



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

**DEBATES
and
PROCEEDINGS
(HANSARD)**

39 Elizabeth II

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



VOL. XXXIX No. 25A - 1:30 p.m., THURSDAY, NOVEMBER 15, 1990



MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, November 15, 1990

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

TABLING OF REPORTS

Hon. Darren Praznik (Minister of Labour): I would like to table today the Supplementary Information for Legislative Review of the Departmental Expenditures of the Civil Service Commission.

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): I am pleased to table the Annual Report for the Department of Culture, Heritage and Recreation for the year 1988-89.

Hon. Albert Driedger (Minister of Highways and Transportation): Mr. Speaker, I would like to table the Supplementary Information for Legislative Review for 1990-91, Departmental Expenditure Estimates for the Department of Highways and Transportation.

Hon. Harold Gilleshammer (Minister of Family Services): I am pleased to table the Supplementary Information for Legislative Review for '90-91, Department Expenditures Estimates, the Department of the Manitoba Family Services.

INTRODUCTION OF BILLS

BILL 20—THE STATUTE LAW AMENDMENT (TAXATION) ACT 1990

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), that leave be given to introduce Bill 20, The Statute Law Amendment (Taxation) Act 1990; Loi de 1990 modifiant diverses dispositions législatives en matière de fiscalité, and that the same be now received and read the first time.

His Honour the Lieutenant-Governor having been advised of the contents of this Bill recommends it to the House.

Mr. Speaker, associated with this I have tabled the message from the Lieutenant-Governor.

Motion agreed to.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct attention of Honourable Members to the gallery where we have from the Sandy Bay School thirty Grade 9 students. They are under the direction of Mr. Paramor. This school is located in the constituency of the Honourable Minister of Environment (Mr. Cummings).

Also this afternoon we have from Crescentview School one hundred Grades 5 and 6 students. They are under the direction of Liz Matthews. This school is located in the constituency of the Honourable Minister of Co-operative, Consumer and Corporate Affairs (Mr. Connery).

On behalf of all Honourable Members, I welcome you here this afternoon.

ORAL QUESTION PERIOD

Conawapa Dam Project Environmental Licensing

Mr. Gary Doer (Leader of the Opposition): My question is to the Minister of Energy and Mines (Mr. Neufeld). This morning we asked a lot of questions, but we still have a great number of concerns about the answers we were given at the committee.

It is clear that in a couple of weeks the Public Utilities Board will report on the cost-benefit effect of the proposed Conawapa dam, but after that we are in a state of confusion, if not chaos, in terms of the environmental licensing. We may have a provincial licence process. We may have a federal licence process. We may have an Ontario process. We may have a combination of both, and the Government has no idea, and the Minister has no idea, what the next move will be in terms of the environment.

I would ask the Minister, will the Government assure us that there will be no construction until all licences that are necessary are issued, provincially and federally? Second, will the Minister and the Government renegotiate the penalties in the agreement with Ontario so that Manitoba consumers will not be penalized, if indeed the kind of delays which we have seen with the Oldman River

and the Rafferty-Alameda dam are perpetrated or agreed to on the Conawapa proposal as with the Government?

* (1335)

Hon. Glen Cummings (Minister of Environment):

The Leader of the Opposition was doing pretty well until he started referring to some other fiascoes in terms of environmental assessment that have occurred across the country. Certainly we have been working very hard with the federal Government and with the utility to make sure that we go through the environmental assessment process in a logical, open and fair fashion. There are a number of ways that we can accommodate that. The bottom line is that we will work with the federal authorities to make sure that the highest possible standards are met and, yes, we will make sure that we have the environmental licences in place before major works are undertaken.

Ecosystem Boundaries

Mr. Gary Doer (Leader of the Opposition): There is a difference between halting construction until the licences are issued and the words, major works.

My question is to the Minister of Energy and Mines (Mr. Neufeld). Today we informed the Minister within committee that a number of environmental groups across the country are attempting to deal with the James Bay II project, the Hydro projects proposed to Hudson Bay in Ontario and Conawapa as one ecosystem and will in fact be arguing with the federal Government that they should be considered together and jointly, thus delaying the project for Manitoba.

Is the Minister aware of that potential issue, and what is the contingency plan for Manitobans in the event that may happen?

Hon. Glen Cummings (Minister of Environment):

To some extent I am aware of those concerns being raised, but I think that the Leader of the Opposition was trying very hard to put weasel words into my mouth regarding whether or not the proper environmental assessment would be done on this project. It will be done and it will be done correctly. All the considerations and environmental concerns, whether they are with water, land and all of the various land use things that enter into any kind of project of this nature, will be addressed, so that both the federal and the provincial authorities are clearly

able to answer the jurisdictional requirements that they have under environmental licensing.

Conawapa Dam Project Energy Saving Proposal

Mr. Gary Doer (Leader of the Opposition): I have a further question to the Minister of Energy and Mines.

Today in committee we identified the fact that the energy saving target goals in British Columbia were 5.9 percent, Mr. Speaker, in Quebec they are 5.6 percent, and in Ontario they are 6.7 percent. Yet the Minister has articulated and defended a 2 percent energy saving by the year 2001, which is only 100 megawatts.

My question to the Minister is: In light of the fact that Hydro's own witnesses at committee stated that they would bet their pensions that Hydro could at least achieve 4 or 5 percent by the year 2000, why is the Minister and the Government purporting such low target levels for Manitoba, and why will he not go to a 5 or 6 percent energy saving proposal as other provinces have done which will save consumers and the consumers of Manitoba Hydro a considerable amount of money in the years to come, as well as a considerable amount of demand?

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, the Leader of the Opposition must know that projections do not save money. What saves money in the end is whether or not we can meet projections.

At this point in time our best expert and professional advice is that we can save, by the year 2000, 100 megawatts. We cannot, as I told the committee this morning, develop our future generation on the basis of anything else but professional advice that we get from our experts.

* (1340)

Northern Flooding Compensation Package

Mr. Oscar Lathlin (The Pas): Mr. Speaker, my question is directed to the Minister of Energy and Mines, who is also responsible for Hydro.

An announcement yesterday was made by the Manitoba Hydro people and the provincial Government of compensation that was given to the communities of Moose Lake and Easterville as a

result of the negative impacts that were caused on the physical, social and economic well being of those people resident in those areas.

My question is: Could the Minister tell this House today when and how much compensation will also be given to the communities of The Pas, Grand Rapids and Cormorant?

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, I think the fact that an arrangement has been made and negotiations have been completed with communities that were affected so many years ago, more than 25 years ago, speaks well for Manitoba Hydro's commitment to the northern communities.

As and when, Mr. Speaker, the negotiations are held and are completed, those questions can be answered.

Report Recommendations

Mr. Oscar Lathlin (The Pas): Mr. Speaker, my supplementary question is to the same Minister.

There was a report that was prepared for Manitoba Hydro and the provincial Government by consultants to review the research data that has been compiled by the forebay committee and by Hydro officials.

My question is: Could the Minister table that report here this afternoon so all of us can review what the recommendations were and so forth?

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, the fact that reports have been received does not mean that we have come to a conclusion on which way to proceed. I think I had said earlier that the fact that we have concluded and have indeed signed an agreement with several communities indicates to me at least that Manitoba Hydro is very serious in its commitment to the northern communities.

As negotiations proceed and as requests are received, those negotiations will be proceeded with in a normal way, and the results will be made known.

Compensation Package

Mr. Oscar Lathlin (The Pas): Mr. Speaker, my final supplementary is again to the same Minister.

We all know the devastating effects that were caused by the Grand Rapids Hydro Station.

My question is: This compensation package, did it include strictly a cash payment? Did it include programs and services that would address the long-term effects on those people resident in that community? Did it also include land? Was it a one-time compensation deal, or is it an ongoing program?

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, all the agreements that have been concluded have been with the full acceptance of those communities that are affected. I do not think there is anything more that has to be said about those agreements.

Conawapa Dam Project Hydro Spending

Mr. James Carr (Crescentwood): Mr. Speaker, my question is to the Minister of Energy and Mines, the Minister in charge of Manitoba Hydro.

Confusion at the committee this morning was not only environmental reviews. There was also a great deal of contradiction and confusion over the amount of money spent by Manitoba Hydro in advance of all the necessary approvals.

I wonder if the Minister could clear up the confusion for the House now and tell us precisely how much money Manitoba Hydro intends to spend by the end of 1991, including penalties for withdrawal.

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, if there was any confusion it was only in the mind of the Member for Crescentwood.

Mr. Speaker, as of today approximately \$45 million has been spent. That includes interest on the monies that have been spent. It is Manitoba Hydro's intention to spend in the area of another \$12.9 million by March 31, 1991. In the event, and I think we should preface that by saying that if there is a recovery of costs for either Manitoba Hydro or Ontario Hydro, it is only a recovery of cost of the cap of some \$20 million from March 31 and moving upwards to \$100 million by December 31, 1991.

We should mention also that Ontario Hydro is subject to recovery of our cost, Manitoba Hydro's cost, in the event that they back out. It is a two-way street. It is not designed only to have Manitoba Hydro pay Ontario Hydro for costs it may have incurred. It is also designed to have Ontario Hydro

pay Manitoba Hydro in the event that the deal is canceled on their part.

* (1345)

Withdrawal Penalties

Mr. James Carr (Crescentwood): The confusion continues. Mr. Ransom, the chairman of Manitoba Hydro, said that it is reasonable to assume that there will not be environmental approvals before the end of 1991.

My supplementary question to the Minister is: What would the penalties of withdrawal be by December 31, 1991, in addition to direct expenditures by Manitoba Hydro on the Conawapa project?

Hon. Harold Neufeld (Minister of Energy and Mines): Mr. Speaker, the Member for Crescentwood well knows that the recovery of cost by Ontario Hydro in the event that Manitoba Hydro backs out of the agreement by December 31, 1991, is \$100 million. If the lesser amount is the amount spent by Ontario Hydro, it will be that amount. It is the lesser of the amount spent by Manitoba Hydro or \$100 million at December 31, 1991.

There are recovery costs on both sides. Ontario Hydro's maximum cost to Manitoba Hydro for money spent is \$600 million.

This is a two-way street, Mr. Speaker, and in any agreement we have to have agreement on both sides. We have to have concurrence on both sides and this is just one of those agreements.

Mr. Carr: Mr. Speaker, the confusion grows with every question. The Minister responsible for Manitoba Hydro has told us that the penalty at December 31—

Mr. Speaker: Order, please. Would the Honourable Member kindly put his question now, please.

Mr. Carr: Mr. Speaker, given the fact that the Minister just overestimated the penalty by \$50 million—

Point of Order

Hon. Clayton Manness (Government House Leader): Mr. Speaker, you admonished the Member to get to his question, to do without the preamble. Again, I ask you to bring him to order and ask him to do so.

Mr. Speaker: I would like to thank the Honourable Government House Leader. The Honourable Member for Crescentwood kindly put his question now, please.

* * *

Mr. Carr: Mr. Speaker, why did the Minister of Energy just make a \$50 million mistake?

Mr. Neufeld: Mr. Speaker, I would like to think of it as a 365-day error.

Agricultural Community Debt Restructuring

Mr. John Plohman (Dauphin): Yesterday, Mr. Speaker, I had the opportunity to meet with the western provincial New Democratic agriculture and rural critic along with my colleague the Member for Swan River (Ms. Wowchuk) dealing with the issues and problems facing rural communities and of course agriculture across western Canada and to discuss some of the serious problems facing agriculture and contributed to by Conservative Governments across this country and the policies that they have carried out, like free trade and the method of payment and undermining the Wheat Board and so on, Mr. Speaker. Meanwhile, the issues of safety net and GATT have been getting most of the attention in discussions.

I ask the Minister, as a result of the serious problems that were identified in debt restructuring, the need for debt restructuring in agriculture, I want to ask the First Minister whether he indeed has directed his Minister of Agriculture (Mr. Findlay) to ensure that the issue of debt restructuring be included on the agenda of the agricultural Ministers' meeting in Winnipeg yesterday and today and if in fact that is the case as requested by our critic yesterday.

Hon. Gary Filmon (Premier): Mr. Speaker, I believe that question was covered during the Question Period yesterday.

Mr. Plohman: What I asked the First Minister—because he did not know the answer, he gave an innocuous answer of course, that there was a need to have debt restructuring on the agenda. It is a serious issue. Is it on the agenda or is it not? Is it being dealt with?

I ask as well with regard to the safety net, given that this is one of the major programs that the

provincial Ministers are dealing with, will this First Minister ensure that any agreement that is arrived at will include the cost of production in this safety-net proposal; will it include and ensure that there is no federal offloading, such as reported that producers may have to pay 50 percent of the costs and will include a cap so that the majority of the benefits go to farm families, not—

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

* (1350)

Mr. Filmon: Mr. Speaker, as the Member well knows, all of those matters are the subject of negotiations amongst the provinces and the federal Government and ultimately the producers. If it is a program that is to cover on a long-term insurance basis the needs of the farm community, then it is going to have to provide protection. It is going to have to have contributions in there towards a plan that will insure them against all sorts of variables, whether those variables be production, price or other matters.

Although that is the subject of very intensive negotiations, that will take place over the next while.

Mr. Plohman: Given that there is serious confusion about the amounts that should be contributed and the fact that there probably will not be agreement that will be arrived at in time for 1991, will this Minister now commit his Government to pressing for a deficiency payment, a major payment being made early in 1991, a commitment by the provincial and federal Governments to that principle now so that farmers have the kind of cash that is needed to continue to operate this coming spring?

Mr. Filmon: Mr. Speaker, we are well aware of the concerns of the farm community, of the devastation—

An Honourable Member: Will he make that commitment?

Mr. Filmon: The Member obviously does not want to know the answer. He wants to heckle, so I will let somebody else ask a question.

Family Violence Justice System Review

Ms. Becky Barrett (Wellington): Mr. Speaker, today the Justice Minister announced a special review into the administration of justice to determine whether procedures ensure that victims of domestic

violence are adequately protected and sensitively treated by the justice system.

I think all Members of this House as well as the community at large know that charges are not being laid, know that restraining orders are not worth the paper they are written on, know there is inadequate training for people who work in the justice system and know there is inadequate treatment for offenders and victims.

My question to the Minister is: Can he give the House the cost of this review?

Hon. James McCrae (Minister of Justice and Attorney General): The cost of the review at this time is very difficult to quantify for the Honourable Member, because a number of the inputs, a number of the components of the review will have to do with resources that are available to Dorothy Pedlar from the Government of Manitoba, either the Department of Justice or the Department of Family Services or the Women's Directorate.

I can say to the Honourable Member that the grief we hope to be able to obviate by virtue of such a study is so massive that it would make whatever the cost of the study appear insignificant.

Ms. Barrett: Mr. Speaker, again to the Minister of Justice, would he be willing to table the terms of reference of this review and guarantee to this House that the costs of this review will not come out of existing programs that are already underfunded?

Mr. McCrae: The costs of this review will not come out of existing programs, which the—and I will leave the rest of the Honourable Member's comments out, because they are not true and they certainly are not relevant to any intelligent discussion of the matter.

The terms of reference are, as contained in today's press release—I can make it available to the Honourable Member if she has not seen it. It includes a review to examine and make recommendations on existing law, policies and procedures related to domestic violence, with particular regard to: investigation and law enforcement procedures; processing of charges; interim procedures pending trial and sentence; restraining orders including both bail and Family Maintenance Act orders; training of those involved in the enforcement system; firearms acquisition certificates and control of weapons; probation and institutional treatment of offenders; and access to legal and paralegal assistance for victims.

Women's Crisis Shelters Funding

Ms. Becky Barrett (Wellington): Mr. Speaker, since this Government is prepared to give money to do yet another study, can the Premier guarantee that operating funds will be available for shelters such as—throughout the province, but shelters in particular—Agape House and the LEA shelter in the Interlake, so that they can continue to provide proven services, not needing to be studied yet again, but proven services to women and children in this province?

* (1355)

Hon. Gary Filmon (Premier): Mr. Speaker, I am finding it difficult to believe that the Member for Wellington is opposed to doing this kind of review and study when it was called for by women's groups, called for by her own Party at the time of the concerns that were raised with some of the terrible deaths recently. The need for this review was unequivocally supported by both the Liberal Party and the New Democratic Party. Now the critic is breaking ranks from her Party's previous position.

We intend to do this review so that we will indeed find the basis of improving the system, as we have done during our last two and a half years, by providing major substantial increases, 50 percent increases in funding, 45 percent increases in per diem rates. We will continue to improve the shelters and the protection for women, but obviously there is more that needs to be done, which is why we have commissioned this review, to give us a blueprint for further action.

Environmental Programs Funding

Mr. Paul Edwards (St. James): Mr. Speaker, my question is for the Minister of the Environment. A blue chip panel of environmentalists recently retained by the Ottawa Citizen has ranked Manitoba ninth out of 10 provinces in expenditures in the environment. That is one position up -(interjection)- That is right. The Premier (Mr. Filmon) is right. After two and a half years they are ahead of Saskatchewan, and we all know Saskatchewan's record on the environment.

Mr. Speaker, despite the flurry of nice looking brochures put out by the department and the round table, there is not a heck of a lot of substance, let

alone evidence of real political will, coming from this Government. The Resource Recovery Institute recently had to go public and beg to this Government to get a mere \$35,000 grant, less than one-third of the interest on the Innovations Fund for one year.

Mr. Speaker, my question to the Minister is: When is this Government going to come to grips with the fact that a commitment to the environment does not just mean talking a big line, publishing nice brochures and hoping to make a profit as evidenced by their pitiful support—

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

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, the Member conveniently forgets to acknowledge all of the other things that are going on across the various departments in this Government to make sure that we deal with our environment in a sound and caring way. The Department of Natural Resources has a major responsibility and is doing a number of things as well. The Department of Agriculture, the Department of Rural Development, the Department of Highways even, all have roles to play in terms of dealing with the environment and environmental protection in this province. -(interjection)- Well, one of the Members over there, the former Minister of Highways, references, highways even. What does he think a highway does when it goes through a sensitive area? The fact is that all of these things amount to -(interjection)-

Mr. Speaker: Order, please.

Mr. Cummings: Sorry I brought that up, Mr. Speaker.

The fact is that to only look at the Department of Environment in any one administration and say that this is all that is being done in terms of environmental leadership by a Government is totally not acknowledging all the things that a Government must do.

Resource Recovery Institute Funding Application

Mr. Paul Edwards (St. James): I hate to burst the Minister's bubble, Mr. Speaker, but this review is done of the entire provincial budget, and this Government still finished ninth out of ten. That is not just the Department of Environment, that is the whole provincial commitment.

Will the Minister of Environment today admit that the Resource Recovery Institute in fact originally requested assistance in March of this year, followed it up with further details in July of this year, made repeated inquiries as to the status of their application and were led along until they reached a financial crisis in September of this year, never told by this Government what, if anything, was wrong with their application?

How did this Minister have the gall to stand in the House yesterday and say that their application is deficient when he has done—

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

* (1400)

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, upon receipt of the original request from the RRI, they were told there was no way that they were going to achieve the amount of dollars that they were requesting.

They know full well, going back to the original concept of the Wolseley blue-bag program, which was set up on a pilot basis, that the reason for the involvement of the provincial Government and the City of Winnipeg was to have it set up as a pilot so we could examine their way of operation, the economics of their operation and how the city and the residents of not only this city, other urban centres across the province, could learn from that experience so we could best design environmentally friendly recycling projects in this province.

We now are asking that information be amassed so we can decide where we are going from here.

Environmental Innovations Fund Grant Limit

Mr. Paul Edwards (St. James): Mr. Speaker, finally for the same Minister, is it true that the Minister has arbitrarily placed a \$40,000 grant limit on the \$1 million Innovations Fund? If so, why has he hamstrung his Government's ability to look at the merits of each proposal as it comes forward without prejudging the amount the Government is willing to—

Mr. Speaker: Order, please. The Honourable Member should ascertain the accuracy of his facts before bringing it to the Chamber. Will the

Honourable Member kindly rephrase his question, please?

Mr. Edwards: Mr. Speaker, will the Minister indicate why he and his Government have placed a \$40,000 limit on the amount that can be paid out of the Innovations Fund and not maintain to themselves the right to judge each proposal on its merits and treat it accordingly?

Hon. Glen Cummings (Minister of Environment): I guess one should ignore preamble and some of the tale-end remarks of that question.

The fact is he is clearly indicating why very often Government programs get into problems. That is that decision-making processes of a sound nature are not in place.

We have decided that we are looking at starting up projects. We are looking at assisting in the early stages of projects. We have said that if we want the dollars and the benefits to be able to move in a wider area that we can limit that amount of money. That is a decision that is quite clearly the responsibility of Government.

I think he has forgotten as well that out of the Environmental Innovations Fund—and he will have the opportunity during the Estimates process to look at the other areas of responsibility that we have to look at, the industrial initiatives where we talk about the ability to provide markets for some of the recyclables, the initiatives under Natural Resources that can provide some true benefits to the environment.

Mr. Speaker, he has entirely missed the intent of the funds.

New Homes Warranty Program Replacement Program

Hon. Edward Connery (Minister of Co-operative, Consumer and Corporate Affairs): Mr. Speaker, yesterday I received a question from the Member for Burrows (Mr. Martindale). I am disturbed over the content of the question, because we know Members opposite do their research in the papers, but surely he should read the whole article.

Point of Order

Mr. Steve Ashton (Opposition House Leader): Mr. Speaker, on a point of order, I assume that the Minister had risen on a question that had been taken as notice. If that is the case—which he did not

state—he should then answer the question, not engage in the kind of irrelevant comments that tend to debate, something that is clearly against our rules as outlined in Beauchesne's.

Mr. Speaker: I would like to thank the Honourable Opposition House Leader. The Honourable Minister is responding to a question taken as notice, yes?

An Honourable Member: Yes, yesterday.

* * *

Mr. Connery: Mr. Speaker, the question raised was over the homeowners warranties. No homeowner warranty is in jeopardy. All homeowner warranties will be honoured. Tiffany's was suspended on November 8, but all contracts entered into before that time will be honoured.

Mr. Speaker, about 90 percent of all homes built in the City of Winnipeg are covered by the New Homes Warranty Program. The program is not a Government program. It is one that is entered into by the Manitoba Home Builders Association. Deposits of up to \$10,000 are covered and warranties of up to \$30,000.00. It is mandatory for all CMHC and MIC loans to carry the New Homes Warranty Program. The Member—

Mr. Speaker: Order, please; order, please. The Honourable Minister has responded to the question.

Social Assistance Rate Increase

Mr. Doug Martindale (Burrows): Mr. Speaker, my question is for the Minister of Family Services.

For the past two and a half years he and his Government have blamed the NDP for every problem conceivable, imagined or real. Yet at the same time, they continually brag that they are doing better than their predecessors.

However, increasing numbers of people are using food banks. I thank the media for reminding us of their stories and their plight. Increasing numbers of people are using soup kitchens and food bank outlets. Therefore, I have a challenge for the Minister and his Government.

Will the Minister raise social assistance rates for 1991 by more than the Consumer Price Index? Will he announce the increase soon?

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

Hon. Harold Gillehammer (Minister of Family Services): I thank the Honourable Member for such an accurate portrayal of history.

The department indeed does increase the income security benefits to recipients, and we monitor the cost of living and increase the allowances to reflect the cost of living. We will be making those announcements in the near future.

Mr. Martindale: Mr. Speaker, will the Government at least match the increases of the New Democratic Party, since from his answer he indicates he will not exceed them and, therefore, meet the record of the NDP, who in the 1980s did increase the rates above the rate of the Consumer Price Index in order to stop people, especially increasing numbers of children, from being dependent on private charity at soup kitchens and food banks?

Mr. Gillehammer: Mr. Speaker, the Member has a selective recall, and he is using figures from particular years. If he will look at the last 10 years, it is quite natural for this department to reflect changes in the cost of living, and we will be doing so.

Mr. Martindale: Mr. Speaker, there were two years in which this previous Government of ours increased above the CPI, 1982 and 1983.

My final supplementary is: Will the Minister increase social assistance rates sufficiently to compensate the poor for the punitive and regressive goods and services tax, the GST?

Mr. Gillehammer: I would ask the Member to look at the record of his Party through the entire period of the 1980s, and you will see that the rates do reflect the increase in the cost of living. We will be doing so when we make our announcement.

Unemployment Rate Government Initiatives

Mr. Leonard Evans (Brandon East): Mr. Speaker, I have a question for the Minister of Finance (Mr. Manness), through the Premier.

Last Friday, the Premier took credit for the low unemployment rate in Manitoba for the month of October. Mr. Speaker, a look at the Statistics Canada report for that same period reveals that Manitoba has experienced some serious job losses in some of our basic industries. Comparing this October with last October, manufacturing employment declined by 6.8 percent, or by 4,000

jobs; construction employment declined by 12 percent, or by 3,000 jobs; transportation and public utilities—

Mr. Speaker: Order, please. Is there a question here? Kindly put your question, please.

Mr. Leonard Evans: Mr. Speaker, we are losing jobs in these important industries at a very serious rate, worse than the national average.

My question is: What does this Government, what does this Premier intend to do, if anything, to deal with the serious decline in these basic high-income industries?

Hon. Gary Filmon (Premier): Mr. Speaker, you know, the Member opposite is always groveling around trying to find the worst possible statistics he could use, the worst possible view.

The fact of the matter is that the low unemployment rate in Manitoba, at 6.6 percent on a seasonally adjusted basis—the lowest in the country—is based on a number of factors.

The fact is that this year to date, according to the Conference Board, our increase in investment has been the second highest in the country. Our economic growth is forecasted to be well above the national average. Our manufacturing shipments increase, we are somewhere around the second or third highest in the country.

Various other statistics all point to the fact that there are areas of strength in the economy, positive things happening in the economy. You have in the aerospace industry record employment levels of all time in this province. You have Inco making a commitment of investment of some almost \$300 million in recognition of their view of the strength of our economy.

It is as a result of conscious policies adopted by this Government, keeping taxes down, in fact lowering taxes during the past two and a half years, managing the affairs of Government so our deficit was half the level that it was under the NDP, less than half the level for the last two years. Those kinds of policies have attracted investment and growth and allowed us to go counter to the national trends, Mr. Speaker.

* (1410)

Manufacturing Industry Unemployment Rate

Mr. Leonard Evans (Brandon East): Can the Premier explain why our manufacturing industries are continuing to decline in Manitoba faster than Canada as a whole? For the first 10 months of this year we are down by 8,000 jobs. In fact we are now at the lowest level of manufacturing jobs in the past decade. How does this Government propose to cope with the serious disappearance of manufacturing jobs in the Province of Manitoba?

Hon. Gary Filmon (Premier): Mr. Speaker, I wish that the Member—who is presumably an economist and a statistician, he advertises himself as such—would look across the country. When he suggests that Manitoba is losing all sorts of jobs I can tell him that in the years that the New Democratic Party was in Government, between 1981 and 1987, we lost 10,000 manufacturing jobs during that period of time—10,000 jobs.

I can tell him that if he wants to look at the statistics, at what is happening across the country, all he needs to do is read Maclean's magazine, the Globe and Mail and he will find that in the first nine months of this year alone Ontario has lost 53,000 jobs in manufacturing.

Where is his head? Is it in the sand, or is it in reality? The fact is that this -(interjection)- Thank you, Mr. Speaker.

Retail Sector Unemployment Rate

Mr. Leonard Evans (Brandon East): Mr. Speaker, the Premier better look at those figures again, because Manitoba lost 13.3 percent in the level of employment in manufacturing, in Canada it was only 5.4, almost two and a half times the rate of job disappearance in manufacturing.

Mr. Speaker, my final question is: Why has our retail sector declined by 4,000 jobs, or 4.4 percent, in October compared to last year at this time, whereas the nation as a whole, retail sector jobs have increased by 4.7 percent?

Hon. Gary Filmon (Premier): Mr. Speaker, our retail trade is forecast to grow over 4 percent—4.5 percent this year. That is again well above what is happening in most other provinces in the country.

The labour force in Manitoba increased by 7,000 persons between October '89 and October '90.

Employment increased 2.5 percent, 12,000 persons, October '89 to October '90. Unemployment decreased 5.3 percent, or 2,000 persons, during that period between October '89 and September '90. The labour force on a year-to-date basis is up 7,000 persons. Employment on a year-to-date basis for the first nine months of this year is up 8,000 persons. Unemployment is down by 4 percent in the first nine months of this year. All of these are positive indicators that the economy is outperforming the national average, is going counter to the national trend. It is good news—

Mr. Speaker: Order, please; order, please.

Child and Family Services Administration Review

Mr. Reg Alcock (Osborne): Mr. Speaker, despite the fact that the Minister of Finance (Mr. Manness) nor the Minister of Family Services (Mr. Gilleshammer) nor the Premier have been able to produce a single piece of evidence that suggests that there is a problem in the administration of the Child and Family Services agencies, the Premier continues to go in the hall and attack them.

Now I would ask him today: Is he prepared to have his Government commission an independent study of the management of those agencies to determine the question once and for all?

Hon. Gary Filmon (Premier): Mr. Speaker, rather than engage in the kind of political manipulation and maneuvering that the Member for Osborne is doing—and you know, the Member for Osborne on the one hand consults to these agencies and offers them workshops on management and administration and then at the same time comes in here and tries to make politics of what he is doing within those agencies. The fact of the matter is that we are trying to work out some serious problems. We are trying to work out problems of adjustment to a system that was created willy-nilly by the NDP in the mid-'80s.

There are problems, but the problems are not that this Government is not funding them well above the level at which it is increasing funding to every other area of Government. The problem is that funding gets to the agencies and to the services that they are supposed to deliver, and it does not result in the improvements that we are looking for.

So we have to work with the agencies. We do not have to work politically to try and help the Member be re-elected in Osborne. We have to work with the agencies to support the children—

Mr. Speaker: Order, please. Time for Oral Questions has expired.

ORDERS OF THE DAY

House Business

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I believe if you canvassed the House there may be a predisposition to waive private Members' hour today.

Mr. Speaker: Is it the will of the House to waive private Members' hour? Agreed? Agreed.

Mr. Manness: Mr. Speaker, there has been a discussion amongst House Leaders of the -(interjection)-

Mr. Speaker: Order, please; order, please. I am sure all Honourable Members want to find out what we are going to be doing today.

Mr. Manness: Mr. Speaker, after consultation with the Opposition House Leaders, before I move the motion of Supply, I would indicate to the House that the Estimates of Industry, Trade and Tourism will continue in Committee Room 255, followed by Consumer and Corporate Affairs. Within the Chamber this afternoon, Education will continue followed by Family Services.

Mr. Speaker, I will be moving a motion with respect to sitting late this evening, and this evening Culture will be considered, the Department of Culture, dealing with the section of Culture.

Similarly, the motion I will be moving is with respect to sitting late this evening and tomorrow. Tomorrow afternoon Estimates in the Chamber will then go back to Family Services.

Mr. Speaker, as I indicated there have been further discussions between House Leaders respecting the consideration of Estimates. I believe you will find that there is unanimous consent in the House to implement the following proposals:

1. THAT notwithstanding the provisions of sub-rule 3.(4), on November 15 at 6 p.m. the Speaker, if he is in the Chair, or if the House is in the Committee of Supply at that time, the Chairperson in the committee, shall leave the Chair until 8 p.m., and 12 midnight on that date the

Speaker shall adjourn the House without question put. On November 16 at 12:30 p.m., the Speaker, if he is in the Chair, or if the House is in Committee of Supply at that time, the Chairperson of the committee, shall leave the Chair until 1 p.m., and at 4 p.m. on that date the Speaker shall adjourn the House without question put.

2. THAT both sections of the Committee of Supply shall sit on November 15, in addition to such hours that they may sit in the afternoon, from 8 in the evening until 12 midnight on that date, and shall rise without question put at that time. On November 16, in addition to such hours as they may sit prior to 12:30 p.m., from 1 p.m. until 4 p.m. on that date, and shall rise without question put at that time.

3. THAT notwithstanding the provisions of Rule 65.(9)(c), the Estimates of a department may be introduced in either section of the Committee of Supply after 10 p.m. tonight.

Mr. Speaker: Is there unanimous consent? It is agreed? Agreed.

* (1430)

Mr. Manness: Mr. Speaker, I move, seconded by the Minister of Justice (Mr. McCrae), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Industry, Trade and Tourism; and the Member for Seine River (Mrs. Dacquay) in the Chair for the Department of Education and Training, and the Department of Family Services.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY—INDUSTRY, TRADE AND TOURISM

Mr. Deputy Chairman (Marcel Laurendeau): Order, please. When we last met we were considering 2.(a)(1) Salaries \$184,800—pass.

