \$80,000.

Ms. Friesen: I just wanted to clarify the \$40,000 that came from each of the school divisions. That was \$40,000 in cash plus facilities upgrading or was it upgrading, et cetera, et cetera, to the total of \$40,000?

Mrs. McIntosh: It is the \$40,000 plus. So they put up \$40,000 cash and in addition to that provided those other items.

Ms. Friesen: As I am understanding the minister, the selection of these prepilot schools was not done from an open list, it was done at the initiation of the two schools themselves. What led those two schools to assume that there would be a matching grant for such a proposal?

Mrs. McIntosh: I do not know what led them to approach us in terms of their own private motivations, but I do know that this concept of apprenticeship had begun to be discussed here, there and everywhere, so to speak. It truly was sort of a grassroots request, but it was also one that the department was starting to display some interest in achieving.

So you had a happy juxtaposition of occurrences in that you had two school divisions coming forward as they did on their own and saying we would like to try to get into something like this, here is our rationale.

We have rationalized our projects. We would like to make a request of the department and we would like to make a request for financial assistance from the department. The department weighed everything and the minister weighed everything and decided to grant the request because it was a good one.

It is really exciting when as a ministry and as a department you are starting to think about going down a certain road and all of a sudden you have a couple of schools come forward and say we would like to go down this road, too. When you have that timing coming so beautifully together, it is just a wonderful way to have things evolve.

The department and minister were pleased to grant that request, and from that has come a full pilot project and, I believe, a really healthy thrust for the future all the more delightful because there were people out there who wanted to take the initiative and happened to find a department who was eager and willing to respond. So the timing was excellent.

We do have other schools who have indicated interest, as you know, and we will be working with them in the next number of months to review their own indications and their priorities and intentions to see what we could do to assist them. Long may schools come forward with these interesting ideas. We are very grateful.

Ms. Friesen: Did the two schools come as one, with one single proposal?

Mrs. McIntosh: No, they did not.

Ms. Friesen: How did the department take those two different proposals and create a single program out of them?

Mrs. McIntosh: What we had was a situation where a concept the department was beginning to explore, by which it was intrigued, a concept that the minister was very keen on seeing developed, was presented in a slightly different form by two individual schools who while their proposals were not identical to each other, nor identical to specific ideas that might have been in the minds of the Department of Education and Training

people, there were nonetheless such strong similarities in the basic principles and in the essence of the program that it was possible upon presentation to take idea one from the field and idea two from the field and the basic idea being explored by the minister and the department and jointly develop a program that met all of the essential premise put forward by the two schools. Here we had two sites in which this could be informally tried.

It was just basically, you want to do this and you want to do this, well we want to do something similar. So how about we do it this way? Both schools said fine, that has the basic principles and the essence of what we were looking for. It may be slightly different here and there, but not much. So we are off and running, and there we went.

* (1640)

Ms. Friesen: Are either of these schools, could they be classified in any way as regional technical schools? I am thinking of Sturgeon Creek, Selkirk. What is the comparison between these two schools and those regional technical schools?

Mrs. McIntosh: Garden Valley is a regional school. Portage la Prairie is not a regional school. So you have one of each type in that informal pilot.

Ms. Friesen: Could the minister give me the dates, approximately, of when the schools approached the government and when the program was developed?

Mrs. McIntosh: We are approximating here so we may be off slightly, but I believe it was the spring and/or fall of 1994.

Ms. Friesen: Has there been an evaluation of these prepilot projects?

Mrs. McIntosh: There will be a property evaluation done at the end of this school year. We will wait to do that, of course, until the school year is complete. Obviously there is enough preliminary evaluation, just in terms of monitoring and exposure and reaction for us to want to proceed with allowing a pilot in those other 25 centres. In terms of a fill-them-out detailed kind of

evaluation, as soon as the school year is over, then we will begin to get that prepared.

Ms. Friesen: I will assume that the two projects are similar in the schools, and if they are not let me know, but I am talking of them as though they are one. What has it meant for the school to have had that additional, or at least to put together this \$80,000 in the case of each school? Has it meant changes in curriculum? Has it meant new resource materials? Has it meant a separate room? What has it actually meant to the school?

(Mr. Assistant Deputy Chairperson in the Chair)

Mrs. McIntosh: Basically it has allowed them to acquire some of the technical equipment to develop a lab-type setting, those kinds of things.

Ms. Friesen: Are we speaking here of a broad range of equipment, or is it predominantly computer equipment?

Mrs. McIntosh: Predominantly computer equipment.

Ms. Friesen: Is this related to the teaching of computer skills, or is it related to the teaching of other areas of what used to be called industrial arts?

Mrs. McIntosh: Yes, primarily the electronics program and, as well, they will be looking at the opportunity or the ability to extend to other academic areas.

I indicated earlier—and this again would be the emphasis on computer-assisted instruction on the computer-aided design—those programmable logic controllers and all of those indicators, hydraulics, robotics, electronics, those types of things. It is going to try to serve cross-curricular interests, I think is the best way to put it, in electronics or applied technology and those types of things. They try to have modules of applications to other subject areas.

Ms. Friesen: I have visited Selkirk Regional secondary school, and I am familiar somewhat with Sturgeon Creek. It seems to me that both of those schools are already doing what the minister describes.

I am wondering what is different about this program that would lead to it being considered a pilot project for new science and—I lost that terminology again—resource centres.

Mrs. McIntosh: Indeed I have high praise for both of those educational institutions mentioned by the member, one of which several members of my family attended and from which several members of my family graduated. So I have a particular—and all of the Chairman's children as well—so we have great familiarity with the regional expertise and the vocational applicability of one of those two very fine schools.

What we are talking about here—and schools like those will have a much easier time entering into this kind of program, because you are quite right, they already do have some elements that already apply, so in that sense, they are leaders—but what we are talking about is one wider facet than many of those that they currently do, and that would be to respond to local infrastructure needs in terms of saying, what does industry need us to do?

It is really good to have partnership with industry and have industry come in and say, we will help you with training here, here, and here, or to have the school say, we want our students to learn plastics, which is very important right now.

The next level is to say, what can we do to assist industry in terms of specific infrastructure needs? It is a slightly different focus for those schools that are already involved with some excellent industry-school partnerships and a little more growth and more genuine, meaningful relationships. And so we say, we have a good thing going, let us build on it and have a topnotch shared resource model with department and school division contribution. To schools that may not be as well developed as the two referenced by the member, a technology education experience being developed and available to all students in the school would give them opportunities not currently available.

The member's comment is an intriguing one, because we do find that, depending upon the school, the region, the needs, the surrounding infrastructure, et cetera,

some schools will be much closer to running with this than others, and our goal is to see that all have the opportunity to run with it. Those that are close to approaching that right now will not need much of a boost to get them into that full partnership of anticipating infrastructure needs in a very real way, not just in a theoretical way.

Ms. Friesen: In the case of Portage la Prairie, how is that link between industry and the school and this particular program maintained? The minister suggested that the difference between this and schools like Sturgeon Creek, Selkirk—and we might put Winkler in that context then if it is a regional secondary school—was that these new programs were to approach industry and say how can we help industries rather than simply just to be perhaps more loosely connected. She talked about a genuinely meaningful relationship, and the opportunity for schools who are not so well developed perhaps in equipment as the regional secondary schools, to give them opportunities that might not be otherwise available.

* (1650)

What I am looking for is—I am using the example of Portage la Prairie since it does seem perhaps closer to the model that the minister wants to look towards, that is, not a regional secondary school, presumably not as well developed earlier in equipment and in relationships. Could the minister tell me what in this pilot project linked that school with local industries and how it has been able to help local industries? I know you have not done an evaluation project yet, but presumably there was a school plan, and there was some indication of the goals that were set.

Mrs. McIntosh: When we start looking at employability skills and we start asking industry what they are looking for in terms of employability skills, we get this kind of response. They say that they want to see a better balance with the demands such as problem solving, critical thinking, collaborative learning, decision making and to try to move schools into that kind of employability skills training as opposed to the traditional craft skills emphasis. Nothing wrong with craft skills emphasis, very important in fact, but they are looking now for these other types of skills that were

not taught directly as skills before. They were often learned, but learned as sort of ad hoc side effects, unplanned for side effects from some of the craft skills training, so what they are now saying is that we do not want it just to happen by accident as a side effect of a certain skills training. We would like to see it taught as an identified employability skill. So that type of thing, I think, is a very important fundamental shift in approach and a shift in emphasis.

Ms. Friesen: Mr. Chair, I am looking for the link between the school in Portage la Prairie and the local industries and how that link was maintained. The minister initially indicated that the goal of this program, or at least the implications for the school, had been new equipment. What she seems to be talking about now seems to add to that with suggesting a different kind of curriculum or a different application of existing curriculums. Is that the case for the Portage la Prairie school in the past year?

Mrs. McIntosh: When we do the evaluation report, our criteria states that an advisory committee needs to be struck with industry as a strong component partner, member, whatever terminology you wish to use, as fundamental to that committee. They will then ascertain and determine if the employability skills are the ones that they have identified and that they have been met, and we will be looking at seeing those employability skills, not just in this arena but in how all these things students are learning assist them once they have left school and are out into the marketplace seeking employment.

In science and technology resource centres the computer technology can be programmed, as you know, and reprogrammed across time to reflect the changing community, business-community partnerships and the requirements that they set in terms of generic employability skills, so we will have that kind of feedback specifically as part of an evaluation process on what has been happening in the last year with those two particular schools. So we should have a much more detailed answer available once that is complete.

Mr. Assistant Deputy Chairperson: Any requests for approximately a 10-minute break? [agreed] We will resume at 10 after five.

The committee recessed at 4:59 p.m.

After Recess

The committee resumed at 5:14 p.m.

Mr. Assistant Deputy Chairperson: Call the committee to order.

Mr. Gary Kowalski (The Maples): I understand we are on education reform, and looking at the objectives, the Activity Identification, I notice that one of the ones from the previous year's Estimates, one of the activities identified was to produce and distribute an interdisciplinary video disk-based teaching unit at the middle years level. I see it is not in this year's identification, so I assume that task has been completed, or has it been dropped or what happened to that?

Mrs. McIntosh: A multimedia middle years unit will be developed this year. Last year we used that to pay for the Internet charges, and it is in this year's line estimate because it is an activity that will be continuing. The thrust that we will be doing this year will be that middle years.

Mr. Kowalski: To understand what the minister is saying, this is a project that was put on hold because the monies were used for other projects and now it is going to continue, or is this something that is still in progress? I am not too sure I understand what is being stated here.

Mrs. McIntosh: Last year that money, '94-95, that year, was used to pay for the Internet charges. This year, '95-96, that activity is ongoing and will be used for a multimedia unit for middle years.

Mr. Kowalski: This is the middle-years concept or philosophy. Different school divisions approach it in different ways. Some divisions appear to be approaching it as nothing more than a grouping of students as to grades and ages where other divisions seem to be approaching it as a philosophy of recognizing that children in the middle years are adolescents with special needs. What lead role has the

Department of Education been taking, and what philosophy of the middle-years concept does the Department of Education adhere to?

Mrs. McIntosh: Back in 1984 there was a middle years source book that was developed here by the Department of Education and Training, and that is basically what we are using as we continue to work with kindergarten to Grade 4, Grades 5 to Grade 8, and then what we now call Senior 1 to Senior 4. I have been minister now for a month or so, and I am still wanting to say Grades 9 to Grade 12, but Senior 1 to Senior 4 being the last of those three basic categories.

I do not know if the member is familiar with that 1984 middle years source book, but I think it does have a philosophical component about—the member identified it is in his remarks in the question about, you refer to special needs—and that maybe is not an inappropriate way to refer to the period of adolescence and the emerging of puberty and that type of self-awareness that students come to. They start wanting to assert their own authority, and those are all very good things, but they require very special handling.

Project evaluation criteria are being developed for the middle years multimedia software that will go with that, and they will be reflective of a middle years philosophy, and we have previously articulated that in the source book.

Mr. Kowalski: Moving to another subject, I do not know if I am in the right place, physical education, to talk about physical education in the senior years. Right now where are we in the curricula? Physical education is mandatory to what grade, and what grade is it optional, and what grade is it maybe even not available?

Mrs. McIntosh: It will be mandatory from kindergarten to Senior 2, the old Grade 10, and during those years students must have a physical education course, and they can have optional beyond that.

Mr. Kowalski: Just from last year's Estimates book, under Activity Identification, the first one listed is develop a K to Senior 4 curriculum framework. In this year's Estimates book, it more specifically says develop

a K to Senior 4 curriculum framework in English language arts, mathematics, science and social studies. What about the rest of the curriculum? Why does the Activity Identification not talk about many other subjects which we talked about earlier in Estimates, that sometimes by singling out certain subjects we give more importance to, and there are other subjects that are very important that are part of the curriculum? Why does the Activity Identification only list English arts, mathematics, science and social studies?

* (1720)

Mrs. McIntosh: In the '95-96 Estimates, the ones that we are doing right now, our target is to have those core areas that have been identified—the mathematics, language arts, science, and social studies—developed. We have the arts and physical education as a target for completion for September '97. So what you are finding is that we will be zeroing in on courses, not all at the same time, but on a planned approach, certain ones this year, certain ones next year, certain ones the year after that.