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Deputy Chairman, before we continue further, I would just like to note that I have tabled a copy of a proposal from Dr. Bond with regard to the study we discussed yesterday.

Mr. Deputy Chairman: Thank you very much, Mr. Minister.

Mr. Jerry Storie (Filn Flon): Mr. Deputy Chairperson, in your enthusiasm you passed which item?

Mr. Deputy Chairman: (1) Salaries \$184,800.00.

Mr. Storie: And what item are we on, 1 what, 2.(a)?

Mr. Deputy Chairman: 2.(a) Industry and Trade, Salaries \$184,800.00.

Mr. Storie: Your enthusiasm was matched by your good judgment. You can pass that.

Mr. Deputy Chairman: That is what you said at the last meeting. Other Expenditures \$8,500—pass.

2.(b) Industry: (1) Sectoral Development \$1,157,300.00.

Mr. Storie: Mr. Deputy Chairperson, this area includes a section called Sectoral Development, and I wonder if the Minister can give us some breakdown of what particular sectors the department has identified as priorities for the coming year, the coming three to five year period?

Mr. Ernst: Mr. Deputy Chairman, health industries, food processing, informatics and electronics, and the aerospace industry. Those are four priorities. The department does monitor of course a wide variety of other industries, as well.

Mr. Storie: Well, I would like those repeated at some point, but we will start with the question on the health industries. Could I have the list again?

Mr. Ernst: Yes, the list was aerospace, food processing, informatics and electronics, and health. Mr. Deputy Chairman, there is a whole section of the Estimates on the health industries initiative. Perhaps we could deal with that when we come to that section and maybe focus on the others at this point.

Mr. Storie: Mr. Deputy Chairperson, I am certainly agreeable to proceed in that way. Dealing first with the food processing industry, the Government, I believe, was involved with the Agri-Food Agreement which, if memory serves me correctly, was partly responsible for some of the research that was being done in terms of food processing. I am wondering whether the ending or restructuring of the Agri-Food Agreement will have any effect on the food processing research that is going on in Portage.

Mr. Ernst: No, it will not.

Mr. Storie: Could the Minister indicate what projects that agreement was funding related to the food processing industry?

Mr. Ernst: The Agri-Food Agreement primarily dealt with projects brought forward by the Department of Agriculture and had little, if anything, to do directly with the operations of the Manitoba Research Council to which the Member has referred.

Mr. Storle: Does this department fund in any way the food lab that is in Portage?

Mr. Ernst: Yes, Mr. Deputy Chairman, it is one of the two facilities operated by the Manitoba Research Council, which again is a separate section under this department. We make grants to the Manitoba Research Council, and they operate the food centre in Portage.

Mr. Storle: This area has been, traditionally, quite important in terms of Manitoba's economy.

It concerns me greatly when this department produces some statistics with respect to the Free Trade Agreement, which show that the food processing area of manufacturing, the food industries, has shown a significant decline in terms of the trade with the United States. The trade deficit has increased quite dramatically.

There were many—and we touched on this during the opening remarks—in the food industry, including major players such as McCain's, who indicated that the Free Trade Agreement would have a devastating effect on the food processing industry in Manitoba, in Canada generally, but in Manitoba in particular.

Since the Free Trade Agreement was signed, we have seen the closing of the Campbell's soup plant. I do not know if it is closed yet, or it is going to be within a few months. We have seen the sell-off of the mushroom plant, or the attempted sell-off of the mushroom plant, which was also owned by Campbell's. We are now hearing that the canola crushing plants may also be in jeopardy.

I am wondering whether the Minister or the department has any plans in place to make sure that we can defend ourselves from the impact of the Free Trade Agreement over the long haul, reminding him that the real impact probably will not be felt for another quite a few years. The only changes that are happening right now is restructuring that makes it very advantageous to locate elsewhere.

Mr. Ernst: Mr. Deputy Chairman, I do not subscribe to most of what the Member from Flin Flon (Mr. Storie) has just put on the record, but let us deal with them one at a time.

The question of Campbell's soup plant in Portage la Prairie, certainly devastating for the community of Portage la Prairie and something that no one would ever have wanted to see occur, nonetheless, the facts of the matter are that soup consumption in North America—to which Portage la Prairie's Campbell Soup plant contributed to that market—has been flat for a number of years. There has been virtually no growth in that industry at all.

* (1440)

The Campbell Soup Co. competes with the Heinz Soup Co. as its chief competitor. That competitor produces all of its soup in one plant; Campbell Soup produced theirs in about half a dozen plants. Campbell Soup clearly indicated that they could no longer continue to produce in a fractionated basis, but had to consolidate their operations.

As a result, Mr. Deputy Chairman, they closed one plant in Quebec, one plant in Toronto, one plant in Manitoba and two plants in the United States, including historically, the home of Campbell Soup in Camden, New Jersey, something that was very difficult for a company that has a proud name, as Campbell has had for so many years, to close that original home plant.

So, Mr. Deputy Chairman, the question of competitiveness is paramount, and as much as we regret the decision to close the Portage la Prairie plant, no one can fault a company for trying to remain competitive, trying to maintain the jobs and their position in the industry that they have at the present time. If they have to consolidate their operations to remain competitive, then they have to do that. We all collectively have to understand that despite the fact that we have to face some hardships along the way.

Mr. Deputy Chairman, with respect to the mushroom operation, Campbell operates two mushroom plants in Manitoba, both of which are profitable, both of which provide only a very limited portion of their output to the Campbell Soup plant. In fact, Campbell Soup is importing mushrooms from British Columbia in order to provide mushrooms for their soup operation in Manitoba, because the quality of their mushrooms produced in the two mushroom firms here, near Portage la Prairie, are in fact of sufficient quality as to be sold in the fresh market almost exclusively.

Those two plants, Mr. Deputy Chairman, the company has offered for sale as a result basically of

their closure of the soup plant here and the fact that they will not have the management on site that they would not normally have had. There is no expectation of (a) closure or (b) job loss of any significance related to any potential sale of those plants. We are watching that situation to ensure that they continue, and there is no expectation that they will not.

Again, we have seen some plant closures, Mr. Deputy Chairman, over the past year, none of which we were very happy about, but at the same time, you have to look at the reasons why they closed. You have to look at, for instance, the Oglivie Oats situation, which is one that was very long and loudly touted in the news media, where you had a plant that was 120 years old and had no significant new investment placed in that plant in a great many years. The fact of the matter, it was the only remaining plant in North America to grind using millstones as opposed to more modern technology.

Mr. Deputy Chairman, when that plant closed, it was closed because of the fact that it had become obsolete. A new plant providing the capacity required in the Canadian market was constructed, or is being constructed in Ontario, something that we again would rather have had happen here in Manitoba, but nonetheless, is being constructed in Canada, not in the United States, and has to do with the competitiveness of the company and the fact that they need to use modern technology in order to remain competitive.

Now, in terms of competitiveness, if being competitive in a market is construed to mean that the Free Trade Agreement caused the closure of the plant, you know, I have to wonder, but the fact of the matter is, our companies will have to become competitive. Whether or not there was a Free Trade Agreement, they will have to be competitive. We cannot, as Premier Rae from Ontario has indicated, build walls around this country. We cannot exist on that basis any more. It is a global market, and we have to be competitive.

Mr. Storle: Mr. Deputy Chairman, I recognize that it certainly may be counterproductive to build walls around our country, but certainly some countries, including countries like Japan, have succeeded quite well with walls around their country. In fact, there are still substantial walls around countries like Japan.

However, we had this discussion yesterday; no one is recommending that we build walls. What we are suggesting is that the agreement went far beyond the question of tearing down tariff walls, was very broadly based and, from the point of view of many, ill considered in terms of the universal nature of approach in terms of tariffs generally.

The Minister also commented that plants do close from time to time for a lot of different reasons, including competitive pressure, but also because of reasons of lack of substantial investment in new technology, and no one argues that happens.

The question is, when those plants close for whatever reason, it could be because they are in an expansion mode and require new premises. When they expand, what keeps them in Manitoba? What insures us, or what motivates them to stay in Manitoba?

It is quite apparent that many of the companies that have moved have not gone out of business, but have changed the location of their enterprise, are consolidating activities, and that consolidation is going to go on elsewhere. That is the real long-term concern, not that we cannot compete, but that by giving away some advantages we had as a country, we are going to ensure that people do not locate to this part of the world.

In terms of the food processing industry, can the Minister indicate whether there are any plans afoot by any of the major food processors in the province to locate here? Is there anything that the Sectoral Development Group has been working on in terms of new initiatives?

Can the Minister indicate whether the investment in the new Carnation plant has been completed? Has the new Carnation project been completed, and what has been the outcome of that investment?

Mr. Ernst: The last question first, Carnation is in the final year of its expansion plans. Investment is taking place, and we are working with them in other areas, such as the irrigation of growing potato product for their plants. They have been unable up to now to get 100 percent of their product for that plant out of Manitoba because of the drought conditions we have experienced over the past while. We are working with them on an irrigation plan to hopefully bring that up to their desired levels.

In terms of additional investment, Can-Oats has located in Portage la Prairie, has set up a milling facility there.

Dominion Malting has, I think, almost doubled the size of their operations here, because they are now selling a malting barley into the Japanese market, which is something that we are very pleased about. We will continue to see that expanding. In fact, some consideration is being given to a further expansion because of the very increased amount of business they have been able to sell into that market.

Schwans, which is a Minnesota-based food processing company, is a direct result of initiatives by this department and is now prepared to move into southern Manitoba, so that we are seeing some activity occur in that area.

Mr. Storle: I have just two related questions, I guess. Number one, we talked about the Carnation plant, the final stage of the investment taking place this year. Could the Minister indicate the number of people who would be employed, are employed, or were employed in the Carnation plant in 1985 versus the number of people employed as a result of this investment?

The other question was—how do you spell this food processing—

Mr. Ernst: S-c-h-w-a-n.

* (1450)

Mr. Storle: Can the Minister indicate whether the department is putting together an industrial development assistance package for this group? What is the scope of this operation once it is in place?

Mr. Ernst: With respect to the Carnation situation, order of magnitude there before was a little over 400, and today approximately 500. I do not have exact numbers.

With regard to Schwan's, just let me consult for a moment. The correct name is Schwan's Canada Inc. The investment on their part was \$2.8 million for the creation of 29 new jobs in which there is no Government investment present or contemplated. Their operations are basically processing of meat and dairy products and distribution of those products throughout southern Manitoba.

Mr. Nell Gaudry (St. Boniface): The Interlake Packers in St. Laurent, Manitoba, went into receivership some time ago. Is there anything that has developed further with funding of this packers that went into receivership?

Mr. Ernst: Interlake Packers was funded by the Communities Economic Development Fund, not by

the department directly. It is my understanding that there—and it comes from something I read in the paper—was another group, I believe, interested in starting it up again, particularly now since the closure of the Brandon kill facility.

Mr. Gaudry: So Industry and Trade has not been involved at all since the last report that we have seen in the paper where they were waiting for the Government to intervene and make a decision whether they were to reopen?

Mr. Ernst: As I indicated, it was the Communities Economic Development Fund who had involvement in that, for which the Minister of Northern and Native Affairs (Mr. Downey) is the Minister responsible. The Communities Economic Development Fund operates out of Thompson, not out of our department.

Mr. Gaudry: In Administrative Support, I see there is an increase of \$24,000 and you are showing a staff of three and no changes, what is the \$82,600 to \$106,600.00?

Mr. Ernst: I am sorry, can you refer exactly to—

Mr. Gaudry: Page 27 in Administrative Support.

Mr. Ernst: That is in the Supplementary Estimates?

Mr. Gaudry: Yes.

Mr. Ernst: Mr. Deputy Chairman, I am informed that three staff this year are retiring from Government service and there are certain benefits available to civil servants when they retire and this money will serve to meet those needs.

Mr. Storle: Would the Minister indicate who those individuals were?

Mr. Ernst: Mr. Deputy Chairman, I am advised there are two people retiring. Sophia Nelson and Millie Dumas.

Mr. Storle: Mr. Deputy Chairperson, we had dealt with the food processing. I thought my colleague had other questions in the food processing area, other than the Interlake Packers.

The electronics and informatics sectors, I wonder if the department has any role to play currently in the InfoTech Centre on Ness?

Mr. Ernst: By all means, InfoTech is an integral part of the operations of our department now. Since the Member was in Government, with the amalgamation of Industry, Trade and Technology and Business Development and Tourism, the educational component of InfoTech, that is the computer labs,

the development of computer software for educational purposes and the like, has been transferred to the Department of Education, where it probably belonged in the first place as far as the education technology area is concerned.

As far as support for software companies, liaison with the manufacturers of computer products in Manitoba and so on is continued on by the business side of InfoTech.

Mr. Storie: Two things, No. 1 there were a number of software companies producing, in some cases, educational software. I assume they are still part of the department's programming at InfoTech. I wonder if the Minister can indicate which software companies are currently using the facilities, which companies currently have agreements with the department to provide research, develop products, and what those products might be currently?

Mr. Ernst: Mr. Deputy Chairman, first of all, we are not in the business of renting out space to people to operate out of the InfoTech Centre.

The Department of Education may in fact be dealing with software companies, working closely with them on specific educational packages, but our involvement is dealing virtually with any software company in the province and we provide technology and commercialization assistance. We provide trade assistance in terms of marketing their packages and their software. We work with them and when we have identification of a need and identification of a supplier of that need, trying to put them together to provide a solution.

We also are working with, for instance, Unisys, which is a major manufacturer of both defence products and office products here in Manitoba, as well as of course to the Health Industries Initiative where they are running their hospital program that was entered into by the former Government.

Mr. Storie: The Minister has not been very specific to this point. I am wondering whether the Minister can indicate what projects—first maybe answer the question—if I understood the Minister's remarks correctly there is no research going on, the companies are not using the space perhaps the same way as some other companies are using the new Manufacturing Technology Institute at the NCR building. So there is no research going at InfoTech.

What projects are currently contemplated and what is the Government's involvement in those specific projects?

Mr. Ernst: Mr. Deputy Chairman, we can provide a list if you like of all the software companies that we are currently working with if that—I do not have a list here and we would be prepared to provide that at some future point, but we are not at the present time in the basis of funding research for software programs through InfoTech, if that is what the Member was after.

* (1500)

Mr. Storie: Mr. Deputy Chairperson, I was trying to sort of pin down what role InfoTech is actually playing in terms of Sectoral Development. If it is playing some sort of salesperson role, that is one role; if it is playing a partner in terms of the development of software then that is entirely another role. What I am looking for is not only a list of the companies that currently have some form of agreement with the Government of Manitoba with respect to InfoTech, but looking for an explanation of what programs, what projects, what those projects entail. So if the Minister will provide that in writing, then we can leave that section.

Mr. Ernst: Mr. Deputy Chairman, I should also point out that under the Information Technology Branch, which is separate from InfoTech, that we do have some agreements with companies such as Wang, for this building. We have a project with Linnet Graphics International in the development of an integrated Wang based geographic information system, which is currently in the second of three phases. We are working towards an agreement with Comcheq Services to provide some additional technology development utilizing the pilot project within the Government and things of that nature. So just so we do not get any misinformation our miscues here, under Information Technology we do have some agreements; not under InfoTech, InfoTech is a support organization at the present.

Mr. Storie: The more the Minister talks, the more it looks like there is duplication here of intent, if not effort. My question then following on that is, the original proposal was—it seemed at least that the companies: Apple and Commodore and Unisys or whatever actually provided some financial support for the InfoTech centre itself. I am wondering, what is the current share of contribution from the companies that are involved in InfoTech? Are there any left? Have those agreements expired? If so, what is the share of the Government in respect to the operating costs of that centre?

Mr. Ernst: The Member for Flin Flon (Mr. Storie) is quite correct in his comments that there is duplication of service when you refer to InfoTech and the Information Technology Branch. It is the same thing. My apologies.

With regard to the contracts that were previously held by InfoTech with the suppliers of computer manufactured products, we had contracts with Unisys and IBM and all those things that were entered into previously. It was there to demonstrate the equipment, by and large, and software programming associated with that equipment to educational institutions. That is still going on, but that is the part that has been spun off to the Department of Education, as opposed to remaining under the InfoTech or Information Technology Branch, whichever you wish to choose. The current InfoTech aspects related to our department are dealing in a support measure for the informatics industry in the province. The education part is spun off to Education.

Mr. Storie: I feel a lot better knowing there is no duplication going on.

If memory serves me correctly, the InfoTech centre was also serving the small business market. In fact, there were accounting packages, accounting software, marketing software, self-education programs being created. Where are those now being looked after, or are there any left?

Mr. Ernst: We no longer provide that service directly to small business as a department. Evolution in the industry over the past period of time has created all kinds of support sector companies within the private sector to provide those kinds of services. There is a myriad of computer companies, computer consulting companies, small chartered accountancy firms and things of that nature available in the private sector to provide the consultation service to small business. It was determined that the taxpayer need not continue to fund that aspect of the department, and as a result it no longer does.

Mr. Storie: My assumption is that in fact with the amalgamation of the Department of Business Development and Tourism, Industry, Trade and Technology, small business is the ultimate loser in this. Some of the support systems that were in place are no longer there, and perhaps we are going to pay the price as we head into this deepening recession. Time will only tell.

If I might, I would like to move to another area. The Sectoral Development reference in the Estimates says "identifies a market's investment opportunities to selected industrial development prospects both within and outside Manitoba," which leads me to ask the question: Has your Deputy Minister led you on a junket to Hong Kong and Japan yet?

Mr. Ernst: First of all, I want to indicate to the Member for Flin Flon (Mr. Storie) that his allegations with respect to the small business component are in error. In fact, we do provide. We will get to that in due course at the Business Resource Centre.

Certain actual aspects of delivery of service by the Government need not always be delivered by the Government. Every program that is instituted need not be there forever.

Sometimes the needs decline, sometimes there is availability of other resources in the community, and Government ought not to be competing with its own taxpayers and its own job creators in the private sector.

From time to time programs will come along and programs will disappear, and he need not read into that any less support for small business in the province than he is presently trying to do.

With respect to the second question, yes.

Mr. Storie: I was only speaking quite facetiously, I know that those trade missions, as we euphemistically call them, can be quite valuable, emphasis on the "can."

Yes, Mr. Deputy Chairperson, to the Member for Fort Rouge, I too have been a part of those and I am wondering whether the Minister can indicate currently whether there are any bright prospects that have developed as a result of those missions to either of those parts of the world.

Over the last several years, a decade perhaps, there has been an increasing level of investment from Hong Kong. I am wondering if the Minister can indicate what the current climate is in Hong Kong, given the Tiananmen Square incident, and whether we are seeing an increased investment as a result of that uncertainty.

I am wondering whether the Minister can indicate whether there is any ongoing investigation of silicon based industries resulting from Japanese interests in the province.

Mr. Ernst: Mr. Deputy Chairman, many questions were raised there.

As the Member is aware, the department maintains an office in Hong Kong staffed by three people at present, an increase of one over previous years. We have in fact -(interjection)- I am sorry?

An Honourable Member: Do you get there once a year?

Mr. Ernst: Mr. Deputy Chairman, if the Opposition lets us out of the House.

The Department does maintain an office there and is actively working throughout Southeast Asia—Korea, Japan, Taiwan, Philippines, right through to Singapore on both entrepreneurial investment and immigrant investor financing as well as trade opportunities by our own manufacturers here to try and have our products distributed more widely throughout Southeast Asia.

We have had some successes, we have some on the burner at the moment that are very hot prospects if you like. Certainly the investment by Minebea Corporation, a large conglomerate basically of Japanese manufacturers, branched out for the first time into Manitoba investing some \$25 million in the Interlake in a hog breeding facility.

Once they have genetically altered their breeding stock to a point where the meat that they produce is appropriate to the Japanese market, then they will in fact be expanding into the kill and processing and shipping of fresh pork to Japan from Manitoba, which is quite an exciting prospect and one that we are very interested in.

In addition to that, they are also looking now at a second investment in the Province of Manitoba which is -(interjection)- well, my Jewish friend from Crescentwood is perhaps offended; nonetheless, those not of his persuasion, of course, do consume large quantities of pork, ham, bacon, and pork chops and all kinds of things, spareribs. Mr. Deputy Chairman, it is something that we are very pleased about.

* (1510)

It is our first major investment of a Japanese company in Manitoba. It is a signal, I think, and certainly one that we are promoting throughout contact with other companies from Japan that there is a good home in Manitoba for their industry.

Minebea itself produces about 2,400 different products manufactured in factories throughout the

world and they are looking now at a second investment. As an example, Minebea Corporation produces all of the electronic speakers for Sony and Hitachi. When you buy a Sony piece of audio equipment in fact the speaker is produced by Minebea Corporation.

While not many people have heard of Minebea Corporation, they are in fact a very large manufacturing operation and do produce for other companies. They make almost all the keyboards for computers, as another example.

So we are working closely with them to seek a second investment. They are quite interested and are proceeding in that area.

We are also dealing with several other people in terms of larger investments from Southeast Asia, as well as the ongoing entrepreneurial immigrant program and the immigrant investor program, which we are promoting as well.

In 1989, we had 35 new entrepreneurs visaed for residence in the Province of Manitoba, bringing with them something in the area of \$20 million in investment. We have identified, in the first six months of 1990, 20 new entrepreneurs to come to Manitoba totalling investments of about \$6 million so far.

The biggest single problem we have there is the inability of the Canadian Commission in Hong Kong to process visa applications for people. It takes up to two years now to get a visa approved and so it is becoming more and more difficult as more and more people seek to exit Hong Kong and seek another home.

As the Member for Flin Flon (Mr. Storie) indicated, Tiananmen Square has had a marked effect on the attitude of the people in Hong Kong.

What was, I guess, initially contemplated in 1984, when Mrs. Thatcher signed the agreement with the Government of China to cede the colony back to China in 1997, there was a mood of optimism that because the Chinese Government of the Day had said, we are going to leave everything as it is for 50 years. There will not be any changes. We need this outlet on the world, and so on.

With the discussion that ensued from that between 1984 and 1989 on the basic law, that is what will govern Hong Kong after the Colony is ceded back to China, has started to create a lot of concerns. What they said in 1984, that everything is

going to be the same, was not what was happening when they started to negotiate the basic law.

So there was great concern and then following that was Tiananmen Square, which basically said to the people of Hong Kong, you cannot trust what the Government of China will say, and that again caused a flurry of concern.

The problem, of course, is that if it takes two years to come to Canada from Hong Kong, being processed through the Canadian Commission, and it takes six months to go to Australia, you can see pretty quickly sometimes what happens in terms of people's ability and desires to get out of Hong Kong, if they get the commitment early.

We have had ongoing discussions with Canada Immigration to try and see what we can do to utilize our office to speed up the process, that is, if we can conduct certain activities in advance of the applications being made to the Canadian commission, then perhaps we can see those visas being issued a lot quicker. So we are working on that and we have 500 or so, I think, when I was last there in April, active files of people who are looking to come out of Hong Kong, looking to come to Manitoba, but the ability to process them through the commission has been a major problem.

Mr. Storie: I thank the Minister for that synopsis. I had also asked the additional question about the Japanese interest in silica-based industries. I am wondering whether there have been any further contacts with companies like Mitsubishi and C. ITOH who had indicated an interest—and a couple of others that I cannot remember off the top of my head—in Manitoba because of the availability of silica and cesium and material that might be used in the production of superconductors and those kinds of things and the availability of cheap energy, which is one of the main raw materials.

I am wondering whether the Minister can tell us whether there has been any progress made on those kinds of discussions.

Mr. Ernst: Mr. Deputy Chairman, of course as the Member knows, Dow Corning is in the process at the moment of building a \$10 million pilot plant in East Selkirk to deal with those issues. We have had ongoing discussions and I think are some distance down the road. Of course, the Manitoba Energy Authority also, apart from our department, deals with high energy intensive uses. As a matter of fact, the President of the Manitoba Energy Authority and one

of my senior staff are presently in Japan having some discussions with potential investors here in Manitoba with regard not only to high energy intensive uses, but some outside of that particular sphere. So while no concrete contracts, if you will, or investments have been made apart from Dow Corning, we are continuing to work with those companies and there is continuing interest. The oriental outlook, shall we say, is generally extremely cautious and it takes some time to develop a rapport or confidence with those people, particularly when it comes to an investment of significant magnitude in a foreign country. So I say we are continuing to work with them and we do have some excellent prospects, in our view, and we hope to be able to secure some of those in the not too distant future.

Mr. Storie: The Dow Corning agreement, and I know the Minister is aware the preliminary agreement was signed by the Manitoba Energy Authority when the previous Government was in office and certainly should acknowledge that Government's role in ensuring that project came to fruition. We can only hope that they proceed from a pilot project to a plant that is perhaps world scale.

Mr. Ernst: That makes my point somewhat in spades in that these things often take a terribly long time by the time you proceed from initial contact through to actually seeing something on the ground.

Mr. Storie: For sure. I am prepared to pass this section, Mr. Deputy Chairperson. Are my colleagues agreeable?

Mr. Deputy Chairman: Item 2.(b)(1), \$1,157,300—pass; 2.(b)(2), Investment Promotion, \$811,300—pass.

* (1520)

Mr. Ernst: Would the committee indulge me for two minutes while I speak to Mr. Leitch about an issue? I will be right back.

Mr. Deputy Chairman: Well, we can continue to pass this stuff while he is gone. Do you want to pass the next one while we are there and do the resolution? Shall we pass the next one and do the resolution, or do you have some questions on 2.(c) Financial Programs?

An Honourable Member: Yes, I do have some questions.

Mr. Deputy Chairman: We are now dealing with item 2.(c)(1) Salaries, \$542,700—shall the item pass?

Mr. Storle: Which item are we dealing with? We are still in Investment Promotion.

Mr. Deputy Chairman: We passed that one already. I called it, you passed it. I mean, if you want we can go back to it. It is passed. No. 2.(b)(1) and then 2.(b)(2) so now you want to go to Investment Promotion 2.(b)(2)? Okay, that is where you are. It is already passed, but you can discuss it.

Mr. Storle: In my desire to co-operate we passed this too quickly. I apologize. I have just two questions. In the supplementary information package it talks both about the Hong Kong office, which we have discussed, and the Investment Promotion program along with the Business Immigration program, we have discussed that. Can the Minister indicate what criteria are being used currently for industrial agreements, investment promotion agreement? Are there established criteria that are used or are these ad hoc, based on the nature of the program? How is that decided?

Mr. Ernst: That would fall into the Financial Programs division of the department, which will be a subsequent item. There are no direct things done under Investment Promotion.

Mr. Storle: Did I hear the Minister say, there are no direct things done?

An Honourable Member: Direct financial instruments.

Mr. Storle: Mr. Deputy Chairperson, I appreciate that. By reading it is to promote investment I assumed that this was the area where they would also not actually fund it, but develop a criteria for funding. If that is in a different section, we can do it later.

The other question I had was relative to the promotional offices. The Hong Kong office was sponsored in part, or supported in part by Richardson Greenshields at one time. Is there any involvement relationship between our office in Hong Kong and Richardson Greenshields? There was an office at one time established in Holland, I believe. Is there still such an office, and what is the staffing there?

Mr. Ernst: Mr. Deputy Chairman, with respect to Hong Kong, originally when the office was established, in '84 I believe it was, or '85, Richardson Greenshields sublet some of their office space to the provincial Government. They provided some administrative support, typing and things of that nature, photocopy services and so on, to us.

Since that time, because of space reallocations within the same building and so on, we have now relocated our office separately from Richardson Greenshields, but it is still in the same building. There is no direct involvement any more. The office has grown sufficiently that we are able to accommodate our own administrative services now.

There was a two-year pilot contract in Holland with one Anna Maria Magnifico. The department tried a two-year pilot project with this lady on a contract basis to provide economic development services in Europe. That contract was terminated in 1990. In April of 1990, the contract expired and was not renewed. We have subsequently contracted with a firm in the United Kingdom to carry on those kinds of services. We are also looking hopefully at a further contract with the investment promotion company in Germany, but that is not yet finalized.

Mr. Storle: The only other question I had in this section was related to the relationship between I guess the Province of Manitoba, other provinces and the federal Government on free trade within the country. I know that the First Minister (Mr. Filmon) announced agreement, and I am wondering whether we could have some detail from the Minister on the nature of the agreement and what teeth this agreement has to prevent provinces from disbaring or disallowing competition in one way or another by regulation or policy, whatever. How is this going to be monitored and what teeth are in this new agreement?

Mr. Ernst: Mr. Deputy Chairman, there are actually two agreements, one amongst the four western Canadian provinces, which goes substantially further in terms of its breakdown of those interprovincial trade barriers basically relating to—the trade barriers per se are barriers created by Governments, not on the basis of tariffs as they are with foreign powers, but on the basis of Government procurement and Government grant funding programs.

In terms of western Canada, we have gone some considerable distance in terms of Government procurement and Government construction so that there will not be preferential treatment given sort of on a buy Manitoba or a buy Saskatchewan type of basis. However it does not yet include Crown corporations. It does not yet include hospitals or municipalities or jurisdictions where the Government does not have a direct hands-on control of the operation as opposed to that which it

does directly by Government procurement. That is now in the second year of its existence. I have not seen the review. There is to be a review at the end of that. I have not yet seen that. It should be available, I guess, almost any time now.

From all reports that I have from private sector companies bidding and so on, it has worked, I think, reasonably well. There likely will be glitches. There likely will be situations where it did not work, but I think, by and large, it will work on a western Canadian basis and that is the primary interest of our suppliers here. Their biggest markets are in western Canada.

In terms of the national agreement, that is the signing page of the agreement, not all signatures are yet present on it and in fact Mr. Allison from my department is in the process of travelling about the country picking up the last few signatures on the agreement, on the national agreement.

The national agreement was a long time in coming, and it is very limited overall, in terms of its scope, but for the—and I attended, in the last two and a half years, God knows how many meetings on this particular agreement. Because of the diverse nature of the country, because of a wide variety of individual interests, from Newfoundland to British Columbia, it has been difficult to try and push all of those things into one package, but the breakthrough has occurred. The First Ministers have agreed and we are in the process of finalizing the agreement. We have three signatures left to go and the agreement will be in place. Again it deals primarily with the Government procurement of goods only, not services. I think there is a limit of over the sum of \$25,000 per contract.

As I say, it is a start, and something that has been long overdue, and I think all of us want to push toward eventually eliminating all barriers that occur across the country in terms of free movement of goods and services back and forth.

Mr. Storle: Pass.

* (1530)

Mr. Deputy Chairman: Now we will move on to item (c) Financial Programs: (1) Salaries \$542,700—pass; (2) Other Expenditures \$39,400—pass; (3) Programs \$6,758,700.00.

Mr. Storle: I assume this is where I ask the question about criteria in terms of the Manitoba Industrial Opportunities section, so perhaps the Minister can, if he can, table any set of criteria that he might have

or advise us what the criteria are and how they are implemented.

Mr. Ernst: Mr. Deputy Chairman, because of the complex nature of most of these major projects that are provided assistance for under this program, there is no application form.

To continue, there is no application form, there is no specific set type criteria, because of the nature of the whole program and the fact industries differ substantially one to the other.

There are, however, some broad general criteria that do apply. Number one, of course, there has to be a significant investment; No. 2, it has to provide at least 50 jobs or more.

We limit assistance by and large to loans. Now they may be interest forgivable, partially interest forgivable, low interest or other kinds of loans, but nonetheless they are all repayable and for which we require security. We do not any longer make loans for these kinds of activities without taking security of some form sufficiently adequate in the mind of the Government to secure our investment.

Mr. Storle: I anticipated the remark that it would be individual, that there would not be any specific criteria, which leads me to ask the question, how can the Minister then reduce the commitment under this program unless, of course, he is anticipating what we have suggested is happening, that the opportunities in Manitoba are coming fewer and farther between? There is a significant reduction in the commitment, year over year, and if there is no criteria for it, how realistic is the projection?

Mr. Ernst: Mr. Deputy Chairman, in any item such as this, it is very difficult to compare, year over year, one number against the other. It is difficult because what happens at any period of time, in any given budget year, the numbers will reflect what has happened over the past five or six or seven years. As projects come through the system and the loans are either repaid or whatever, it will depend on what you add on and the cash flow of the add-ons as opposed to those who have passed through the system and are now financially paid off. It will depend in part on what interest rates are, because the interest costs borne by these programs are also included in those numbers.