Ms. Friesen: I wanted to get back to the issue of the Portage la Prairie and Winkler schools who had the \$80,000 of additional grants to enable them to purchase electronics material and equipment, and I was concerned about the connection to the local industries. I was using the example of Portage la Prairie and asking what the connection had been during the past year to the local industries and how that related—I did not add this at the time, but what I am concerned about is the minister's responses about this program have all related to employability, but the program is a science technology and science resource centre.

I am interested in the educational changes that have come about as a result of these resource centres, and the minister also indicated that the link to industry was one of the main criteria by which these schools had been selected. So I was looking for some examples from Portage la Prairie of the linkages to those industries, which industries were involved, and how was the connection to the school made?

Mrs. McIntosh: This is one that I will have to bring the details for to the member. We will get them and

bring them in. We do not have a listing of those industries here with us today, but we will provide them as soon as we can get them, and we will try to do it quickly for her.

Ms. Friesen: Would the minister be prepared to table the proposals from the school, the formal proposal?

Mrs. McIntosh: We can provide the proposals that the department itself has prepared on the science and technology centres, but before we bring in the school-initiated ones, because it is third party, we need to get their okay. It is just sort of theirs right now, but we could check and if they have no objection if we take their proposal and file it, then we will check with them and see.

Ms. Friesen: I am interested by that principle that the minister is indicating there. Does that mean that any time any third party writes to the department that the department must return to that third party before it deals with the information in that material in the public record?

Mrs. McIntosh: The staff advises me that it is sort of a normal courtesy they try to provide, that with something like this where it is a school-developed proposal or another example that staff indicates is application for a special needs child or something like that, you know, an individualized education plan, those types of things, as a courtesy, they normally try to check with the division before they sort of release it into a venue other than the Department of Education.

That is sort of the habit that they have. That is the tendency that they have evolved over time to just have that courtesy. It is not, I do not believe, a mandated law. It is just a practice of courtesy that has evolved with certain types of information. I guess it would not be anything like some of the very generic-type things. It would be slightly different.

Ms. Friesen: I can understand the concern and the care surrounding an individual, but this is a public body applying to another public body with a public proposal for a public school program for which public money will be granted. I can understand the minister's desire to be courteous to all her partners, but I am looking at

the principle here and wondering why that principle is being applied in that way.

Mrs. McIntosh: Staff indicates that as a normal way of conducting a relationship in situations like this with school divisions, that what they normally do is just make a quick phone call to the division because when a division presents proposals to the Department of Education they are not always aware that it could be used in some way other than what they intended, which was just information to the department.

I do not anticipate any difficulty with that, but in terms of fostering a working relationship where there are no surprises, so to speak, as a courtesy they generally check with the division and just say this has been requested, do you have any problem?

Chances are there would not be any problem. It is just that indication of good corporate working relationships that they have that kind of courtesy for each other so that everybody knows what is going on at all times.

* (1730)

Ms. Friesen: If a freedom of information request was made, would that same step be taken?

Mrs. McIntosh: I am not an expert on The Freedom of Information Act. I do understand that in The Freedom of Information Act, information about grants would probably be released. Information about third party has some restrictions on it. Whether or not it would apply here, I am not totally certain.

It is not a freedom of information thing that staff has advised me on. It is just this concept of when they are trying to establish good working relationships with other jurisdictions, be they elected jurisdictions or it could be home and school which is not elected by the public although it does have an internal election mechanism.

They have been working really hard to develop a kind of relationship where they have good communication as to what is being done with their material if they possibly can in advance of them doing

something with it so that the other party is not taken by surprise by some media article or something like that that they were not expecting.

It is not because of Freedom of Information that, I am told, they have developed these lines of courtesy. It is just simply that, courtesy.

Ms. Friesen: I look forward to the minister bringing a version of the proposal.

Mrs. McIntosh: Staff will give that courtesy call to the division and ask if they have any objection to us tabling their plan, and we will get back to you on that issue.

Ms. Friesen: The next step in this science resource centre plan is to have 25 schools involved this coming fall. Could the minister indicate how those 25 are being selected? Was there a project call? How was that communicated? I assume that the criteria we talked about earlier are the same criteria that are being used this time. I think actually the minister was reading from this year's criteria. Does she have any sense yet of the geographical distribution of those 25 schools?

Mrs. McIntosh: There will be a call. A number of divisions have already expressed a great deal of interest in this area, but there will be a call. They will indeed be assessed against the criteria, and I will just indicate the evaluation criteria.

I will just quickly read the points that staff have passed me here. There has to be evidence of a partnership arranged between the school, local business partners and the department; an advisory committee to include industry; program credit, module articulation with other secondary courses or programs such as the sciences, mathematics, computer studies, language arts, home economics, industrial arts, vocational-industrial, business education and/or the esthetics.

They have to have an adequate enrollment in Senior 3 and 4 technology education; a work education component in program implementation; the provision of trained and certified staff to manage the TSRC; release time for teacher training upon TSRC, the technology science resource centre; release time for

teacher training upon program establishment as arranged by the vendor of equipment; school-based funding for teacher in-service and an individualized approach to instruction, a system compatible with distance education and technology supports; modular curriculum supports; the school provision of acceptable existing space; school-based funding for required renovations to prepare the space for the program; preparedness to facilitate visitations from other schools in the planning stages for the same initiative support; preparedness to maintain and upgrade the facility over time; provision for facilitating the monitoring and evaluation of program outcomes, and a communication strategy at the local level to promote the facility.

Those are some of the criteria against which evaluation will be assessed when the call goes out. I had read into the record earlier three basic criteria that were originally measured against—the two that were starting up in the informal pilot. That now is the listing of other points that will be looked at as we go into formal piloting.

Ms. Friesen: Could the minister give me an idea of the timetable on this? When does the call go out? What are the deadlines? Is the call going to every individual high school or is it going to the superintendents? What is the deadline for the selection of schools?

Mrs. McIntosh: We anticipate that the call will be going out near the beginning of September. It will go out to everybody. We will keep a running list of those schools that indicate interest, the divisions that respond. As soon as we have 25 schools on that running list that meet the criteria and that are ready to go, then they will be given the green light.

So you know what we are saying is if you are really interested, get in early because it will be the first 25 that meet the criteria that have expressed the interest that we feel are ready to go that will be given the green light. That will depend I guess in terms of timing on how swiftly the responses to the call come in and how long it takes to determine if we have 25 who actually meet that criteria.

In terms of who it goes to, it will go to superintendents. That is sort of a normal practice that calls go out to division superintendents because they are generally the ones in charge of educational programming and are the leaders in that area in the schools.

Ms. Friesen: I am still looking at timetables here. So the criteria and call will go out in September, and the schools will respond for programs which will begin in the fall of '96?

Mrs. McIntosh: In terms of the timing we do anticipate that these will be all up and running by September '96. They could be up and running a bit earlier though because it is the kind of program where you do not need a traditional kind of start-up date where you start in September and you go the first semester, if it is a semestered school, or the beginning of the year, if it is a nonsemestered school, because it is possible to start something like this up in October or November of this coming year if people are ready and have everything in place and are ready to go.

We already have 14 schools on the running list that I referred to earlier. Without naming the schools themselves, I can indicate that we have three in the Parkland-Westman area; we have one in south central; we have four in the southeast Interlake area; we have two in Winnipeg; and we have four in northern Manitoba that have written to express interest.

I said we would keep a running list and they are on that now. That is in advance of the call, so to speak, so this thing has just caught on like wildfire in terms of the response from schools and school divisions. They are really keen and we are glad they are. We will be running along with them.

It is one of those initiatives where we are not having any trouble at all attracting interest. The interest is very high indeed, and a lot of people are being very proactive about getting in on their own initiative to try to get this type of thing started in their divisions. We are pleased about that enthusiasm. To me what it signals is that by the time we are looking at having 80 functioning across the province that we will not have any lack of interest in being one of those entities.

Ms. Friesen: The 14, I am assuming, are not schools which have been evaluated according to the criteria. These are simply schools which have expressed interest?

Mrs. McIntosh: That is correct. They have simply expressed interest and they have not yet been evaluated.

Ms. Friesen: Could the minister tell us how much money is available to each school who is eventually approved under this first range of pilot project, the 25?

Mrs. McIntosh: The same as the first who were involved in the informal pilot, which will be the \$40,000 from the department matched by \$40,000 from the division plus whatever the division needs to set up in terms of facilities, et cetera, that cost to be born by the division.

Ms. Friesen: Is the minister anticipating in the selection of schools that there be any limitation by division? For example, is it possible to approve more than one per division, or has the minister in the criteria indicated that there would only be one per division or up to three or up to five or whatever?

Mrs. McIntosh: This is going to be applied to schools not divisions. We will be looking at any school that has this as a program where they have technology and that type of thing as a program.

That might mean with some of the larger divisions, if they have got more schools who fit the criteria say than a smaller division, they might indeed have more than one, or if they are very small, you know, it is not going to be tied to division boundaries. It will be tied to schools and their ability to deliver the program to people in the area around the school. There are going to be incentives for further adaptations of the technology.

My staff have just handed me a little note. It says regional schools with hub labs are considered supported, and they are excluded under this proposal because they have that support there right now, but schools having Senior 1 to Senior 4 technology education are targeted for support.

Ms. Friesen: Mr. Chairman, I am not quite sure of the schools who would be restricted from applying for this. We have talked already of Sturgeon Creek, Selkirk, but Winkler was allowed to apply. So, for example, how is the minister defining these hub schools?

Mrs. McIntosh: I think what might be helpful for the member would be if we supplied you with a list of those schools that are considered hub schools, and we will bring that in to you, and then you will get a better sense of where they are and what their capabilities are right now. They generally tend to have an awful lot of this electronic equipment and everything in there right now, and they will attract larger areas. We will bring that list in, and I think that might clarify it for you.

Ms. Friesen: Is it possible under the criteria of this program that schools could form partnerships and apply? I am thinking, for example, of either within school divisions or across school divisions.

Mrs. McIntosh: Yes, it is. It is the kind of partnership thing we are trying to encourage. If you can find ways to come together and do things jointly, we encourage it. Certainly, for this particular model, if two schools wanted to get together, and if together they present a proposal that fits the criteria, yes, that would be considered.

Ms. Friesen: We are looking here, I assume, at one-time only grants. These are, in a sense, start-up grants for technology equipment, which the government hopes will expand into new curricula, new programs. Is that the goal?

Mrs. McIntosh: That is correct.

Ms. Friesen: I wanted to look on this line at the issue of the cost of all those blue booklets. Could the minister perhaps give us a list, first of all?

Is this the appropriate line to look at that, the cost of communication for the reform renewal program, the educational?

* (1750)

Mrs. McIntosh: It is the right line.

Ms. Friesen: Could the minister give us a list of the booklets that have been produced to explain and detail the government's proposed changes in education and the cost of them? I am thinking primarily of the blue books, the Action Plan, the ones that deal with guidelines for school councils. I think there are four of them, at least. Where is the cost for them assigned? Is it assigned just on this line 16.(2)(b)? What was the total cost, including last year's amount?

Mrs. McIntosh: The four booklets are the Blueprint, the Action Plan, Guidelines for Parent Involvement, Parents and Partners. We do have the figure—we do not have it here—and we will bring that in. But those are the four documents.

I am just wanting to indicate to you that we will be bringing you back the cost for. I believe those are the four that you are looking for, Blueprint, Action Plan, Guidelines for Parental Involvement and Parents and Partners?

Ms. Friesen: Yes, those are the sort of eight and a half by 11 ones. I think there was also another brochure that went to households which was a foldout sheet. It was a summary.

Mrs. McIntosh: Staff advises they can get all that information and we will bring it in. I will just make sure those are the topics they are looking up for the cost.

Ms. Friesen: I am looking for the cost of total production, beginning with writing, the editing and the distribution and the cost of printing and production. Mr. Chairman, I am sure that some of those costs are contained in other years and on other lines, as well. So I am looking for a full accounting.

Mrs. McIntosh: We will get that and bring it back. I am pleased the member is interested in this because this falls into—I know sometimes people will say, well, you are putting out too much information or you are not putting out enough information, but on this one I am pleased because what I hear inherent in the question is a desire that the people receive information, particularly on a major change, and I am pleased to hear that. We will get that cost for you.

Ms. Friesen: I want to ask about one of the lines in this area and that is library resources for students throughout the province. It does say in this section, line 2.(b), that one of the goals is increased accessibility to library resources for students throughout the province. This is one of the standard annual repetitive lines. This is not a new function for this section of the department. I am wondering how this is different from the area later which deals with library resources and what has been achieved in this department, this section of the department, in that area of library resources.

Mrs. McIntosh: This would actually appear under Program Implementation. The linking libraries electronically, I think, we did talk about it briefly somewhat the other day. It is under Program Implementation that you would see that linking libraries initiative. It is a new initiative, and it proposes to electronically link school libraries, public libraries, colleges, universities, governments through telecommunications and through having that, sort of, one central resource, to have it be province-wide in terms of electronic access, insofar as reality permits.

Ms. Friesen: What line would that be under? Where, under 16.2(f)? Would that be Program Implementation? The minister is talking about a new initiative.

Mrs. McIntosh: Item 2.(f) would be where the other forms of library information are contained.

This one is a new initiative, so we are okay on this line. I am just indicating that there is more on libraries, and that would be under Program Implementation, which I understand is 2(f).

So you are not wrong on the line you are on, I am just saying there is more information on libraries in 2(f), that is all.

Ms. Friesen: My colleague from Transcona would like to ask some questions.