I must say also that we try not to provide money wherever we can. We would much rather have a company invest here on its own hook than have the taxpayers support it. Sometimes it is necessary to

push somebody into making that investment, and support from the Government is the necessary push. In other cases it would not occur unless that assistance is provided, but we are attempting wherever possible to not holus-bolus pour out the money unless it is necessary to see something occur. When investments are made by the taxpayer through these programs, we try and ensure they are protected as much as possible.

Mr. Storie: Mr. Deputy Chairperson, it is an interesting dilemma for the Government. I wonder just whether this reflects a recognition of the fact that we are entering a much more difficult period in terms of attracting investment generally because of the climate and because of perhaps free trade.

It is also interesting that many of the other programs, including the Venture Capital Program which is one of the programs that seems to be doing quite well, of course were put in place by the previous Government. I am wondering whether the Minister will undertake to provide this committee with details of the companies that have been assisted, for example, under the Manitoba Industrial Opportunities Program; how much that assistance was; what form the assistance took; and what criteria or what results are expected from this investment for each of those programs, as outlined under (c)(3)?

Mr. Ernst: Certainly, not right now obviously, but through the next period of time, we are prepared to prepare a list of those companies that have been assisted and so on.

Let me clarify something so you do not look at the two numbers that are included in the Estimates. That is for the year ending March 31, 1990 at \$7.5 million and for the year end of '91, \$6.7 million, as being the total program. That is the cost of operating the program.

What we have provided for in both years is a \$15 million loan requirement for the program so that we draw against that as required. As the loans are drawn down, then the interest costs accrue. Those are included in these amounts. So in fact our operating costs are slightly lower this year than last, but that is again dependent upon cash flow and a variety of things. It is not easily directly translatable one year to the next where it can be construed as a cut in program, if you will, one year over the other. I just wanted to clarify that.

In terms of the other programs, we will provide those companies with the same assistance.

Mr. Deputy Chairman, I also want to suggest that the Member for Flin Flon's (Mr. Storie) comment about his view of success of the Venture Capital Program has been, by and large, a disaster. We are out of the Venture Capital Program, and have been for two years because of significant problems and losses that occurred in the Venture Capital Program.

Mr. Storie: Well, it is interesting that perhaps the Minister could identify what the major problem with the program was? It seems to me that investors funded some 65 percent of the costs of that program. One would have assumed that if someone was prepared to invest 65 percent, they would have been reasonably careful.

Were there some major problems or is it a couple of projects?

Mr. Ernst: There were some failures, of course, in businesses, which we all anticipate in any program. It is not exclusive to anything other than the fact that there is risk involved in creating a business.

There has been buy-down by the private sector investors buying out their partners and things of that nature. Some of us, who have 100 percent involvement and to which, you know, are faced with the problem, if you do not sell the Government's interest in it, then they will close it up and things of that nature, and they caused some problems, as well.

So what you see here is the cost of paying out to balance that program and that will incur for two or three more years until such time as the costs of the whole program are eliminated, or paid off, if you will.

* (1540)

Mr. Storie: Then it leads to a question about how the Vision Capital is structured. What is the Government's or the province's contribution likely to be under this, or is it fixed? Can the Minister explain how it differs?

Mr. Ernst: As it was announced in the throne speech, in the previous budgets, Vision Capital is the restructured Small Business Growth Fund. The Small Business Growth Fund was about 52 percent or 54 percent owned by the private sector and 48 percent owned by the Government. It was structured under the previous administration.

What we have done is we have taken the Small Business Growth Fund which is managed by a private board and employs a private sector management company to run the day to day operations. We have entered into an agreement to lend them \$30 million, a portion of which has been put into their hands at the present time, and they are operating and making investments with that money.

Mr. Storle: It is still operated by a private board?

Mr. Ernst: Mr. Deputy Chairman, we have one representative. My Deputy Minister sits on the board as he did in the Small Business Growth Fund.

Mr. Storle: Can the Minister indicate whether there have been any loans provided through this fund at this point?

Mr. Ernst: Yes, there have. I have just recently, as a matter of fact two, three weeks ago, written to the chairman and asked him how progress was coming on their portfolio, and what they had done up to this point. I have not yet received that reply so I cannot give you the specifics, although I am sure we can get them depending on whatever confidentiality problems are associated with it.

Mr. Storle: Mr. Deputy Chairman, this item can pass assuming that the Minister will agree to provide whatever details he can in terms of the Vision Capital program as he is prepared to do under the other programs.

Mr. Ernst: I agree.

Mr. Deputy Chairman: (c)(3) Programs \$6,758,700—pass. We are now going to move to (g) Vision Capital. No, that is covered under there as well.

We are moving to (d)(1) Salaries \$523,000—pass; (2) Other Expenditures \$1,999,900.00.

Mr. Storle: A reduction in Other Expenditures—can the Minister indicate where that Other Expenditures reduction occurs?

Mr. Ernst: That was the question asked by the Member for St. Boniface (Mr. Gaudry) in the House, I believe, and to which I indicated to him privately that I would respond when we got to it. There is a series of reasons for that. Just let me reflect here for a moment, Mr. Deputy Chairman.

If you wish, there are a considerable number of reasons. If Members are agreeable, I will table this information following today's meeting.

Mr. Deputy Chairman: Thank you, Mr. Minister. It is agreed that the Minister shall table those answers to that question? (Agreed)

Mr. Ernst: Basically, Mr. Deputy Chairman, it has to do with a slower take-up for funding by and large than originally anticipated, but there is some give and take in there which will be explained by the review.

Mr. Deputy Chairman: Shall item (2) \$1,999,900 pass?

Mr. Storle: Just before we do that, Mr. Deputy Chairman, the largest section of that decrease occurred in the Grants and Transfer Payments section, and I am wondering whether the Minister can provide us with some detail on what grants or which companies, which ventures, received money under this program's grants. Again, a list would be sufficient, and that could be tabled at some future date.

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

Mr. Ernst: Well, that is fine. I will undertake to do that.

The Acting Chairman (Ben Sveinson): 2.(e) Trade: (1) Salaries \$1,013,000—pass; (2) Other Expenditures \$855,200—pass

Mr. Gaudry: This decrease in Other Expenditures from \$944 to \$855, what is

Mr. Ernst: Yes, Mr. Acting Chairman, under the previous Government, a contract was entered into with Ecolaire Ltd., to produce the floodgates for the Limestone Project. In order to have those gates produced in The Pas, a premium was paid on the cost of production by the former Government and the money flowed through this department, through this branch in order to pay for those.

Mr. Gaudry: That decrease is reflected in the grants and transfer payments. Am I correct?

Mr. Ernst: Yes, that is correct. The payments have now been completed. The gates are produced and the contract is over, so the reduction has taken place.

I am informed, Mr. Acting Chairman, that there is still \$23,000 contained here in this year's estimate to complete the total project.

Mr. Storle: Just one question in terms of the trade shows. I am wondering if the Minister can indicate whether there have been any trade shows supported outside Manitoba. Have we supported businesses who attended trade shows, or are we

involved in operating trade shows outside of the province?

Mr. Ernst: Mr. Acting Chairman, we have provided 205 individual Manitoba firms with assistance to participate in trade shows in the U.S., Europe, Mexico, and Japan. We anticipate this influenced approximately \$32 million in total sales for those companies and that economic benefit to Manitoba.

Mr. Storle: What was the cost of that support, Mr. Acting Chairperson?

Mr. Ernst: Approximately \$217,500.00.

Mr. Storle: Is that just coincidence or does that cover the \$217,500 under grants and transfer payments and other expenditures? Is that the whole ball of wax? I assume we are finished for this year.

Mr. Ernst: No, I do not think so. My Deputy Minister indicates, yes, we are just about finished for this year.

Mr. Storle: Well, unless we are creatively financing these things, I guess we are.

* (1550)

Mr. Ernst: Yes, we have pretty much expended our budget. We do have some other assistance programs in terms of sending people to trade shows in which we are not running them or not creating a booth ourselves. We do provide assistance to companies for those trade shows.

The Acting Chairman (Ben Svelnson): Shall this item pass—pass; 2.(f)(1) Business Resource Centre: Salaries \$630,400.00.

Mr. Storle: There is no increase in staff or at least it does not appear in the Supplementary Estimates, and I am wondering why the increase is \$50,000.00.

Mr. Ernst: Mr. Acting Chairman, I remember last year we introduced the Business Start Program. The program came on stream about halfway through the year. This is the full year cost now of paying the staff associated with the Business Start Program.

Mr. Storle: So the costs do not show up as staff years, or are they subsumed in some staff years that are not filled and they fill them as term positions? How is that done?

Mr. Ernst: Mr. Acting Chairman, we added last year two SYs to the branch, a total of now 14, but those positions were not filled until partway through the year.

Mr. Storle: Just two other questions. No. 1, there was a business resource center in Dauphin, Manitoba, some years ago, and there is one, I believe, or there was until recently at least one in Brandon. Are those centers or the one in Brandon still operating, and does the Government have any intention to introduce any other business resource centers around the province?

Mr. Ernst: Mr. Acting Chairman, the one in Dauphin was closed as a result of the—or at the time of the merger of the two departments into one in 1988. The one in Brandon still is operating and there is no intent of changing that.

Mr. Storle: Mr. Acting Chairperson, the Other Expenditures have increased significantly, and it shows up in Supplies and Services primarily. What does that represent? What is the increase for?

Mr. Ernst: They are primarily related to the Business Start Program. As you may be aware, the Business Start Program contains a significant educational component whereby there are business plan seminars and whereby some primary training for new small entrepreneurs takes place as part of the whole package related to the Business Start Program. So the contracts and fees paid to those instructors and creation of instructional materials and things of that nature fall under that category. There were some other ancillary one-time start-up costs as well associated with the creation of the Business Start Program—graphic design for brochures and forms and things of that nature.

Mr. Gaudry: Can the Minister give us details of how successful the entrepreneurial management training and development programs were?

Mr. Ernst: Very successful.

Mr. Gaudry: Can you give us figures? How many started businesses after taking this management training and development program?

Mr. Ernst: How specific?

Mr. Gaudry: On page 39, it says 1500 registrants per year under entrepreneurial management training and development program in the Supplement.

Mr. Ernst: Many of those people were already employed and/or already have a business but apply to the program to take assistance and to broaden their horizons, if you will, or provide some additional educational capabilities for them. We do not track everybody under those programs. We provide

information, training and assistance in terms of applications and run a number of different assistance programs in that area.

Mr. Gaudry: So I understand it would be the same thing then for the 120 female entrepreneurs through the year, who were supposed to be finished by June 1990. You would not have the statistics—it could be some of those women were already in business, and it was just to help them out, to increase their productivity or whatever.

Mr. Ernst: As I indicated, it is not always that it is someone says: I would like to start a business, and I will go down to the department and sort of start in the program. Many of them have already started or have an idea or have had something on the go for a while and are running into difficulties or problems, or seeking additional education and training so that they can carry on or run a better business, if you will, for that period of time. There will be some new potential entrepreneurs. Some will never ultimately take the big step, but that is not something that you can determine in advance. You have to provide the service and then hope that they are successful.

Mr. Gaudry: Have any of these entrepreneurs been helped through grants or loans to continue or to start a business?

Mr. Ernst: It is the Business Start Program that is available to them, and that is basically what it is for. It is for new entrepreneurs coming on stream who need some assistance. It was identified during the time that the task force on women's issues travelled all throughout the province. There were a number of concerns expressed that women were having difficulty getting access to capital. Through this program, we are providing that assistance.

Mr. George Hickes (Point Douglas): It says here that it provides support for various groups such as the Canadian Council for Native Businesses. How is this done?

Mr. Ernst: The director of the Business Resource Centre sits on the board of the Canadian Council for Native Businesses.

Mr. Hickes: Would you know how many Native businesses that it has helped and how many participated for the year?

Mr. Ernst: Mr. Acting Chairman, we do not discriminate in the department in terms of keeping statistics for what is Native and what is not Native. Programs are available to everyone in the province, regardless of their origin.

Mr. Hickes: It says here an economic development strategy for Manitoba women will be developed by June 1990. Has that been developed?

Mr. Ernst: Yes and no. The strategy is in the final stages of development. It is anticipated to be presented to Cabinet within the next month or two at the latest. It has been delayed about six months but we did have a little event intervening here that caused us all to be able to return here.

Mr. Storle: I have just one final question in this area. There was some discussion a short while ago of relocating the Business Resource Centre. I assume it is still out on Niakwa Road. Is that facility closed? Where is the Winnipeg Business Resource Centre right now?

Mr. Ernst: It is located at 155 Carlton Street. We gave up the space it occupied on the second floor at Niakwa Road. We felt it was much better located downtown where there is more access to more people, more centrally located. When the lease expired we gave up the space and moved downtown, so it is at 155 Carlton.

* (1600)

Mr. Storle: Is the Manitoba Research facility located out there? Is that still on Niakwa Road? Was that the Manitoba Research Council or was that another one?

Mr. Ernst: No, that was Manitoba.

Mr. Gaudry: Mr. Acting Chairman, through these loan guarantees to approximately 80 new start-up businesses, have there been any failures in those 80 new start-up businesses since it started?

Mr. Ernst: No, Mr. Acting Chairman.

The Acting Chairman (Ben Sveinson): Shall the item pass? (Pass) The item is accordingly passed.

2.(f)(2) Business Resource Centre, Other Expenditures \$403,400—pass.

Resolution 92: RESOLVED that there be granted to Her Majesty a sum not exceeding \$14,928,200 for Industry, Trade and Tourism, Industry and Trade Division, for the fiscal year ending the 31st day of March, 1991—pass.

3. Technology Division (a) Industrial Technology: Provides analytical, advisory and support services related to science and technology to further Manitoba's technology-based economic development, and provides support for the Manitoba Centres of Excellence Fund. (1) Salaries \$402,500—pass; (2) Other Expenditures \$383,800.

Mr. Storle: One of the things Government always talks about is obtaining offset for its initiatives in terms of spreading the benefits around to other sectors of our economy.

(Mr. Deputy Chairman in the Chair)

I am wondering, this strategic procurement section here talks about offset benefits from procurement. I am wondering whether the Minister can identify for us some examples of where there have been offset benefits?

The Minister mentioned the Unisys deal before, and there were supposedly to be some offset benefits accruing to the province over time as Unisys developed. If I recall rightly, it was some health records information technology or information software, whatever.

I wonder if the Minister can indicate whether that has come to pass and whether there are any other offset agreements officially signed between the Government and any information technology company?

Mr. Ernst: Yes, Mr. Deputy Chairman, I can, and I comment on that. The Unisys agreement expired on August 31, 1990. The Unisys requirement was to maintain a certain level of employment at their office computer hard disk manufacturing facility in St. Boniface, and they more than met their agreement over a period of time.

Unisys also is part of . . . that developed a Canadian centre for hospital information systems. They have lived up to that agreement as well and are continuing with both of those, even since the expiry of the agreement. We are working closely with them to ensure that Manitoba continues to enjoy the benefits of both operations.

As well, Unisys operates a defence plant manufacturing computer operation systems presently for a variety of naval applications, Canadian frigate program, U.S. Navy program, in providing the heat and the light air-conditioning systems for those ships manufactured here in Winnipeg.

Mr. Storle: Yes, one of the benefits was supposed to be in the marketing of this hospital information system to other jurisdictions. That was seen as being a feasible offset. I am wondering whether the Minister can indicate whether Unisys is marketing a product that was developed as a result of access to our health records and, I guess, the exclusive rights

to develop an information system. Is that actually proceeding?

Mr. Ernst: Unisys is operating the Canadian Centre for Health Information Systems here in Manitoba.

As they develop the systems, presumably they market them and not just in Manitoba, but elsewhere. They have as well certain contracts with Manitoba hospitals to continue to work toward developing, refining, and expanding those information systems as time goes along, adding more or adding different new technologies and new applications that can be utilized in a variety of our health care institutions, reducing workloads.

I happen to tour that centre last summer and they have hand-held computers now. The nurses can go into the patient's room, and instead of looking through charts and writing out all kinds of things, simply by making a couple of entries in this hand-held computer it reverts back to the central computer in the file centre of the information system, and so on and so forth.

New technologies are advancing, and they are doing a great deal in that area. We are pleased with the direction it is going, working with them, as time goes along, to ensure that technology gets disseminated as widely as possible. In terms of marketing it, that is up to the company to market the technology. We are not in the business of marketing their technology for them.

Mr. Storle: I appreciate the Minister's consistency at least; it is always "hands off."

The fact is that Unisys was given a tremendous advantage, over other companies, access to our health records to develop this system.

Part of the understanding was, part of the intent of that was, not only to stabilize the production at their production facility out on No. 1 Highway, but it would also, it was believed, lead to the marketing of that technology across Canada.

The real long-term benefit for the province, of course, was if that is successful the jobs and the spin-off would be of benefit to the province.

I am a little concerned that the Minister seems to say, well, we do not know if they are marketing, because that in fact was what the agreement was all about. They were going to take the information, and the products they developed as a result of that sole access, and market it across the country.

At least part of the Minister's responsibility is to find out whether in fact that is being marketed, or are they simply using the information and are the new products being delivered from somewhere else?

* (1610)

Mr. Ernst: Mr. Deputy Chairman, let us understand what the Centre for Hospital Information Systems is all about.

In fact, the hospital information system technology, basically software, is being developed in the centre in Manitoba creating those jobs.

As that technology is developed, it is implemented in Unisys hospital systems, and they were not going to be there developing the technology if it is not being utilized. As they develop the technology, and the job creation activity is not—once a piece of software is developed, it is developed. It is the continuing, growing, advancing of technology and the creation of new software and so on that is going on in that centre at Polo Park on a regular basis. So it is happening and has more than fulfilled the requirements of the agreement which has now expired, but which is still continuing, regardless of whether there is an agreement in place or not.

Mr. Storle: No, I have no further questions on that section.

Mr. Deputy Chairman: We are dealing with item 3.(a)(2) Other Expenditures \$383,800—pass.

Item 3.(b)(1) Salaries \$371,500 for Information Technology—pass; (2) Other Expenditures \$145,500—pass.

(c) Grant Assistance \$2,714,700.00.

Mr. Storle: Mr. Deputy Chairperson, that grant, \$2,714,000, is a grant directly to the Manitoba Research Council. Does the Research Council then grant some of that money or is all of that money used by the Manitoba Research Council directly?

Mr. Ernst: Mr. Deputy Chairman, the grant is made to the Manitoba Research Council. That does not represent all of the income of the Manitoba Research Council. About half of its income is self-generated; in other words, it goes out and gets contracts for development work and research work and so on, on behalf of private sector companies. Their mandate is to increase that, as a matter of fact, to go out and seek greater contracts, greater support from the private sector for whom, quite frankly, the Manitoba Research Council was founded and

operated in the first place, to provide assistance to Manitoba industry in terms of technology and research and development where they cannot maintain it on their own, or it is uneconomic to maintain it in its own shop, but it can be contracted for, and that is what the Manitoba Research Council does. The Government's contribution, if you will, is toward assistance to those companies who are fledgling and who need that assistance, yet are not able to pay a great deal for it.

Mr. Storle: The individual agreements for assistance are signed by the Manitoba Research Council and the company, not through the department. So my question was, does the Research Council actually allocate this money? The answer is yes.

Mr. Ernst: Mr. Deputy Chairman, I am not sure of all of the actual details, individual expenditure of every dollar within the Research Council, other than provided in their audited statements and report but, by and large, it goes to maintain their facilities and their ongoing operations. They have staff, they have professional staff, chemists, engineers, et cetera on staff, they carry out a lot of this work. There will be certain other expenditures associated with that as well, plus the administrative component of the operation.

The indication is that they are not allocating grants to anybody particularly; it is for their operations and the contracts they get.

Mr. Deputy Chairman: (c) Grant Assistance \$2,714,700—pass.

4. Canada-Manitoba Economic Development Planning Agreement. There is no budgetary amount, but it falls under the Resolution 93.

Resolution 93. RESOLVED that there be granted to Her Majesty a sum not exceeding \$4,018,000 for Industry, Trade and Tourism, Technology Division for the financial year ending the 31st day of March, 1991.

Mr. Storle: Mr. Deputy Chairman, this is just another example of the Government missing an opportunity—and I know that this is a joint venture—but missing an opportunity to invest some real money in planning, in developing a strategic plan for the province. The Government still seems to be ad hocing in the main and despite promises from the First Minister (Mr. Filmon), through two elections now, to present the people of Manitoba with an economic plan, we really do not have one.

That is nowhere more evident than northern Manitoba.

Mr. Ernst: The Member is entitled to his opinion.

Mr. Deputy Chairman: Shall the resolution pass—pass.

Item 5. Tourism Division: (a) Administration (1) Salaries \$203,300.00.

Mr. Ernst: Being as how we are going to sit straight through until six, do we want to take 10 minutes right now and stretch our legs, and do some certain other urgent calls of nature?

Mr. Deputy Chairman: What is the wish of the committee?

Mr. Storle: We will take a 10-minute recess.

Mr. Deputy Chairman: A 10-minute recess?

Mr. Storle: Let us make it five minutes.

Mr. Deputy Chairman: Five minutes, that is fine.

* * *

The House took recess at 4:17 p.m.

After Recess

The House resumed at 4:25 p.m.

Mr. Deputy Chairman: Call the meeting to order. Does the Honourable Minister have any staff that he would like to introduce at this time?

Mr. Ernst: Yes, if I could, Mr. Deputy Chairman. The Deputy Minister, of course, was introduced earlier and has been with us through the consideration of Estimates so far. I would also like to introduce the Acting Assistant Deputy Minister of Tourism and Director of Marketing, Hubert Mesman, on my left here; Bill Barbaza, who is the Director of Tourism Development; and Barb Dryden, who is the Tourism Director of Administration.

The Member for Crescentwood (Mr. Carr) asked a series of questions yesterday in his opening remarks. I have some responses for him which may tend to speed things up a little bit, if I can go through them. The first was: Where are we headed in the tourism industry? We have experienced some very steady growth over the past few years. Preliminary Tourism Canada stats indicate total tourism receipts for Manitoba reached just under \$1 billion in 1989, and direct employment exceeded some 24,000 people.

There are a number of public and private initiatives underway to support the future direction of tourism in Manitoba. Notably, we are currently negotiating a new federal/provincial cost-shared tourism agreement of some \$10 million over the next five years for tourism work within the province. We have signed along with the western provinces a memorandum of understanding on research, industry job standards and certification in marketing. There has been over the past period of time a lack of standards in terms of the industry itself and transfers of standards back and forth, so we are in the process now of the four western provinces working together to develop a series of standards. Each will develop certain standards in each province and then share those, and they will become a national standard over a period of time.

We have launched under the former tourism agreement SuperHost training program which last year ran through about 2500 employees. It will be an ongoing type of program because of the turnover in a variety of jobs related to the hospitality industry. It is necessary to continue to reinforce that and to continue to train new people all the time.

We are presently undergoing an industry consultation process with all of the industry sectors. I met with two of those industry sectors today to try and get a feel for their projections, understanding and needs as the industry progresses through the 1990s. We are undertaking at the present time a strategic planning review to provide direction for our future programs utilizing both input from the industry associations and information gleaned from a study that is presently underway. That study is governed by about four basic principles: industry partnerships, product upgrading and enhancement, improved customer service and targeted marketing, including the promotion of tourism routes to encourage in-province travel by Manitobans. We are off in that direction.

Other questions asked by the Member for Crescentwood were: Are there any plans to package tourism products in rural Manitoba? Within a 500-mile radius of Winnipeg?

We have in the department retained a consultant to conduct a package tour product study for Manitoba. We are in the process of that at the moment and the objectives of that study are to identify and describe existing Manitoba package tour products and their deficiencies to prepare potential package tour itineraries, in consultation

with the industry, and to develop a strategy for promoting package tours to and within Manitoba.

We anticipate the results of this study to be available before year-end, and we will be working closely with the industry to develop tourism routes, a number of packaged operations and tourism products within the province.

* (1630)

For the information of the Member for Crescentwood (Mr. Carr) it is Ernst and Young—no relation, unfortunately. -(interjection)- Not even that. My brother being the young Ernst still is not any relation, unfortunately. If it was, I might not be here.

Anyway, we are off and running in that area.

What is happening at The Forks, regarding the Visitor Centre, was another question raised by the Member for Crescentwood? The project was originally recommended in the Winnipeg Tourism and Development study of a few years ago, the need for some major presence, with regard to tourism. Dissemination of tourism information, and so on, was identified and, as the Member knows, went into a long development process of a potential for a tourism centre which ran into several obstacles as time went along.

Over the past period of time we had originally planned on a major theme operation there incorporating a number of things that were recommended to be incorporated at The Forks and had worked closely with The Forks Development Corporation in the preparation of that plan. We had hired some consultants, from Toronto as a matter of fact in this case, to assist us because of their particular expertise in that area.

There were a number of items, problems I guess, which arose as a result of our planning exercise and what we had done up to that point. We had some concerns expressed by people related to The Forks. We had concerns expressed by people from the Museum of Man and Nature that we were infringing on their turf, any number of things, and as a result what we have done is we are still of the opinion that we need a major Visitor Centre.

Basically, I think we are still of the opinion that it should be located at The Forks because that seems to be the primary focus for tourism at the moment in downtown Winnipeg. We think that is probably the most ideal location to locate this.

However, we are looking at a number of different options at the moment and expect to finalize those over the next period of time as to what form the tourism centre will take. So that is where we are at with the tourism centre.

Mr. Carr: Mr. Deputy Chairperson, I appreciate that the Minister's staff took some time between yesterday and today to prepare at least the skeleton of some answers.

There is a fundamental contradiction between the stated objectives of the department and the commitment within the Estimates to achieve those objectives. How is it going to be possible for the Minister's department to increase tourism revenue?

How is it going to be possible for the Minister's department to increase tourism expenditures, and to increase out-of-province visitor entries when the total resources available for tourism marketing, for tourism administration, is less this year than it was last, in real terms?

Mr. Ernst: Unless my eyes are deceiving me, it is not less. Last year was \$3,816,000 and this year it is \$3,834,000.00.

Mr. Carr: If you look at Other Expenditures within the Tourism Administration Branch, if you look at Other Expenditures within the Tourism Marketing Branch, they are not keeping pace with inflation. As a matter of fact, they are frozen.

If you look at the Tourism Development Branch—we are jumping around here, Mr. Deputy Chairperson, but only to make a point—Other Expenditures are down in real terms from \$766,200 to \$714,000, so perhaps the Minister's eyes are deceiving him.

If you factor in inflation and take those three branches together, the commitment is down. The question remains, how can the stated objectives of the department be met if the resources dedicated toward meeting those objectives are not keeping pace with inflation?

Mr. Ernst: First of all, the original question posed by the Member for Crescentwood (Mr. Carr) referred to two divisions: Administration and Marketing. Administration and Marketing is together spending more money than it was last year, and that was the subject of my area of comment.

About the fact of whether my eyes were deceiving me, they will be spending \$3,834,700 this year as opposed to having spent \$3,816,000 last year.

Those were the two items you referenced at the time of the original question.

With respect to Development, you have to understand also that in terms of Salaries, and that is where it is declining in the Salaries section, as a result of the wind-down of the Canada-Manitoba Tourism Agreement. Attached to that were a bunch of staff associated with certain programs. As those programs are completed, the staff are no longer required and will not continue to be employed. As a result, they are all basically term staff, and as the agreement winds down staff will be reduced accordingly.

If and when we sign a new Tourism Agreement with the federal Government, we will either transfer staff, as the old agreement winds down, to the new agreement as required, or reduce staff until such time as new staff are required again under the new Tourism Agreement.

In terms of overall expenditures, in terms of the department, there are some innovative things that we have done over the past while, for instance, that are not shown in the budget necessarily. For instance, our involvement with Blackwood Beverages on the in-province tourism promotion, which brought in some considerable funds from the private sector, to assist us in doing our in-province marketing promotion which quite frankly turned out very well and was quite successful in the last couple of years.

We have gone into a lot of other co-op advertising situations rather than run 100 percent of the marketing programs ourselves. We have encouraged the private sector to become involved in terms of marketing promotions and are looking at more co-op types of advertising where the province pays not the full shot, but in fact joins with the private sector in doing a variety of co-operative tourism promotion efforts.

So, Mr. Deputy Chairman, I am of the view, as the Minister, and the Government is of the view, that we will be able to well carry out our mandate with the resources provided for in the budget.

Mr. Carr: Mr. Deputy Chairperson, the Minister is then left to argue that spending less is going to result in more. We wish him luck and will certainly be keeping track of how well he does. I would be interested in knowing where Manitoba stands in the constellation of Canadian provinces in the Tourism industry.

I would be interested in knowing from the Minister whether or not we are trending above or below the national average of growth in the industry in terms of dollars spent, in terms the number of employees in the sector, in terms of the number of out-of-province visitors, with reference particularly to this past season so that we can be kept up-to-date on how Manitoba is doing within the Canadian context.

* (1640)

Mr. Ernst: Mr. Deputy Chairman, all of the statistics, particularly those for July and August which are prime time as it were of tourism, information are not yet available. No, I am advised it is not, but in 1989, we were fifth in the country overall and we were first in U.S. visitor overnight visits to the Canadian provinces.

We were a 7 percent increase over the year and I think the next province was Nova Scotia with about 5 percent or less. The rest of the provinces, including the Canadian average, were actually minus. Some were even minus 5.6 or 5.7 percent. So 1989, I think we did very well.

I do not think we are going to as well in 1990. At least preliminary indications are that the traffic generally is down, but it is down all over the country, it is not just in Manitoba. Nonetheless, we did do extremely well, for instance, in our convention and visitors' business this year.

We almost doubled the number of convention delegates attending the province from 34,000-35,000 up to some 57,000 I think. Those are ballpark numbers, please do not hold me to the exact ones, but somewhere in that order of magnitude at least anyway.

Mr. Carr: Does the Minister have preliminary figures for 1990? He first alluded to the absence of such figures and then said there were preliminary indications of how we are doing. Can he clear that up?

Mr. Ernst: Mr. Deputy Chairman, I am talking about the first six months of 1990, which are available. It is the last prime time season, if you will, July and August figures which I do not think are available.

Mr. Deputy Chairman, I stand corrected, I am now advised by staff that in fact we do have statistics through to the end of August which I have not yet seen.

Mr. Carr: Let us hear them.

Mr. Ernst: Mr. Deputy Chairman, I was advised that they were not available. I am sorry. It is not a question of wanting to withhold information. I am also advised they were preparing to be released this week.

Mr. Carr: So we are breaking these here then.

Mr. Ernst: Mr. Deputy Chairman, overnight foreign visitors for August have increased 1.3 percent over 1989, the year to date figures being up 6.2 percent, restaurant sales figures for July is up 5.6 percent over '89, year to date 9.3 percent, total occupancy figures year to date are up 1.7 percent, non-residents are up 5.7 percent over last year.

The biggest problem is that the U.S. visitors from the south, overnight in August, are down 5.5 percent. A significant drop in U.S. visitors from the south, 5.6 percent from 1989.

Highway No. 1 East down 15 percent, year to date seven percent, but 15 percent for August. Highway No. 1 West figures .7 percent, I guess as they are driving one way through Canada, one way somewhere else.

Mr. Carr: Mr. Deputy Chairperson, the Minister has broken some bad news. The United States visitors are down 5.5 percent, the August figures for Trans-Canada Highway traffic from the east down 15 percent and .7 percent from the west. Can the Minister tell us how much of that is a national problem, how much of that is a reduction of traffic on the Trans-Canada Highway, or how much of it is a local problem that people may not be choosing Manitoba?

Mr. Ernst: Mr. Deputy Chairman, as I indicated I was not even aware the statistics were yet available, they have only been released this week. We have not had a chance to analyze the figures and to see how and what those impacts are, so I hesitate to comment until I have had an opportunity to do that.

Mr. Carr: What can the Minister anticipate his department will do as a strategy, and I realize these figures are fresh and they are quite startling, in order to combat what seems to be a worrisome trend particularly in our ability to attract United States visitors.

This is a complex problem, it has to do with the price of gasoline, the price of liquor, hotel prices, and I know that it is not simple. At the same time we would want some assurances that the Department of Tourism had a strategy to combat a worrisome trend that really may turn out to be a significant

impact on the tourist dollars spent in our province. Can the Minister give us some insights into what he intends to do about it?

Mr. Ernst: About 65 percent of the tourism that takes place in the province of Manitoba takes place by Manitobans, so in terms of the overall impact, it is mitigated somewhat by that fact.

It is a significant problem, one that we are going to have to spend some time analyzing. Having come from a year when we led the country virtually in U.S. visitors, in terms of increases, to have that significant a drop in a one year period obviously requires some fairly significant and detailed analysis as to why.

In our marketing strategies, part of it relates to the fact that in our advertising we run a bunch of toll-free telephone numbers in our primary markets for information, but those information requests were in fact up so we have to try and determine—from that we have to find out why, if their enquiries are up, why their actual travel was down. We have to do some research in that area by making some callbacks to people and so on and find out why they did not come, or why they came for a shorter period of time than anticipated—whatever, those kinds of things. We will have to spend some time doing that.

At the same time, the way the province's marketing strategy works and our advertising campaigns work is that it is generally run on a two-year basis so that for '89 and '90 primary advertising period, which is February until May when we put out the majority of our advertising into our primary U.S. markets—this is the second year of a program that we have just completed. We are in the process now of requesting proposals from advertising agencies to come forward with a new strategy starting for 1991. We will tailor that 1991 strategy, based on research information developed over the next two- or three-month period of time.

Mr. Carr: Mr. Deputy Chairperson, is the Minister referring to the Bud Grant commercials that were played in the American market?

Mr. Ernst: That was part of it, yes. We had a series of commercials, one of them which—former neighbour of mine.

Mr. Carr: Mr. Deputy Chairman, there is an unfortunate collision of two trends here. One is that people are choosing not to come to Manitoba, for whatever reason, and I realize they are complex and, at the same time, our Department of Tourism

is choosing to spend, in real terms, less money on Tourism promotion and marketing. I do not know what rabbits the Minister has in his hat that he is going to reverse a worrisome trend in numbers of visitors to Manitoba with fewer resources at his disposal with which to combat the trend. I am still looking for some kind of reassurance from the Minister that he has got a strategy that deals with (a) the worrisome trend of fewer visitors; and (b) fewer resources within his department to meet the problem.

Mr. Ernst: I have already commented, Mr. Deputy Chairman, on the fewer visitors question and I say that some considerable research is going to be required to determine the rational reasons for it and what we can do to combat that to attract more people here.

In terms of resources, let me say that we increased the marketing budget of the Department of Tourism by 50 percent in 1989-90 over the year previous, which was very significant, it was in excess of \$1 million more in terms of marketing. So I do not think anyone can expect that we are going to increase resources in the department like that year over year over year, but there was a very significant increase done at that time. You have to take your place in the whole scheme of Government expenditures and we still will be spending overall more money in 1990-91 than we had spent the year previous by some \$60,000-\$70,000, not a significant number.

The fact of the matter is, too, that when you look at these things there are certain costs that accrue in one year that do not accrue in the next when you are utilizing a program over a period of time, as well.

* (1650)

Mr. Carr: Mr. Deputy Chairperson, if I were running a business and I saw that I had spent 50 percent more this year than last, and my results were down 15 percent, I think that I would have a problem, then I would want to look at how wise my expenditures were. Of course, if you extend the logic, if the Minister spent \$2 million we would have 30 percent fewer visitors to Manitoba. Maybe the advice is he should spend nothing at all and we will have more people come here. I do not know, but logic would dictate that the Minister may want to review the people responsible for the advertising campaign because, obviously, it has been a miserable failure.

When we get some analysis we will be able to put it into a Canadian context. That might shed some light on the situation, but nothing that I have heard from the Minister will make me sleep any better tonight.

I would like to—

Mr. Ernst: Mr. Deputy Chairman, if I could make one comment. The Member for Crescentwood (Mr. Carr) said, it does not matter what the Minister says he will not believe it. Well if that is the case he may as well pack up his books and leave. That is ridiculous.

Mr. Carr: I did not say that.

Mr. Ernst: That is just what you said.

Mr. Carr: I did not.

Mr. Ernst: You said nothing that the Minister can say will make you change your mind.

Mr. Carr: Did I say that?

Mr. Ernst: Yes.

Mr. Carr: No, I did not say that, but let us not get into—

Mr. Ernst: Mr. Deputy Chairman, let me say one other thing. While statistics that have been tabled here and have been referred to here refer to numbers of people across the border, let us look at what the economic activity is as a result of the people who did cross the border and that is increased 16 percent—an increase of 16 percent in economic activity, that is expenditures made while in the province.

While you can count the numbers of people, if they cross the border and do not spend a dime we have not really benefited other than having a statistic that looks a little better than it would had they not crossed the border.

We do have those benefits as well, and I think they need to be addressed.

Mr. Carr: Mr. Deputy Chairperson, is the Minister saying that the figures he has given us this afternoon are of the comparable period, that the increase of 16 percent in expenditures corresponds with the same period where there was a 15 percent drop of American visitors?

Mr. Ernst: No, Mr. Deputy Chairman, I am not. I am suggesting to the Member that you should not just consider the number of people that cross the border. Fifteen percent of a particular number—percentages are always nice to use and

so on, and the statistics can be used by me and you in any way we want.

The fact of the matter is though that we need to look at what the actual dollar benefit is to the Province of Manitoba. That is the bottom line, and '89 over '88 was a 16 percent increase in economic benefit to the province as a result of tourism. We will not know of course what the '90 figure is until sometime after year end, but we still anticipate a reasonably significant increase in economic benefit.

The people who are travelling here tend to stay longer than simply pass through over a one-night stay.

Mr. Carr: Just one question on these Other Expenditures in 5.(a). The Grants are frozen at \$199,400, as are other expenditures in that line. Could the Minister tell us please, who are the recipients of these grants, what they are for?

Mr. Ernst: Mr. Deputy Chairman, the Winnipeg Convention and Visitors Bureau—it actually now goes to Tourism Winnipeg, but it was a grant that had been previously made to the Winnipeg Convention and Visitors Bureau of \$36,000, the Brandon Economic Development Corporation \$15,600 for their convention and visitors bureau, TIAM's central office \$60,600, and seven TIAM regional offices of \$87,000.00.

Mr. Storie: Mr. Deputy Chairperson, I want to continue for a short period of time on this similar vein to the questions raised by the Member for Fort Rouge—Crescentwood, I am sorry. I am living in the past.

The fact is that the number of visitors coming to the province has deteriorated and the statistics show that.

If the Minister would take the time to talk to some of the lodge owners in northern Manitoba they would tell him that this year's experience has shown a dramatic decline in visits from the United States. Many of the lodge owners in northern Manitoba, whose focus is sport's angling—something that is marketed quite heavily by the province, certainly has been in the past, I should say—have shown declines of as much as 40 percent. These visits are of the kind the Minister was referring to. The people who book in to our lodges in northern Manitoba spend many nights on average and leave considerable amounts of money in the province so a 40 percent decline is significant.

The Minister provided some information to the Member for Crescentwood (Mr. Carr) with respect to grants. The first one was \$36,000 to the Winnipeg Convention and Visitors Bureau—

Mr. Ernst: Now Tourism Winnipeg.

Mr. Storie: Tourism Winnipeg, and the sum \$60,000 he mentioned went to TIAM, the Tourism Industry Association of Manitoba central office. Can the Minister indicate what sort of proportion that represents compared to what TIAM was receiving a couple of years ago?

Mr. Ernst: TIAM did receive for a period of time funding under the Canada-Manitoba Tourism Agreement. The funding that was provided under the Tourism Agreement, expenditure of those funds, were deemed not to be very successful in their expenditure.

The federal Government as a matter of fact in their analysis of the thing indicated that in fact they would not contribute their portion of the funding for the year 1989, I believe it was, as a result of the significant problems associated with the TIAM regional offices.

I think only two of the seven regional offices ever did file a financial statement based on their year's prior expenditures. The whole question of TIAM is in disarray. As a matter of fact, the whole question of TIAM is still in disarray. We have provided last year some funding for them to go through a self-analysis project to determine how best TIAM can function, how it should function, under what circumstances it should operate, how it should be structured, what its intention and role is. All of those things have undergone some considerable analysis by a consultant in conjunction with the TIAM board over the past year.

The TIAM annual meeting is coming up this weekend, and they will be analyzing amongst themselves where they intend to go and how they intend to operate in the future. After that process has been completed, and TIAM has decided how they are going to structure themselves, and how they are going to operate, then we will have to readdress the question of TIAM and how we deal with it from a Government perspective.

Mr. Storie: Mr. Deputy Chairperson, it is a little disconcerting to hear the Minister talk as if the Tourism Industry Association of Manitoba was something separate and apart and something that he wants to maintain some sort of distance from.

This Government and the First Minister (Mr. Filmon) continually talk of partnerships. My colleague from Crescentwood talked about it, and the Minister knows how important tourism is to the Province of Manitoba. If any area requires a partnership it would seem to me that it would be the area of tourism.

* (1700)

The fact is that regardless of the federal Government's—maybe I should ask the Minister—the Minister seems to be attempting to blame the federal Government for its lack of interest in the Tourism Industry Association of Manitoba, and he says the federal Government was not willing to support it. Maybe I could ask the question more directly to the Minister. Did the Minister support the Tourism Industry Association of Manitoba?

Mr. Ernst: Mr. Deputy Chairman, not only did the Tourism Minister support it, the Government supported it to the tune of picking up the federal Government's share of the costs of those associations, so they would not be left with substantial deficits that they had incurred over a period of time.

The province picked up the federal Government's share in those cases, in order to provide those people with the necessary funding for them to continue to operate for a short period of time. They are offering to pick up the costs of the deficits that they had incurred.

Mr. Deputy Chairman, the tourism industry in general requires partnerships, partnerships that we have pursued as a department and as a Government for a considerable period of time. Whether that partnership occurs under the form of TIAM or occurs under some other form, is a question that the industry itself will have to answer.

There is no point, quite frankly, in spending money that could be supporting an organization or associations. If that is the way it turns out, there is no point in spending a lot of money feeding an administrative group that is not accomplishing a significant objective, but that is for the industry to decide.

We will work with them. We work with them on a regular basis. We funded them. We not only funded the regional associations, we funded the deficit of the central office on a one-time basis. We provided them with a significant amount of money to go out

and hire a consultant in order to look at themselves and see the way they should operate.

The fact of the matter is though, that the industry itself has two levels of association. The Member for The Interlake (Mr. Clif Evans) will know that the Manitoba Hotel Association, a significant part of the tourism industry in this province, operates and runs their own association for their own benefit and their own interests. They are a significant part of the tourism industry.

The Manitoba Restaurant Association does a similar thing. The Manitoba Lodges and Outfitters do a similar thing, so that a number of the significant components of the tourism industry operate and run primary, shall we say, associations, as opposed to an umbrella organization. If they want to continue, and if the leadership from those, which we are encouraging, by the way, and we are funding,

comes forward from those groups, and they want to continue with an umbrella organization, that is going to be their choice. We cannot force them into it. We can encourage them. We can provide funding to them which we have done in the past, but it is ultimately going to be their decision, how they want to operate. It is their organization. The Government cannot impose its will, will not impose its will, on an industry. They will decide themselves how they best wish to operate.

Mr. Storle: The Minister seems—if you will forgive me, Mr. Deputy Chairperson—a bit schizophrenic on this topic. I am sorry. That may be unparliamentary.

An Honourable Member: It probably is. Most of the things you say are.

Mr. Storle: No, I think it is a legitimate medical term. I think it is legitimate, Mr. Deputy Chairperson. Forgive the Member for Crescentwood.

Mr. Deputy Chairperson, the Minister does seem a bit schizophrenic. On the one hand, he says we are prepared to provide funding, and we have provided funding even though the federal Government withdrew its funding. Yet, he says he is not sure that they are going anywhere, that they really have a clear set of objectives for their industry association. It leaves open the implication that if they set a direction themselves as an industry that the province will support that.

Now is that the case? If the Tourism Industry Association changes its mandate, its function, its focus, if they do develop a consensus this weekend

or in the next short while that their membership supports, is the Government going to be there to provide at least the level of assistance they are providing now or an increased level of assistance?

Mr. Ernst: Mr. Deputy Chairman, that is a totally hypothetical question presented by the Member for Flin Flon. I do not intend to respond.

Mr. Storle: Mr. Deputy Chairman, the Minister seems unduly defensive here. My question is then: Is the Minister interested in a comprehensive tourism development program for the regions of this province or is he not?

Mr. Ernst: Mr. Deputy Chairman, we have supported regional tourism objectives in this province for all of the years that we have—the last two and a half years that we have been in Government. Any Government regardless of its political stripe has to address the question of whether or not it can be—if the objectives of a regional association, a central association, an umbrella group or any other kind of organization associated with a particular industry is providing a valuable function, Government has traditionally and would, I assume, continue to support it.

Mr. Deputy Chairman, they have to decide that first. They have to decide what they want to do. They have to decide how they want to be structured, and they have to determine to some reasonable level of satisfaction that they are actually going to be able to do something, not just spend the money for the sake of spending the money.

Mr. Storle: Mr. Deputy Chairman, I do not know if anyone involved in the Tourism Industry Association is saying they are spending the money just for the sake of spending the money. That may be the Minister's impression. Certainly there are those in the industry—and I am familiar with some of the regional associations, particularly north of 53—who certainly feel that the services that were being provided were important and wanted to continue to act as a liaison group with other organizations, but also to put forward their own vision of where tourism could be taken in the Province of Manitoba.

The Minister seems to continue to say that they have to decide amongst themselves which leads me to conclude that the Minister again, in this department, in this area of his responsibility has no direction in mind himself. He seems to have no vision of what he wants to accomplish in terms of tourism for the province where he would be a partner

in this process, that he would be not only talking about the TIAM annual general meeting, but he would be there presenting some kind of overview of the direction that the Government would like to see the province take.

If the Minister thinks that this should be an umbrella body that should encompass the activities or be more closely related to the Food and Restaurant Association, the Manitoba Hotel Association or some other group, then why is the Minister not taking any responsibility for providing that overview or setting that as a co-operative or a partnership goal?

Mr. Ernst: Mr. Deputy Chairman, let the Member for Flin Flon understand, TIAM initiated this review of their structure and their mandate and what they want to do. The Government did not. The Government paid for it but it did not initiate that review. They initiated it themselves because that is what they wanted to do. When they have decided what they want to do—and do not forget it is the industry people themselves who are running this association and who want to do something or not to do something.

Government is prepared to work with them, has done and continues to work with them on a regular basis. I will be present at their annual meeting to talk with people from the industry to discuss with them what their views are and how they intend to proceed, and so on. But ultimately it is their decision because it is their industry association not my industry association. Once they have determined what they want to do and how they want to do it, then we pick up where we left off in terms of the partnership that you talked about earlier, the fact that we will continue to work with them for the benefit of tourism in Manitoba.

Mr. Storle: The Minister responsible for Tourism has no set of objectives that he wants to achieve while he is funding the Tourism Industry Association of Manitoba. There are no provincial objectives as far as the Minister is concerned.

Mr. Ernst: Mr. Deputy Chairman, that is a silly comment. Of course, the department has objectives that it wants to achieve. It elicited those—unfortunately, I think the Member was not yet available to the committee at the time that I went through them with the Member for Crescentwood (Mr. Carr), but I am not about to tell the Tourism Industry Association or any other industry

association how to structure themselves and how they should do it. That might have been the NDP way of doing things; that is not the way we are doing things.

Mr. Storie: Mr. Deputy Chairperson, if the Minister's idea of partnership means allowing an industry which, an association which is funded by the Government to dialogue independently without recourse or access to the Minister's view of where tourism is going, clearly everything the Tourism Industry Association does should be working in concert with our advertising program, our promotion programs, our capital facilities programs. They should be working in concert, and it seems to me that the Minister continues to say that they are going to decide and the Government has no rule to point at. I am sorry, I can draw no other interpretation from the Minister's remarks. He can be incensed or think—

* (1710)

Mr. Ernst: Mr. Deputy Chairman, I think the Member for Flin Flon (Mr. Storie) has very likely missed the point here. What we are talking about is the structure, the physical entity of the Tourism Industry Association and how they want to structure themselves, how they want to operate. That is something quite apart and quite different from the support for tourism in general, for tourism strategy, for a partnership in terms of promotion and development of tourism in the Province of Manitoba. One is an internal structuring problem that the association has asked for some financial assistance to deal with. That is what they are talking about. That is what they want to do. Once that is determined, once the association has decided themselves how they want to operate then we will take up, as I indicated before, where we left off in terms of the promotion of tourism for the Province of Manitoba.

Mr. Storie: I have no further questions on this section, Mr. Deputy Chairperson.

Mr. Deputy Chairman: Item 5. Tourism Division: (1) Salaries \$203,300—pass; (2) Other Expenditures \$25,000—pass; (3) Grants—pass;

(b) Marketing: (1) Salaries \$771,300—

Mr. Carr: Mr. Deputy Chairperson, the salaries for managerial positions. There is one managerial position and the salary seems to have gone up about \$8,000.00. Does the Minister have an explanation for that?

Mr. Ernst: There is no change in classifications, Mr. Deputy Chairman. There are merit increases and GSI increases within the department that account for increases in amounts.

Mr. Carr: Mr. Deputy Chairperson, I would like to engage the Minister in a debate for a few minutes on marketing Manitoba's terrific tourism attractions, an underdeveloped potential. I refer particularly to cultural industries in Winnipeg and throughout Manitoba.

Arguably we have the finest cultural life for a city of this size anywhere in North America. We boast a first rate symphony orchestra, a world class ballet company, a major theatre company and dance companies, amateur theatre, the visual arts, in quality and in numbers that really makes Winnipeg the envy of any other city in Canada. I do not think we are taking advantage of that. I do not think that citizens of Saskatchewan, northwestern Ontario, tri-state area south of us, know of these riches and I think it is probably because we do not tell them.

I would like to ask the Minister if he has a plan to make these riches better known to those who are choosing not to come to Manitoba and who well may choose to come here if they were only better informed about some of the wonderful attractions we have to offer.

Mr. Ernst: Mr. Deputy Chairman, we undertake once or twice annually, major promotional . . . with the RWB, Royal Winnipeg Ballet, have over the past several years as a matter of fact. That obviously is the best known outside of Manitoba of our cultural industries.

The Royal Winnipeg Ballet, as the Member has indicated, is a world renowned company, and we have conducted joint promotions with the RWB in other Canadian cities, we have conducted them in the U.S., we have conducted them in the Orient, we have conducted them in Europe, we have conducted them in Russia. Not a lot of potential tourists there, I would not think, but it was part of a tour. There are, interestingly enough, in terms of the Ukraine, part of that eastern European tour, many potential tourists because of the connections to families here in Manitoba and in western Canada. We have conducted some promotions with the RWB certainly.

In terms of other cultural industries, presently I am advised that there is a consortium at the moment, of the symphony, the ballet and the Manitoba Theatre

Centre, who are putting together a package tour arrangement that can be marketed into our neighbouring states and provinces to bring them in for a cultural weekend or a series of performances—in fact we are in the process of doing that at the present time.

Mr. Carr: I do not want to put words in the Minister's mouth, and I am sure he will correct me if I am wrong, or if I do, but is he saying that the department has marketed the Royal Winnipeg Ballet in Russia, and the Orient, and Europe, and not marketed the Royal Winnipeg Ballet in Grand Forks, in Thunder Bay, in Saskatoon, in Regina?

Mr. Ernst: Mr. Deputy Chairman, the Royal Winnipeg Ballet forms a part of almost all of the promotion that we do. Specifically we have conducted joint ventures with the RWB in the centres that I indicated earlier. To suggest that the Royal Winnipeg Ballet is not marketed elsewhere is not a correct statement, but joint venture promotions have taken place in other specific centres that I mentioned, as a matter of fact including Grand Forks.

Mr. Carr: Since the Minister agrees with us that the riches in our cultural life are worth promoting, is anything happening this year that did not happen last year? Is this a priority with his department? Can he tell us of new initiatives or better ways of doing it so that we can get the word out?

Mr. Ernst: Mr. Deputy Chairman, yes, as a matter of fact the consortium that I just mentioned of the symphony, RWB and MTC to market into the northern U.S. and our two neighbouring provinces is in fact a new initiative for this year. We are proceeding on that basis, and it is going to be very interesting to watch Bud Grant in a tute in television ads in Minneapolis.

Mr. Carr: Where will we find this new initiative in the Estimates? Is that in advertising which will include for the first time cultural activity, or where may be see this increase to which the Minister refers?

Mr. Ernst: The department does not identify it. It is identified as promotions as a budget lump sum item. Different promotions are undertaken in different years so that in one year we may promote something like this that maybe gets promoted for two or three years in a row. Something else may get promoted. They change from time to time.

Co-op programs also, of which this is one because it is a joint venture as opposed to a

department initiated promotion of one particular aspect of potential tourism for the province. It is a joint venture with these people, and we will see how it goes for this year. Whether we continue on in the future or not will be based on an evaluation of how successful this promotion is.

Mr. Deputy Chairman: Order, please. I am having trouble hearing these answers that some people want to hear, so if I could have a little bit of quiet over here.

* (1720)

Mr. Carr: Mr. Deputy Chairman, may I ask the Minister what commitment of resources his department is providing for the China venture?

Mr. Ernst: The program is in the formative stages at the moment, and we do not have any hard numbers yet as to what level of activity that the overall marketing promotion will take. It can range I suppose over—the kind of number I suppose we are anticipating, in the initial stages at least, it is going to be somewhere in the area of \$15,000 to \$20,000; our portion of the support of a co-op program.

Mr. Carr: Could the Minister tell us just what the range is? He is giving this as an example of a new initiative for the department. It is a joint venture with the Royal Winnipeg Ballet, the Manitoba Theater Centre and the Winnipeg Symphony Orchestra to promote weekend packages of culture in the City of Winnipeg to surrounding provinces and states. Have I got it right, and what is the range of commitment that the department will consider?

Mr. Ernst: Mr. Deputy Chairman, as I indicated, we do not have a definitive number yet. Into this partnership we are attempting to lure a number of the major hotels who would be the beneficiaries of weekend room stays in their properties. We are attempting to lure Tourism Winnipeg who have a vested interest in the proposal as well and anybody else we can sort of drag into the consortium to ultimately provide a sufficiently large marketing package to be successful. Say it is in the formative stages at the moment. We have indicated we are in. We are working with our partners, in this case the three cultural groups, and we are attempting to lure the hotel industry into participating as well as Tourism Winnipeg and perhaps some other restaurants or whatever.

Mr. Carr: Mr. Deputy Chairman, let me, if I could, encourage the Minister and his officials to take this project very seriously. Too often we underestimate

the value of our cultural resources. Often we take them for granted. The state of development in evolution of these three that the Minister has mentioned, which form a part of this consortium, are at a stage probably unequalled of any city of our size in North America.

The Minister and his department, I hope, will do more than pay lip service to the idea of using these cultural resources as a way of bringing visitors to our city, because I am sure, if they have the experience of a weekend or three days, they will come back over and over again.

Let me ask the Minister the same set of questions on the sports side. We have a professional football team, a professional hockey team—hopefully, for a long time to come. Is the department assisting in the marketing and promotion of sporting activities, so that tourists can be encouraged to come to Winnipeg?

Mr. Ernst: Mr. Deputy Chairman, yes, we are involved with the Manitoba Curling Association, the Manitoba Ladies Curling Association, with regard to the 1991 World Championships, which will be held in Winnipeg at the end of March next year. Also with the Winnipeg Grey Cup Committee, we are also involved in terms of providing assistance in marketing. Mr. Mesman, Acting Deputy Minister, is sitting on the board of the Winnipeg Grey Cup 1991.

Mr. Carr: Mr. Deputy Chairperson, there has been a fairly substantial beefing up of activity at Tourism Winnipeg, as I understand. I wonder if the Minister can let us know just what kind of liaison and co-operation his department is pursuing with Tourism Winnipeg, what kind of contacts there have been at a political level as well as an administrative one, and to satisfy us that there is complementary rather than competitive mandates of his department in Tourism Winnipeg so that we can get the biggest bang out of our tourist dollar.

Mr. Ernst: Mr. Deputy Chairman, Mr. Mesman also sits on the board of Tourism Winnipeg, so that there are direct and constant contacts on the board. Very obviously, no one wants to duplicate services provided one over the other. We do make every effort to ensure that does not occur. Let me give you a good example.

I, on behalf of the province, and the mayor, on behalf of the City of Winnipeg, went on a joint consortium of Winnipeg hotels, Tourism Winnipeg, Travel Manitoba, to eastern Canada, to the tourism

and convention market back in September. We did a show and a reception in Ottawa and then one also in Toronto. It was a joint venture promotion by those people, which was very successful, I might add.

I think our product in terms of convention business, in particular, is something that we can be very proud of and the fact that we are extremely competitive here in Winnipeg, partly because of our geographic location, partly because of the cost of living and the cost of hotel properties, meals, et cetera, here which are of significant interest to more and more people involved in the convention by keeping the costs to their convention delegates as low as possible.

We have worked together as well on, for instance, the bid for the 1991 Progressive Conservative Party national convention.

Mr. Ernst: Mr. Deputy Chairman, we have also bid on the Liberal Party national convention in the past. We have enjoyed the NDP national leadership convention and so on. These are very major events and quite apart from political stripes, although it is always difficult in an adversarial political system to have a Government of one stripe do bidding on the convention of another.

Nonetheless, we do work together with a number of industry people and people associated with those organizations. It is all to the benefit of Manitobans regardless of their political stripe.

We think it is something important and we think we should continue to do that. We will enlist the support of everyone we can of whatever political stripe in order to accomplish those ends.

Mr. Carr: I have just one more question in this section, and I will pass it off to my colleague.

When the Minister of Industry, Trade and Tourism undertakes a joint venture with cultural organizations in Manitoba, what is the involvement of the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson)?

As the Minister remembers, and I know members of the staff will remember, Culture and Tourism used to be a part of the same department. It was split off some years ago in order to give culture its own department and its own status. There are competing philosophies on whether or not that is a good idea.

Having said that, in our Government, Tourism and Culture are separated, which means that there ought to be by necessity close co-operation

between the Department of Tourism and the Department of Cultural Affairs.

Can the Minister just give us a brief summary of what kind of contacts he has with the Minister of Culture, especially as it relates to specific cultural promotional programming that his department is beginning to enter into?

Mr. Ernst: We work very closely with the Department of Culture, Heritage and Recreation on a wide variety of programs that have a commonality of interest, things like festivals where we have provided funding for those festivals, particularly under the Tourism Agreement, as has the department on a direct basis. We work with them on historic resources development and things that can have the potential to become tourism attractions. So we work very closely with the department both at an officials level and at a political level.

Mr. Storie: I have no more questions in this area.

Mr. Deputy Chairman: 5.(b)(1) Salaries \$771,300—pass; 5.(b)(2) Other Expenditures \$3,063,400—pass.

5.(c) Development (1) Salaries \$339,300.00.

Mr. Carr: Reading over the objectives and the activity identification within a number of different branches, there seems to be almost no difference. The objective seems to be just about the same wherever we turn.

Could the Minister just let us know what the Tourism Development branch does in short, and how that relates to other branches, and whether or not there might not be some duplication of service here?

* (1730)

Mr. Ernst: Mr. Deputy Chairman, the Tourism Development branch—there are two main branches in the department. One is Marketing and one is Development. One is the promotion of the property; the other is development of the property to ensure that you have good quality accommodation, we have good festivals and resources, and things of that nature that the marketing department can sell.

In broad general terms that is the division between the two major sectors. We could go into a long, detailed discourse if you want, but I think that gives you a general indication of the division of responsibilities within the department.

Mr. Carr: What is the explanation for the drop of one staff year in the Tourism Development branch?

Mr. Ernst: We have had, in the Tourism Development area, one vacant SY for some period of time. It was determined that the department could live without that one SY, so it was deleted from the complement of the department.

Mr. Carr: So the Minister is satisfied that the continued deletion or vacancy of that position, combined with the freezing literally in this branch of other expenditures will not hinder the department's objectives.

Mr. Ernst: That is right.

Mr. Storie: I have one question and it relates to the public debt section of the Other Expenditures. There has been no increase in the debt and that relates to the capital and incentive programs under the Canada-Manitoba Tourism Agreement. Does that reflect the fact that there were no additional expenditures this year under that agreement?

Mr. Ernst: Mr. Deputy Chairman, this relates to the debt-servicing costs of the first Tourism agreement, which expired in 1985.

Mr. Storie: Thank you, Mr. Deputy Chairperson.

Mr. Deputy Chairman: Item (c) Development: (1) Salaries \$339,300—pass; (2) Other Expenditures \$374,700—pass.

(d) Quality Assurance: (1) Salaries \$106,100.00.

Mr. Storie: Mr. Deputy Chairperson, just a quick comment from the Minister on the number of inspections and the way inspections are carried out in remote areas. How does the department ensure that the quality and the ratings that are provided are updated regularly for remote lodges and remote tourist facilities? It seems that with the \$60,000 Other Expenditures, which I assume would include travel, it means that these facilities are not being inspected routinely.

Mr. Ernst: Mr. Deputy Chairman, because of the remoteness of a number of these places, it is not always that easy to get to them and so on. Although we have done a reasonably credible job in terms of—I think there are 913 properties, of which we inspected last year 638 of them.

Again, you have a lodge and then you have three outcamps and to get to all of those facilities trying to maximize the benefit of using either existing chartered aircraft, as opposed to buying an airplane and doing it all yourself, but we try and utilize the Department of Natural Resources, wildlife officials, other Government transportation.

If a plane is going somewhere, our guy tries to fit his travel schedule into that as well to try to minimize the cost, but doing that we still inspected better than two-thirds of them last year so that we will get to them all at least once every year or year and a half.

Mr. Storle: I assume someone from this area sits on the Licensing Advisory Committee. Can the Minister indicate who the members are of the Licensing Advisory Committee at this present time?

Mr. Ernst: Mr. Deputy Chairman, it is a consortium of departments of Government who have representatives on that. Our department has two officials, Roland Lavallee, who is the chairman, and Craig Hotson, who is an official. You are probably familiar with Mr. Hotson and Mr. Lavallee for that matter, long time departmental employees. Then there are Fisheries and Natural Resources and Crown Lands and those people all have representatives on the Licensing and Advisory Committee, as well.

Mr. Storle: There have been a number of individuals in northern Manitoba who have expressed concern about the continuing conflict between the allocation of beds and the Department of Natural Resources, Fisheries Branch of particular concern about resource, and continuing debate over whether the resource would be better utilized by higher value-added activity like Tourism versus commercial fishing. It sounds as if there is still an imbalance in that committee in the sense that it may be overrepresented by resource. That is just a comment.

Mr. Ernst: There are conflicting interests obviously. We have conflicting interests between Heritage Resources and Mining, between Parks and Mining, between a wide variety of users of Manitoba's geography. To ultimately balance all of that perfectly is a task I do not think anyone has been able to resolve over a long, long period of time. From time to time there are conflicts and those conflicts get resolved one way or the other by the politicians themselves and we do keep track of what is happening and try and be as fair and reasonable in terms of that balance of use as possible.

Mr. Deputy Chairman: 5.(d) Quality Assurance (1) Salaries \$106,100 —pass; (2) Other Expenditures \$60,000—pass.

(e) Corporate and Community Relations (1) Salaries \$383,200.

Mr. Carr: Mr. Deputy Chairperson, I am not sure whether or not this is the appropriate section to ask this series of questions, but I am going to ask it anyway and declare me out of order if you like.

I want to compliment the department on its marketing magazine. It is much better than it has been before. I recall looking with my family at a brochure published by South Dakota Tourism and being incredibly impressed with the degree of sophistication that was in that piece of marketing, and I had asked the question: Well, why can we not do that in Manitoba? I was surprised to learn that tourism is South Dakota's second largest industry after agriculture. Somebody built out of stone the profile of four American Presidents at Mount Rushmore and began to develop a \$1 billion industry which is remarkable.

An Honourable Member: We will do that at Birds Hill.

Mr. Carr: The Minister of Highways and Transportation (Mr. Driedger) says we will do it at Birds Hill with a profile of his face, I think, statue of Albert.

What is remarkable about the South Dakota initiative is that there are no urban centres of any size in the entire state and they are able to take historical themes such as the Wild Bill Hickok assassination and convert it, through dramatic action, every night into a multimillion dollar tourism industry and initiative. As a result of being impressed by what the South Dakotans were able to do, I was looking around a little bit at how we had done and until this year the answer was, not very well.

So the Minister should take the compliment and he should take the compliment back to his staff, keep up the good work and I would like just a little detail about that magazine. I would like to know how many are produced and at what cost, and who does the creative work.