Mr. Daryl Reid (Transcona): I had some communication with constituents who are worried about the Ministry of Education's policy. It started with the former minister of Education, when he announced

there was going to be a cut in the basic core French programs that were taught in the English schools, as my constituent refers to it.

My constituent has indicated to me that they are in complete disagreement with that policy direction and have indicated to me that it is going to cause some problems for them in their family, in that their children could not attend the immersion program, therefore would not be eligible for the French language instruction.

If the French language instruction was eliminated from the English school programming, then their children could be hypothetically disadvantaged in the future from employment opportunities if a second official language was a requirement.

Can the minister explain what the policy is with respect to the basic programming with French language instruction in the English programming for the schools?

Mr. Assistant Deputy Chairperson: Order, please. The hour being six o'clock, what is the will of the committee? Is it the will of the committee to sit past six o'clock? Is it the will of the committee?

The committee will recess now, the hour being six o'clock, and return at 8 p.m.

HEALTH

Mr. Chairperson (Marcel Laurendeau): Will the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Health.

We are on item 2. Management and Program Support Services (d) Facilities Development (1) Salaries and Employee Benefits \$673,000.

Would the minister's staff please enter the Chamber at this time.

Hon. James McCrae (Minister of Health): Last week the honourable member for Kildonan (Mr. Chomiak) was asking about personal care homes and the planning guides for personal care homes in

Manitoba, and this has to do with current information relating to construction of new personal care homes and renovating existing facilities. We expect personal care home construction and operation to comply with all the existing legislation standards and guidelines related to personal care homes, and I have these rather attractively bound planning guide documents for personal care homes, which I will share with both honourable members in the House.

The honourable member for Kildonan asked also about residence security systems in personal care homes. I have a very brief answer for him. Presently a review is being conducted of all personal care homes in the province to ascertain that the residence security systems are up to an acceptable standard. A number of security systems have been improved whenever an upgrading project has occurred. A number of facilities have upgraded in response to increased need to supervise residents. When the review is completed, a plan will be developed to assure all personal care homes have acceptable security systems.

The honourable member for Kildonan also asked about technology dependent programs. I have a document here to share with the honourable members. It has to do with service co-ordination at home, in daycare, in school and in recreation settings for children and adolescents who have a lifelong disability or who require medical procedures as a part of daily living or who are dependent on medical technology.

The honourable member will recall the discussion we had when Mr. Toews was here with us. I will make this document available to honourable members.

Mr. Chairperson: Just to inform the committee at this time we will be moving back to (c) Money Management and Banking. This is the item that we have laid over when the committee last sat.

Mr. Dave Chomiak (Kildonan): I thank the minister for the information he provided; I appreciate it. I think it will be useful in subsequent discussions as well as in understanding the processes.

Turning to the Health Information Systems area of the Estimates, I wonder if the minister will give us a

rough outline of what constitutes the Information Systems Management, ISM?

* (1450)

Mr. McCrae: ISM is the old MDS. We have contracted certain of our requirements to ISM, the requirements related to older systems and related to hardware.

Mr. Chomiak: On page 38 of the Supplementary Estimates book, under Activity Identification, it says that this branch of the department administers agreements between Manitoba Health and ISM. I wonder if the minister could outline what constitutes those agreements.

Mr. McCrae: I would like to apologize for not having done this a little sooner. The gentleman that has joined our group here, Len Alexander, his title is Executive Director of Health Information services. He is with us today to help us discuss these matters. He has been an extremely active person over the last couple of years, I guess, now. In the Health department we were fortunate to have absconded with him, I mean seconded him from another department earlier on, and I thought I should introduce him to the committee.

ISM is a company with which many contracts have been, are, or will have been entered into, a number of contracts not only in Health but in other departments, as well. There are, at any given time, contracts under negotiation, renewals, new contracts, so there are a number of relationships bound up with that particular company.

Mr. Chomiak: I am just trying to get a sense of ISM's involvement and its relationship with the Department of Health. That is where this line of questioning is going. Can the minister perhaps outline a list of some of the contracts that they are involved with with ISM, just so we can get a flavour as to what is happening on that end?

Mr. McCrae: I believe Mr. Alexander is going to give me a brief list of those types of arrangements. While he is preparing it, the honourable member might ask another question.

Mr. Chomiak: I thank the minister for that response. Under Expected Results on page 38 it says a continuing support of 400 existing and new personal equipment installations. Can the minister outline how that is happening, where they are located roughly, who owns those personal computers, et cetera?

Mr. McCrae: While we are preparing a couple of answers for the honourable member, I would like to refer back to the questions he put about the laboratory facilities and tests. There are four laboratory service sectors in the two major geographic settings. Laboratory services in Manitoba are provided in four types of laboratory environments or sectors, defined for the purposes of data collection as first, physicians' offices, physicians' office laboratories who undertake a short list of approved laboratory procedures only. Each physician that bills for laboratory services in this sector constitutes one office.

Second, public or nonhospital laboratories, laboratory facilities that are funded globally by Manitoba Health, such as Mount Carmel Clinic, Westman Regional Laboratories, Cadham Provincial Laboratory, and the Laboratory Imaging Service units located throughout rural and northern Manitoba and are located within a rural hospital. Data for Thompson General Hospital's laboratory is included in the public laboratory category although it is not an LIS unit.

Thirdly, private laboratories, laboratory facilities that are privately owned and are paid for tests according to the fee schedule in Manitoba Health physicians' manual, a negotiation process between Manitoba Health and the Manitoba Medical Association.

Fourth, hospital laboratories. Those are laboratory facilities that are housed within one of the Winnipeg hospitals that are funded through an allocation of the hospital's global budget.

It is a large and complex system, Mr. Chairperson. Throughout Manitoba 869 facilities deliver laboratory services, 769 physician office laboratories, 70 public laboratories, 22 private ones and eight Winnipeg hospital ones. With respect to Brandon and rural and northern Manitoba, of 343 laboratories located in rural and northern regions and Brandon, 272 or 80 percent

are physician office labs; 68—that is 19 percent—are public labs; and three, or 1 percent, are private laboratories. Hospitals in Brandon and rural and northern Manitoba are serviced predominantly by Westman Regional Laboratories and LIS units and referrals to Cadham Provincial Laboratory and other referenced laboratories in Winnipeg.

* (1500)

(Mr. Mervin Tweed, Acting Chairperson, in the Chair)

With respect to procedures, those ones done in physicians' offices, which accounts for 3 percent of the procedures, it is 433,133. That is 3 percent of them. In the public ones, or 27 percent, there is 3,473,891. In the private ones, also 27 percent, 3,409,353. In hospital, which is 43 percent, 5,413,750, for a total of 12,730,127.

I am sorry, I attributed the question to the honourable member for Kildonan (Mr. Chomiak). It was the member for Inkster (Mr. Lamoureux). I apologize for that, Mr. Chairperson.

(Mr. Chairperson in the Chair)

Yes, now I am able to respond to the honourable member for Kildonan about the ISM arrangements that we have. ISM's arrangements with us are basically to manage hardware services, and that hardware contains information like the provincial registry of residents, the continuing care system. There are five hospital systems under the facilities management agreement, and that agreement is being phased out, I understand. This includes maintenance of equipment, which is the Unisys equipment.

With respect to the question the honourable member asked about the Expected Results as set out on page 38 of the additional information, there are some 400 computers, and we own all those as a department. We own all those personal computers. They are mostly used for, if not all, secretarial and administrative support and for the finance and management services. As to the location of all these computers, they are in

most Health offices, the majority being at 800 Portage Avenue or 599 Empress.

Mr. Chomiak: I thank the minister for that response. The reason I asked about the 400 computers was I assumed that because last year there were 313, this year there are 400, I was making an extrapolation. I was making the leap that perhaps the additional 70 computers was a result of DPIN or something like that, but I assume that that is not the case.

Mr. McCrae: The honourable member is right. These do not include the computers that pharmacists are using under various arrangements across the province. This has to do with the ongoing operation of the Department of Health itself, and I am advised that in this day and age, that kind of growth is not significant, and I am told that we should be seeing more growth than we are seeing.

Mr. Chomiak: I was not actually, I was not even suggesting that that growth was out of the ordinary.

Now, to return to the ISM, the reason the ISM question actually came about is, last year in the Supplementary Estimates, it appeared there was only one agreement, and that is the facilities management agreement, and now it appears, and I just ascertained that because I paged back through my book, so there are additional agreements now with ISM that there were not in place last year? Is that the case?

Mr. McCrae: Yes, Mr. Chairperson, I think it is a question of language used from one document to the next. Just by virtue of singulars and plurals in last year's document, there might have been left the impression that there was just one arrangement, but there are basically two, which talks about all kinds of endeavours, but two basic arrangements. As I say, we are phasing ourselves out of the facilities management arrangements with ISM, so there is certainly no intention to leave any incorrect impressions. I agree that, if you look at last year's document and then if you look at this year's, the way they are written may have left that impression, but it was not intentional.

Mr. Chomiak: The data that are maintained and collected by Manitoba Health, is it fair to say that it is

basically held and administered by this branch of the department?

Mr. McCrae: The technology is something that is part of a contract. The information is the property of Manitoba Health and is very carefully and jealously guarded. Is that the point the honourable member was getting to?

Mr. Chomiak: Perhaps I will just clarify it. If the Centre for Health Policy and Evaluation wants to do a study, or if the Physician Resource Committee wants to do a study, do they then contact this branch in order to obtain the information? That is what I am trying to clarify.

Mr. McCrae: That is correct, Mr. Chairperson. All of us are very careful to respect the confidentiality of individuals.

Mr. Chomiak: So is the area and the branch that is concerned with the protection of the confidentiality of records and effectively the ownership—is it located here?

* (1510)

Mr. McCrae: Yes, Mr. Chairperson.

Mr. Chomiak: Is there a set of protocols or guidelines that are available for requirements of individuals, groups or organizations, either external or internal to government requesting information?

Mr. Chairperson: While the honourable minister is looking at that answer, I would like to just clarify an error that I had made. I had stated a line back from the Department of Finance when I should have been reading 2. Management and Program Support Services (c) Health and Information Systems (1) Salaries and Employee Benefits \$4,143,900. That is the item that we are dealing with at this time.

Mr. McCrae: Yes, there are very strict protocols about the use to which health information can be put. There is a difference between research and idle curiosity, which is badly motivated, and our protocols and the people who are involved in the privacy and

confidentiality committee are committed to ensuring that this sensitive part of our health information is handled indeed very carefully and in such a way that would protect the rights and privacy of our fellow citizens here in Manitoba.

Mr. Chomiak: Can the minister indicate who is on the privacy and confidentiality committee?

Mr. McCrae: This committee is chaired by Dr. Bob Walker, and we will make the other members' names available to the honourable member.

Mr. Chomiak: Can the minister perhaps assist us by either providing us with the mandate and the objectives of the committee and/or the protocols, if they are available, of confidentiality concerning health materials?

Mr. McCrae: Yes, sir.

Mr. Chomiak: In the expenditures of this department, under other operating, we see an excess of \$2 million which is a consistent pattern for this branch. Can the minister indicate what those expenditures are comprised of?

Mr. McCrae: We will obtain a more detailed breakdown of that, but there is, I believe, within that number the ISM contract amount, but we will obtain further detail for the honourable member.

Mr. Chomiak: Continuing down that line of questioning, I must assume that there is a fair amount of consulting work or some consulting work in this branch of the department. I had asked earlier in the Estimates if a list of consulting contracts could be tabled and that might be too onerous, but can I have a list of consulting contracts that are contracted for in this area, in this branch of the department?

Mr. McCrae: Mr. Chairperson, knowing the honourable member's views about consultants, we are very mindful of that so there would be very, very few, if any, here. But here again we will check.

Mr. Chomiak: Some of my best friends are consultants.

I would like to turn now to some direct questions with respect to SmartHealth. As I understand it, there is a structure now or a working body or a group that is set up known as SmartHealth. Can the minister outline for me who that is comprised of?

Mr. McCrae: Yes, sir, SmartHealth is a fully owned subsidiary company of the Royal Bank of Canada. I think that is what the honourable member wants to know.

Mr. Chomiak: SmartHealth is a subsidiary of the Royal Bank of Canada, it is a separate corporate entity, I believe that it is comprised of three partners. Can the minister outline who those partners are?

Mr. McCrae: Mr. Chairperson, as I said, SmartHealth is a wholly owned subsidiary of the Royal Bank, but as part of this contract or arrangement, as I will call it for the time being, SmartHealth has partners with whom it is working and that would be IDT, IMT and KPMG.

Mr. Chomiak: Can the minister indicate precisely at what stage the agreement is at with respect to SmartHealth?

Mr. McCrae: Over the last two, three months, there has been a fair amount of discussion, public discussion and otherwise, about the whole concept of the SmartHealth or public health information system. The honourable member and his colleagues have raised significant questions and criticisms, so we have taken those things very seriously indeed.

* (1520)

The contract discussions have taken some period of time and for good reasons, many of them outlined by the honourable member, about extreme care should be taken to ensure peoples' confidentiality of their records. Care should be taken to ensure that the government and the taxpayers are well protected in all events that we can foresee. We do not yet have that contract signed, but I expect that that will not be very long from now before we can get to that point but, indeed, we have taken the honourable member's advice. We did not take it all, but we took some of it, and care ought to be exercised and we are doing that. It would be wrong for

us not to proceed. That would be a decided disservice to Manitobans and all of the people who have been pressing us to get on with this project.