Mr. Ernst: This is Vacation Planner you are talking about?

Mr. Carr: Yes, the big magazine.

Mr. Ernst: Well, we have several.

Mr. Carr: You know, the omnibus, the major magazine.

Mr. Ernst: The Vacation Planner. \$300,000 I think, or something like that. The initial indication then, Mr.

Deputy Chairman, to the Member for Crescentwood (Mr. Carr), is a whole bunch.

375,000 copies approximately; the cost is \$200,000.00. It is produced by LGM Graphics in Winnipeg.

Mr. Carr: Tendered? Is that tendered?

Mr. Ernst: Tendered project.

Mr. Carr: And how about the distribution of those 300 and how many thousand?

* (1740)

Mr. Ernst: 375.

Mr. Carr: 375. Where do they go?

Mr. Ernst: All over the place. It is like Jerry Hart filling in his income tax return. It says gross income? He wrote in not enough.

Mr. Deputy Chairman, we provide about 100,000 copies of that in terms of direct mail responses to enquiries for tourist opportunities in Manitoba. That is run through the department as a warehouse and direct mail operation and so on, and toll-free telephone lines come in, take the responses, mail comes in, we take the responses and distribute them. We distribute them also amongst our Tourism information centres around the province. We provide them through the mobile travel information centres that we have operated in the past, as well. We provide them to consulates and embassies around the world through the Department of External Affairs, and there are some in my office upstairs.

Mr. Carr: Another publication-related issue. When our caucus, our bigger caucus last time, toured northern Manitoba, we were told by people in the North that it was with astonishment that they looked at the travel map of Manitoba, the official Highways map of Manitoba, because fully one-third of the province is cut off the top.

An Honourable Member: The new one?

Mr. Carr: Well, the Minister of Highways (Mr. Driedger)—can I say that he is here?—tells us that the new one shows that all of Manitoba is now on the map and that is a good thing because it was symbolically very important to the people of the North who literally were not on the map.

An Honourable Member: No roads.

Mr. Carr: There were no roads, the Minister is right, but there are lakes—

An Honourable Member: It is a road map.

Mr. Carr: There are lakes. I am glad the Minister has corrected it because while there are no roads, there are canoe routes and lakes and Native bands and communities who live in an area that was, up until now, left off the Manitoba map, but since the Minister of Highways and Transportation (Mr. Driedger) was . . . the problem is being corrected. I will just take that as a given, Mr. Deputy Chairman.

Mr. Deputy Chairman: Shall the item pass—pass.

(2) Other Expenditures \$262,700—pass.

Mr. Ernst: Mr. Deputy Chairman, before we leave I do want to thank, on behalf of the staff, the Honourable Member for Crescentwood (Mr. Carr) for his compliment and I will certainly convey that to them.

Mr. Deputy Chairman: Resolution 94: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,788,400 for Industry, Trade and Tourism for the financial year ending the 31st day of March, 1991—pass.

We will now move on to No. 6. Canada-Manitoba Tourism Agreement 1985-1990 (a) Salaries \$474,300.00.

Mr. Carr: I am going to remind the Minister about something he may want to forget. That is, when the Honourable Jake Epp was visiting Winnipeg for a meeting with the Minister, the Minister of Industry, Trade and Tourism (Mr. Ernst) was so angry that he almost punched him in the nose. This is not something that I made up. This is something that I read in the newspaper.

An Honourable Member: Somebody else made up.

Mr. Carr: Somebody else made up, maybe. It is, I guess, symptomatic or symbolic of the state of federal-provincial relations in general and of relations between this Minister and Mr. Epp and maybe, Mrs. Dobbie in particular. I want to talk about that because there is lots at stake.

The Canada-Manitoba Tourism Agreement expired, if I am not mistaken, on March 31, 1990. There has been no renegotiated agreement to take its place, although the Minister did make reference to a \$10 million five-year agreement. We will want some details on that because, if I remember right, the expired agreement was \$30 million over five years, so this represents a \$20 million reduction of commitment from both Canada and Manitoba. I would ask the Minister what the state of

federal-provincial relations are right now, in light of my preamble, and if he can bring us up to date on the renegotiation of the Canada-Manitoba Tourism Agreement.

Mr. Ernst: Mr. Deputy Chairman, there was a time when we had a difference of opinion. It was a very serious matter. We had a difference of opinion with our federal Government over how certain monies should be allocated within the Tourism Agreement. Certain commitments were made. Certain priorities were established over a period of time and ultimately changes were made in the Tourism Agreement to accommodate both projects as opposed to having one over the other.

The Member is quite correct. The existing agreement expired on March 31, 1990. Expenditures will run under that agreement until March 31, 1992 which is a six-month further extension of the time available within which to expend funds than was originally contemplated. Originally, all expenditures had to be made within 18 months of the expiry of the agreement. We have now negotiated an extension of that to two years in order to complete the expenditures under the existing agreement.

As I indicated earlier today, we are in negotiations at the present time with the federal Government over a new Canada-Manitoba Tourism Agreement of some \$10 million over five years. We hope to have that resolved within a short period of time.

Mr. Carr: With the committee's intelligence, Mr. Deputy Chairperson, I think it is important that the Minister bring us up to date, because this is really the last opportunity—I guess the first opportunity that we will have to get an accounting post-expiration of the agreement, as to amounts spent in all of the sub-divisions of the agreement, so that we know how much has not been spent. If the Minister can let us know what he intends to do with the unexpended resources category by category.

Mr. Ernst: It will take us a minute.

Mr. Carr: I am sorry—this is an important item.

Mr. Storie: Jim, can we ask that to be tabled later?

Mr. Carr: Sure, that is okay, you can table it later.

Mr. Storie: Mr. Deputy Chairperson, if the Minister will undertake to provide the committee with that information at a later date, at least we could continue. There may be a willingness to complete this, this evening if we continue.

Mr. Ernst: I am prepared to undertake that as true.

Mr. Deputy Chairman: Okay, then the Minister will table the information at a later date.

Mr. Storie: Mr. Deputy Chairperson, since I was the Minister responsible for Tourism when this agreement was signed back in 1985 I want to share with the Member for Crescentwood my concern over the expiration of the agreement and the fact that there is no new agreement at present.

A \$10 million substitute is not going to be adequate to the needs of developing tourism the way I think many in the province would like to see it develop. There is no doubt that we have some room in the province for a little more imagination to be applied to increasing tourism and we all want that to happen.

I guess we will have to wait and see what kind of successor agreement the Minister comes up with. We can only hope that it happens quickly, because tourism is a difficult industry and we are in difficult economic times, and if any industry can help to maintain us it will be the tourism industry encouraging Manitobans to travel within Manitoba and others to visit Manitoba either for friends and relatives or attractions. So let us get on with it.

Mr. Carr: The Minister made reference to a \$10 million five-year agreement. Is he telling us that both Governments have committed to a \$10 million agreement? If so how is the money to be spent? What is preliminary about it and what awaits negotiation? Has his Government determined that it will contribute \$5 million to such an agreement? Does he have assurances from the federal Government that they will match it, and just where are we?

* (1750)

Mr. Ernst: It was a general agreement by both Canada and Manitoba that they will contribute \$5 million towards a tourism agreement. We are negotiating the terms of that agreement at the present time.

Mr. Carr: Since we had a \$30 million agreement which expired on March 31, to be replaced by a \$10 million agreement, what programs that have been established under the terms of the Canada-Manitoba Tourism Agreement will suffer as a result of the inability of Governments to match funding commitments?

Mr. Ernst: The past tourism agreement contemplated a number of large capital projects; because it was called the Go World Class Agreement it was intended to fund major world class tourism projects.

The Western Diversification Fund has had its terms of reference changed since the expiry of the agreement to contemplate funding of major tourism projects of a large capital nature, while the tourism agreement, the \$10 million agreement that I referred to, will deal with the marketing and small capital renovation type assistance and a co-op advertising package to tourists and things of that nature. The major portion of the \$30 million agreement dealt with major capital. Major capital will now be dealt with by Western Diversification Fund on an application basis.

So it remains to be seen if any loss will accrue as a result of that. It will depend on the types of projects and their feasibility, and how Western Diversification deals with it.

Mr. Storle: I have a recommendation that if we are going to conclude by six, Hansard will have to be briefed, Mr. Deputy Chairperson.

Mr. Carr: Mr. Deputy Chairperson, I am particularly interested in the status of rural tourism attraction and the development of rural attractions. Can the Minister be as specific as he can about what his department's plans are to stimulate tourism activity outside of the City of Winnipeg. We have spent much of our time discussing activity inside the Perimeter Highway, but the Liberal Party is interested in what the Government plans to do to stimulate more tourist activity, especially given the fact that there seem to be dwindling resources to do anything.

Mr. Ernst: Mr. Deputy Chairman, we have in fact funded a number of major projects outside of the City of Winnipeg, the hotel in Gimli for instance, a new resort there, Steinbach Heritage Museum, significant funding provided to that, assistance in Riding Mountain and Duck Mountain National Park for resort developments there, Keystone Centre in Brandon, Hecla Village, and so on. So those kinds of things will all provide new activity in those areas.

Mr. Carr: Yes, I have my eye on the clock. I do have a number of other questions, but I do not want to hold staff unnecessarily so I will speed through them and the Minister and I can work quickly and we might be able to get through them by six o'clock.

The tourism centre at The Forks is controversial because of the difficult negotiations between Canada and Manitoba. Now I know that the Minister was involved in a private sector fund-raising campaign last year. Can he report the success of that campaign, how much money he was able to extract from the private sector and just what the fate of that initiative was?

Mr. Ernst: Because of the change in the plans of the tourism centre at The Forks it was discontinued.

Mr. Carr: How much money had the Minister raised?

Mr. Ernst: Mr. Deputy Chairman, I had not reached the point where funding was in fact solicited. There were expressions of interest at the time, was where we were at, and we did not pursue it further.

Mr. Carr: There were no solicitations made of the private sector?

Mr. Ernst: No.

Mr. Carr: He is shaking his head. I want to get it on the record.

Mr. Ernst: Mr. Deputy Chairman, I approached a number of people in the private sector about an expression of interest in investing in such a project. No direct solicitation of money, no money was received, none was asked for at that time. What I did ask for, was an expression of interest in investing in the project.

Mr. Carr: Okay. The Minister said in his answers to the questions that I had posed yesterday that a consultant had been engaged to help the Government with the tourism centre at The Forks. Why in heaven's name did we need a Toronto consultant to help us with packaging a tourism centre in Manitoba?

Mr. Ernst: Mr. Deputy Chairman, we asked for proposals from a wide variety of consultants. We received eight all together. It was deemed that this particular one—they were for the most part consortiums as opposed to individual firms—the consortium Marshall Macklin of Toronto was the one we chose because they had the most expertise. They included the Number Ten Architectural Group of Winnipeg as part of their consortium.

Mr. Carr: Moving as quickly as I can, Mr. Deputy Chairperson, I would like to ask the Minister about a new arena. What is the state of play for the new arena in Winnipeg? I know that there is a consultants' study that we are all awaiting. Is it the

policy of this Government that the land across from the convention centre will be made available should that site be deemed appropriate by the consultants' report and by the City of Winnipeg?

Mr. Ernst: No decision has been taken.

Mr. Carr: What is the Minister's view? Is it the Minister's view that the City of Winnipeg needs a new arena? Is that the Minister's view?

Mr. Ernst: Mr. Deputy Chairman, that is a speculative and a personal opinion and there is no place for it in committee. We are talking Government policy in this case. If the Member wants to know my private opinion he can ask me after.

Mr. Carr: I will take him up on it, Mr. Deputy Chairperson. Is it Government policy that the land across from the convention centre would be made available to the Winnipeg Jets and a consortium of private developers, should that be the site chosen? Is it the policy of the Government to make that land available?

Mr. Ernst: No decision has been taken.

Mr. Carr: Okay.

Can we get a clarification from the Chair on what our time constraints are?

Mr. Deputy Chairman: I will rule that we can go until ten after if you will give leave. Will 10 minutes give you enough time to wrap it up?

Mr. Storle: Mr. Deputy Chairperson, can I make a recommendation that we not look at the clock, and that it will not be six o'clock until we are done?

An Honourable Member: That is a great idea.

Mr. Deputy Chairman: What we are doing is killing time. I will allow until ten after.

Mr. Ernst: Mr. Deputy Chairman, I am prepared to sit until ten or quarter after if we can conclude by that time. If it is longer than that, then I will have to ask that we return at eight o'clock.

Mr. Carr: I am not getting very much from the Minister on the issue of a new arena. The Minister of Tourism and the Minister of Industry for that matter presumably has a substantial interest on whether or not the City of Winnipeg has a new arena and the future of the—and the Minister of Sport—Winnipeg Jets. Can he shed any light at all on how the Government views the potential crisis of keeping the Jets in Winnipeg and how the Government intends to respond?

Mr. Ernst: Mr. Deputy Chairman, The City of Winnipeg at the present time is dealing with the potential for a replacement facility for the existing Winnipeg Arena. That is the City of Winnipeg's purview, and that is what they are doing. No approach has been made to the Government for land or funding for any future building.

I and all Members of the Government of course are interested in keeping professional activity here in Winnipeg both on a cultural and a sport basis. We monitor that very closely but the facility is owned by the City of Winnipeg, the existing facility. They have the lease with the existing hockey team. While there can be wild speculation of all kinds in the newspaper, I do not intend to indulge in it here.

Mr. Carr: Back to the tourist centre at The Forks just for a minute if I could, Mr. Deputy Chairperson. Can the Minister tell us how much money has been committed to that centre and what the status of negotiations is now?

Mr. Ernst: Two million dollars, Mr. Deputy Chairman, has been committed under the Canada-Manitoba Tourism Agreement, now expired. We are in the process of looking at two or three other alternatives to the original and no decision yet has been taken.

Mr. Carr: That is it.

* (1800)

Mr. Deputy Chairman: 6. Salaries, \$474,300—pass; (b) Other Expenditure, \$852,000—pass.

Resolution 95: RESOLVED there be granted to Her Majesty a sum not exceeding \$1,326,300 for Industry, Trade and Tourism Agreement 1985-1990 for the financial year ending the 31st day of March, 1991—pass.

7. Manitoba Horse Racing Commission (a) Grant Assistance, \$5,521,900—

Mr. Storle: Mr. Deputy Chairman, could the Minister give this committee the name of the people who are currently on the Manitoba Horse Racing Commission, and could he indicate what has happened to wagering in the province? The Grant Assistance is increasing. Is that a reflection of the fact that wagering down, or is it a fact that the funds that the province gets are actually increasing and this reflects a return to the horse racing industry?

Mr. Ernst: Mr. Deputy Chairman, basically it is a pass through. Of the total income collected from

pari-mutuel betting tax, it is passed through back to the industry in two forms: (1) for the cost of operating the Horse Racing Commission; and (2) passed through to the industry itself in the form of purse support and in forms of support to breeders and things of that nature.

Members of the commission are Mr. Dan Williams who is the chairman, who is presently with us just now. The other members are Mrs. Adele Chornoby, Mr. James Moore, Mr. Ian McKenzie of Portage la Prairie and Katherine Mollard from the Interlake.

Mr. Storle: No further questions.

Mr. Deputy Chairman: 7.(a) Grant Assistance, 5,521,900—pass.

Resolution 96: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,521,900 for Industry, Trade and Tourism for the financial year ending the 31st day of March, 1991—pass.

8. Emergency Interest Rate Relief Program, there is no budgetary amount and it is under Resolution 96.

9. Manitoba Bureau of Statistics (a) Salaries, \$438,500—pass; Other Expenditures \$46,200—pass; (c) Less: Recoverable from Other Appropriations, \$60,000—pass.

Resolution 97: RESOLVED that there be granted to Her Majesty a sum not exceeding \$424,700 for Industry, Trade and Tourism for the financial year ending the 31st day of March, 1991—pass.

Item 10. Expenditures Related to Capital \$3,746,600.00.

Mr. Storle: Mr. Deputy Chairperson, just a request that the Minister table for the committee a list of grants provided under this section.

Mr. Ernst: Mr. Deputy Chairman, this is the cash flow for the Tourism agreement funding proposals which are included under the Tourism agreement funding, the same projects.

Mr. Deputy Chairman: Shall the item pass—pass.

Resolution 98: RESOLVED that there be granted to Her Majesty a sum not exceeding \$3,746,600 for Industry, Trade and Tourism for the financial year ending the 31st day of March, 1991—pass.

The last item to be considered for the Estimates of the Department of Industry, Trade and Tourism is Item 1.(a) Minister's Salary \$20,600.00.

Point of Order

Mr. Storle: The Fitness Directorate sort of stands out in this department as a bit of an anomaly. My colleague, the Member for Radisson (Ms. Cerilli), had wanted to ask some questions in this area. I am wondering if the Minister would agree to answer those questions in the Fitness and Sport area, and then we can simply pass this as is and go to the Minister's Salary.

Mr. Deputy Chairman: For your information, we had agreed to that at the very beginning of the evening.

Mr. Ernst: That is how we intend to do it. The staff are here and we were not sure whether we would deal with it tonight, but we will deal with it at eight o'clock, answer all questions with regard—

Mr. Storle: There was no agreement to deal with Fitness and Sport at eight o'clock—that was Industry, Trade and Tourism.

Mr. Ernst: Fitness and Sport falls under the Department of Industry, Trade and Tourism. That is where it is located. It is housed there. It is administered there. It is part of the department, but because they are funded by Lotteries dollars, it is located elsewhere in the Estimates of the Government, but they all fall under the Department of Industry, Trade and Tourism.

Mr. Storle: Mr. Deputy Chairperson, unfortunately then, we are not going to be able to conclude this evening, because the critic for fitness and recreation will be involved in her duties as critic for Culture, Heritage and Recreation.

Mr. Ernst: It is a difficult situation. In order to try and resolve the matter, Fitness and Sport also appears elsewhere in the Estimates because of the appropriation related to lotteries. Can I make a suggestion? There is no appropriation under Fitness Directorate here at the present time under Industry, Trade and Tourism, so that by passing that section, there is no appropriation there. We can have then dealt with the Department of Industry, Trade and Tourism as a structure. Then we will have to work out between the House Leaders a time to deal with Fitness and Sport.

Mr. Deputy Chairman: It has already been done on November 2.

* * *

Mr. Deputy Chairman: The Minister's Salary \$20,600.00. At this point, we request that the Minister's staff leave the table for the consideration of this item.

Shall the item pass?

Mr. Storle: Mr. Deputy Chairperson, we are quickly running out of time. There is a tradition in the Estimates process whereby if you are not certain that the Minister is taking the department in the direction that you would wish, that you move a motion to amend the salary.

Mr. Deputy Chairperson, I am going to give the Minister the benefit of the doubt on this occasion, but the Minister is on notice that the apparent lack of direction that comes across in the Minister's comments, both in the areas of Trade and Tourism, is worrisome. We would like to see—I believe that most Manitobans would like to see—a more pro-active approach to resolving some of the outstanding problems.

I hope the Minister will take that advice more seriously, and that when we return to review the Estimates next year we will have seen some progress in terms of our trade numbers and our tourism numbers and in economic development throughout the province.

Mr. Carr: Similarly, Mr. Deputy Chairperson, I will want to watch very carefully what happens with this department over the next year. In my opening remarks, I made the observation that tourism was the fastest growing and No. 1 industry globally, and in response to that challenge this Government is actually committing less resources to Tourism this year than it did last.

So, if the Minister is on notice from the New Democratic Party for his performance in Industry and Trade, he is on notice by the Liberal Party for his performance in Tourism.

Mr. Deputy Chairman: Shall the item pass—pass.

This completes the Estimates of the Department of Industry, Trade and Tourism.

Resolution 91: RESOLVED that there be granted to Her Majesty a sum not exceeding \$2,657,900 for Industry, Trade and Tourism, Administration and Finance, for the financial year ending the 31st day of March, 1991—pass.

The hour now being 6 p.m., I am interrupting the proceedings in accordance with Rule 3.(2) and the Committee of Supply will resume sitting this evening at 8 p.m.

SUPPLY—EDUCATION AND TRAINING

Madam Chairman (Louise Dacquay): Order, please. Would the Committee of Supply come to order, please? This section of the Committee of Supply has been dealing with the Estimates of Education and Training. We are on item 5.(p)(2), page 46, Workforce 2000/Job Training for Tomorrow (p)(1) Salaries \$799,300.00.

Mr. Dave Chomiak (Kildonan): I wonder if the Minister would table for me . . . and if not available, the program outline and the specs on the payroll tax credit of 3 percent that is going out to firms. In other words, would it remain—

Madam Chairman: Order, please. I am experiencing difficulty in hearing the question, as I am certain the Minister of Education (Mr. Derkach) is. I wonder if the Members that are engaging in private conversation would do so in the appropriate loge area.

Mr. Chomiak: In other words, what I am looking for, Madam Chairperson, is how firms in my community and in other areas can have access to this program, and what the specs are in order to allow them to gear up for this type of program, because presumably it is a long-term training effort that is geared toward the employment market, and certainly they want to take advantage of it.

Hon. Leonard Derkach (Minister of Education and Training): As the Member may know, the complete details of Workforce 2000 are still being worked out and as soon as the details on that particular issue, on the payroll tax credit, have been finalized and the entire package is complete and ready for distribution, I will be happy to share that with the Members opposite, but as I indicated, the details of that are being finalized, I guess, as we speak.

Mr. Chomiak: Are there any particular studies or research projects that are incorporated into these details that form the framework of this Workforce 2000?

Mr. Derkach: Well, Madam Chairperson, all of the work that was done by the Skills Training Advisory Committee, and also by the department over the last couple of years, I guess, has culminated in a report.

The outgrowth of this report was the initiative of the Workforce 2000 and that is basically the area that Workforce 2000 originated, from the Skills Training Advisory Committee's recommendations and also some of the internal work that was done by the department.

Mr. Chomlak: I guess what I am getting at, and I have alluded to this several times throughout the Estimates process, is we have a major policy change, in my opinion, in terms of this Workforce 2000. I am not discussing the merits of it, but I would wish to know some of the details as to what direction this is going in. Where are we going?

We are talking about Workforce 2000. We are talking about having employees and employers gearing up to have the necessary skills for the year 2000. What are those skills, where are we going, where is the direction and where is the leadership that is leading to this?

Is there any documentation that I can obtain in order to satisfy myself as to the direction and leadership the Government is taking in this area?

Mr. Derkach: Madam Chairperson, the Workforce 2000 general overview was described quite thoroughly by the Premier (Mr. Filmon) and again by the Minister of Finance (Mr. Manness). We have indicated the areas of training that we would be dealing with when we talk about the entire concept of Workforce 2000.

Additionally, we did table and make public the report of the Skills Training Advisory Committee entitled Partners and Skills Development, which was sort of the area that we took the concept of Workforce 2000 from.

* (1430)

Madam Chairperson, there are several components to Workforce 2000, which were discussed both by the Premier and certainly elaborated at some subsequent sessions by myself as Minister of Education and Training who has the responsibility to implement Workforce 2000.

I can indicate that the components that we have in this entire document begin with the training advisory and brokerage service which will assist employers in identifying training needs and developing training plans, and the development of a skills bank which will be a computerized inventory of training programs, services and public and private suppliers available to employers seeking assistance and information. We will be providing training

incentives of up to 75 percent of direct training costs for training of new and existing employees. These costs would include such things as instruction, tuition, rental of equipment and costs of training materials.

We will be providing, of course, a payroll tax credit for firms who are now paying the payroll tax. We will also be providing an industry-wide human resource planning and training initiative whereby Government-industry human resource planning agreements will be developed. We will also be providing province-wide special courses for training people who will be providing the training to the clients. The program is indeed a fairly detailed one, but once the final details of it are worked out we will be in a position to make those details public, and I can indicate that I will share those with my critics as quickly as I possibly can.

Mr. Chomlak: Madam Chairperson, I am not sure I am entirely clear as to the direction, but I will leave it at that. Will there be a committee or organization province-wide set up that will be a focal point for this particular activity?

Mr. Derkach: Madam Chair, that is still part of the details of the Workforce 2000 program that have not been finalized, but the focal point I guess of Workforce 2000, if you like, was the committee that was put together to develop the partners and skills development, which was the Skills Training Advisory Committee.

In terms of the implementation of Workforce 2000, that is really up to the Department of Education and Training to do, but in terms of having associations or an advisory committee attached to this particular program, that detail has not been finalized at this point in time.

Madam Chair, while I am standing, may I take this opportunity to table the responses to several questions that were taken as notice when we were going through the Estimates in the last day or so.

Mrs. Sharon Carstairs (Leader of the Second Opposition): I just have the one question. Can the Minister tell me on what basis the decision was made that firms with larger numbers of employees and, therefore, those firms paying the payroll tax would be in greater need of on-job training than firms with fewer number of employees and, therefore, unlikely to pay the payroll tax?

There must have been a philosophical difference here because potentially if firms do not pay the

payroll tax then they cannot get this particular program because there would be no compensation for them. It is only compensated if they pay the payroll tax. Now, a philosophical decision must have been made, and my experience is that larger firms with more employees tend to be the very ones that already have in-house training.

Mr. Derkach: The training incentives that I referred to of up to 75 percent of direct training costs for training of new and existing employees which would include such things as instruction, tuition, rental of equipment and training materials, a basic wage subsidy for training of permanent full time new employees in demand occupations and an advanced wage subsidy for training of permanent new employees who are employed and who are disadvantaged, such as Natives, disabled, older workers and social allowance recipients—are all designed for the medium and the small-sized firms or businesses.

The training incentive for the larger businesses are for those who pay the payroll tax, and that credit of up to .3 percent of their payroll will go to provide the incentive for the larger firms to get involved in retraining and training.

Madam Chairman: Item 5.(p) Workforce 2000/Job Training for Tomorrow: (1) Salaries \$79,300—pass; 5.(p)(2) Other Expenditures \$2,201,100—(pass).

Resolution 35: RESOLVED that there be granted to Her Majesty a sum not exceeding \$100,896,000 for Education and Training, Post-secondary, Adult and Continuing Education and Training for the fiscal year ending the 31st day of March, 1991—(pass)

Item 6. Universities Grants Commission \$195,755,800.00.

Mr. Chomlak: . . . simple one and that is, how is it that the department arrived at the calculation of the sum to the Universities Grants Commission of \$195,755,800.00?

* (1440)

Mr. Derkach: Can I request the Member from Kildonan to repeat his question, we are just in the process of changing staff here.

Mr. Chomlak: My question is relatively straightforward. How is it that this figure \$195,755,800 was arrived at in terms of the grant to the Universities Grants Commission for this year?

Mr. Derkach: The percentage increase to the universities is on a base that was established quite

some time ago back in 1967 and since that time the increases have been on that particular base.

I can describe the budget process, if the Member would like, for the record on how the UGC goes through establishing the budget:

First of all, the UGC requests the universities to submit their budgets by a certain date and usually that is in June of a given year, and then the staff of UGC prepares a thorough analysis of the budgets for the commissions. The UGC then invites officials from each university to present their budget and discuss priority areas, stress points, and longer-term objectives.

After that the UGC prepares a set of funding recommendations for consideration by the Minister of Education and Training. The Minister reviews and modifies the recommendations. This set of recommendations forms part of the department's Estimates, which are presented to Government or Treasury Board.

Treasury Board analyzes the funding recommendations and then a decision is made on the funding levels. The funding level is then announced and the money is made available to the UGC from the Department of Finance. The UGC then allocates the resources to the institutions. The allocations are made on the basis of general cost increases, identified needs and programs, and capital provided in the budget documents of the universities.

Mr. Chomlak: Madam Chairman, it is obvious that the needs of the universities, or shall I say the "wish list" of the universities will never match the funds available from the UGC.

You said the figure was based on a formula. Was there a formula applied in order to give the increase of approximately \$7 million that was given universities this year?

Mr. Derkach: Madam Chair, one of the election promises that was made in 1988 was that this Government would support universities at least at the level of inflation or better, and we have done that since that time. That was a commitment made in the 1988 election. We lived up to that, and we based the increase on the same set of criteria that increases have been based on since I guess 1967.

Mr. Chomlak: What are those criteria since 1967?

Mr. Derkach: Madam Chair, there was a base, if you like, established back in 1967. Since that time,

the universities would submit their request on that understanding, that is, the base that they had started to work from, and the increases have been based on that sort of base that has increased each year as we went along.

The UGC goes through the budget that is submitted by the university and then makes its recommendation to the Minister. The Minister then has the responsibility to review it, request a clarification or whatever needs to be done with the budget, and then presents it to Treasury Board and defends it. Then a decision is made with regard to the level of funding.

Mr. Chomlak: What I am getting at, Madam Chairman, is there is a discretionary element and the Minister has told me that it is Government policy that discretionary element will be inflation or better. Is that correct?

Mr. Derkach: Madam Chair, there was not a commitment made in 1988 that we would fund at the level of inflation forever and a day. That was a commitment made during that election period of time and I indicated up to the election of 1990, we have lived by that particular commitment.

The increases are based on several things, such as the general operating costs, if you like, or the general cost increases that should be made to the university, the university's needs, both in capital and operating requirement. Also there are evaluations of special areas that may have to be addressed and I guess I could point to some of those, such as the steam plant at the Brandon University or the School of Dentistry, if you like, where special funds have to be injected to take care of those special areas. So when you do an evaluation of that nature, then there is a determination of the size of increase that Government is going to forward to the UGC, which will be distributed among the universities.

The universities, once they get their budgets, unless that budget is targeted, would then decide on how they are going to allocate that budget within their own complex.

Mr. Chomlak: Madam Chairperson, so for my own understanding I want to clarify this. There is a base level that has been in effect since 1967; in 1988 this Government committed to inflation until 1990, from 1990 on what is the policy in terms of funding for universities?

Mr. Derkach: Madam Chair, I can say that we are going to sit down and look at the needs of the

university and match the needs of the university community with the capacity that the province has to fund such institutions, keeping in mind that we have many priorities, and the priorities were laid very clearly before the House by the Premier in the throne speech and also in the budget: first of all, health, education and social services. Those still remain the top three priorities for our Government and we will fund universities and other educational institutions based on the fact that those are priorities.

Mr. Chomlak: I got the answer that I was expecting. It is clear to me that that is the case. The Government has certain priorities. I do not agree with the way they are funding those priorities and their proceeding on an ad hoc yearly business down the road as the institutions deteriorate and deteriorate.

Mr. Derkach: Madam Chair, the deterioration at the universities has certainly not resulted in the last two and a half or three years. I can indicate that the vast amount of deterioration occurred when that Member's party was in Government, and we do have some extraordinary situations at the universities that this Government has really lived up to a good commitment to.

First of all, if we take a look at the team tunnel at the University of Manitoba, it took a commitment of some \$11 million to fix up a situation that should have been addressed some years ago. The Faculty of Dentistry was losing its accreditation, and it was this Government that moved very quickly to ensure that the accreditation would not be lost. The steam plant in Brandon University was about to collapse and that would have meant that the university would have shut down as would the University of Manitoba has we not injected the funds into the steam tunnel. So funds had to be directed into that area as well. We had an asbestos situation at Brandon University that had to be corrected almost immediately, an emergency kind of situation where \$.5 million had to be spent to take care of that situation.

So those areas have been addressed. At the same time, I am proud to say that we did support universities at at least the level of inflation and above, and in doing that we were able to target some funding to such important programs as the Faculty of Management, as the Child-Care program, as a Masters program at Brandon University and also Business Administration program recognition at Brandon University.

* (1450)

Besides that we put in some \$.5 million into a FYDE program of first year university Distance Education program in five regions of this province where we now have something like over 400 participants. Besides that we also started the Bachelor of Nursing program, a commitment that we were able to fulfill. The federal dollars were there when we came into office. One of the things that was lacking was a provincial commitment by the former administration. We moved very quickly with the Member who is now in the Legislature from The Pas (Mr. Lathlin), who was then the chief of the Swampy Cree Tribal Council. We were able to conclude that arrangement very quickly, and we now have a Northern Bachelor of Nursing Program operating out of Keewatin Community College.

So I do not have to apologize. As a matter of fact, I stand with great pride here to indicate this Government has indeed fulfilled a very generous commitment to the post-secondary institutions of this province since we took office.

Mr. Chomiak: I just want to go on record saying I, too, am proud of all those things the Minister has done since he has been in Government, but I am also very disappointed in the things that he has failed to do since he has been in Government, Madam Chairperson. I am also very disappointed that every time a legitimate question comes up from this side of the House, the Minister has to fall back to the script of what happened in 1980, '81, '82, '83.