There is no money allocated in the budget this year for this contract. That is why there was so much point and counterpoint during the election campaign, because the honourable member's colleagues and himself were out spending all this \$100 million that they were not going to spend on SmartHealth and, yet, there is not a nickel in the budget for SmartHealth. It needed to be made clear that promises were being made, spending promises were being made on the strength of money that did not exist.

I do not know if the honourable member ever figured that out, but the fact is, for some 18 months under this contract, when it is negotiated, no money would flow from this government. Even then we expect that we would see savings occurring in the system at some point or in a number of points in the system.

I am anxiously awaiting information from the Drug Program Information Network so that we can show how well it is working. We know that some aspects are working. We know that already. We know that it is more convenient for people. We know that the public likes it, the public likes it a lot. We know that it can be—or at least earlier on I think this year it was demonstrated that there were things that could be improved. The Leon case pointed that out not only in the system but also amongst the practitioners of pharmacy and medicine. We are all learning from that particular experience, but we also know that the Drug Program Information Network is already a vast improvement over the old Pharmacare system we had. We know that when we apply the principles of the DPIN to the PHIS working with our partners KPMG and IDT and IMT—

An Honourable Member: G-o-o-d.

Mr. McCrae: We know that it will be g-o-o-d for the consumer, and that is what the consumer is demanding nowadays. Whether it is run by the private sector or some big bank or some small company, consumers want excellence because they know that in a system where there is competition they can get excellence.

Where there is a monopoly, there are still doubters out there about the achievement of excellence.

I listen to those doubters. I am listening to the consumers of our health care system. They are saying, you know, you can do a lot better job than you are doing. They are also saying, use technology, technology is there, why do you not learn to use technology that exists, you have good people in Manitoba, all kinds of them, and why do you not use their talents to the benefit of the consumer.

We are saying, yes, that is exactly what we should be doing because you know if we were running a one-payer system here in Canada, which we are trying to do, and contracted everything out to the private sector, I will bet you we could show in some areas at least better results than we are getting because of the simple reason that there would be competition injected into that system.

I am not advocating that, but I am saying that if we are going to be living in a world where there is a private sector at work in all the other sectors except health care and doing things more efficiently than we are doing in health care—and the fact that we are not doing everything as efficiently as we could is no criticism. I would like that to be understood, because it is a system that we have all been working in, and we have all sort of got to the point where we all know we can do a better job because of the technology that exists.

That is why I think we have partners in this project. That is why on our advisory committee we have a large number of organizations working with us. I will not at this moment go through that list of organizations; I have done it before. But they range all the way from the Manitoba Assembly of Chiefs to the Manitoba Nurses' Union, the Provincial Lab Committee. You name them, if they represent a part of the health system that is important to an information system, they are involved.

Similarly with the privacy committee, those people who have a direct interest and experience with and an ability to speak out on privacy issues, that is why they are on our privacy committee. It is just not the

government and a bank working together to somehow do some of the things that my colleagues, friends and associates talked about during the campaign.

In short, we do not have a contract to lay before the honourable member at this point, but we are taking his advice seriously. We are negotiating it extremely carefully so that, when we do come forward with that contract, it will have addressed the concerns raised by the honourable member. I am not so sure that those concerns were not already addressed, but I have asked that extreme care be taken in the negotiation of this contract.

Mr. Chomiak: The minister indicated that there is no money expended from this budgetary year towards SmartHealth. The SmartHealth project is on a five-year time line.

Can the minister indicate if that time line will be retroactive to this budgetary year, or whether it will commence at some future date? When will the clock start ticking with respect to the five-year time line, which I think we can all agree that they are on in terms of SmartHealth?

Mr. McCrae: Yes, we envisage a five-year contract that starts when the contract starts, and it has not been signed. I can see around the time when we are out there talking about this again on the hustings. If we are able to stick to the terms of contract timewise with the development of the various modules, we should have that system in place that we can take forward and show to the people of Manitoba.

It needs to be clearly understood, though, that the way we are designing this contract is that, as I have described once before or twice, there are points at which decisions will be made along the way in this contract so that we are not bound to all aspects of the project.

There are points at which our advisory committee, our steering committee or whatever committee we are talking about here will have an opportunity—and I assume the government, which is very much a part of that, would have an opportunity—to say, no, we are not ready to go with that piece of it.

* (1530)

Maybe as things work, it might be necessary to bring a module forward as opposed to waiting until certain other steps go. I do not know how that will work at this point, but when the contract comes forward, I expect those types of eventualities will have been dealt with in the contract.

Very quickly, a little earlier the honourable member was asking about the access and confidentiality committee. I am looking at the 1993 report of Manitoba Health which says that members of the committee include representatives from the College of Physicians and Surgeons, the Manitoba Association of Community Health Centres, the Manitoba Health Organizations, the Manitoba Health Records Association, the Manitoba Medical Association, the two major teaching hospitals, as well as Continuing Care and Mental Health Program representatives.

Mr. Chomiak: Mr. Chairperson, can the minister outline for me who are the individuals responsible, at this point, for negotiating the SmartHealth contract?

Mr. McCrae: We are fortunate that we have in the room with us the individual responsible in the person of Mr. Glenn McKenzie—Glenn Alexander, sorry. Mr. Alexander, of course, reports to the department. The honourable member will understand how we are asking Mr. Alexander to be very cognizant of the issues that the honourable member and I have been talking about.

Mr. Chomiak: Are there any other government departments involved in the negotiation of this contract?

Mr. McCrae: Mr. Chairperson, Mr. Glenn McKenzie is—did I say McKenzie again? Mr. Glenn Alexander—I am not trying to confuse him with anybody else—is our representative in the negotiation of this contract.

Mr. Chomiak: Is there any legal assistance being provided with respect to negotiations?

Mr. McCrae: Yes, the firm of Pitblado and Hoskin in the city of Winnipeg has been acting as counsel for the negotiation of this contract.

Mr. Chomiak: Have there been any other government departments involved in the development or the implementation of either the proposal for tender or the contract itself?

Mr. McCrae: Mr. Chairperson, a number of resources in government are brought to bear on an important project like this, and initially the Department of Justice was there to advise us, as well.

The Finance department clearly has to be consulted when you are talking about financial implications down the road, savings that can be achieved. The Finance department is interested, not only in making sure that the departments are so well-resourced, like my department is, for example, but also if there are revenues or savings or—that part of it is of interest to the Finance department, as well.

The government itself is behind this proposal, so that basically brings in everybody on this side of the House, if you want to take it to that extent. Basically, we have had input from the Department of Justice and the Department of Finance and the Department of Health.

Mr. Chomiak: Clearly, I think it is evident that this particular project, the SmartHealth project, is in scale and in philosophy unique in terms of information system development, particularly in comparison to what other jurisdictions have done. It has been said as much, the minister said as much in terms of the description of the system.

I am wondering if the minister can outline for me where the principles for the development of this particular system came from.

Mr. McCrae: The seed was basically planted, Mr. Chairperson, by the government of Manitoba in response to many, many entreaties by stakeholders in the public who have been urging that Manitoba become a centre of excellence for information technology for some time.

I think, in response to that, our government could see potential for a smoother operating, more efficient and more compliant patient-focused system if we used the tools that are just lying there waiting to be picked up.

* (1540)

By using the talent that we have here in Manitoba amongst people who have made information technology their career, we could do a much improved, vastly improved job in the delivery of health services in Manitoba.

Really and truly I think we would have to say Manitobans had the vision. This government was able to divine that that vision was there and was able to attract the appropriate people to assist us to put before the people a proposal which I think—since the honourable members opposite were able to make SmartHealth an issue in the campaign, we believe the people of Manitoba have said, do it, do it carefully and show us the results down the road.

Of course, encouraging as the DPIN has been, we learned from that DPIN experience the potential that is there for us. You can bet that a year ago about now we were very much anticipating with trembling—in not too much fear, but trembling because we were so excited to get going with the Drug Program Information Network, anxious to get on with learning what we could learn from that so we could apply what we learned to the next phases. We used to describe DPIN as a spoke in a wheel of information. We have other spokes to get into this wheel, so we can benefit all the more from information technology when it is applied to the various dimensions of health care delivery in Manitoba.

The vision, it is hard to place it in any one particular quarter, but the government itself—I think honourable members have heard the Premier (Mr. Filmon) talk on many occasions, a recognition that we are into an information age as opposed to some other kind of age, industrial or otherwise, and that we can be leaders in this world as Manitobans by taking up the challenge. We are doing that. In careful, measured steps, the contract that will come forward will demonstrate the care that we propose to take in the development of this system.

You see, we are in a very good position to take up this challenge because in Manitoba we have a lot of information with which we can put an information system to work. We are lucky in that sense. We are

very fortunate that somebody had the foresight over the years to ensure that we developed a data base that would lend itself to the kind of information system that we are talking about.

Maybe the vision goes back even to before our government, to governments for some years that have paid careful attention to the gathering of information. We just have not applied the technology that we could. I do not say that as a criticism because I think the time is right right now. Even now we are on the leading edge with respect to the type of system that we are talking about here. We have an opportunity to show other jurisdictions what to do. We hope that we do not show them what not to do, because we expect to take enough care in the development of our system that will keep mistakes to a bare minimum.

We do not want to see continued the process of disposal of medical records in the way that we have heard about in the past. The honourable member will recall stories about medical records being found in all the most inappropriate places. That is not something that I want to see continue.

So I think that when we can demonstrate how we propose to achieve improved health outcomes as a result of an information system I think then we ought to be moving forward with that. But we ought not to do it without due regard for that consultation process which has brought us this far.

I know that during the election campaign and during the time that allegations were coming out about our health information network, the only comments I remember seeing were those of the honourable member and very few others, and his Leader, about health information because, certainly, we did not hear from the Assembly of Chiefs or Cadham Labs, Consumers' Association, Mental Health Association, and all of those people who are usually the ones who would have a concern.

We expect them to have concerns. We expect them to bring their concerns to the table where they are invited to be present and to have their input. That is what makes this proposal easier for me to take to the public, because I know that I have the partnership of

the Manitoba Centre for Health Policy and Evaluation, the Manitoba Nurses' Union, the Manitoba Association for Rights and Liberties, organizations like that who are there to tell us what their concerns are. We want to hear them so that we can do something about those concerns before we move forward with this proposal.

Mr. Chomiak: Mr. Chairperson, one of my concerns is precisely what the minister alluded to because, after the SmartHealth was announced, I went to a lot of these organizations. I said to them, tell me what you know about the SmartHealth proposal and, without exaggeration, they knew very, very little. Most, and I want to be fair, because I am generalizing, of the comments were yes, we attended a meeting, or, we had had an involvement with the committee at some other point, but they were not aware of the scope and the magnitude of this particular proposal.

I know that the Health Advisory Network submitted a recommendation. There was a provincial steering committee set up. Five principles were adopted in terms of the health information system. The tender proposals went out. What came back with a winning proposal from the Royal Bank was something very, very expansive and quite beyond, I think—now, I am not saying what these organizations said, but what I think—more expansive beyond what these organizations that had had contact before were even remotely aware of.

I would like to ask the minister—I will ask for the record, but I recognize it is a difficulty—I would like to see copies of the information proposals that came from those people who offered proposals up at tender, but I suspect that confidentiality provisions apply. At the very least, I would not mind seeing the Royal Bank's. Is that possible?

Mr. McCrae: I think the honourable member knows that that is not the kind of information that we can properly make available in the way that he would ask.

I am interested though in what he said about his contacts with some of the organizations that I have referred to, for example, the Manitoba Association of Registered Nurses, the Manitoba Cancer Treatment and Research Foundation, the Manitoba Medical

Association. I will be interested in their concerns right down the line. That is the point that I am making. I do not propose to consult once and then go merrily about my way. This is a big project and each module that we enter upon is going to require the expertise of some of these organizations.

How can we build a system that deals with people's medical records without consulting further the Manitoba College of Physicians and Surgeons? How can we enter upon issues relating to building in safeguards for confidentiality without consulting the people we have identified as being the appropriate ones to be on the privacy committee?

This is not one quick conversation and then on our way to build an empire. That is not what this is about. I think the honourable member has made the mistake of assuming that was the approach that we were embarked on. It is not. I admit there may be times when we will hear people's concerns and views and respond to them with whatever kind of technology is required to address those concerns and somebody might remain with a concern at the end of all of that. That may happen. I do not know. I hope not but it might happen.

* (1550)

That is where when you are in the opposition, you kind of never lend your support to anything until everybody else does. I am not going to say I would want to be a part of an opposition like that but that happens. You cannot just listen to what the last person said and then run with that. I am not saying that we have to embark on a program that—and I think the honourable member once referred to consultation as—

Mr. Chomiak: A monologue disguised as a dialogue.

Mr. McCrae: That is the one, a monologue disguised as a dialogue. That is not what this is about and, yet, that phrase does not describe what happens at the end of all of the consultations either.

What I am trying to say is we have a whole group of people sitting and working together and representing various interests, and I hope that there will be true unanimity, peace and harmony. That would be my

dearest wish. Being a realist, however, I suspect that there may be times when someone might have a remaining concern that they do not feel was dealt with the way they would deal with it and, yet, we will proceed with our partners showing them every bit of respect to which they are entitled, because they are all entitled to respect.