I remind the Minister of my opening remarks when I indicated that we too failed to adequately fund those institutions when we were Government. I recognize that and I admit that, but I recognize a basic inability of the Minister and the Government on that side to admit to the facts, to see the forest for the trees.

I will now move on to my more complex question and I will leave the simple question aside. That is, my figures indicate—and I would like the Minister to indicate to me the current dollar amount of cash transfer payments made under the EPF for post-secondary education in 1989 and '90. I may as well go to my second question, the income tax abatement under the EPF, the dollar figure amount for 1989-90.

Mr. Derkach: Just a bit of a response to that first comment made by the Member for Kildonan (Mr. Chomiak). Sometimes the reason that we have to

clarify the record is because the Member will stand up and ask a question, and he will end the question by indicating something like the lack of support by this Government for post-secondary education, or the miserable condition that this Government is leaving universities in.

They are comments like that which spur me on to at least mention what this Government has done for post-secondary institutions. One of the things I acknowledge, Madam Chair, is the fact that we do have deteriorating equipment at our universities and there needs to be some attention paid to that. We do have some facilities, like the library at the University of Winnipeg, which has a leaking roof and that situation has to be addressed. What we are finding is that we are going from emergency to emergency.

I met with the president of the University of Manitoba this morning, and we discussed some of these issues. We also discussed the fact that it is now time for us to look at how we can perhaps address some of these crying needs at our universities and have a plan whereby both the universities and Government understand in what direction we are moving so that we each understand what the capacity of the Government is, and that we perhaps will not agree on every issue, but at least there is an understanding between the university community and Government that there indeed is a better plan than the one that we are using at the present time.

With regard to the EPF transfers, those are funds that go directly into General Revenue, and those figures are not something the department has at its disposal right at this time. They are housed with the Minister of Finance (Mr. Manness), but if the Member wishes I will attempt to get those figures for him and have them tabled in the House either tomorrow or during question period, or I will send them to him so that he can get those figures, but I will attempt to get them for him.

Mr. Chomiak: Yes, I would appreciate if the Minister would forward those figures to me. For purposes of my question, the Minister will appreciate that I am a novice in this field, and I would like the Minister to clarify this for me.

Our calculations indicate that if you take the cash transfer component of EPF in 1988-89, as well as the EPF provisions in terms of tax abatement, the

amount is \$196 million some-odd dollars, and that is Canadian Tax Foundation figures.

What that illustrates to me is that effectively if we look at last year's expenditures roughly in that area, the provincial Government in effect is not putting any actual funds or money into the university system. I am just wondering if the Minister can clarify that particular aspect of funding for me.

Mr. Derkach: Madam Chair, if I were to try and get into a discussion about that, it would all be very hypothetical because I do not have the figures before me. As I indicated, these are housed with the Minister of Finance (Mr. Manness).

I will indicate to the Member that the figure he uses is one that—the EPF transfers are for health and post-secondary education. They are used for both. The percentage of breakdown I cannot give him now either because that is something that goes to Finance. As I indicated in my previous response, I will attempt to get those figures for him for clarification.

Mr. Chomlak: Just for clarification purposes, the figure that I provided the Minister were extrapolated figures that do indicate that component that goes to post-secondary education.

My question is, and I hope the Minister will provide a response when he has an opportunity to review the figures, how much actual provincial money is actually going into the university system, if in fact that figure can be arrived at.

Mr. Derkach: Once again, Madam Chair, that is something else that I cannot give you right now because if we knew that figure, we would also know the amount of money that is coming from the transfers. I am sorry, I cannot provide that information at this point in time.

Mr. Chomlak: I noted in reviewing Hansard through the early '80s, the former Member for River Heights, the Right Honourable Sterling Lyon, referenced the fact that there was a certain percentage that tuition fees ought to rise to. I do not want to misquote the former Member, but it was a certain percentage to which tuition fees ought to rise to at the university level.

I am wondering if there is any kind of criteria that has been established by this Government as to how high they are going to allow student fees to rise before the Government will step in.

Mr. Derkach: Madam Chair, university tuition fees are not set by the Department of Education and Training. University tuition fees are set by the individual universities. Let me indicate also that when you compare tuition fees—and I know universities are always looking at this—in Manitoba to other provinces, Manitoba fares quite favourably. As a matter of fact, we are the third lowest tuition fee paying province in all of Canada in the Arts and Science faculties. If you include the other faculties, we come fourth.

Additionally, Madam Chair, we do not have differential tuition fees in this province for out-of-country students. Besides that, we have now established an agreement with Minnesota, an exchange whereby students coming from Minnesota do not have to pay additional fees which they never had to, but also one of the pluses is that students from Manitoba who attend universities in Minnesota will not have to pay differential tuition fees either. That is certainly an agreement that has been worthwhile and one that certainly is of cost benefit, if you like, to students venturing to go to university out of province.

* (1500)

Mr. Chomlak: I just want to see if I understand the Minister correctly. The Minister is saying in effect, you have no control over student fees but you are very happy that they are the third lowest in Arts and Science relative to other provinces.

Mr. Derkach: Madam Chair, if we had our druthers we would probably like to do away with all tuition fees, if we could provide free university to our students. That may be the optimum; but that is not reality. Reality is that we have a certain capacity in this province, and we have to live within our means. It also means that we have to compare ourselves relatively to other provinces that might be of the same size in population and that can generate similar economy. I have to indicate that being third lowest in Canada is kind of an attractive position to be in, especially when we are one of the very few provinces in this country, I think one of two, that does not have differential tuition fees at this point in time.

Mr. Chomlak: Madam Chairperson, so is the Minister saying that no matter what level tuition fees were to rise to, this Government would not consider additional funding to the UGC in order to take care of that eventuality?

Mr. Derkach: That is a very hypothetical kind of question because if we came to that point, at that time we might have to enter into some discussion with our universities. I do not think that is a different position that the former Government took. They allowed universities to set tuition fees and they did not interfere and say, you can only set them so high or you have to start at least at this base. So I think we have to respect the autonomy of our universities at this point in time. If a situation gets out of hand, there is constant dialogue between the university, the Universities Grants Commission, and my office.

Mr. Chomlak: I will come at it at another direction for the Minister. Has the Government considered any additional assistance to the bursary program in order to offset the impact of tuition fees?

Mr. Derkach: Madam Chair, the Canada Student Loan program is one that is set by the federal Government. We have a bursary program as a province. Once again I could indicate to the Member that it is a fairly generous bursary program when you compare us to other jurisdictions, especially when you take a close look at the cost of university education in this province as compared to other provinces and in other faculties.

As a matter of fact, I was talking to a couple of recent university graduates who indicated to me that they went through university on student aid. They did not get assistance from their parents. They were able to live on the allowance that was allocated to them, did not receive any bursaries, and attended university in Ottawa. One of them did and indicated to me he was able to make do very nicely with what he was able to earn during the summer months and what he was able to get from student aid. Yes, the levels have not been increased since 1984, and we wish the federal Government would take a look at that. I will be meeting with my counterparts, the Ministers of Education of this country on the 3rd of December to discuss the whole issue of student assistance and, hopefully, we will be meeting with the Secretary of State at that point in time to discuss this very important issue.

Mr. Chomlak: I guess my question is: Has there been any strategic review of the bursary program in the Province of Manitoba to deal with the tuition increases by this Government, or are there any plans in the works for such a review?

Mr. Derkach: No, Madam Chair, there has not been a look at bursaries from the point of view of trying to

match bursaries with tuition fees, or as a result of increasing tuition fees we are bumping up bursaries.

I have to indicate to the Member that we did change some of the criteria which allowed more students into the student loan program and to qualify for bursaries, and especially for those students who are from rural Manitoba where at one time the net worth of the farm was taken into account when a student applied for student bursaries. We have taken that part of the application form out of the consideration so that now it is the cash flow of a farm that is counted and not the net worth of a farm, because we know the critical situation that exists in rural areas.

We are also working on the whole area of student vehicles and how they can be sold or transferred to members of the family. At one time there was a rule that stated if you had a vehicle, that had to be counted as part of your holdings and therefore counted against your student loan amount.

If you transferred that vehicle to a brother or you were to sell to a brother, you were forced to sell it at market price. You could not sell this vehicle to a family member at anything less than market price, or else the value of that vehicle would be counted against your student bursary. -(interjection)- Yes, a bit of a bureaucratic nightmare, it was. We are looking at eliminating some of those barriers as well.

Mr. Chomlak: I thank the Minister for that response. I can conclude from that response that the department does look at the bursary program with some flexibility and some strategic plan in mind in order to assist students. Will the department be considering some future changes in order to assist students?

Mr. Derkach: Yes, Madam Chair, I am aware of the fact that there is some hardship among the students who are attending our universities. That has been expressed to me very adequately by the university presidents.

I met with the university presidents yesterday morning, I believe, or was it the day before, where we discussed some of these concerns. When I meet with the Secretary of State and my other counterparts from other provinces on the 3rd of December, I can assure the Member that we will be setting forth our position and our desire for improvement in that whole program.

Mr. Chomlak: Madam Chairperson, I am wondering if the Minister can outline for me what kind of

representations he has made to the federal Government in order to represent to them the serious difficulties this province is experiencing as a result of the cutbacks in post-secondary education funding.

Mr. Derkach: I can indicate that on several occasions now when we have met with various federal Ministers who have some jurisdiction over funding for post-secondary institutions, we have indeed addressed this whole area of the federal Government's lack of contribution, if you like, or living up to their fair share of funding for our post-secondary education.

I can also indicate that this morning we had the opportunity to meet with some federal Ministers. I had the opportunity to raise the whole issue of post-secondary education at this meeting. There are indeed occasions from time to time that we have to discuss these issues, and I indicated on the 3rd of December I will be meeting with the Secretary of State and other colleagues across the country to discuss this issue as well.

Mr. Chomlak: I indicated in my opening remarks that I might provide some suggestions to the Minister, and I am wondering if he might comment on this suggestion that I am going to provide him with respect to federal-provincial relations. I am using the words of wisdom provided in this very Chamber by a Member with whom the Minister is quite familiar. It deals with post-secondary education cutbacks and I will quote.

* (1510)

It is from Hansard, March 5, 1982, page 156: "What is happening is obviously that his Minister is not a very strong Minister in dealing with the Federal Government. He's wringing his hands and he's telling us about how terrible it is, all this money they are going to lose from Ottawa in the established programs' financing plan, and he's telling us how much money they're going to lose in the Equalization Grants, but he's not telling us that he isn't putting forth a very strong case on behalf of Manitoba, and it's obvious that they're going to lose a great deal because that's exactly what the Federal Government wants to deal with—weakness—and they now have it."

The person making that quote was the present Honourable Member for Tuxedo (Mr. Filmon), and it was in reference to the Education Minister in 1982.

I am wondering if the Minister may have comments on those words of wisdom offered.

Mr. Derkach: That goes back a long time. I will have to read that particular script and ponder over it for a while, but let me indicate, Madam Chair, that this Minister does intend to meet with federal counterparts. We have, in the past, actively met with them. Besides that, we now have a fairly strong organization called the Council of Ministers of Education of Canada, who meet twice a year and who deliberate over issues that affect education at the post-secondary level. It is for that reason that we have been able to structure meetings with the Secretary of State from time to time to discuss those very issues.

Additionally, I can say that the Secretary of State has been in my office now on two occasions to discuss various aspects of post-secondary education. So there is communication between the Ministries, if you like. Additionally, my Deputy Minister does sit and co-chair some of the committees and chairs a committee on the Council of Ministers advisory committee and also is involved in much of the committee work that goes on in terms of representing our view and our position on post-secondary education at the federal and other provincial levels.

Mr. Chomlak: I am quite happy to provide the Minister with these and other quotes that I have utilized on other occasions of advice. Just turning to another matter briefly, Madam Chairperson. I am sure the Minister is familiar with Plan 91 of the University of Manitoba and, in conjunction with the comments earlier of the Minister, it actually raises a point that I have avoided throughout this Estimates process and that is the question of current dollars versus constant dollars and the whole question of funding versus that. It is brought home to bear very, very accurately and concisely on page 55 of Plan 91, and I will quote because the Minister may not have access to it.

In the 10 years based on funding of a base year, 1977-78, for the year 1990-91, the Department of Agriculture is only funded 81.5 percent; Architecture 81.5; Continuing Education at 77.3; Education at 75.8; Social Work at 78 percent. This base line analysis, Madam Chairperson, is very illustrative of the problem that we are discussing, and I am wondering if the Minister is familiar with the concept and if the fact of current constant dollars are taken

into consideration when the Minister allocates the funds to universities.

Mr. Derkach: The document is provided to the department through the UGC for consideration for the 1991-92 Estimates and when we are making our plans for 1991-92 this document will serve as a resource, if you like, or as a plan that the university has submitted. It will be considered in each and every aspect when we go through funding to the university, yes.

Mr. Chomlak: Madam Chairperson, just turning to another line of questioning, I note that the Minister, in a press conference held on September 14, 1990, indicated that the Government was contributing the sum of \$534,800 to the Management Faculty of the University of Manitoba. Does that figure show up in these particular Estimates?

Mr. Derkach: No, Madam Chair, that amount is provided to the Faculty of Management through the Department of Industry, Trade and Tourism.

Mr. Chomlak: Can the Minister indicate therefore that all of the funds—are the \$3.7 million development funds that are going in over five years, is that all Industry, Trade and Tourism funding?

Mr. Derkach: Madam Chair, I do not have the exact figure that is going from Industry, Trade and Tourism to the Faculty of Management, but whatever that news release indicated was the amount—I do not have it with me in front of me now—is the total amount of money that will be contributed to the Faculty of Management from Industry, Trade and Tourism. I believe it is a five-year plan, if I am correct.

Mr. Chomlak: Madam Chairperson, am I therefore correct in assuming that there are no funds other than those allocated to the UGC that are ultimately allocated to the university which ultimately go to the Faculty of Management; there are no funds in these Estimates going directly from Education and Training directly to the Management Faculty at the University of Manitoba?

Mr. Derkach: Madam Chair, there are no specific funds set aside in this department that are channelled into that area as targeted funding for that program. The Government's support to the program that was announced earlier this year is from Industry, Trade and Tourism, and there is no extra funding going to that program from the Department of Education and Training.

Mr. Chomlak: Madam Chairperson, I can conclude quite accurately, I assume, that all funds

expended by the university, the UGC, are of no concern to the Government in terms of how the funds are spent.

Mr. Derkach: Well, Madam Chair, the university must be accountable for the expenditure of public funds. There is an annual report that is tabled in the House here from the University of Manitoba. The Universities Grants Commission allocates the operating funds, but once those funds are allocated to the university, the university makes the decisions within its internal organization on how those funds are going to be expended.

Mr. Chomlak: Madam Chairperson, now this is admittedly hypothetical, but it is also for my own purpose of understanding, if any faculty decided to go out and purchase automated toilet seats for example, to use a bad example, would the Government have any recourse in terms of this expenditure if the Government was of the opinion it was, for example, wasteful?

Mr. Derkach: Madam Chair, I would hope that the university would have a good reason for purchasing automated toilet seats, but I have to indicate that once those funds are allocated to the university, the university community is a mature organization, and their administration is a very competent administrative structure, and we assume that they expend the funds in a prudent way on areas which need investment.

However, I must indicate that we do sit down with the universities, and we talk about areas that we may foresee that are problems, or we may have some questions for the university. We do not control what kinds of things universities spend their money on in an internal sense, no.

Mr. Chomlak: Does the Minister have any statistics that would indicate the number of newly created jobs at the Faculty of Management Studies at the University of Manitoba?

* (1520)

Mr. Derkach: Madam Chair, I think there are two positions that have now been filled. The university will be looking at filling another four this year as I understand it or within the next year.

In my last conversation with Dr. Mackness, I believe there are two positions that are now filled, and that there will be a total of six new positions that are going to be made available at the university.

Mr. Chomlak: I raised this matter during Oral Question Period, and I just want some clarification from the Minister in this regard. It is, of course, in regard to the comments that were allegedly made or that had been made in writing by the dean of the faculty. I asked whether or not the Government was considering perhaps referring the matter to the Human Rights Commission for some kind of adjudication.

The Minister could correct me if I am wrong, but I believe the response was that the Government has no responsibility in that area. I did check the Act and the Government has the right, as frankly any citizen has, to refer the matter to the Human Rights Commission. I am wondering if the Government has given any thought to that.

Mr. Derkach: Madam Chair, we do not try to involve ourselves in issues of that nature unless it becomes absolutely necessary. I do not think there has been a time when a Government has interfered in a matter of that nature because a university has its own process of dealing with situations like that. I think that it is only prudent for us to leave that matter to be dealt with by the university itself because they do have a process that can be implemented to deal with matters of that nature.

Mr. Chomlak: Does the Government have any particular criteria that they apply to the individuals whom they appoint to the Universities Grants Commission?

Mr. Derkach: Madam Chair, the Universities Grants Commission is a very, very important body. The commissioners make some very important decisions in terms of post-secondary education, the level of funding and the level of support that universities receive. I have to indicate that I am very pleased at the caliber of people that we have as commissioners on the Universities Grants Commission.

Madam Chair, I indicate to the Member that we would look at such criteria as the competency of an individual, the experience of the individual, the association that individual may have had in dealing with matters that are similar, or perhaps that would pertain to finances of such institutions as universities or similar institutions. Those are the kind of criteria I think that all Ministers who have responsibility over education would look at when they are trying to select or attract people to act as

commissioners on the Universities Grants Commission.

Mr. Chomlak: I sincerely hope the Minister was not concluding from my question that I challenged the competency of anyone in that particular commission. I am wondering if it is possible for me, however, to get a brief biography of all individuals that this Government has appointed to the Universities Grants Commission including the most recent appointment, I believe a Mrs. Vandewater, if that is correct.

Mr. Derkach: No, Madam Chair, I will not provide a biography of each of these individuals, but if the Member wishes to know what the present activity of this individual is, whether that individual is employed or whether that individual is not employed, or whether that individual is a business person or the like, I can provide that kind of detail for the Member. I am not about to give a biography on each of these individuals who sits on the Universities Grants Commission, because I think that is kind of a private matter and is one that is not essential in this kind of situation.

Mr. Chomlak: The information that the Minister just indicated is quite sufficient for my purposes, just a general description of the individuals appointed and their general backgrounds so Members on this side can have some idea of those individuals.

Mrs. Carstairs: Madam Chair, first of all, I would like to make a request to the department that in future, when they prepare their Supplementary Estimates, they refer to the Collège St. Boniface by its appropriate name and not anglicize it as it has been throughout this book. I think it is most inappropriate for the one francophone university in the province that refers to itself as the Collège universitaire de Saint-Boniface to be referred to as St. Boniface College throughout all the documentation.

Secondly, Madam Chair, I would like to also note that it is true that our tuition fees remain third or fourth lowest depending on the faculty, but it also should be pointed out that the income level of students in this province is among the lowest in the country, which makes it impossible for most of them to pay even the university fees that they have now without student help. Can the Minister provide for me the growth in the number of university students over the last two or three years by institution?

Mr. Derkach: With regard to the proper name of the St. Boniface College, that particular title is taken

out of the Act. That is why it appears in that nature in the Supplementary Estimates. For that reason, it is a logistic kind of problem that I am sure we can change in due course, but it is not something that we do to try and insult the college in any way, shape or form.

Madam Chair, I can also indicate that full-time equivalence at the various institutions are: percentage of increase at the University of Manitoba is 2.7 percent—we are talking about 1989-90; Winnipeg is down a bit at minus 4.1 percent, Brandon is up at 2.6 percent, and St. Boniface is up at 3.3 percent.

Mrs. Carstairs: One of the factors taken into consideration by the Universities Grants Commission is the increase in the percentage of enrollment considered in that factoring of what their general purpose grant would be year over year?

Mr. Derkach: In the discussions that the Universities Grants Commission has in determining the levels of funding that they are going to recommend to the Minister, I would think that would be considered, but there is not a formula, if you like, that is established to take account of the increases in enrollment at the various institutions.

Undoubtedly, I would think that questions of that nature would arise at the commissioner's level and in that way would be considered, but there is no mandatory process, if you like, in which that must be considered when the levels of funding are being discussed.

* (1530)

Mrs. Carstairs: The reason I asked the question, and I think the Minister is quite aware, that in many faculties, particularly in arts, class sizes are getting larger and larger and larger and the quality of education is in great jeopardy as a result. It is not just the large lecture situation, it is the lack of tutorial, the lack of instructional aid being given outside of the large lecture, and the decrease in number of labs available to the students.

Has there been any discussion between the Minister or perhaps between UGC and the universities as to the quality of education being offered in our institutions?

Mr. Derkach: Madam Chair, I would have to indicate that not one of the presidents of the institutions has ever raised the issue of quality of education at the university level, but we have some concern about the fact that there are very large

classes, especially at the University of Manitoba, and those large classes are more prevalent at the first and second year arts and science programs.

For that reason, we have moved to provide a first-year Distance Education University Program in various parts of the province and what we are hoping that this will do is at least allow some relief at the university campus in those areas that first year of university, because that is where the largest classes seem to be. That seems to be working right at the present time.

Admittedly, there are adults who are returning to university courses and make up some of the complement of the number of people who are taking first-year university by Distance Ed. We were expecting that we would have about 70 students in total enrolled in the program, I am talking about full-time equivalents. We are up more than double that number right now, which indicates that it is an attractive option and we are hoping that as the program becomes more known, or more popular, or understood in a better way, that we will even attract more students away from the campuses to those kinds of programs and it will cause some relief to those large classes.

To end it off, I have to indicate that nobody from the university community has raised with me the issue of quality of university education and the fact that it is deteriorating.

Mrs. Carstairs: It is a serious issue. In a dialogue with university students not too long ago I was amazed at the level of their dissatisfaction. These are all freshmen.

I was particularly interested because it involved my own daughter who does not go to university here, but goes to university in Ontario, and to listen to the dynamics and her level of satisfaction in comparison with their level of dissatisfaction gave me a great sense of unease about the academic experience that these young people are being faced with.

I am also concerned about statistics which show a large number of dropouts, a large number of children changing their pattern midway through courses in an academic year. I am pleased, quite frankly, to hear that measures in Distance Education are going in that direction. I hope the Minister will initiate that dialogue if the presidents of the universities are not.

I have another specific question and that is, the University of Manitoba, the University of Winnipeg, the University of Brandon and perhaps the Collège, but I am not aware of that one, have all launched very major fundraising drives. They have raised a great deal of money. We are talking about multimillions of dollars here. Is there any discussion between the universities and the UGC as to how they are going to allocate the monies that they are spending out of these budgets that they have raised?

My specific concern is that if we launch bigger and better buildings, is there also a compensatory amount being expected for them to go into direct quality education issues, i.e., direct services to the student, not just mortars and brick?

Mr. Derkach: Madam Chair, I have to acknowledge that the Member raises a good point. With regard to the quality of education though at our universities and the experiences, I have to be quite honest in indicating that I have not heard that there is a huge level of dissatisfaction with the quality of education at either of our universities.

There is always the odd group of students or the odd student that one will run into who has a complaint about a professor or a particular section of a course that he or she is taking, but in a general sense, I would have to indicate that I think our universities produce some very good quality graduates.

If you track these graduates through their livelihoods, you will find that some of the graduates from our universities here are today in some fairly important positions across this country. I think we should be proud as Manitobans to have them take on those responsibilities in other parts of this country.

With regard to the way that funds are raised, the fundraising that universities do is basically used for capital projects. In the last year I have been discussing with university presidents how it is that we could possibly attract funding for such things as not only the capital construction of a facility, but also have built into that some form of maintenance, and also discussing with presidents the fact that perhaps we have to venture into a different approach in terms of endowments and those kinds of things, so that more money can be attracted from the private sector, from the alumni, from Manitobans for postgraduate work and research.

Those decisions have not been made yet, but certainly that kind of discussion is going on now, not just among the university presidents, with our department, of course. It is something that has to be discussed with the Department of Finance to ensure that those who contribute to that kind of a fund would have the advantage of tax write-offs and recognition that those funds are going to education and improvement of the quality of education and research in our province.

Mrs. Carstairs: I am going to have to really disagree with the Minister on this. I have talked to faculty. I have talked to student instructors, and I have talked to students themselves, and there is a great level of dissatisfaction.

Faculty are dissatisfied at the amount of time they are being allowed to spend with individual students. Student instructors are dissatisfied that they are getting less and less time.

I indicated in my Speech from the Throne, for example, that three out of four assignments can be marked out of 12 done. The other eight sit there and do not get graded. I mean, what is the point of even giving them if they are not getting graded?

* (1540)

This is not quality education. If the Minister has opened this line of dialogue with the presidents of the universities, I am delighted. I hope it will continue, because it is quality issues that we have to focus on if our children are to continue to move into the work force at high success ratios above and beyond what they are at the present time.

Finally, I would like to ask the Minister if in fact there is any study evaluation that goes on at the UGC to look at alternative models of tuition fee payment. He indicated that he would like to have free tuition; I think we would all like to in an ideal world, but we do not live in an ideal world.

Tom Kent has written an interesting paper—I do not know whether it has any validity, because I do not have the research capacity to visualize it—in which he talks about such a program. He talks about taxing after. So then instead of paying tuition fees while you go to university, you pay tax for the rest of your life as he envisages it, because you were benefitted by a university or post-secondary education. Is there any research at all into that idea or any other ideas that would make university education more affordable to students in the

Province of Manitoba, or indeed across the country, that the Minister is aware of?

Mr. Derkach: Madam Chair, I would like to indicate first of all that no, we have not embarked on any kind of a study with regard to the paper that she refers to, but let me say, when we consider the amount of cost that is incurred by a student at the University of Manitoba and we compare that cost to anywhere else in this country, university education in Manitoba is truly a bargain.

I am not going to say we are right at the bottom of the heap, but I would have to indicate that our tuition fees, as I mentioned before, are not the highest in the land. No, they are not the lowest, but they are in the lower quadrant, if you like, of all tuition fees in this province. If you look at our student assistance plan, it is one of the best in the country, and that has been acknowledged in more jurisdictions than just in Manitoba.

When you look at the numbers of students that are attending our universities, we certainly would like to attract more to post-secondary education, but not necessarily our universities. We want to ensure that students all attend a post-secondary education of some kind. Yes, our dropout rates are not satisfactory; I have to acknowledge that.

There is a study going on nation wide right now to try and address this situation. Maybe what we need to be doing is more counselling before our students reach the university levels, so that students do not attend a university for half a year and then become a dropout because they are disenchanted with the programs they are taking, or find out that they are really not meant for university because they are not interested in it, or because they are disillusioned by it.

We perhaps should be making sure that students in their final year of high school, or in their last two years of high school, have a good understanding of the opportunities that are available in our community colleges, as well as our universities, for post-secondary education. The technology areas are becoming extremely important. Therefore, there are students who perhaps should be made aware that these programs are available and they are not second-rate programs either.

We are finding that many of our university graduates are returning to community colleges, which shows that indeed our community colleges are credible. I would have to indicate that Red River

Community College is known as one of the finest community colleges across this land as well, so we have some things to be proud of. Yes, we have some way to go in terms of improving some of the areas, and we have to continue working at those areas together.

You know, I think Workforce 2000 points to the fact that maybe we have had students who are going to universities that perhaps should have gone to community colleges to begin with. They would not have had to waste that time, because they found themselves taking one or two years of university, then they returned to a community college. So I think we have to do a better job at assuring students that there are options that are available for them in post-secondary education. There are other programs other than university programs that some of them maybe should be looking at instead of going to university for a little while and then dropping out.

Madam Chairman: Item 6.(a) Universities Grants Commission: Salaries, \$224,900—pass; 6.(b) Other Expenditures, \$148,700—pass; 6.(c) Grants, \$194,592,200—pass; 6.(d) Access Fund \$790,000—pass.

Resolution 36: RESOLVED that there be granted to Her Majesty a sum not exceeding \$195,755,800 for Education and Training, Universities Grants Commission for the fiscal year ending the 31st day of March, 1991—pass.

We move now to item 8, Page 48, Expenditures Related To Capital: 8.(a) Acquisition/Construction of Physical Assets: 8.(a)(1) Red River Community College, \$976,500.00.

Mr. Chomiak: Madam Chairperson, just in terms of the total budget, I am very happy to see that there is a greater investment in terms of capital facilities, and I compliment the Government on that particular provision.

I am just wondering as to what criteria, what strategies are in place on which the Government determines the allocations of capital in general to the various facilities?

Mr. Derkach: That is one of the areas that I addressed when we were talking about the capital needs for universities, the fact that we need to develop a system whereby we approach it in a more practical way if you like than has been done in the past, at least assuring ourselves that in the long run we can address the needs on a long-term basis, especially at the university level and perhaps at the

community college level. In terms of the post-secondary capital requirements, those we address as the requests come in. We then consult with the institutions to make sure that there has been some homework done if you like in terms of assessing the priorities and that those priorities are addressed in a way which makes us understand that this in fact is the greatest need that particular institution has.

With regard to the capital needs of school divisions, and I am not sure whether the Member was referring to those as well, there is an assessment process that goes on.

First of all, the school division makes its request based on a five-year capital projection if you like. Those requests go into the Public Schools Finance Board. The Public Schools Finance Board then does its own evaluation of the need and that need takes into account the area, the number of students, the projected number of students down the road and the available space within that community. Then the Public Schools Finance Board will make its decision and its recommendation to the Minister as to whether that particular capital request should go ahead or should not go ahead.

* (1550)

There is a formula also in place for maintenance of capital facilities that is working fairly well on the Public Schools Finance Board's side, and one maybe that we can use as a beginning for looking at how we address capital needs in our post-secondary institutions as well. I am not saying we should apply that same formula, but at least this gives us some level of comfort that we are not going to have deteriorating conditions to the extent that we now have at some of our post-secondary institutions.

Mr. Chomlak: Madam Chairman, with respect to the university system, can I assume from the Minister's response that there is not a form then in effect. In other words, there is not a priority a, b, c list that says that this necessitates an injunction of maintenance capital, this necessitates a new facility, each project is on its own merit's basis?

Mr. Derkach: Madam Chair, at the university level, that is what is lacking right now. It has been like that, I guess, since 1967, but there has not been an appropriate address of that issue, and we recognize that. Last year, we requested universities to submit a long-term capital plan of their needs so that we

could perhaps address that whole issue. That was submitted to us, but when we received it, it was such an elaborate kind of projected requirement that there was no way any Government could live up to it given the fiscal capacity that we have. We now are in the process of dialoguing again with the universities to try and establish a process by which we could indeed address those particular issues.

First of all, capital construction, then maintenance of that facility and then also a replacement, if you like, process that could be looked at so that we do not encounter such things as we have at the University of Manitoba right now where the animal metabolism facility has been deemed inappropriate for use. We have to do something with it, again, on an emergency basis like we have with several other areas that I have mentioned previously.

Mr. Chomlak: I thank the Minister for that response. I could hardly recommend—I mean for my part—a continuation and an elaboration of that particular policy, because not only does it make economic sense, but it makes all sorts of practical sense.

Has the Minister considered, in terms of the school divisions, an accelerated program for Winnipeg School Division No. 1 in light of the serious situation being encountered at some of the schools in that division?

Mr. Derkach: Madam Chair, with Winnipeg School Division No. 1, there was an agreement reached with the school division whereby we would be approving the reconstruction of one facility per year over a period of four years or five years, I believe.

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

When the situation at Margaret Scott came up, there was a delay, because there was back and forth negotiation, discussion and that sort of thing. When Margaret Scott was finally—when sort of the fate of Margaret Scott was announced by the school division, at that point in time, the school division still had one facility to name in place of Margaret Scott. Therefore, what is happening is, although they have one facility a year, it appears that the division is having some difficulty in addressing more than one facility that they can construct in a given period of time, and we recognize that fact.

They actually still have a facility that they can name for reconstruction. Although there appears to be a crying need, we are working with the school division to address those needs in the best way possible.

They still have, as I said, the allocation of one school left. They have moved up their list now, but there has not been an unwillingness from the Public Schools Finance Board to reject schools where they are needed or expansions where they are needed.

Mr. Chomlak: Mr. Acting Chairman, has the Minister considered, will the Public Schools Finance Board consider an accelerated program for Winnipeg School Division No. 1 if the need is demonstrated?