I just want to reiterate the privacy committee again, because I know privacy has been an important part of this. I get questions from New Democrats, for example, what about the computer hacker who is going to get into this information system? And then I say, and what? What information is it that people want? Who should not have it? Let us get into that question. Let us do that because that is important. The question is, what information is it you want protected from whom? Answer that question and then we go from there.

I remember this discussion—and I suggest caution for the honourable member for Kildonan not to fall into the trap of the former member for St. James. He is not present in this House, and it is entirely parliamentary for me to say so. His name is Paul Edwards. I can say that he is not present in this Chamber because he is not a member of this Chamber, Mr. Chairperson.

The honourable member might recall too that Paul Edwards was Justice critic and he kept asking questions about our arrangements with CSIS, Canadian Security Intelligence Service, about information related to people's whereabouts and that type of thing. What he did was he placed himself squarely on the side of the terrorists where you really do not want to be if you want to win an argument. People who blow up planes and kill women and children and things like that are not people I would like to defend.

Neither would I like to defend some of the things that are wrong with our health system, like leaving people's medical records out in the back alleys of Winnipeg for people to drive by, pick up, have a look at, use to their hearts' content in whatever way they want.

We have the Consumers' Association. If they are concerned about the computer hackers and what information they might find, what they might do with

it, they should tell us. Who would be more interested in the privacy of people's health records than the Canadian Mental Health Association? Well, that is the organization we have on the privacy committee. The honourable member may even have people that he knows involved with the Manitoba Association for Rights and Liberties. Those people are very concerned about issues related to confidentiality, so we have asked them for their input on our privacy committee.

Of course, there are regulatory agencies like the College of Physicians and Surgeons and the Manitoba Association of Registered Nurses. We have also asked the Manitoba Society of Seniors to be involved in that committee as well.

When the honourable member raises concerns and wants to play this game about the monologue disguised as a dialogue—

An Honourable Member: You raised it, not me.

Mr. McCrae: You raised it first some time back, and I am just quoting the honourable member. I think it is a clever expression. I do not know where he got it from; maybe he actually made it up himself.

An Honourable Member: No, I did not make it up so I cannot take credit.

Mr. McCrae: Oh, okay, because I think it is really good. If it were true, I would be very concerned about it. I do not want to have a monologue disguised as a dialogue. I do not want to disguise anything here. I want to have a quality well-built system of technology to deal with the information which is ours. It belongs to the people of Manitoba. It does not belong to the Royal Bank, never will.

That unfortunately was an impression that some partisans tried to put across during the election campaign, that the Royal Bank of Canada, this huge profit-making bank in our country, was going to somehow get hold of our health records and just have their way with our health records. No, sir. That is not what we are talking about at all. Anybody who would say a thing like that would be out trying to mislead a whole population, which somehow to me does not have

any place in a system where we are trying to make improvements.

Anyway, I am very sensitive to the issues the honourable member is raising about privacy, about consultation. He makes the point that some have said this. If he would please identify to us who those people were that said that, we would be very happy to follow up.

Mr. Chomiak: Mr. Chairperson, I will clarify for the minister what I said in my statement. That was, when the SmartHealth deal was announced and I contacted a number of the organizations that the minister has listed, they were aware of the deal but not even remotely aware of the scope and nature of the project, including some of the organizations that the minister referenced, some of those organizations. I am not saying that they were not talked to. They had been talked to, but they were not aware of the scope of the project.

When I look at the recommendations of the steering committee, and when I look at the task force reports, and when I look at the five principles surrounding this project, and then I look at the final product that came forward, I have to ask where that came from.

Now, the minister indicated it came from the government and their move towards information, move into the year 2000. If that is the case, I will accept that, but it seems to me that somewhere between the requests for tenders and the final product, this project became a much bigger project than I think most of the groups initially involved were aware of. I could be wrong. That is the impression that I have.

Mr. McCrae: Well, we all get impressions and sometimes when they are based on no information, you can be mistaken, and that is what the honourable member is. We are engaged in a very sincere and very consultative approach to building a better health system. Does the honourable member seriously think that we are all sitting here trying to destroy our health system? I mean, give me a break, Mr. Chairman.

An Honourable Member: That is not a worthy thought of Super Dave.

Mr. McCrae: My colleague the Minister of Agriculture (Mr. Enns) would be the first one to be offended if someone would ever think like that. He has got what, 27 years of service?

Mr. Enns: I have 29.

Mr. McCrae: Twenty-nine, counting what?

Mr. Enns: Next June it will be 30.

Mr. McCrae: Oh, my goodness. Time flies, Mr. Chairperson, 29 years of service to his fellow Manitobans, and here we have the honourable member for Kildonan (Mr. Chomiak) coming along and not coming right out and saying it, but somehow leaving the impression that we are here somehow to do some disservice to our fellow citizens, that we deliberately go out of our way to leave our homes every week and come here to Winnipeg to serve in this place to do a disservice.

* (1600)

Come on. Let us get down to the basics here and discuss what is really happening. The election is over.

An Honourable Member: Right, and guess what, Super Dave, we won.

Mr. Chomiak: Yes, you did and he mentions it about, say, three or four times an hour.

Mr. McCrae: All right, I will try not to be so repetitive about that, but it does come up from time to time that you cannot just keep on—there is an old expression about beating on a dead horse, and there is no need for that.

I am here, and my staff people are here to try and engage in some useful dialogue. I am trying to learn from my honourable colleagues to try to anticipate what their genuine concerns will be.

I mean, when they are genuine, I will treat them that way, but when they are made-up concerns, you know, you get a little frustrated running around after all these shadows that—

An Honourable Member: I gave you three genuine questions this afternoon. They are not fun questions.

Mr. McCrae: The honourable member for The Pas (Mr. Lathlin) tells me that today he asked three genuine questions, and he did. They were about as meaningful questions—

An Honourable Member: Do not say we ask meaningless questions.

Mr. McCrae: I did not say the honourable member for The Pas asked any meaningless questions. His questions today were extremely important questions and they go—I just acknowledged it twice in a row, Mr. Chairperson.

Mr. Chairperson: Order, please. I would ask the honourable minister to be relevant to the question placed before him, and I would ask the honourable members to refrain from entering into this debate. There is a question to be answered.

Mr. McCrae: Mr. Chairperson, it is only because I take the honourable member for The Pas (Mr. Lathlin) so seriously that I was distracted momentarily by a very genuine issue that he raised in his questions earlier on. I apologize for straying from the path of relevancy that I should be staying on.

The point that I am getting at is our efforts are genuine and I believe, as I was saying, the people of Manitoba agree that our efforts are genuine. The people of Manitoba also say that even Conservative governments of the '90s can be fallible, can be, under certain circumstances, fallible. So they said move forward with your reforms including SmartHealth. Do it very carefully and listen to Manitobans when you consult with them.

So I would reject any suggestion that any consultation in which we are engaged is a monologue disguised as a dialogue. We are engaged in sincere dialogue. If it was as the honourable member says, we would not be bothering to talk to the Consumers' Association and the College of Physicians and Surgeons. Why would we bother talking to the MMA if we already had our minds made up? Why, indeed

why would we bother to consult the Manitoba Nurses' Union if we just wanted to go our merry way.

We have representatives from the laboratory sector. We have people from Manitoba Health, people from emergency services, people from the Society of Seniors, pharmacists, hospital representation, regional representation from around our province, in total some 25 people involved in our circle of people with whom we consult. If the honourable member has doubts about the quality of that, we will address that.

Mr. Chomiak: Mr. Chairperson, can the minister outline specifically what the ten-year proposal was from the Royal Bank concerning the SmartHealth system, what the projections were for cost-savings and what the projections were for cost to the province?

Mr. McCrae: Mr. Chairperson, there has been a lot of thinking done on this topic and a lot of speculation too. We have heard some wild, wild numbers bandied about with respect to the costs associated with the public health information system. There was a wild, wild speculation, but there was also some more realistic speculation as high as \$118 million, although that has been reduced somewhat because input costs have already been demonstrated to be less than \$118 million. However, I cannot seem to get the honourable member to stop using those wild and wonderful numbers. So the value of the contract is estimated at \$100 million. It is expected that there would be savings achieved of \$200 million over five years.

Now, the honourable member may, indeed, based only on that information, want to come to the conclusion that you will not achieve your savings. Well, that is all right. If we do not achieve our savings, it will be because we do not want to achieve those savings, and the project has been broken down into what has been bite-sized pieces. It may be a play on words, considering the nature of the work we are doing.

For an example, DPIN has been broken into three modules—expansion of DPIN to hospital pharmacies, northern nursing stations, and hospital emergency rooms. Each bite-sized piece, or module, is broken into five stages which have to be completed before the next stage proceeds. If there cannot be demonstrated the

savings that are expected to be achieved, then you do not proceed.

At each stage the health care community gives their response to government for a go or a no-go decision. I mean, what better, more quality consultation does the honourable member want but to have the stakeholders being the ones in a position to recommend go or no-go on certain important aspects of the contract?

The viability assessment for this, and the cost-benefit analysis determine the economic viability of implementing a health information network. All stakeholders have supported the concept, and have bought into that whole idea, and that is why I am just a little perplexed or concerned when the honourable member would put on the public record that the stakeholders do not agree when we say they do agree. So we are going have to get to the bottom of that one.

Potential benefits were broken into three broad categories. First of all, administrative initiatives. These are initiatives designed to automate manual or paper processes, such as claim processing for hospitals and health providers, and for monitoring health delivery to reduce incidences of double servicing, abuse or fraud. That is important.

* (1610)

How many constituents does the honourable member have? I know the member for The Pas has some because I have been there. I have probably spent as much time, or more time, in The Pas as I have in Kildonan, and I have been there, too. But I say, everywhere I go, and that includes Kildonan, what are you doing about the abuse in our health system? All these people abusing our system and costing dollars that should be spent properly because it is so important. Yet we do not get support for trying to put an end to abuse.

There are people in the New Democratic Party who think there is no abuse, or if there is some abuse that it should be allowed. I really disagree very strongly with that because any government program that is abused becomes the subject of a lot of public ridicule.

Even the issue of young offenders. There is a sense that this young offenders business is running rampant and we have a terrible, terrible situation. Well, because of the actions of 5 percent of the kids, we have problems, all right.

Ninety-five percent of the children in this province, young people in this province are good and decent and law abiding and contributing members of our society, and they should be given a lot of credit for that. But do not use that figure as an excuse to do nothing about the other 5 percent, because we have to do something about those. The other 5 percent are causing no end of problems in our communities and we need good, strong action to deal with it.

Similarly, in the health care field, Mr. Chairperson—I am coming around to my point here. Why is it New Democrats want to sit there in their places and defend people using 72 doctors 247 times a year? I do not think I want to defend that. I want to put a stop to that. It is wrong and New Democrats should be ashamed of themselves for wanting to see that sort of thing continue.

Why do they want to defend health records lying around in back alleys? I do not think that is good. I think there is a real potential for abuse of the information contained in documents lying around in back alleys of Winnipeg. I really do. I think it is a dangerous situation that ought not to be encouraged, and so I say to the honourable members opposite they ought not to continue encouraging that sort of thing.

I was talking about the potential benefits of the program here being broken down into three broad categories. The second category has to do with the tactical initiatives. That means that—and I do not refer to NDP tactics or anything like that. I am talking here about improving patient services.

Mr. Chomiak: Like drug utilization reviews or specialized formularies perhaps, electronic storage, transmission of lab results. How about remote lab testing?

Mr. McCrae: Is this speech No. 10?

Just in case the honourable member is reading from a different briefing note than I am, I will put my briefing note on the record if that is all right with the honourable member.

An Honourable Member: You can put that in your recipe box, Dave.

Mr. McCrae: You would be surprised the things that fit in that little box of the honourable member. He has so much information in there. How long did you keep us going last year? Was it 45 hours, 50 hours, something like that? We are approaching that now? [interjection] Oh, well, we have a long way to go yet then. Well, we are at about 30 hours now and we are just barely scratching the surface I think.

An Honourable Member: You could have finished around 25 if you would have been relevant.

Mr. McCrae: Could have beens and would have beens do not count. I think though with respect to the potential benefits and these broad categories, we have talked about the administrative initiatives and we need to talk about the tactical initiatives, like drug use reviews. We should build on the drug program information network that is now in place. The health information network can automate the collection of drug usage information across the population. We should establish more effective clinical treatment guidelines.

You know, clinical treatment guidelines sounds kind of bureaucratic, but it has a lot to do with the way the doctor looks at you, Mr. Chairperson, and then how another doctor of the same specialty looks at me. Should those doctors not be using similar criteria in order for us all to point towards and achieve better health outcomes? I think so. [interjection] The honourable member for River Heights (Mr. Radcliffe) has indeed agreed with this particular approach. We have discussed it on repeated occasions.

This system would also assist in developing specialized formularies, that is, for specific population sectors or illness, for example, a specific drug formulary in Manitoba developed for the geriatric population.

(Mr. Mike Radcliffe, Acting Chairperson, in the Chair)

Now, here is a really big one that I think—[interjection] Right on. The honourable member is a mind reader, Mr. Chairperson. He has a crystal ball over there in that little box.

Here is an area that I just know the honourable member is very concerned about—labs. He has raised it before, and I know the honourable member and his Leader would not want to see duplication of lab tests or any kind of inefficiencies in that particular area. A large part of the spending of government on health is paying for lab tests, and I think more expedient electronic access to past and current lab test results could reduce duplicate tests.

Why should it be that a Manitoban can visit one doctor today and get a test, a particular test, visit another doctor tomorrow and get exactly the same test done, another doctor the next day and get another test done of exactly the same variety. Why should that be happening? The honourable member must know about this, because I certainly have colleagues on this side of the House who know about it happening—[interjection] Well, I hope so, because there is so much that can be done with appropriately used information shared by the appropriate people. We do not want to have all these duplicate tests, and maybe there is much more to it, and I agree.

I think some of the reason that the honourable member is so very aware of these issues, and I say this as a compliment, not as anything else, is that he indeed has engaged in some consultations, the honourable member has. So he knows. He just happens to have come to some of the wrong conclusions. That is all. Because he has certainly been involved in talking to health professionals in various parts of Manitoba. Almost everybody who is involved in the health system who has a voice has been part of this and understands the benefits and supports this.

With respect to remote lab testing, tests can be taken locally in remote areas and interpreted or analyzed through technology such as remote imaging or access to diagnostic specialists in major medical centres. This

could reduce the need for people to leave their home communities to obtain medical tests. Does this not mean anything to the honourable member? I mean, maybe he does live in Winnipeg, and there is certainly nothing wrong with that. I have done that and do so a good part of my life now.

But there are other parts of this province and people who live in those other parts who would very much benefit by reduction in the need for them to travel, either by car, bus, airplane, or however else you get to Winnipeg to obtain medical tests.

There is a better way, and I think we should support that better way. This is all about revising and developing new clinical guidelines. The health information network will complement the existing Manitoba Health data base for anonymous population-wide statistical information on illnesses and treatments that researchers use to identify the most effective treatment strategies. This whole program will provide electronic access to patient information.

Here is an area of concern for the honourable member, but because he has a concern, he says, stop everything. No. Address the concern—that would be more to the point, Mr. Chairperson. Fix the problem whatever it happens to be and move forward.

Improved access to more complete computerized patient-controlled health information can reduce uncertainty and improve decision making for determining effective treatments. That is important. It is very important, and it is missing to too much of an extent in Manitoba and elsewhere.

* (1620)

For example, access to immunization records can reduce duplication of overimmunization. Maybe the honourable member remembers last time he was at the doctor. Maybe he was asked, when was the last time you had this or that? What if you do not remember, like me? I forget things from time to time—[interjection]—once in a while, not very often, but it happens. If I was asked something like that, I would say I do not remember when the last time, say, my cholesterol was checked.

Well, if it was last week, and I forgot about it, maybe there is something else wrong with me too. But, if it was last week, why should I be asking for more cholesterol tests again this week? Just because it was so much fun to have it last week? There is a reason for doing these things and a reason for doing them within appropriate time intervals. You do not want the danger of overimmunization.

A pharmacist armed with the correct information can protect you from giving you medicine that would react in a negative way with other medicines you might be taking. Would it not be nice if the pharmacist could say, oh, I should not be giving you this medicine today because I understand from my records that you are already on this other substance and when you mix the two up you get very sick? Does the honourable member for Kildonan (Mr. Chomiak) realize how many people have to go to the hospital every year for that very reason? I would like to put an end to that. Not because I want to save money only—I mean, saving money is an important thing to do.

Some people actually die as a result of negative drug interactions or, at the very least, get very, very ill. That is a worry for them and a worry for their families, and it is sometimes very, very preventable. I think, as I said, this kind of information reduces the onus on the patient's memory for maintenance and storage of their own health history. I do not think we can all carry around in our heads a total health history, even for ourselves. It would be nice if we could, but we cannot all do that.

There is another very important thing here that we want to achieve. I think it is important for us to try to keep people healthy in Manitoba—

An Honourable Member: Through strategic initiatives.

Mr. McCrae: —through strategic initiatives. I am glad the honourable member is listening anyway. There is another expression that goes beyond this dialogue and monologue one. It is the expression about the fellow who—there are none so blind as those who will not see. Well, you could say the same about people, they listen but they do not hear, or they hear but

they do not listen. Sometimes I think the honourable member falls into that category. I know he is trying, but I want him to listen even harder because he is not giving me the benefit here of listening hard enough.

We want to keep people healthy through the proactive clinical guidelines the honourable member refers to. If he is suggesting that, I am saying, good for him. I think we should do it. [interjection] Well, that is what proactive clinical guidelines do. They enable preventive care programs, and if the honourable member does not see that, does not agree with that, let him stand in his place and say so.

More sophisticated computer applications can help identify individuals at risk for illnesses in the future based on heredity, age or other factors. Protective or preventive measures can be implemented early, and everybody knows about early implementation and how important that can be, especially with some particular conditions that people get. The system could incorporate patient monitoring for specific illnesses, along with periodic test scheduling and a reminder system.

These two sheets that I have been talking about that the honourable member has been following along with me today says a lot about what we are trying to achieve with the public health information system. If the honourable member wants to remain against that, let him say so, but I am telling you, Mr. Chairperson, the people of Manitoba want it and they are going to have it because they are paying for it, and they want to get good quality out of it. They want us to do a good job with this. They want us to keep mistakes to a minimum, and so do I.

Perfection being such an elusive thing for most of us, we do make mistakes. Let us bring as many people into this exercise as we can and as makes sense so that they can point out to us the danger. [interjection] Me, too.

I think that the people that we are working with, and I have given the member the list on a number of occasions, we can listen to what they have to tell us. They can tell us what to watch out for, they can tell us what to be concerned about. But do not always just tell

us because of one concern, do not do anything. That is not government in the '90s. The people of this province want a better government than that.

An Honourable Member: If you do not do anything, then you will never make a mistake.

Mr. McCrae: It is true that if you never do anything, you do not make a mistake, but I say to my very dear colleague the honourable Minister of Agriculture (Mr. Enns) that that in itself is a big, big mistake.

An Honourable Member: Your are right. I stand to be corrected.

Mr. McCrae: To do nothing is to make the biggest mistake.

Mr. Chomiak: In keeping with the tradition that we have developed in these Estimates, perhaps we should take a five-minute break at this point.

Mr. McCrae: I am comfortable with that this time, Mr. Chairperson.

The committee recessed at 4:28 p.m.

After Recess

The committee resumed at 4:39 p.m.

Mr. Chomiak: The minister was taking us down the micro path. I will be going into each of those areas systematically through the course of these questions, but I just want to take us back to the general question at first. That is the proposal that was made by the Royal Bank to the government with respect to its proposal. Within the context of its proposal, the Royal Bank proposed over a 10-year period that they could achieve savings of about \$700 million, with gross cost of \$200 million, for a net benefit of about \$500 million.

I wonder if the minister could outline for me where those numbers came from, because the initial Royal Bank tender was for a 10-year time frame amounting to \$700 million in gross savings, at a cost of \$200 million,

for a net benefit of about \$500 million. That 10-year projection is now down to a five-year framework, and I am just wondering where those figures and those numbers came from.

* (1640)

Mr. McCrae: Yes, I think it is always fair to suggest and appropriate to contemplate that, as you are getting ready to embark on a major undertaking, you look at the various options that might be available, listen to the various vendors who might have some insight to share. Suffice it to say, it was felt that a five-year horizon was more along the line of what we felt would be appropriate.

The world was changing so much that to begin planning over a 10-year period as opposed to a five-year period—I think judgments were made along the way that a five-year program would be more in the interests of good results and the achievement of better outcomes for Manitobans. It was simply a decision made in the course of, I suggest, many, many discussions along the way.

Mr. Chomiak: But where do the numbers come from in terms of the projections? Were those proposed by the Royal Bank? Were they proposed by the Department of Health and put into the Royal Bank's figurings? How did those numbers and those savings come about?

Mr. McCrae: The numbers were derived from the interpretation and extrapolation of local, national and international studies and information, regardless of what numbers were being touted or bandied about, ultimately the department came down where it did.

Mr. Chomiak: I do not have the other information packages that were provided by the other 15 or 16 companies that proposed. Did they also have the same data and the same kind of information, and were their proposals along the same lines in terms of these figures?

In other words, did these figures come from the Department of Health to say, this is what we want to achieve, this is where we think we can go? The Royal

Bank came back and said, yes, we can do this, this amount of savings. Was it the Royal Bank that came up with these numbers? Was it the Department of Health that came up with these numbers and did other tender proposals come up with similar numbers?

Mr. McCrae: The various numbers were the result of a viability assessment, and all those who were invited to tender were in possession of the same basic types of information.

Mr. Chomiak: Will the minister table the viability assessment upon which this was based.

Mr. McCrae: Yes.

Mr. Chomiak: I thank the minister for that response. The decision to choose the Royal Bank versus other systems was obviously based on a number of factors. Can the minister outline for me what were the major factors that determined that the contract would be awarded to the Royal Bank?

Mr. McCrae: The two factors were the technical ability know-how, and the other one was the demonstrated ability to work with stakeholders and to engage in consultation with stakeholders. There were only those two major ones, and I note the importance that we have placed on the ability to work and consult with stakeholders, that is key to the success of this project.

Mr. Chomiak: Is the minister aware of whether or not the Royal Bank has any experience in the health care field?

Mr. McCrae: The Royal Bank has significant experience in the technology aspect of it and significant experience in consulting with stakeholders. If the honourable member will accept what we have said earlier, then the answer makes good sense because we are dealing with our information, not the Royal Bank's information.

Mr. Chomiak: One of the issues surrounding the actual proposal is concerning the methodology—oh, methodology is the wrong word—concerning their technological approach toward this kind of information.

As I understand it, there is a form of technology whereby the card itself contains the information in a chip or whatever and the information is stored in a particular card and the information is owned and maintained by the individual in their card, and then there is the other system, which is the system that has been accepted, which is a sort of on-line system, where the information is maintained in a central repository and is accessed by use of the card.

I am simplifying it, but I hope I am making the right distinction. I am wondering if the minister can outline for me why the Royal Bank on-line system was chosen versus the on-card system, if I could break it down into those categories.

Mr. McCrae: Mr. Chairperson, even if you went with the kind of card with the chip on it, as the honourable suggests, you lose out on the potential for the epidemiological research policy-building aspect of it.

While the information is your information or my information, when you take your name out of it or my name out of it, you have some very, very important epidemiological information on the basis of which government and other stakeholders can then make and adjust their policies, build their protocols, and do all the things that we want this health information system to help us do.

* (1650)

Mr. Chomiak: It seems to me that the card chip system does not preclude the collection of epidemiological—does not preclude the retention and the compilation of this kind of information. It is not precluded by virtue of a card chip system. It seems to me the two can function side by side. I am certainly not an expert in this, but it seems to me that it is quite possible to do both.

Mr. McCrae: I would not quarrel with the honourable member on that point; however, if I present or am delivered unconscious or some such thing to an emergency room and I do not have my card and the number is not accessible, I think we have a problem in that we could not bring the full force of the health information system to bear on an emergency situation

like that, and there probably are other examples I could use.

Mr. Chomiak: How is the system going to function, therefore? Can the minister give an outline as to what the procedures will be, and how the system will actually operate with respect to the card accessing the system and receiving the information?

Mr. McCrae: We will be developing an answer to the honourable member's question in consultation with our partners and stakeholders.

Mr. Chomiak: Does the minister mean by that response that it is not yet developed?

Mr. McCrae: Yes, we are embarking on a very comprehensive health information system which requires, every step of the way, input from the stakeholders with whom we have partnered.

So, if I had my mind made up about all these things, the honourable member would have been right in some of the things he has been saying; but, as it turns out, he is not because my mind is not made up. We have plenty of work to do, along with the stakeholders who are working with us.

Mr. Chomiak: I would presume that it is the technological experience of the Royal Bank with regard to their information management system that the government is going to utilize in order to develop this particular process.

Mr. McCrae: That is right. The Royal Bank is—I do not want to reduce their role in any way, but they are a contractor. We want things. We will put those things to the contractor, i.e., SmartHealth. They will deliver the technology for us to achieve what we and the stakeholders ask SmartHealth to achieve for us.

As I have said before, the information is ours. The outcomes we want to achieve will be put to the vendor, i.e., SmartHealth. SmartHealth will then help us design the systems that will do what we want to get done, and they will be designed in such a way that our needs and our requirements have to be taken account of—i.e., one of those requirements is the very, very important matter

of confidentiality and building within the system the safeguards that are needed to guarantee that.

Mr. Chomiak: The system costs are very precise at \$118.7 million and are broken down into very specific categories. I certainly had the impression from a review of those particular categories that the system was far more advanced and developed than the impression I am getting from the minister with regard to his particular response. It seems to me that the process and the system is not as developed as one would be led to believe by the very specific costs that have been allocated toward the operation of the system.

Mr. McCrae: I do not think anybody else felt we were so far down the road. After all, we have not even signed the contract yet, so I do not know how we could be as far down the road as the honourable member suggests. He is probably looking at the document that comes up with this figure of \$118.7 million and saying, well, that is what it is going to cost, when we already know that there are some items in here that were overstated, bringing the total up high.

We do not want to get into a serious cost overrun issue here either, so I think you have to estimate on the side of—well, I was going to say, conservative, but I better be careful around here of that kind of language. The point is the \$118.7 million, and Mr. Alexander has explained publicly that that number is an inflated number because of certain events that have happened since that number was first come up with.