Mr. Derkach: Madam—Mr. Acting Chair, my apologies to you. I can indicate to the Member that the regular replacement of the one school per year is the regular routine that we sort of follow. Over and above that, if there is a demonstrated need to replace another school or to add facilities through high quality relocatable units, we will do that if there is a need because the population is expanding or because a building for some reason has been burned or destroyed in any way, shape, or form, or is condemned, or for whatever reason. So that is considered over and above based on the demands or the request placed by the school division.

As I indicated to the Member for Inkster (Mr. Lamoureux) if there is a particular situation that we are not aware of that needs to be addressed, I would certainly like to discuss that either on an individual basis, because the Public Schools Finance Board is trying to assure every division that there in fact is adequate space for students to get a proper education. We certainly do not want to see students without a facility or having to be bussed miles and miles, especially in a city.

As you know, we do have some vacant space around the city so for temporary purposes we could always shift something by providing transportation for students.

Mr. Chomlak: Mr. Acting Chairman, I would like to ask the Minister if he has any kind of breakdown in terms of the capital expenditure on buses as to the number of buses purchased and how much money was allocated to maintenance?

Mr. Derkach: Mr. Acting Chairman, there are 130 new buses. No, there is a revised sheet for this. The approximate amount that is spent on new school buses on an annual basis is somewhere in the neighbourhood of \$45 million annually. There was a projection for 1990-91 of 130 new school bus vehicles which were identified as being required.

Now the maintenance of these buses is left up to the school divisions and they include the cost of the maintenance of these buses in their operating budgets which come out to be supportable expenditures when we determine the levels of funding to each of the school divisions. The number of—we have budgeted for 118 new buses. We have purchased 84, and the balance, or the difference between the 130 required and the 118 that we have budgeted for, are the ones that we are going to be putting on a pilot basis. Actually, the number of purchased buses to date for this year has been 84 buses.

Mr. Chomlak: I can conclude firstly that this amount, \$3,689,200, is only for capital purchase of buses.

Mr. Derkach: Yes. The amount that the Member indicates is the cash amount, if you like, or the amount of money that has been targeted for the pilot program.

Mr. Chomlak: The \$3,689,200 is for capital purchase of buses, presumably the 118—correct?
* (1600)

Normally, the Minister is saying the annual allocation for buses is \$4 million to \$5 million, and this budgetary year, due to the pilot project, 118 buses will be purchased.

Mr. Derkach: Mr. Acting Chairman, I will try to once again go through this for a better understanding of the process. The program calls for \$5 million. We budgeted for 118 school buses at a cost of \$4.5 million, \$500,000 of that was left for the pilot program that we are embarking on that was announced.

To date, 84 buses, 84 of the 118 buses, have been ordered or purchased.

Mr. Chomlak: The pilot project, and the buses that were chosen, was there any geographic or particular strategy that was employed in deciding what would be purchased, what would not be purchased and where?

Mr. Derkach: The pilot project that we entered into for contract buses was done on a voluntary basis so that school divisions who wish to participate in the pilot identified themselves. The pilot would then take place over the year, at which time there would be a committee that was made up of a variety of people who have something to do with transportation and have a knowledge of that industry, would sit and examine the certain criteria that has been set down,

or a certain mandate that has been set down for them, and would take a very close look at how the pilot was going and some of the costs and the safety features and they would consider such things as when buses should be replaced and many of those things.

Then we would be allowing for each pilot bus \$3,000 in a capital grant to that school division, to reflect the fact that if the school division had to go ahead and purchase this bus through a contractor or by itself there would be some amortized cost to it. If the province buys the bus, then there is no cost to the school division.

Mr. Chomlak: Mr. Acting Chairman, can the Minister indicate, in terms of the allocation of capital for vocational equipment, whether any of these sums are allocated for purposes of, and for lack of a better word, I will use, private training as opposed to the institutions, Assiniboine, Keewatin or Red River?

Mr. Derkach: No, Mr. Acting Chairman. All of the costs that are shown there would be targeted toward our institutions that are funded by the province.

Mr. Chomlak: So I could assume that Workforce 2000 would not require the injection of any capital.

Mr. Derkach: No, there is no cost in terms of vocational equipment for Workforce 2000 from the province.

Mr. Chomlak: Mr. Acting Chairman, the Government has changed a policy of the previous administration with respect to the construction of day care facilities at public schools. Can the Minister indicate for me what studies and/or statistical information and/or plans were put in place in order to make this determination?

Mr. Derkach: Mr. Acting Chairman, might I indicate to the Member that we still operate under the policy that was in force under the former administration. It is Family Services that determine, do the study, as to whether a day care is required in an area to be added to the school, or whether there is enough space available in the community to operate day cares outside the school system. They then advise us whether or not the need exists, and on the basis of their advice to us, we will build or not build a facility with the school construction. Only when we enter into new school construction, do we enter into a program like that.

I would like to indicate, though, that there is a need now again to review that policy, and that review is

underway at the present time. The purpose of the review is really to examine whether or not we are adequately reflecting the needs of the communities that require day care facilities and day care programs.

Mrs. Carstairs: Mr. Acting Chairman, it is not quite as simple as that, and the Minister knows it. The arrangement was that if a community identified a need for a child care centre, and if a school was going to be built in that community, they would then inform the school division that they were interested in having a child care centre as part of the school. The school then is required to notify the province that they had no objections to school construction taking place as part of the school construction phase.

(Madam Chairman in the Chair)

Now that worked very well for a number of schools. It seemed to have worked extremely well until it came to the River Heights Robert H. Smith School. The community did identify the need. The need was acceptable. Winnipeg No. 1 agreed that it was acceptable to them that Robert H. Smith should have a child care centre established, and somewhere between Education and Family Services, it was decided that Robert H. Smith would not have, as part of its new construction, a child care centre.

Now I would like to know from the Minister, what role the Department of Education played in the decision which now seems to have ramifications for other school divisions that they will not, when they are constructing new schools, have child centres attached to them?

Mr. Derkach: Madam Chair, I do not want to get into a big argument here, but I have to indicate that we have not changed the policy or the application of the policy that existed under the former administration. I think some of the confusion resulted because in some of the new development areas where there were no other facilities, when a school was constructed, in almost all cases, I suppose, if the community requested a day care facility and if Family Services agreed that there was one required, we would build a day care facility along with the school.

* (1610)

In existing facilities, in a particular catchment area, when we build a new school or renovate a new school, what happens before that decision is made

is that, of course, the request goes forth. It could go forth from a school division or the community. That is true. When that request goes forth to the Family Services, they will do the study as to whether or not there is an existing facility that can accommodate a day care in the area without going to the expense of building an addition onto the school when the school is being constructed or renovated.

So in the case of Robert H. Smith, there was an existing facility in the neighbourhood that was usable and was determined to be adequate as a day care centre. It is my understanding that for that reason there was not a need to construct a day care facility with the renovation or the construction of the school.

Mrs. Carstairs: Madam Chairperson, that was not exactly correct, because the neighbourhood had suffered from a number of school closures in which, as a result, the child care centres were forced to move. The result was a lack of facilities for child care centres. Can the Minister tell me if there are any schools presently being constructed in the Province of Manitoba that will have child care centres attached to them?

Mr. Derkach: Madam Chair, no. There are no new schools right now that are being constructed that have a day care facility attached as part of the construction. Let me assure the Member that it is not this department that does the evaluation of whether a day care facility is required or not. All we do is provide the facility if it is determined by Family Services that there is a need and that there is not a neighbouring facility that is adequate enough for a day care facility.

So our responsibility is to provide the facility if the need is there, as determined through Family Services. I know that perhaps that is not the best way of looking at it at times, especially when you have two departments doing or being involved in that kind of a building program. For that reason and for reasons where we have run into some difficulties, there was a need to evaluate the policy, revamp it and redraw it so that it better reflects the needs of the communities. I have to indicate that in every case I know of, if there was a need that was established by Family Services, we did not deny the construction of a day care facility.

Mrs. Carstairs: One final question, can the Minister identify schools, prior to Robert H. Smith, in which the division said it was acceptable for a child care

centre to be attached to it, in which a child care centre was not built?

Mr. Derkach: I cannot think of one incident where a school board may have asked for a requirement or for a day care, and Family Services acknowledged that requirement and requested us to provide the facility where we denied it. I do not think that has ever been the case. It is not the school board that makes the final decision. A school board may request a day care, but it is Family Services that does the assessment, and they then request us to either construct the facility or to deny the request.

Mr. Kevin Lamoureux (Inkster): I do have a couple of questions for the Minister of Education, and I am sure he is well aware of it because I did spend a grievance and I did ask a question once during Question Period on the issue, and even though I do not necessarily agree with the Minister in terms of who is the one who sets policy when it comes to the number of schools being built and where they are going to be built and so forth. I have a hard time believing what the Minister is saying when he says that it is ultimately the school board that sets the policy and their priorities and the public finance board will build the schools or they prioritize?

I say that because the school board has in the past submitted priorities and the public finance board has not approved of it. Earlier, I had asked the Minister—and I would ask the Minister now that we are in the Estimates. We have a serious problem of overcrowding in the schools in the northwest end of the city in the riding that I represent, and the Winnipeg No. 1 School Division has sent in a letter of intent. It was replied from his department that the school would be going ahead. My concern now in particular for this school is when this school facility will be complete. I believe that there is no reason why, if the Government was to put it on fast track, that this particular school could not be finished for this upcoming school year, that being September 1. I would be interested to hear what he has to say on that.

Mr. Derkach: It is obvious that the Member for Inkster needs to acquaint himself with the process—(interjection)—Yes, I am trying to be as gentle as I can—aquaint himself with the process of constructing a school. I do not know of any incident where a school division has requested a school at this time of the year and we have had a school built and completed and open in September. That just is not the case. I know in some instances it takes as

long as four years to complete a school, and that was the case with Winnipeg No. 1, but as a general rule it is about two to two and a half years before a school can adequately be constructed and put into place. Now it is a different matter if we require high quality relocatable units to be built onto a school, because those are fairly standard and we have designs for, if you like, generic structures for high quality relocatables.

In terms of a new construction, a new capital construction for a school, for it to be designed and built and for all the phases to have gone through properly so that indeed money is not wasted, there is no way that we can do it in the course of six or eight months.

Mr. Lamoureux: I will be a bit more specific for the Minister. The school that I am referring to is, of course, the one that is being proposed just along Lucas Avenue with Winnipeg No. 1. I would then ask the Minister: When is he expecting that school to be completed?

Mr. Derkach: Madam Chair, it is a good example of where there needs to be more communication between the member and the school board. In this case, although the school is being budgeted for in our next Estimates, there is no pre-planning done yet by the school division. The land is not acquired and the Public Schools Finance Board has not received any kind of information from the school board as to when they plan to initiate this whole process. So it is up to the school board now to get back to the Public Schools Finance Board.

Mr. Lamoureux: Madam Chairperson, my question quite simply is to the Minister: How soon is it possible to have an additional school in that area of the city—elementary school?

Mr. Derkach: Madam Chair, there is a process called pre-planning where a school board would embark upon getting the enrollments of that particular area in place so we do not wait until there is a shortage of space and try to address it in that way. So there is a process put into place that a school board understands and knows. It is up to them to do their homework and then to make a request of the Public Schools Finance Board to construct the school.

* (1620)

Now if there is a school that is needed in a particular area of the city, that particular school division should include that in their projections, and

there is a date put on that when they expect it would be required, then the investigations are done to assure ourselves that there is going to be a need. From the time that project is initiated, if the school board came forth to the Public Schools Finance Board today, it would be two to two and a half years before the doors of that new school would be opened.

Mr. Lamoureux: If that is in fact the case, then we are going to be in very serious trouble in the northwest end of the city, and I would suggest this Government look into the seriousness of the problems.

I would encourage the Minister to be aware of the five-year capital plan that Winnipeg No. 1 has submitted to the Public Finance Board, and I will list the first four priorities: the first one is to construct a new elementary school north of Lucas Avenue; the second one is an addition to an Adult Centre and renovate existing Isdisder Building; construct a new kindergarten to Grade 8 elementary school northwest of Old Commonwealth road vicinity; construct a new kindergarten to Grade 8 elementary school north of Inkster, west of King Edward and South of Haggart Avenue; new Grades 9 to 12 high school in the northwest end; construct new kindergarten to Grade 8 elementary school north of Haggart, west of King Edward and south of Commercial Avenue. This is all to take place in the next three years.

Right now we are in a current crisis situation, and from what the Minister is telling me is that the soonest possible time is two to two and a half years before we will get an additional classroom. Madam Chairperson, that is completely unacceptable. If we take a look at the population of Sisler High School, that is currently in and around—the Minister of Culture and Heritage (Mrs. Mitchelson) says, yes, it is a good school, but this Government is putting it in such a situation that if it has not already surpassed a crisis situation, it will be in a very serious situation in the upcoming couple of years.

Madam Chairperson, can the Minister of Education (Mr. Derkach) comment on the five-year capital project? What is he doing as the Minister responsible for Education to ensure that these residents are getting the school facilities that they require?

Mr. Derkach: I can tell the Member for Inkster (Mr. Lamoureux) that instead of standing in his place in

this House and yipping about the fact that there is a need for a school, he had better approach his school board member, and his school board, to ensure that they in fact place their needs before the Public Schools Finance Board, so that the needs are addressed.

As a matter of fact, that has not been a need that has been identified by that school division for construction on a particular date.

Now we do not as a province take over the responsibilities of the local school boards and then go ahead and construct schools all over the place. It is up to the school board. The responsibility is on your local school board. So if there is a need for a school in your division and in your area, I suggest that you go back to your school board representative, who sits on the school board, and you ask them, or him or her, those questions that you are posing here, because it is their responsibility to come back to the Public Schools Finance Board with their capital requests.

There is a process that is followed, and that process has to be followed to the letter. If that school board cannot follow that process, I am afraid that it is not up to us then to go ahead and do the school board's work for them.

Mr. Lamoureux: Madam Chairperson, I would like to quote from *The Free Press Weekly* in which one of the school board members made the comments: It is the provincial Government's regulations that have caused most of the problems. Maybe the Minister of Education (Mr. Derkach), if he is trying to say that he has absolutely nothing to do with the problems in the northwest end of this city, as Minister of Education, to ensure that the facilities are there for the children to be educated—I would be interested in hearing what his remarks are.

Mr. Derkach: Madam Chair, the gentleman refers to the weekly newspaper and uses it as authority for building schools in this province. I ask him whether he thinks that now the Public Schools Finance Board should break the rules, break the regulations, break the Act, and go ahead and start dealing with his area in a special way, because he wants a school?

Madam Chair, there is a process that has to be followed. That process is outlined, and school divisions are very familiar with the process. They understand how the process should be embarked

on and what kind of information is required of them by the Public Schools Finance Board.

The Public Schools Finance Board is awaiting that response from the Winnipeg School Division Board. As soon as that response comes to them, I can assure the Member that it will be dealt with in the most expedient way.

Mr. Lamoureux: Madam Chairperson, can the Minister of Education tell me what determines the capacity of the school?

Mr. Derkach: I am not sure whether that is a loaded question or not, but I would say the enrollment would determine the size of a school that is going to be built, because the facilities that a school will have within it, the number of classrooms, the size of the gymnasium, the resource centre, would be determined by the enrollment of that catchment area, and also whether that school is an elementary school, a high school or just what kind of a school it is going to be. So there are many factors that come into play in determining exactly the type of school and the size of school that would be built within a particular area.

Mr. Lamoureux: Madam Chairperson, I say that for a couple of reasons. One is if you take a look at the Stanley Knowles School, you will find that the school itself was initially built for, what number of students? You are looking at about 800. They have had 10 portables put onto that school. They are putting on more portables.

If you take a look at Sisler High School, I have read maximum capacity at 1,334. The current enrollment is 1,425. There is no sign of relief whatsoever coming up. The Minister responsible for Education (Mr. Derkach) is saying, if the school board does not bring it to our attention, we are not going to address the needs of that area, because it is not his responsibility, that in fact they should be raising it with the school board.

Madam Chairperson, I would suggest to you that the Minister of Education does have a role to play. I do believe that the Winnipeg School Division No. 1 has sent their five-year capital project, which has indicated their needs, and that includes a construction of five schools in the next three years in one area of the city. We do not see anything happening for another three years.

Mr. Derkach: Once again, that is a matter that is up to the local school board. Is the member now suggesting that the department and Government

should be overstepping the responsibilities of school boards and going ahead with construction in areas that perhaps school boards do not want schools in? I mean, we are not going to step into areas which are the responsibility of local school divisions. There is a fairly clear delineation between the responsibilities of a school division board and those responsibilities that a Public Schools Finance Board has.

* (1630)

With regard to high quality relocatable units, if we had perhaps constructed some high quality relocatable units in St. James where we have some fairly new schools that are closed now, we would have been able to move those high quality relocatable units to schools that may have a population problem in terms of expansion. So it requires some foresight and some planning by the school boards as well.

Now I suggest that the Member go back to his own school division and raise this matter. If it in fact is a local concern and a community concern and parents in that community are coming to this Member, I suggest that he should be talking to those parents and asking them to take these concerns to the jurisdiction that has responsibility for those matters. That is the local school division board.

We cannot construct school buildings if requests have not been followed through the channels that have been set out, through the processes that have been set out, and if those requests have not come to the Public Schools Finance Board. I mean that does not even make any sense, to try and suggest that we should go ahead with construction in areas where school divisions have not been requesting schools.

Madam Chairman: Item 8.(a) Expenditures Related To Capital: 8.(a) Acquisition/Construction of Physical Assets: 8.(a)(1) Red River Community College, \$976,500—pass; 8.(a)(2) Assiniboine Community College, \$563,900—pass; 8.(a)(3) Keewatin Community College, \$352,800—pass; 8.(b) Capital Grants: 8.(b)(1) Universities, \$11,000,000—pass; 8.(b)(2) School Divisions, \$22,451,400—pass.

Resolution 38: RESOLVED that there be granted to Her Majesty a sum not exceeding \$35,344,600 for Education and Training, Expenditures Related To Capital for the fiscal year ending the 31st day of March, 1991—pass.

The last item to be considered for the Estimates of the Department of Education and Training is Item 1.(a) the Minister's Salary. At this point, I request that the Minister's staff leave the table for the consideration of this item.

Item 1. Administration and Finance, 1.(a) Minister's Salary \$20,600.00.

Mr. John Plohman (Dauphin): I would like to ask the Minister a couple of questions regarding some issues that relate to the Parkland area of the province, and Dauphin in particular.

At this particular time—I was not able to be present for the sections of the budget that dealt with some of these matters, so I am using this opportunity, under the Minister's Salary, before we are so kind as to perhaps consider passing his salary, that we at this point have him answer a few questions on his own. These are things I am sure he can answer, because he has obviously heard about them before and he has had some involvement as an MLA for a portion of the Parkland region.

The first one deals with the nursing program at Assiniboine Community College or through Assiniboine Community College in Dauphin. -(interjection)- Well, the need for it. The Minister says it is a good program. Yes, the program does not exist right now. Obviously, it is a good program; it is one that people in the area have been lobbying for over the last year, as a matter of fact, over a number of years.

In 1984, we undertook the first program in Dauphin for LPN's training, and then in 1987, we committed to doing it every three years, providing that program every three years. In '87, it was again offered, and it has not been offered since. The fall of 1990 would have been the year to offer the LPN course, and it was not offered.

As well, there are a lot of LPNs who want to upgrade to RN status. They are not able to do that either, and yet it is clear that the only community in the Parkland that can adequately offer this training, the practical training as well as the theoretical training that is required, is Dauphin because of the size of the hospital, the diversity of experiences that nurses can obtain at that facility, and perspective nurses can obtain.

The indications are that the Minister is attempting to have this program, and that is why it is being delayed. I ask the Minister about his role, that he has

been attempting to have this offered out of Roblin instead of Dauphin and that in fact, because of this criteria insistence on his part, the program is just not being offered. It is being delayed, and it is hung up among a number of organizations.

I ask the Minister if in fact he has insisted that the course be offered at another location. If he has in fact insisted that, does he believe that the training can be offered as efficiently and to the same degree at another location, or is it another issue that is causing a delay in the implementation of this LPN and the RN training?

Mr. Derkach: I am happy to answer that question. I have been trying to resolve this situation over the last two years. There are some barriers that have to be passed in order for this program to go ahead.

The easiest route to take would be to say, we are going to offer the program in Dauphin, and if you want to take advantage of it, that is where you go as an individual. Then we would approach MARN to get approval and accreditation for the program. I am not sure whether that would go ahead anyway at this point in time.

One of the requests that have come forth to myself and to my department, that there are many young mothers who perhaps have an LPN right at this present time, who want to have their credentials upgraded to an RN. The bulk of these people who have identified themselves come from the Parkland area, and many of them come from south of the Riding Mountain. They have made it very clear in the surveys we have done that they cannot move to Dauphin to take the program for an entire 10-month period of time or an entire year.

What they have requested is that the theory of the program be offered in a location where they could possibly get to by vehicle so that they could drive back and forth from their homes, because they do have small children at home that they have to care for. As the Member knows, for young mothers who perhaps are working on a part-time basis or a full-time basis right now, it is very difficult for them to make arrangements for day care, especially when their children are attending schools in various communities. That is one of the barriers that rural families have.

For that reason, we have been trying to work out a plan where we could offer the theory part of the program in one of the smaller communities. It does not have to be Roblin. It could be Grandview, or it

could be another location where these individuals could drive. There has been no political desire to have that program moved to Roblin or anywhere else. It is merely an attempt to accommodate those people who live in the southwest area of that Parkland region to be able to take advantage of this program.

* (1640)

There are other ways perhaps that we can do this, through distance education or whatever method, to try and give them enough theory and then allow them to go to Dauphin, because Dauphin is an excellent centre, I must indicate, and an excellent hospital for the practical part of the program. I have discussed this with the executive director of the General Hospital in Dauphin who has indicated that he is prepared to allow the nursing residence to be used by these individuals when they come in for the practical, if we can get the program approved or redesigned in such a way that you can offer it in blocks, if you like, or in modules. That is where the program is at right now.

Now, if we can cross that hurdle, then I would be more than happy to have that program offered anywhere in the Parkland area, but what we are attempting to do is to make sure that we can address the needs of those women, and basically they are women in the rural area, who have indicated very clearly to us that they need to be at home with their families in the evenings because of small children at home. Now, not every single one of them have small children, but the bulk of them do. They have also indicated that they would be prepared to take the program in modules where they could go to Dauphin for that particular period of time.

I have recommended to my staff to see whether or not they can work out the details of such a program, seeing that the request is there for that kind of a program, as a pilot basis. If it would work for a year, maybe that is a program that we can use in other rural areas of this province. There is one going on in Gimli at the present time, and it seems to be working quite well, but let me assure the Member that there is no desire to take a program away from Dauphin. We understand that Dauphin has a very fine hospital, and we would intend to use that facility. As soon as we can work out some of these barriers, I can assure the Member that I will be more than happy to forge ahead with the program.

Mr. Plohman: Madam Chairman, I thank the Minister for that answer. I appreciate his assurances with regard to the practical part of the training. Of course, the reason I was asking about this course in the first place is that I have the same understanding of the needs of rural women as he has expressed here in response to the question. Obviously, the reason we want it there is so they do not have to go to Brandon or to The Pas or to Winnipeg to take their training.

However, I guess the question is then: Is it better to have some of the training in another centre other than those three, other than Brandon and Winnipeg, where there are opportunities and alternatives for these people and to go ahead at least with one of those courses, because I know that there are sufficient numbers who would be prepared to take it in Dauphin, the theory as it exists? So get on with it.

In the meantime, those people who cannot go forward full speed to get the module concept in place, they can take the theory in their communities if that is possible and there can be agreement.

Do not hold up the other program, because it is not any lever that is going to cause anyone to work faster, I do not believe, or anything else. All it is, is inconveniencing those many young people, and young mothers in many cases, single mothers in many cases, who just cannot take that training away from their homes for that amount of time, and yet they would be prepared to travel to Dauphin. Many of them live right in Dauphin, many live within driving distance.

So I ask the Minister because he is aware, surely, I have seen the petitions and the letters, and he is aware that there are sufficient numbers to justify that course now -(interjection)- more than sufficient, the Minister says, and I agree with that. So in the meantime I certainly agree with him that there is a need to be able to maximize the amount of time that people can stay in their own communities while taking the training. So if they can take it in Russell, in Rosburn, in Grandview, in Roblin, fine for certain kinds of training. I am sure that is what we are moving to with more emphasis on Distance Education and satellite courses and so on that are being offered.

This thing is a major issue for a lot of people. The Minister must know he is getting a lot of criticism in both the editorials and the media. The Minister obviously thinks he is doing this right. I think he is

missing a very important opportunity here to continue to offer that course.

Really, his other arguments have no bearing on offering it in other locations. They should not have that much bearing because there is no course being offered now. So for this year it could be offered in Dauphin, and then in the future he could work with the Dauphin hospital to have the practical part offered there and the theory part offered in modules elsewhere.

So I ask the Minister to consider that not only for the LPN but also for the LPN upgrading to RN status. There are a lot of people who have expressed that need, and what about the need then for the LPN training? If the Minister was talking about the upgrading to RN, which I believe that is what he mentioned earlier in his answer, then even the initial training for LPNs which is also in here—I mean, here we have hospital beds being closed and they are saying it is because of a nurses shortage. I think there are some other reasons as well, but at least let us address that need in rural areas insofar as nurses. If the Minister could comment briefly, I have a couple of other questions and a couple of other issues.

Mr. Derkach: Yes, Madam Chair, just to indicate to the Member. I would be pleased if he would assist us also by approaching MARN and indicating to MARN that there is a need for LPN and RN programming in the area. This will certainly assist in speeding the process up.

As the Member knows, we need the approval of MARN to accredit the program regardless of what it is, and I can assure him that the indications are that if we were to go with the program in Dauphin there would not be a module program authorized for any of the rural areas outside of Dauphin at this present time.

So what we are trying to do is—we are not trying to hamper the residents who live right around Dauphin in any way, shape, or form. We would want to go ahead with a package that says, here is the training on a pilot basis, in a practical approach.

We are not trying to stall this program to try and save any money or not provide service to any individuals in the area. We are simply trying to do what is right here. I can assure the Member I have had a lot of those letters saying, let us get on with the program.

We have indeed talked to MARN. We have talked to Assiniboine Community College, and Red River Community College, to try and develop the program and then get the program approved to deliver it in the area. I can assure him that I will do whatever I can to make sure that this program does become a reality.

Mr. Plohman: Yes, Madam Chairperson, I think the Minister hit on the issue here, and that is he wants it as a package deal to get the module concept approved at the same time that he would give support for another class of LPN training being offered through the Assiniboine Community College in Dauphin.

I think that is a stumbling block, and I think he is being unduly stubborn in that regard, if that is the case. I think he has to move ahead with the module concept, but that has not been developed yet.

So meanwhile, why hold up the other one which could be going ahead this year? I do not see MARN not accrediting that one. They have accredited it previously on two occasions, at least, out of Dauphin, so why would they not accredit it this time?

So I say to the Minister—and I will talk to MARN about this and appreciate his suggestion there—if he is tying the two together, I think that is the criticism. That is what I have been hearing. I think that is the problem. I think the Minister just said he wants it tied together as a package. I think that is going to cause a problem, and that is causing a problem. It is inconveniencing a lot of people who need this training now.

The Minister may want to make a comment on that, but I want to just raise another issue with him, and that is the one dealing with the letter I sent him recently as a result of a meeting with the Dauphin-Ochre School Board. I ask the Minister if he received that letter dealing with a number of issues including the High School Review report, the issue of copyright and CanCopy, contract busing, and support services for school divisions from Child and Family Services which, according to the school board and from other sources that I have, are totally inadequate in the Dauphin area at the present time. I raised this.

* (1650)

I sent the letter to the Minister of Family Services (Mr. Gilleshammer) and the Minister of Education (Mr. Derkach) and asked for action on those concerns that were raised. It was about a month

ago. I do not have the letter right in front of me. I could easily get it in my office, but I want to ask the Minister if he received that letter, if he has taken any action on those concerns.

The ones dealing with the High School Review committee report dealt largely with the implementation that the Minister is undertaking with regard to that review. He seems to be deviating from the recommendations according to the school board and, according to what I could see, he has not put in place the implementation committee. I know my colleague dealt with some of this in asking earlier on in the Estimates, but an implementation committee, a steering committee, has not been established, at least it was not at that time. If the Minister has done that it would be a step forward.

They ask for regional meetings to talk about implementation with the Minister. I do not know if those had gone ahead at the time that they wrote this. -(interjection)- It had not, so he has to carry on. They also had serious concerns about the issue of going ahead with the departmental exam, particularly first semester students, January 11 in mathematics, at this time when all of these other things have not been ironed out. So I raised those with the Minister for possible consideration in the letter, and I have not received a response from that letter, so I identify those again.

With regard to CanCopy, the serious concerns they have is that the Minister is moving ahead with an agreement on copyright with the representatives of, I understand, the authors they represent through this CanCopy and that, in fact, it will cost the school division some \$3 per student according to their estimate, which would be nearly \$7,000 in Dauphin's case. They say that course financing should be provided by the province. I agree with that. They also say they do not think a deal is necessary, that this should be dealt with through copyright laws at the federal level.

There was, at one time, an agreement with the Council of Education Ministers to deal with that issue. It seems to have been abandoned the last couple of years. They do not know where it is at and maybe the Minister's communication is lacking. Again, I ask him for consideration of that. He does not have to respond on all those issues at this time, but I want him to know that letter is there and I have not received a response to it.

The issue of Family Services' support for the schools, I will deal in more detail with the Minister of Family Services (Mr. Gilleshammer), but I think the Minister should also be aware that the school division is very frustrated because the teachers are reporting abuse in the schools, sexual abuse, and so on. They are not getting the follow up from the Department of Child and Family Services that is needed. There is a very slow response, inadequate response. They feel that there is inadequate staffing at the present time, apparently a lot of vacancies in the Child and Family Services in the Dauphin area, and they are just not able to respond.

Point of Order

Mr. Derkach: On a point of order, Madam Chair. Is the Member alleging that there is child abuse that has been reported and has not been acted upon?

* * *

Mr. Plohman: Madam Chairman, the Minister should read his letters. I put very clearly in the letter, the concerns that the school board has, that there is inadequate—I did not say black and white and alleging that there is no response—I said there is inadequate response. They are very frustrated with it, and they want the Minister to take action, the Minister of Family Services (Mr. Gilleshammer), as well as the Minister of Education (Mr. Derkach), to ensure that there are adequate resources for the schools. The counsellors are not equipped to handle this themselves within the schools, and yet Child and Family Services is not doing the job that is required, and so therefore it is going to have to be reviewed. I asked the Minister of Family Services in that letter as well to review the operation in Dauphin to ensure that it is meeting those needs. I bring this to the Minister's attention, because he also should be concerned if those needs are not being met as Minister of Education.

Mr. Derkach: Madam Chair, I have to indicate that I try to respond to all of my mail very quickly, and if there is—I am not aware of this letter that the Member is speaking about. If he addressed the letter to me, then I have not seen it. It either has not reached me, or there has been a problem in communication within my own department. Let me assure him that MLAs get priority in terms of responses, and I have always dealt in that way with the Member for Dauphin (Mr. Plohman).

The Member raises several issues which are very serious that I will deal with. As a matter of fact, I think the Member should be careful about some of the allegations he has made here, if they are true in fact there is some problem. First of all, just to conclude on the nursing program, I am not trying to stall the process because of a personal interest that I have in having a program delivered in any particular community. I do not deal with matters in that way at all. As a matter of fact, we are simply trying to address the needs as they have been identified in a particular area, and the needs that have been expressed by those individuals who have been surveyed. They have made it very clear that the only way that they can avail themselves of these opportunities is through the process that I described. Therefore, that is what we are trying to address. It is not trying to stall the program for any personal reasons at all.

Secondly, with the other issues that the Member raises. With regard to the High School Review, there is a steering committee in place already. That steering committee is not complete in its form, but it is working already. The steering committee is headed by the Director of our Curriculum Branch right now, Ms. Gail Bagnall, and she will be in charge of that steering committee as an acting co-ordinator until such time that we have employed a full-time co-ordinator for the High School Review, another commitment that was made in the Strategies to Success. However, the Member knows that both he and I were out on the campaign trail in August, and perhaps it was not the best time for us to be out on the campaign trail in view of the fact that some of these things should have taken place in Education in terms of appointing steering committees and that sort of thing.