The document in front of the honourable member says, estimated five-year cumulative benefits, and the benefits would be estimated and the costs would be estimated. After very, very careful examination of potential costs, you contract for a reasonable amount, and then you expect to see a contract carried out whereby the real costs are not inflated and so on. So a contract like this has to be carefully monitored, and that is what we fully expect to do.

Mr. Chomiak: Is the minister saying, in the course of the contract that is presently being negotiated by Mr. Alexander on behalf of the province, that within the context of that contract the cost to be borne by the

province is less than the \$118 million and that will show itself in the final contracts soon to be proofed?

Mr. McCrae: Yes, absolutely. That is why when I deny the figures that are bandied around daily, sometimes as many times daily by the honourable member—I am serious, I do not mean to understate the numbers either, but I do not think the honourable member should take a sheet of paper, head it up estimated benefits and estimated costs and go with that and say, that is what it is, when it is estimated only. I do not remember him making that clear. In fact, I heard figures that went much, much higher than \$118.7 million.

Mr. Chomiak: I believe those figures were contained in a newspaper article that reviewed the costs and indicated that they could potentially go as high as \$150 million. I am simply dealing from information that was published and that was provided concerning the cost of a project that is substantial.

I would like the minister to explain to me what the network charges component of this operating cost factor is.

Mr. McCrae: For example, network charges estimated in this document are \$27.6 million. The estimate we have today, and this is an estimate too, is that that number would be somewhat reduced in the neighbourhood of 20 percent.

Mr. Chomiak: That is all. That is great. Can the minister explain for me, what is entailed by these network charges?

* (1700)

Mr. McCrae: Telecommunications costs associated with the Manitoba Telephone System.

Mr. Chomiak: So these costs are charges from Manitoba Telephone System to the Department of Health for the provision of services in order to allow the system to function. Is that correct?

Mr. McCrae: That is correct.

Mr. Chomiak: Are these one-time costs or are these ongoing expenditures?

Mr. McCrae: Both.

Mr. Chomiak: So, in the future, when an individual in the system wishes to access information, the costs to the individual or to the system will be covered within this \$27.6-million figure, give or take 20 percent less. [interjection] Take, to use the minister's word, this reduction of 20 percent, that the costs will be covered within the \$27.6 million.

Mr. McCrae: Yes, sir.

Mr. Chomiak: This money will be paid to Manitoba Telephone System.

Mr. McCrae: Yes, sir.

Mr. Chomiak: There is also an estimate of \$35.2 million for hardware and operating costs, which includes core services, operating software, work stations, interim bridges and operating. Can the minister perhaps flesh out what those expenditures are for?

Mr. McCrae: I can repeat that it is for core servers for operating software, work stations, interim bridges and operating costs.

Now operating costs, I assume, relate to maintenance and repair of equipment, but basically hardware and operating costs are the ones set out in the document that the honourable member has in his hand.

Mr. Chomiak: Whom will these costs be paid to?

Mr. McCrae: Whoever provides the services, Mr. Chairperson. I do not mean to be oversimplistic, but SmartHealth will be subcontracting lots of work and supplies and equipment. Whoever provides the services or equipment would be the recipient of the dollars.

Mr. Chomiak: The provision of this kind of service will require a fair amount of hardware. Where are the costs for that hardware included in these projections?

Mr. McCrae: The number the honourable member is asking is hardware and operating costs \$35.2 million. Hardware costs are in that number.

Mr. Chomiak: The minister is saying within that \$35.2 million expenditure item will be all of the costs to effectively wire and provide workstations, computer outlets and functioning hardware across the province of Manitoba to all users for the SmartHealth system. Is that what the minister is saying?

Mr. McCrae: Where needed, Mr. Chairperson, yes.

Mr. Chomiak: The department has done a complete inventory of all of the hardware presently in the system and has done a calculation of what is required and what is not required. Within that complete inventory, we know how much we will have to pay in order to get the system up and running. Is that correct?

Mr. McCrae: Yes, that was done, Mr. Chairperson, and as part of this exercise, some dollars were added just to be on the conservative side.

Mr. Chomiak: Mr. Chairperson, can the minister give me an indication of how many more dollars were added in order to achieve that end?

Mr. McCrae: We are dealing with estimated implementation costs, so the amount that was added would have been an estimated amount, too, and do not forget the—[interjection] Yes, do not forget that. No, I was going to say that this inventory also is not an exact science either, so we are dealing with an estimated inventory and an estimated add-on to be conservative. I am not able to break that down further for the honourable member.

Mr. Chomiak: Mr. Chairperson, I am certainly not an expert in this field, and I certainly am aware of the experiences in terms of hardware development and systems in terms of the province. I am certainly aware that different jurisdictions and different hospitals are going in different directions perhaps from each other. I just want to be very certain about this, that the province therefore is confident that within this particular expenditure item, the entire province, including all the institutions, all the community health

centres, all of the doctor's offices, all of the end users that are projected in terms of SmartHealth, can be equipped and functioning on line for \$35.2 million.

* (1710)

Mr. McCrae: Every time I am asked about my level of confidence, Mr. Chairperson, I give a cautious response. I am cautiously optimistic in the confidence that we have put into these numbers.

Mr. Chomiak: I take, from that response, there is a cautious affirmative response to my question.

Mr. McCrae: I am decidedly affirmatively cautious.

Mr. Chomiak: Mr. Chairperson, I am a bit surprised but happy to see that we could wire the whole province based on that actual figure. I would be really interested to see if it is possible to have an inventory or if the minister could table the inventory of the analysis of the province in order to determine where we are at in terms of the hardware in the province. Is it possible to table the documentation in that regard?

Mr. McCrae: The honourable member will probably agree that we are looking at a moving target in a sense. The inventory that we are talking about was done a couple of years ago, and we know that many, many doctors' offices have since been fitted with computer equipment which renders this even more of a conservative sort of estimate, I suggest. If they had been doing that, that will make the network that much less cumbersome, shall we say, later on when we are hooking everything up.

I did not mean to be unnecessarily facetious a little while ago, but I am cautious by nature, I hope, and I am given some pretty good assurances about the quality of the estimates, the conservative nature of the estimates.

In other words, the sense I get is that we have overestimated, if anything. When we were at \$118.7 million, we were overestimating then, and we already know that there is at least 20 percent off one major factor of that that the network charges, so if that is the nature of the—why are words failing me today. When we are making considerations along the way, and we

are consistently on that careful or conservative side, when we do get to actually contracting, the numbers should be conservative enough that we can feel fairly confident or cautiously optimistic about achieving or surpassing.

Do not forget, also, that even at the point of the signing of the document, the performance of the contract is more important than the signing of the contract because as we move along technology changes may indeed present us with greater opportunities than we have today. That is why I referred to the moving target. Things are changing so fast a future ain't like it used to be, as one person used to say, or as another one said—what was it that Dwight Eisenhower said that time—things are more like they are today than they have ever been before.

If you can make any sense out of that, do your best, but the fact is times are changing. I think this contract will ultimately show that we have addressed it from a very cautious perspective, and I think that the people of Manitoba are owed that from us.

Mr. Chomiak: Mr. Chairperson, can the minister explain how this will work if we have, for example, 800 doctor's offices that are equipped with some form of hardware, and 200 doctor's offices that are not or 200 doctor's offices have hardware that is archaic and cannot be utilized in the system, who will pay for the upgrade of their hardware?

Mr. McCrae: I do not know, Mr. Chairperson, but I do know that we faced the same question when we were working with the pharmacists, and maybe it is because of the leadership that we have in our branch here that we managed to work our way through, working very closely with the Manitoba Pharmaceutical Association.

We will continue the same approach we have used in the past. I guess the arrangements were made so that appropriate credits were given and appropriate supplies made available, and some had them and some did not. We came through all that. We can do it again, and we do it through various negotiating mechanisms that really did get us through and right down to the wire last July 18. There were issues arising from time to time as

we came close to that deadline. We were going to go ahead with our public information campaign and so on, and those were items that were getting resolved.

So the answer is I do not know at this time, but I know that we have proved that we can do it before and we can do it again.

Mr. Chomiak: Mr. Chairperson, I do not doubt the fact that it can be done. I guess the question is, who is going to pay the cost of it? I started off with the example of the doctor's office for a specific reason. One of the major claims made by doctors and physicians is the increasing cost of overhead, and one would think that this could entail an increasing overhead cost that they may not be prepared to bear.

The other issue, of course, is if you go into X institution, be it a hospital or a community health clinic, and their hardware is redundant and given the budgetary constraints that have been put on them they are certainly going to come back and say, if you want us to implement the system we are going to need an ex-million dollar upgrade of our hardware equipment. I just wanted to assure myself that all of that, all those considerations, were figured into the \$35.2 million.

Mr. McCrae: Of course they were, but I am not so quick to jump to the same conclusions that the honourable member is. From my experience dealing with physicians in Manitoba their bottom line is not always dollars. They are professional people who can see the opportunity to better serve their patients, to do a better job as physicians, to do a better job consulting their colleagues.

There is something here that I think the deep inexperience tells me pharmacists were not bottom-lining us every step of the way. They could see that we are doing something better.

The honourable member, I am sure, may know how it feels to engage in the best practice. I do not know if you can put a number on that always. But to know that the end of your day, if you are a lawyer for example, that your clients because of whatever information system you were using maybe to access materials in the law library or whatever it happens to be, you are able

to use your skills as a professional to the benefit of your patients in society. Something in that. And it is an intangible, I realize that. Something in that drove the pharmacists of Manitoba because I know some of them made some sacrifices in order to get on the system. And I appreciate it, their time, their effort, their working with us.

Doctors are no different. Doctors want to do the best that they can for their patients. I know that overheads are somewhat going to be squeezed as we carry through with the Manitoba Medical Association government of Manitoba contract, but I do not see every physician in Manitoba saying, well you know we cannot co-operate with you unless you put a bunch of money on the table because lurking not too far away is this whole issue of providing a better practice, providing a better service. Which there is, albeit intangible, but, a real satisfaction that a professional can feel.

* (1720)

Now as I said in my previous answer we are not totally satisfied that we can get through without some pretty tough discussions and negotiations or difficult ones in one way or another. Our performance thus far has demonstrated that we can do it, and the answer to the honourable member's question that have these types of contingencies have been factored into the Estimates that we are talking about, and the answer is yes, they have.

Mr. Chomiak: The expansion of the program, and I use medical doctors as an example because of the overhead, will be of course to ambulance services; personal care homes; community health centres; labs; pharmacies, et cetera. I might remind the minister that all members of this House unanimously passed a resolution concerning the introduction of the Pharmacare program several years ago and saw it as an idea whose time had come.

The expansion of this system seems to me to be an extensive expansion and, in fact, given the experience of governments and information systems I think is probably going to be more rife with difficulties, but I know there is expertise, and I am not questioning the expertise. I am simply raising what I think will be

some problems—and it may be that all eventualities have been considered and all of the costs have been projected and there is an accurate assessment—but given the dramatic change in technology, I just anticipate we are going to have more difficulty in this area than I can see from just the surface analysis that I have been able to make this afternoon. I hope I am wrong.

This area, I think, will be far more difficult to achieve than simply the idea of installing PCs into pharmacies across Manitoba but, clearly, experts have looked through this and have arrived at different conclusions.

Mr. McCrae: I, without consulting Mr. Alexander, would say that probably DPIN was rife with difficulties. We were breaking new ground. We had a lot of things to do. We had a lot of little brushfires to stamp out in the development of that, and I expect to see just as much or more as we enter into a much bigger project. However, the experience of DPIN will be invaluable to all of us as we proceed along with the next steps.

I certainly hear what the honourable member is saying. I would like to be a little more optimistic than he is on the point but I certainly hear him. I am not here to tell him that everything is going to run just exactly the way we think it is going to run today. We are making every reasonable forecast, I believe. I say reasonable because, as I said, I do not think we can be perfect or we can look at every possible contingency that will arise but I think we can see every reasonable one.

(Mr. Chairperson in the Chair)

We are not working alone which gives me a lot of comfort. I would be far less comfortable standing here answering the honourable member's questions if it was just me or just the government behind all this but it is not. I keep referring back to the stakeholders and our partners. If it was not for them, yes, I would say the honourable member would be making a far better point. He makes good points in the sense that we should be listening to him and looking at what he is saying. If we followed the advice that flows from what he has said, we would not do this. I think that would be a mistake in the evolution of our health system.

You know, we have serious challenges ahead, fiscal ones. If it is not this way and if it is not reducing dependency on acute sector, I do not know where else we would be saving money. If it is not in any of those places where there is money being saved, how are we suppose to respond to the challenges that are coming at us? That is a fundamental question.

The honourable member may have the answer, but he has not given it to me other than to say put more money into it which you can get by a fairer tax system, and I do not want to adopt all his approaches. A fairer tax system is not just going to bring in gobs more money. A fairer tax system might take a little less from some and a little more from others but not significant dollars that we can just throw into health and social systems any more. It is just not there for us.

If the honourable member says I am wrong, consult the people of Ontario. What did they say about it just a few days ago? They were very clear on the point.

I sense the sincerity in what the honourable member is saying. Yes, we do have all these experts that are advising us. We think that it is the right direction to go. We can deliver health care services for a lot less money than we are today in the future, and we can do it better. We can actually do more with less. I believe it; the honourable member does not. However, what is the option, if we do not do this and we do not do some of the other things that we have talked about?