An implementation co-ordinator will not have any impact or effect on the math exam that the Member refers to. Let me say that the other strategies that are within the High School Review are not going to be affected by that person coming on stream in January. We do have an acting implementation co-ordinator right now in the name of Ms. Gail Bagnall, who is a very qualified individual and who is carrying out her responsibilities very adequately.

With regard to the regional meetings, school boards were informed that if they would like departmental staff to come out to their school board to talk about the High School Review and how it will be implemented, all they need to do is make their

request by telephone or by letter to the department. We have visited several school divisions over the last number of weeks.

As a matter of fact, my ADM for the program side was out in The Pas, and we had about 150 people out to the meeting. After the meeting concluded, people were very satisfied with how the implementation was going to proceed with the High School Review. It is true that all divisions do not know the implementation process or the matrix or time frame of the implementation except for the general announcement that was made at the time of the High School Review announcement. There is no need to panic or to be concerned about the fact that we do not have a co-ordinator in place yet. The search is out for a co-ordinator. I can assure the Member that there will be screening done for the individual. We are looking for a highly qualified type of individual who understands administration, who understands curriculum, who understands education, to take charge of this.

With regard to the exam itself, the exam will go ahead on January 11. I have met with superintendents. I have met with teachers throughout the province and as soon as our Estimates are over, I would hope that I will have a little bit of free time to be able to take advantage, at least in the mornings, to meet with school divisions around the province to discuss the implementation of the High School Review. That is all in the mix, if you like, and we will act on it.

With regard to the issue of Family Services personnel and the inadequate training of counsellors -(interjection)- No, you said that counsellors were not adequately trained to deal with these situations. So if I misunderstood the Member, I would indicate that counsellors are the employees of the school division, but if these are Family Services' personnel, these are indeed separate from the division.

Now, if there is physical abuse or if there is abuse of any kind in the school division, the administration of that school and the school division know very well the process that is to be followed to report these incidents and that immediate action is taken on any of those cases. If it is not, then it is up to the school division to report that directly to the Minister and if that has not been done by the school division personnel at this point in time, then there is some lack of communication there.

It should not be coming to the floor of the House here to be dealt with because those are very sensitive issues that are of a personal nature in terms of the school division and in terms of children in that school division that should be dealt with by the Member picking up the phone and calling the Minister of Family Services (Mr. Gilleshammer) and saying, I know of a situation here that has not been handled. Can you explain it to me?

I think we have to be honourable enough to do those kinds of things when indeed we know of an individual situation. If it has something to do with my department and officials in my department have not acted on it, I would want to know as well.

With regard to the letter, I will certainly go back to my department and find out whether that letter has indeed been received and where it is at. I can assure the Member that I will respond fully to him and his school board on every issue that is in that letter.

Mr. Plohman: Madam Chairman, in the interest of time, and I know there are other colleagues, I cannot go into the detail I would like on this, but I would tell the Minister that the letter was sent to the school board, copied for action to the two Ministers. Sometimes copied letters do not get treated the same way, but it was copied for action so if it was read by his staff, they will know that it required action by both Ministers. I leave it at that. -(interjection)-

* (1700)

The letter was addressed, yes, to the chairperson of the Dauphin Ochre School Board, and I said in the letter -(interjection)- No, listen. It is very serious. Same thing, listen.

By copy of this letter, I am asking the Minister of Education (Mr. Derkach) and so on, to deal with the issue. The Minister, and same thing with the Minister of Family Services (Mr. Gilleshammer), by copy of this letter.

I would assume that his mail processing in his office is such that when a letter says "by copy of this letter," it is asking for action by the Minister, that in fact it gets action. So I do not think that there is any excuse to say, well, it was not addressed to me, so it does not require my action. That is not the case at all.

I think the Minister misrepresented what I said. I did not say that counsellors were not trained. I said that counsellors are having in schools, school employees are being thrust with this burden on top of and in addition to everything else they have to do

as counsellors, and they cannot handle that burden when it should be handled by Child and Family Services. They are there to do that and they say they will offer those services.

What is happening, and I bring this to the Minister's attention, they are not dealing with those. They are not able to deal. They are just not able to respond in the way that they should. They are responding, but not in the way that they should and the school division is extremely frustrated. They have documented the cases and the Minister should not talk to me about being honourable in this House.

The fact is I am not raising specific individuals' cases here, I am talking in general that there is a lack of support and communication with the Child and Family Services in the Dauphin region, and that has to be reviewed and investigated. That is what I asked the Minister to look at, the Minister of Education (Mr. Derkach), as well the Minister of Family Services (Mr. Gilleshammer). Obviously, it is his staff, and that is why I asked him to take action on that particular map. I have raised that again with the Minister, and I will close with that and follow up at some future time with him.

Mr. Derkach: Madam Chair, it appears that it takes the Member for Dauphin two times to get up to his feet to be able to set the record straight. From his first questioning on this matter, he certainly left the impression that there was some fault on the part of staff in Family Services in dealing with cases of abuse that were reported.

Now he has turned it around to say that no, no, no, that is not what I said. I did not say the counsellors were not trained adequately and that they were not reacting. It is just that they have too much to do now, he says.

Madam Chair, that is an entirely different matter and—

Point of Order

Mr. Plohman: Point of Order, Madam Chairperson.

Madam Chairman: The Honourable Member for Dauphin, on a point of order.

Mr. Plohman: The Minister is misrepresenting what I said, and he is doing this deliberately. He is dealing with the staff of the Department of Education—of the school division. I was not talking about school division staff, I am talking about the Minister of Family Services staff, that is what I said.

It was the Minister who confused it and said the counsellors—oh, I am saying the counsellors are not properly trained. That is what he accused me of saying. I did not say that and it was the Minister who confused it, not me.

Madam Chairman: The Honourable Member for Dauphin does not have a point of order. It is a dispute over the facts.

* * *

Mr. Derkach: I guess I will have to read the letter to see exactly what it was that the Member said, not to me, but to the school board. I got the impression from his first questions that the letter was addressed directly to me. Then, in the second bout of questions, he indicated the letter was addressed to the school board, copied to me for action. I will find out what the letter said, and I will respond directly to the Member and try to answer each and every detail that was in that letter.

Mr. Daryl Reid (Transcona): I asked the Minister's indulgence if I might ask a few questions. I apologize for being unable to be here through all of the Estimates process for his department, but there are some concerns that some of my constituents have raised with me. I would like to have the opportunity to ask a few questions of him.

There are people in the community of Transcona that have some concerns about budgets for the particular school division, and they would like to know whether or not the individual budgets for the Transcona-Springfield School Division 12, the actual budget is available for them to view and to make some comments on with the school board. I am just wondering if this is available for them to get copies of?

Mr. Derkach: Madam Chair, if there are residents in the Transcona-Springfield School Division who would like to see the budget for their school division, that is a matter they would have to take up with the authorities of that school division.

Mr. Reid: Is the school board obliged to provide copies of the budget for that particular school division to whoever requests it?

Mr. Derkach: Madam Chair, I think the school board will probably provide a copy of an audited financial statement to the residents. I think that is the obligation that they have under the school Act, but I cannot quote from the school Act exactly what it is that the school board must provide in detail.

I can get that information for the Member, if he would like to address it to me personally in my office, or I can give it to him in writing.

Mr. Reid: I would appreciate the opportunity to discuss that with the Minister. As well, I would like to know whether or not these constituents are entitled to either a summary or a complete budget? That would also be important to know.

Also of concern is the subject of dual-track schooling. Of course, it is taking place in many areas, at least the City of Winnipeg, that I am aware of; but in not all cases does it take place.

Currently in Transcona, there are some discussions ongoing. The school board has to make a decision there with respect to the French Immersion Program, and one of the proposals that had been made—although it has never been approved—was the dual track. I would like to know what the Minister feels about the dual-track program and whether or not it has worked in other jurisdictions that he may be familiar with throughout the province?

Mr. Derkach: Madam Chair, the whole issue of dual-track versus single-track schools is a matter of school boards to deal with, once again. We do not mandate whether a school should be dual track or single track. That is something that has to be decided at the local level in conjunction and in consultation, I would hope, with the community that is surrounding that particular school.

I do not have a specific opinion that I want to share in terms of whether a dual-track school is superior to a single-track school or vice versa. I think we have seen dual-track schools in this province, and they are working. It depends on the willingness of the people involved in a school whether or not a system like that will work. It takes a lot of co-operation. I grant that it takes a lot of effort on the part of school personnel to be able to manage a situation like that, but in the end, it still needs to be a decision that is made at the local level by the school board. They are the ones who have to respond to the needs of the parents, the school population, if you like, in that particular catchment area.

Mr. Reid: Madam Chair, I did not want to state, and if I inferred that I was in favour of a dual-track program, that was not what I meant by those first comments.

* (1710)

My last question, to conclude the questions that I had, was to deal with special needs budgets for the individual schools within the school division. There are some cases, after budget years are set, that the individual schools can make a determination that there are special needs students within the body of students that may stretch the limit of the budget for that particular school. Is there any way that the school board can go back through the Department of Education to change the funding for those special needs students?

Mr. Derkach: Madam Chair, it could depend on the level of special needs that particular student has. If a student is a Level 1, then that funding for all students who are Level 1 Special Needs students is included in a formula whereby a certain population of a school determines the amount of money that they would be granted for special needs students. There is not a per student grant for special needs students, a special grant for those particular students.

Students who qualify for Level 2 or Level 3 funding have a special grant that is associated with those students based on the identification of the needs of that student between the school division and the Department of Education and Training, through the Child Care and Development Branch. So those cases come to us as a school receives them in its population. It is sort of an ongoing process with those particular cases.

Madam Chairman: Item 1. Administration and Finance (a) Minister's Salary—(pass).

Resolution 31: RESOLVED that there be granted to Her Majesty a sum not exceeding \$5,574,100 for Education and Training, Administration and Finance for the fiscal year ending the 31st day of March, 1991—(pass).

SUPPLY—FAMILY SERVICES

Madam Chairman (Louise Dacquay): Order, please. This section of the Committee of Supply, we will be dealing with the Estimates for the Department of Family Services. We will begin with a statement from the Minister responsible, the Minister of Family Services.

Hon. Harold Gilleshammer (Minister of Family Services): Madam Chairperson, I have copies here for the critics.

I am pleased to present to this Committee the 1990-91 spending Estimates of the Department of

Family Services. In our Government's budget for this fiscal year, which was tabled by the Minister of Finance (Mr. Manness) on October 24, the Department of Family Services has been allocated a total of \$535,289,200 to provide for the funding a delivery of important social services and income security measures to strengthen and support Manitoba families.

The department's allocation for 1990-91 is an increase of nearly \$41 million, or 8.2 percent, over adjusted budget levels for Family Services in 1989-90. The percentage increase for this department is one of the largest given to any department in Government, and I am pleased with the evident priority our Government has placed on Family Services in this year's budget. The broad range of services we support and deliver are extremely important to so many Manitobans, and the additional dollars committed reflect our Government's commitment to sustain and protect Manitobans in need.

The projected spending increases in the department's budget are targeted to services providing basic financial assistance to persons in need, protection from abuse for the vulnerable, improved care, developmental programming and community supports for disabled persons, quality child day care services and employment support for persons who experience barriers to successful participation in the labour force.

Certain components of the department's budget increase, which were made public earlier in the fiscal year by my predecessor in the Family Services portfolio, the Honourable Charlotte Oleson, have been confirmed. A notable example is the package of major child day care initiatives, recommended by the working group on day care, to address immediate funding issues identified by the child day care community. Our Government accepted the working group's recommendations in their entirety and committed approximately \$5 million to these new initiatives, which included increasing maintenance and salary enhancement grants, extending salary enhancement grants to qualifying family day care providers, increasing the rate paid by Government for each subsidized child in existing private centres, expansion of the day care system by 420 new spaces and a commitment to support planning for aboriginal child care.

To more accurately reflect the costs of day care services, maximum daily fees for day care were also

increased by 10 percent on April 15, with the increase paid by Government on behalf of families who qualify for subsidies. Our Government's commitment to these new measures for 1990-91 was announced just before the beginning of the fiscal year.

Another major budget increase for Family Services was confirmed in June when the former Minister indicated to Child and Family Service agencies that the department would increase funding available to the agencies by 15.1 percent over the 1989-90 budget allocation. This increase consists of an additional \$3 million for the agencies' budgets as well as funds to be held centrally in the department for the agencies to access. These include a \$2 million Deficit Relief Fund to cover 1989-90 deficit spending by agencies, a \$1 million Exceptional Circumstances Fund to assist the agencies with unusually high cost placements of children with special needs, and a \$250,000 fund to enable agencies to employ additional caseworkers.

Madam Chairperson, our Government is well aware of the hard work these agencies carry out and the difficult task they have in prioritizing and providing services within available resources. My department is now working with the agencies to establish agreed upon service plans for this and the next fiscal year to achieve required service levels within balanced budgets.

In this transition year, my department has committed a total of \$48 million for the agencies. We are committed to working with the agencies to reach effective service agreements with manageable cost levels for the future.

Also this summer, our Government announced the establishment of a working group on community living to examine ways of assisting disabled Manitobans to live more independently in the community. Comprised of Manitobans who are actively involved in community life, this working group is now considering innovative ways to improve quality of life and interaction with the community for Manitobans with disabilities. Unlocking the potential of disabled persons to participate fully in community life is an important goal for our Government, and I am looking forward to receiving the working group's observations and proposals later this fiscal year.

Overall, the budget increases received this year by Family Services are enabling the department to

maintain and enhance important social programs serving the people of Manitoba. Within the department's Child and Family Services Division, I have already mentioned funding increases for the Child and Family Service Agencies. Increases are also budgeted in this division for funding to other child and family support programs and organizations, for Children's Special Services, for Family Conciliation and for Family Dispute Services.

* (1720)

Budget increases in the area of Income Security reflect increases in benefit levels in both provincial and municipal programs, providing basic financial assistance for Manitobans in need. Rehabilitation and Community Living Division Estimates show increases in support of programs and services for disabled Manitobans. Increased funding for the Manitoba Developmental Centre will enhance the care and training provided for mentally handicapped residents. I would like to note that in this past year the centre has received a two-year accreditation on its first inspection by the Canadian Council on Health Facilities. This recognition reflects the dedication of staff members and the quality of care and services provided to residents of the centre. I would also remind Members that we are undertaking a multiyear major capital renovation at the centre through the Department of Government Services.

Other budget increases in this division are targeted to community-based support services for adult Manitobans with mental disabilities and to vocational rehabilitation services for disabled persons. For example, the department will be supporting 33 additional persons in supervised apartment living, thereby freeing up spaces in community residences for mentally handicapped adults requiring accommodation in this type of facility.

In addition, the number of day program spaces is being increased. In the Day Care Youth and Employment Support Division, in addition to the day care enhancement package I have already mentioned, the Estimates provide for continued support of employment measures for youth, social assistance recipients and other persons facing barriers to participation in the work force.

The settlement needs of newcomers to our country and province will also continue to be addressed through a variety of programs and

services. Additional funding has been budgeted this year to permit the introduction of a new initiative to assist immigrant families with cross-cultural adaptation to family life in Manitoba. Establishment of this program to be called "Bridging Cultures" was a commitment of our Government during the recent election campaign, and I will be announcing details of the program's funding level and operating guidelines shortly.

Madam Chairperson, the budget increases received by Family Services during this period of necessary fiscal restraint reflect our Government's recognition of the importance of support for individuals and families who require a special intervention to maintain them or to restore them to strength and independence.

As a final comment, I would like to note that the Department of Family Services is continuing to make progress in strengthening management control and accountability. I have recently received a report from the Provincial Auditor who has noted that significant steps have been achieved over the past year on this matter. In this period of economic restraint, it is most important that we use our resources effectively and efficiently. While a great deal of work remains to be done, I am pleased with the progress the department is making and the resulting benefit for Manitobans.

I would now be pleased to respond to questions the committee Members may have regarding the 1990-91 spending Estimates of the Department of Family Services. Thank you.

Madam Chairman: We will now have the reply by the critic from the official Opposition, the Honourable Member for Wellington (Ms. Barrett).

Ms. Becky Barrett (Wellington): Thank you, Madam Chair. I have stood up in this House on several occasions since the September 11 election and the October 11 call of the House and have made comments, not only in the House, but in the media concerning major issues of underfunding, under-resourcing of the Department of Family Services. I will continue to make those general comments through this Estimates process.

I look forward to the opportunity to go through the Family Services Estimates with a great deal of detail over the next while, and I am assured that my Liberal colleague will be doing the same thing.

A few comments, if I may, before I respond to the Minister's speech. I would like to thank the Minister

for having provided us with speaking notes; that was very helpful. The Minister is as new to his portfolio as I am to the House, so we share that in common.

However, in my role as critic I have been taking my responsibilities very seriously, or I hope I have been. I have, in the time since we have been elected, met with members of groups and individuals that reflect virtually every spending category in this department. I regret to say that the comments that those groups and individuals have said to me reflect, not the statements and the tone of the Minister's comments, but a continuation of the concerns that I and my colleagues in the official Opposition have been raising over Family Service issues and other issues across the Government departments.

Because we did not have the Supplementary Estimates information until this afternoon, in order to prepare at least in a preliminary fashion for these Estimates, I went over the Hansard for the last year's Estimates proceedings and the Supplementary Estimates from the last fiscal year. It was very interesting although it took a fair bit of time to do it.

What I found was that there has been a great deal of consistency, I will give the Government that. There has been a great deal of consistency in the responses that the Government has made, whether it was the previous Minister or this Minister or the Premier or whoever has been making comments.

Basically, the responses have been, as I say, consistent and not very illuminating. They have been very general comments. They either talk about the horrible things that the previous Government did three budgets ago, or they blame the federal Government—

An Honourable Member: Four.

Ms. Barrett: Now four budgets ago. They blame the City of Winnipeg, or they blame the other provinces. I have not noticed that they have blamed the Free Trade Agreement which we on this side think is the major contributing factor to the economic problems that we find ourselves in today.

There was and continues to be on the part of this Government, in particularly the area of Family Services, a lack of direction, a lack of responsiveness in all of the areas that this very important department undertakes.

This is no doubt one of the most difficult—and some would say I am sure including Ministers when

the New Democrats were in power, if not the most difficult, certainly one of the most difficult departments in which to administer and to provide services out of. I will not ever say that is not the case.

However, I do believe that this Government has not shown any real leadership in the area of trying to come to grips with the problems of families in distress. They have not come to grips with looking at families having problems and preventing them from becoming a crisis, have not looked at ways to keep families healthy, to provide the services on a wide range of areas that will keep the caseloads down as this Government is very concerned about.

Prevention is one major area that throughout this Government's mandate has been sorely lacking. The Minister of Family Services in her response to a question last year actually stated that, because it was very difficult to quantify prevention programs, to figure out the bottom line for prevention programs, she had a difficult time selling those programs to her Cabinet colleagues.

It is something that we on this side of the House have absolutely no question as an accurate statement, something we have been talking about for a very long time. It is reflected in the throne speech. It is reflected in the general budget Estimates. It is certainly reflected in the actual expenditure levels for the various areas of this department, and I am sure it will be reflected as we have time to go line by line in the next budget year.

I have, in the past, taken objection to the Minister's and the Premier's (Mr. Filmon) comments about the overall funding levels to the Department of Family Services, and I will be going into that in more detail as we get to the particular lines. The working group on day care, for example, was excellent, but the second stage of their report has not yet come into effect. We will be looking forward to that report.

The Child and Family Services department Estimates, again, we have on this side a great deal of difference between the figures that are being given to us by the Government and the actual figures that agencies know they are working with. They bear no relationship to each other, and I think it is a very strong, a major—the fact that the agencies in all areas of this budget, this Family Services department, the individuals who are serviced by these programs, the people who deliver these programs, the fact that these people time and

time again say to us, say in the media, say to the Government, no, we are not getting what you are saying we are getting, and the Government saying, we are giving you this; we are giving you this; we are giving you this.

* (1730)

The fact that these two things are continuing to be happening says to me that far from working together this Government has an agenda. I think that agenda is going to become clearer and clearer as we go through, not only these budget Estimates, but next fiscal year's budget Estimates. That agenda bears little relationship to actually fulfilling the needs of families in crisis, of children, of adolescents, of people who have mental, physical, social, economic and psychological handicaps of all sorts. None of these people have been, over the past, serviced properly since this Government has come into power. This budget does not address those issues, and I am convinced that next year's budget will not either.

As I stated earlier, the Minister of Family Services (Mr. Gilleshammer) is as new in his portfolio as I am in my critic area. However, I feel that he has continued to follow the line of the previous Minister, which is to say, we are funding, we are funding, we are funding when in fact they are not funding at the level that they are stating it, that the figures are being talked about in very inaccurate ways.

In the last few days, the Government has been taken to task, and I think rightly so, for comments made by the Premier (Mr. Filmon) in the media, calling into question the integrity of the people who provide services to children and families in need through the Child and Family Services, which is the largest single component of this very complex department.

The Premier talked about management. He did not clarify, when asked in this House, whether he meant the staff or the volunteer-management component of those agencies. I can tell you that the moral in those agencies, which is none too good to begin with, certainly was not enhanced by those comments and by the Premier's lack of willingness to say—which this Minister has said—that these people are doing a good job. The Premier did not say that simple, declarative sentence in the House yesterday when asked by myself to say who he was referring to when he spoke on the radio on Friday

and then to apologize for any misinterpretation that his comments may have led to.

As I said, in all areas there are major concerns. In the funding increases, and I will not get into all of them for certain this afternoon—

I have as my background—I am a social worker. I spent over a year working in the Family Dispute Services area with women and children who had left abusive relationships. The funding for that program was provided virtually all by Family Dispute Services.

I have a fair working knowledge of the issues in this area, of the problems in this area, and of the needs in this area. So I am very personally concerned about this particular element of the Family Services budget.

The Minister states that increases are also budgeted in this division for funding to other child and family support programs, for family conciliation and family dispute services. I do want to put on record at this point, and I will be going into it in greater detail, the fact that the actual increase for Family Dispute Services section is 3.6 percent in this budget.

The budget figures, as shown in the budget, state that the cost of living is estimated to be 4.2 percent. Parenthetically, I think we all know that is an understatement given the dreadful effect that the goods and services tax is going to have in this province and every other province, and particularly people in need, and that it is less than, by almost 2 percentage points, the average budget increase for the entire budget.

I find that reprehensible, that this Government goes on record, time and time again, saying they are concerned about and they are committed to funding programs for this particular area when, in fact, the money will be, at the minimum, in effect 2 percent less than the cost of living and goods and services tax increase will be. That can only mean cuts in services, not additional services. I think that sort of playing with the figures has taken place in virtually every other section.

Budget increases in the area of income security: There is a decrease in the 55 Plus, there is a decrease in CRISP. The response which I am sure will be coming that there is a decrease in uptake is, I would venture to say, due totally not to the fact that there is a lessening of need on the part of our senior citizens and those over 55. It is the fact that if you

do not advertise, if you do not let people know these programs exist, they are not going to be taken up.

I am sure there are Members opposite who have experience in advertising. You know anybody who has done any advertising or has paid any attention to political advertising or any other kind of advertising, that one of the first things you have to do, one of the principles of advertising or public relations is, you say it again and again and again and again. You have to get the message out on a wide range of media and for a very long period of time for people to be aware of what you are selling and, in this case, the Government should be selling CRISP and 55 Plus. They are obviously not doing that and this is another area.

The Manitoba Developmental Centre, a multiyear major capital renovation—I am going to have some very serious questions to ask the Minister on the whole approach that this Government is taking with their support for institutions like the Manitoba Developmental Centre.

I am not suggesting for a moment that we do not need this centre, nor that a capital improvement is not necessary. What I am suggesting is that programs for the deinstitutionalization for the community-based programs, of which there are many in this province, that have requested services and have not been provided support, which provide support in the community at far less cost to the province, are not being handled in this budget or they are not being dealt with.

There are many other areas that I could go into. -(interjection)- I would take exception to the Minister's fun in closing my opening remarks. We take exception to the Minister's comments on page 7 "that the budget increases received by Family Services during this period of necessary fiscal restraint reflect our Government's recognition of the importance of support for individuals and families who require special intervention to maintain them or to restore them to strength and independence."

I would like to put on record very strongly not only my exception but our caucus's exception and the people who provide these services, or are attempting to provide these services in the province, that this is not the case. It has not been the case for the last two years, it is not the case in this budget, and I know it will not be the case in the next budget. We are going down a very slippery slope, and I see nothing but major problems for the people of

Manitoba who are least able to speak up for themselves and who require the assistance and support of this Government, if we are to continue to maintain our sense as Canadians and Manitobans of a caring and compassionate society. This budget, the throne speech and the Detailed Estimates do not show this to me.

(Mrs. Rosemary Vodrey, Acting Chairman, in the Chair)

* (1740)

Mr. Reg Alcock (Osborne): Madam Acting Chairperson, I would like to start by welcoming the Minister. I know he is new in his portfolio, although he is not new in the House. I know he spent some time watching what took place relative to this portfolio. I know that he has some connection to the system, both in the work that he has done and certainly in some of the relationships he has developed, that will serve him well in the responsibilities he now holds. I am a little less willing though—and I must say this—to be completely magnanimous in my welcoming the Minister because of the incident that took place in the last Session. I think that it has coloured my view of this particular Member, and I am waiting. He has got some ground to make back with me if he is to act in the best interest of the people that rely on the services that this department provides rather than in the best interests of his political leaders.

I also want to welcome the NDP Critic (Ms. Barrett). I think she brings some very significant experience in the field to this House, as well as academic credentials that will provide a strong basis for the role that she has to play in the next few years.

It is said, and I unfortunately am not possessed of the quote. The quote that I am reaching for is one that says a society is known or best understood in the way it treats those people that are most disadvantaged, those people that have the least resources. -(interjection)- If the Member for Concordia (Mr. Doer) says it was an NDP speaker who put that quote on the record first, then I would congratulate them for it because I think it is a -(interjection)- It is an important thing to think about.

In all of the things that we do in Government, in all of the money that we spend, some \$5 billion this year, a great deal of it goes to public goods that we all consume. A great deal of it goes to things like roads, schools, a health care system, that we all benefit from. Only a very small portion of it goes to

support those people that really have no other choice. Where in this community do abused women go for support? Where do mentally handicapped adults go for support? Where do abused children go? How do children gain any kind of rights anywhere in our community except through the activities of this department and the agencies that work on behalf of this department?

There have been such tremendous changes in our community and the nature of community life over the last 20 years. It has changed the way in which families function; it has changed the ways in which families are structured. A great many families have benefitted from that; a great many families have seen an increase in their levels of education and their income; but an even greater number of people have found themselves alone with children without support. I think, as a community, we have rightly assumed some responsibility for assisting them, and I think it is a responsibility that we should be proud of, not ashamed of. It is a responsibility that we should brag about to the community, not argue about.

It surprises me in a Chamber like this that we have as much dispute about what is going on in this particular area as we have. I do not think the Members on this side of the House are against abused children, or do not believe in supporting women who have been battered, or do not believe in supporting the mentally handicapped. I do not believe that for a minute; I think every Member of this House cares deeply about those issues.

I have some sympathy for the Government because you are putting money into it, you are putting additional resources into this. It is not like you are making net cuts, and it must be terribly frustrating to sit there and say, well, we did, on percentage terms, get a very big increase. Why will people not give us credit for that?

I puzzle about that, too, but I want to offer some suggestions and I want to try to peel apart that discussion as we get into these Estimates. I think there are some reasons for it, and one of them has to do with an attitude—perceived or intended, I am not going to make a comment on which—but an attitude toward these services that does not serve the Government well. It is an attitude that is one of blaming, blaming the people who have to access these services, blaming the people who deliver the support programs, blaming the communities who try to provide some support to those people who

access these programs, without articulating any kind of understanding at all of why people are in that situation, why we deliver services and how we can better deliver those services.

(Madam Chairman in the Chair)

I have to wonder, as I sit here day after day and I see the Minister, following the lead of the Premier (Mr. Filmon) and the Finance Minister (Mr. Manness), trumpeting all sorts of bogus statistics, bogus information. To what end? The truth will come out; the real information will come out. So why are we having that debate? Why are we pretending that something is not the way it is, instead of looking at how it is and facing all of us in this House and in this community with the realities of the problems that we face? There have been big increases in funding across a range of services, and there have been a number of very good new services created, many of them by the former Government, but they were not cut by the current Government. They have continued to support them, and the Minister has made much—and so he should—about the increases in support to shelters, although it falls far short of what the problem would suggest they require.

What do we gain by having that battle and not having a look at what is underneath it, not having a look at an 800 percent increase in child abuse cases. I mean, a 15 percent increase sounds terrific from one perspective, but against a year over year increase of some 20 percent in child abuse it begins to pale a little bit. Why are we not facing our communities with some of those questions? Why are we not looking at our school system and asking them to participate a little more in providing support, instead of victimizing those people, those volunteers, those staff, and those agencies that work so hard to provide support to those among us who are so disadvantaged.

You know, this department is blessed. I think it has a very able and a very committed staff that work very hard. There are thousands of people in the community, both volunteers and staff people in a variety of agencies, who give a great deal of time, energy and their own resources, both personal and financial, to support these programs. I feel such a sense of regret when I look at the way this Government has chosen to deal with those communities.

I felt that same way towards the latter part of the former administration, not in the beginning. I think in the first term that Government was a very creative one, and I think they really tried to address some very difficult programs. They became, for maybe some of the same financial reasons that are bedeviling this Government, a little cynical towards the end, and Treasury began to run the programs—not programs. I think that is the mistake that you started off with.

I want to just try to put it in perspective though. When we look at the money we spend—and we are spending \$5.1 billion this year, it is an enormous amount of money—only 10 percent of that is going to all of these programs. What we are arguing about every day is just 10 percent of our total expenditure, not insignificant, it is over \$500 million. -(interjection)-

Now, the Minister of Northern Affairs (Mr. Downey) makes a comment that more than 10 percent of it goes to pay interest on the debt and he is right. The Minister of Finance (Mr. Manness) has a serious problem. The question is, if we have to make -(interjection)- the Minister of Northern Affairs is quite right, it is the people's problem. It is a problem that all of us have, but do you solve that problem on the backs of those people that are least able to defend themselves? Is that the target that you use to solve that problem, or do you try to protect those people that are most vulnerable? That is really the argument.

Nobody denies that there needs to be restraint in Government expenditure, but perhaps in doing that we have to protect those people who have no other means of protecting themselves, or do we simply say, in a restraint, we are not going to investigate child abuse any more. We are not going to protect women who are battered. That is the other side of that—we are not going to provide financial assistance to people who cannot feed themselves.

* (1750)

All of our Child and Family Service programs, all of the services that protect abused women, abused children, that provide foster care and counselling, all of those services comprise just over 2 percent of the total expenditures of this province. Almost all the programs for dependent adults, mentally handicapped adults, people who have all sorts of

problems that require them to live with some sort of support in the community, cost under one and a half percent of our total expenditures.

In these Estimates, we are going to go through this entire budget in great detail and I look forward to spending a lot of time in here having this discussion line by line.

If I have a piece of advice to the Government right at this point and to this Minister, it is that the one thing he must begin to do is to listen to the people who are delivering these services and listen to the agencies. They are not the enemy. They are not attacking him. They are not attempting to score political points. What they are trying to do is deliver service. It is all they are trying to do. I believe this Government does that community and our entire community a real disservice by attacking them.

In closing, I guess I would just like to ask one procedural question, and then I will let the Member for Wellington (Ms. Barrett) begin to question. I notice in the information that was tabled, and I appreciate the Minister getting copies to us during the Question Period so that we could begin to have a look at the detailed Estimates, but I notice that there is no grants list. I am wondering if the Minister could undertake to make available to the two critics, at least, the grants list for all of the various appropriations within the department before we come into Estimates tomorrow. He does not need to answer that question right now. He can answer that when he begins to respond to the Member for Wellington (Ms. Barrett). That is something that would be of great assistance as we enter into this process. With that I shall conclude. Thank you.

Ms. Barrett: Madam Chair, I wonder if it is in order for me to ask the Minister if he would, or to whom I ask, if it is possible to declare it is six o'clock seeing as how it is—rather than bring the staff in at 10 minutes.

Madam Chairman: What is the will of the committee? Is it the will of the committee to call it six o'clock? Agreed? Agreed. Therefore, I am leaving the Chair. The committee will resume at 8 p.m. this evening.

Mr. Alcock: Resume, but not for Family Services is my understanding.

Madam Chairman: The Committee of Culture.

Legislative Assembly of Manitoba

Thursday, November 15, 1990

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