We agree on doing the kinds of things we see in the Health of Manitoba's Children document. We agree on those approaches to do more in the community, but you have to get the money from somewhere to do more in the community. Here we are presented with a technologically proper or doable alternative that will, while we are at it, improve health care in Manitoba. No one is really arguing that that cannot happen.

What are the main arguments? The main arguments are privacy issues, which we have tried to build as much comfort around as possible by consulting the stakeholders. Another one is like you are dealing with a big fat rich bank—is really basically the other argument which appeals more to our emotions than to our sense of actually getting something done.

I put these points on the record. I build a little caution around all my answers. I do that because, in regard to the performance of this contract, we do not know every twist and turn today because we have not worked every twist and turn out with our stakeholders. Indeed, once the contract is written up, it is still going to be the stakeholders that are going to be involved in helping us make decisions about whether we move to the next component of the contract or when we move or whether we move to it in the very same form that we are talking about today.

Do not forget I said we are talking about a changing environment. The contract is going to have to take account of the fact that we are working in a changing environment over five years.

I just ask the honourable member to have a little more faith than he has demonstrated thus far. He is asking all the right questions. If the answers do not give him the assurance that he needs—they do not seem to give him enough assurance, but the alternative to doing what we are doing is to leave things as they are. That is a sure recipe for the destruction of a good-quality health system that we have. That quality can be preserved and it can be improved, enhanced, made much better. We can make it so that more and more Manitobans can share in it without having to pay a lot more money for more and more Manitobans to share in it.

We know more and more Manitobans are going to, with the population aging as it is, with technology presenting us with so many more opportunities for various surgical procedures that help to enhance the quality of our lives, make us live longer and all of those things that are important to human beings.

* (1730)

They do not come without a cost. Are we going to be ready to accept all the new technologies that will improve our lives so much if we do not enter into arrangements that allow us to preserve those best parts of our system, that allow us to remove the duplication that exists in various areas, notably the laboratory testing area where everybody is aware that double testing has happened on occasion—and how many

occasions nobody dares to speculate. We know it has been happening, and we know there is something we can do about it. This is the technology that will help us do something about it.

Patient utilization, talking about that, we have touched the tiniest part of the surface of issues relating to patient utilization. The honourable member does not say anything about somebody who uses 72 doctors 247 times—

An Honourable Member: We will get to that.

Mr. McCrae: He says we will get to that. I appreciate that. If that is happening with one individual, we know there is a lot of education that could be done in Manitoba to help people use physician and other medical services more appropriately, but even for some, education will not work and you have to have something else. Information available to health professionals will help put a stop to that. We know that it already has in the area of our drug programs.

I do not want to present to the honourable member a sure-fired approach here. I want to present to the honourable member a cautious and consultative approach, which is my best guarantee of getting a good job done.

Mr. Chomiak: Mr. Chairperson, I certainly have reached a different conclusion with respect to this contract as a result of this discussion than I did going in. That is, if one takes the \$118.7 million, give or take the 20 percent contingency built into the system infrastructure costs earlier alluded to by the minister and/or the variations that the minister alluded to—let us take the round figure of \$100 million. Not all that money is going to SmartHealth. In fact, maybe \$60 million is going to SmartHealth and \$20 million, for example, is going to the Manitoba Telephone System to do the network charges, maybe another \$15 million is going to go to hospitals, doctors' offices, community health centres and ambulance services in order to buy the hardware.

So the contract with SmartHealth will not be \$100 million. In fact, the contract with SmartHealth will be something like \$60 million or \$70 million, because the

other costs are going to be to other partners or to other components of the system.

Mr. McCrae: Sometimes when you work a long time, as we have just done, to try to formulate the answer, you forget what the question was. What the honourable member is talking about is, is this more or less following along on the discussion about the level of comfort we have with the numbers.

Mr. Chomiak: What I am trying to ascertain is that we are not talking about a \$100-million contract with SmartHealth. We are probably talking about \$60 million or \$80 million with SmartHealth. The other money is being paid to MTS and to hospitals and to doctors' offices, et cetera, to do the hardware, et cetera. So it is really not a \$100-million contract with SmartHealth. It is something less than that.

Mr. McCrae: The best analogy I can think of off the top of my head is the analogy of the general contractor who gets involved in building some kind of a building of whatever kind. Some of the dollars that will flow through this contract will flow through SmartHealth to IDT. It will flow through SmartHealth to IMT; through SmartHealth to KPMG, their partners in this endeavour. Some of it will go to suppliers who will provide other supplies or equipment or services under the contract.

So what it is, is in a sense a general contract which will have built into the contract a cap which the government will not go beyond. But it is also a little different in the sense that we are deliberately building into the contract the opportunity for the stakeholders to review every step along the way.

* (1740)

The Drug Programs Information Network you could call a module if you like. It is already done. But there will be others and decisions will be made along the way about what and when and what each module should look like, leaving the government the flexibility that it requires, I suggest, in a changing environment, leaving SmartHealth with a fair opportunity to deliver services under the contract and leaving Manitobans in a far better position.

The traditional contract is either you did it or you did not, you achieved or you did not achieve it. This one is going to be a little harder for people, including the honourable member, to judge how we are doing, because if we build modules along the way, you are going to wonder what benefit we are going to get. We are going to have to satisfy ourselves that the benefit is going to be sufficient to justify moving onto that next compartment, if you like, or the next part of the next spoke in the wheel.

I do not propose to be making those decisions on my own. The honourable member would be the first one to say, well, check with the society of seniors as to whether you need that—I do not know what kind of component we are talking about here—check with another organization as to why you would need or whether you need an emergency services component to this computerized system.

That is exactly what we are going to be doing. We are going to be asking for them to be involved in the monitoring of it. I will be very mindful, if the honourable member comes back to me and says, oh well, I talked to MOS president the other day and the MOS president is very upset because you did not hear a thing he had to say or you did not listen to anything he had to say, or you did not give him an opportunity to be heard.

The first thing I would do would be to ask in those circumstances the partners, including SmartHealth, deliver on that part of the contract that we thought that you could do well. That would be to work with the stakeholders and to consult. That is one of the reasons SmartHealth was chosen.

I would demand that part of the contract be followed through on appropriately, because I do not want to hear the honourable member come back here and say that you are off on your own agenda and never mind all the stakeholders. The stakeholders are the strength of this.

SmartHealth is indeed part of the strength of this, too, because they have the appropriate expertise to do this work, but it is very important that SmartHealth deliver on that part of it, and that is to hear what the stakeholders have to say. Sometimes stakeholders can

bring forward very positive advice. Sometimes all they need to be is to be assured that we are not going off in the wrong direction. I found that so many times, a little bit of misinformation can have people going off down the wrong road miles and miles, when all it really required was a little time spent developing the consensus that is required to take the next steps.

I listen very closely to the honourable member because I am very excited about this. I think this is a very, very good thing for us to do. I think we will be showing other provinces some things, and they will be watching us very carefully, so knowing that the world is watching, we are going to want to do the best job we can.

Mr. Chomiak: Mr. Chairperson, this is not meant as a criticism, but I think the minister generally answered my question in the first line of his response when he likened and drew an analogy to this arrangement as being similar to a general contractor. I recognize that particular analogy.

Can the minister indicate within these expenditures, has it included the annual operating cost of the system to Manitoba Health?

Mr. McCrae: Yes, for the five years, which assumes that the first year, the operating costs will be less than they would be in the last year, because you will have more components running in the last year.

Mr. Chomiak: Mr. Chairperson, were the costs of the development of DPIN built into this particular cost model, since the minister indicated DPIN is the first module that has been developed in this regard?

Mr. McCrae: I hope I have not said anything that would lead the honourable member to think that DPIN numbers are built into this. DPIN is done. It is up and running and paid for. If DPIN expands to emergency rooms, hospital pharmacies, that would then form part of the cost associated with this contract, but DPIN is already done.

Mr. Chomiak: Is DPIN being utilized as a prototype for this system, or is DPIN a separate entity that is running under its own steam?

Mr. McCrae: DPIN will be an integral part of this wheel. It is going now, but it would be integrated into the whole system, so at some point down the road, information gleaned under what we now call DPIN will be available, where appropriate, to other health professionals in the total PHIS, Public Health Information System.

Mr. Chomiak: Mr. Chairperson, the application costs are set at \$55.9 million and I am wondering if the minister can indicate whether or not any of that software has been developed at this point or any of that money has been expended to this point.

Mr. McCrae: We do not have a contract signed and no money has been spent on a contract that has not been signed yet.

Mr. Chomiak: Mr. Chairperson, is the minister saying there is no ongoing developmental costs occurring at SmartHealth at this point that will be part of the contract when signed?

* (1750)

Mr. McCrae: We, Mr. Chairperson, have announced that we are moving forward with this program. We announced that we would be doing it with SmartHealth, albeit we agreed not to sign the contract until an appropriate time, certainly, not before an election, in any event. SmartHealth may, indeed, and I think they are undertaking certain expenditures. It is not on our account, so I do not know exactly what they are. We are not going to get a bill some time down the road under the contract for expenditures undertaken to this point. The bills will be associated with the work that is performed after the signing of the contract.

Mr. Chomiak: Mr. Chairperson, can the minister indicate what modules of this module system are presently being worked on for the purposes of this contract?

Mr. McCrae: None, Mr. Chairperson.

Mr. Chomiak: Mr. Chairperson, can the minister indicate what modules are visioned to be commenced working upon, upon the final signatures and

finalization of the contract? What are the first modules that are going to be operated in this first 18-month period or in the first period of the contract to be developed with SmartHealth?

Mr. McCrae: Mr. Chairperson, in addition to the expansion of the Drug Program Information Network to include northern nursing stations, hospital emergency rooms and hospital pharmacies, the plan would be to embark on a provincial laboratory study and then preliminary work to bring the physicians of Manitoba into the automated network. Those would be the first steps.

Mr. Chomiak: Mr. Chairperson, just to make it clear then, it is an expansion of the drug network, a lab study—the minister said lab study. I am not sure if he meant a lab study, per se. [interjection] He meant a lab study. I actually would like details of what they are proposing on a lab study—and then thirdly, to bring all physicians into the system as the first steps. What does the minister mean by a lab study?

Mr. McCrae: I would not want anyone to think that the way I put the answer led one to believe that we would only do one thing and then, when that was all done, move on to the next thing. A number of things might be happening at the same time.

When I talk about the lab study, I am talking about a very detailed look at the cost benefits to be achieved, a very detailed effort in the sense of working with the various stakeholders.

The honourable member knows from looking at the various developments of recent times with the lab report going on that there are indeed varying opinions and varying points of view. We want to make sure that whoever the stakeholders are and no matter how much sometimes their views might differ one from the other, that we carry on with an approach that keeps on bringing people together. You keep doing that and you are going to end up getting some results at some point down the road.

That is a very detailed look at everything to do with labs and how an automated lab system would work and how the details of cost benefits would come out and

then the question of raising that with the various people with whom we consult.

I think it is obvious what the expansion of the DPIN is all about. We have them in all our privately run pharmacies, but we do not have this system in the emergency rooms or the hospital pharmacies or the northern nursing stations. We know there will be benefits of doing that. So that can begin. In addition, at the same time, we ought to be working with the physicians.

Even though we know that in principle everybody wants to move forward, once you get down to actually doing things there are going to be plenty of things to talk about and plenty of concerns for us to hear, plenty of concerns for us to address. When I say us, I mean us and SmartHealth and everybody who is in the process of trying to build this house or whatever we are going to call it.

I guess as you build a house with your general contractor, there are certain steps that you must take in preparation. One of the very important ones is to consult with everybody who is going to be involved with that building and who is to be using that building over the years to make sure you build into that building the appropriate systems, the appropriate protections and all of those things.

It will be a busy first year or two. I expect near the tail end, like so many other things, you will see more things happening more quickly because we will have been doing so much consulting up front that by that time, people will know the direction we are going in, and no one will be wanting to stand in the way because it will be so clear, the benefits that we can achieve by moving on these various parts.

These are the ones that we foresee moving on in the near future, moving in the direction of achieving, and I very much look forward to doing it. I assure the honourable member again that the steps will be very measured and very carefully taken. I do not have the same doubts that the honourable member does. Just in case there is a little bit of a grain of need for concern, we are going to be extra careful in our application of this contract.

Mr. Chomiak: Mr. Chairperson, I take it from the minister's response, that the lab initiative will basically deal with the electronic storage and transmission of lab results, which is under the tactical initiatives indicated in the estimated five-year cumulative benefits. Is that the case?

Mr. McCrae: Yes, Mr. Chairperson.

You know it is just about six o'clock, and I wonder if the honourable member could tell us how he sees the remainder of the evening unfolding.

Mr. Chomiak: I think perhaps, given the way we are proceeding, I am suggesting that we go from eight till nine o'clock on SmartHealth. The member for Inkster (Mr. Lamoureux) I think concurs with this.

At nine o'clock, we can then bring in the Mental Health people and deal with that until the end of the evening. I can indicate we will most certainly be back into SmartHealth tomorrow afternoon, if that is appropriate.

The other alternative would be to simply go with SmartHealth the rest of today and proceed to some other item in the Estimates tomorrow and go to Mental Health on Wednesday.

Mr. McCrae: This sounds like a good plan, Mr. Chairperson. The more Mental Health issues we could deal with tonight the better, from our point of view.

Mr. Chairperson: The hour being 6 p.m., I am now leaving the Chair until 8 p.m.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, June 12, 1995

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