

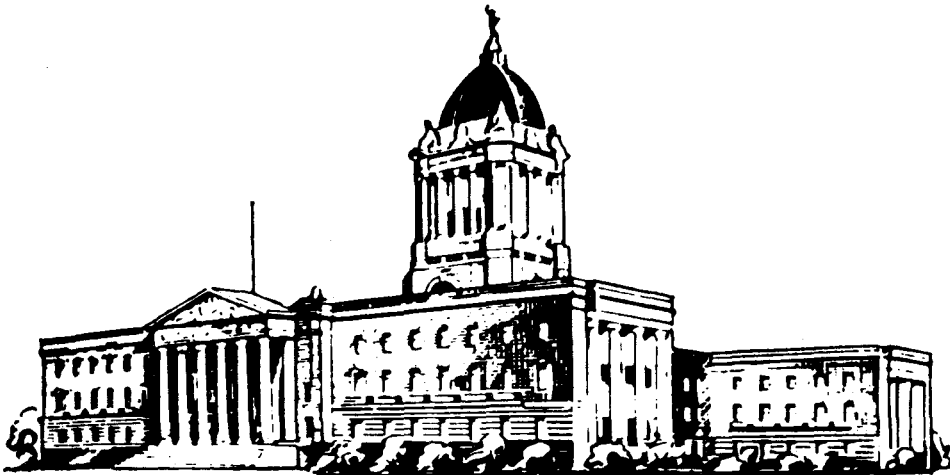


Third Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

42 Elizabeth II

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Speaker*



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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
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
GRAY, Avis	Crescentwood	Liberal
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
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, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PALLISTER, Brian	Portage la Prairie	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP
<i>Vacant</i>	Rupertsland	

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 11, 1993

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS PRESENTING PETITIONS

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, I beg to present the petition of Brad Brown, David Jacobsen, Ruby Reedman and others urging the government of Manitoba to consider keeping the Misericordia Hospital open as an acute care facility.

* * *

Ms. Jean Friesen (Wolseley): Mr. Speaker, I beg to present the petition of Don Sullivan, Reg Cumming, Harry Mesman and others requesting the Manitoba Minister of Environment (Mr. Cummings) ask for a cumulative basin-wide federal environmental review of the Assiniboine River diversion proposal this fall.

* * *

Mr. John Plohman (Dauphin): Mr. Speaker, I beg to present the petition of Teresa Reynolds, Sheryl Bernstrom, Jill Terrick and others requesting the Minister of Health (Mr. Orchard) consider restoring the Children's Dental Program to the level it was prior to the 1993-94 budget.

* * *

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, I beg to present the petition of Ben Kujanpaa, Jean Kujanpaa, Ellen Wood and others requesting the Manitoba Minister of Agriculture (Mr. Findlay) to consider conducting a plebiscite of Manitoba farmers as soon as possible on the issue of removing barley from the jurisdiction of the Canadian Wheat Board.

READING AND RECEIVING PETITIONS

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Friesen). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk (William Remnant): The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS Manitoba has the highest rate of child poverty in the country; and

WHEREAS over 1,000 young adults are currently attempting to get off welfare and upgrade their education through the Student Social Allowances Program; and

WHEREAS Winnipeg already has the highest number of people on welfare in decades; and

WHEREAS the provincial government has already changed social assistance rules resulting in increased welfare costs for the City of Winnipeg; and

WHEREAS the provincial government is now proposing to eliminate the Student Social Allowances Program; and

WHEREAS eliminating the Student Social Allowances Program will result in more than a thousand young people being forced onto city welfare with no means of getting further full-time education, resulting in more long-term costs for city taxpayers.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Minister of Family Services (Mr. Gilleshammer) to consider restoring funding of the Student Social Allowances Program.

* * *

Mr. Speaker: I have reviewed the petition of the honourable member (Ms. Wowchuk). It complies with the privileges and the practices of the House and complies with the rules. Is it the will of the House to have the petition read? [agreed]

Mr. Clerk: The petition of the undersigned citizens of the province of Manitoba humbly sheweth that:

WHEREAS the Canadian Wheat Board has played a vital role in the orderly marketing of Canadian wheat, barley and other grain products since its inception in 1935; and

WHEREAS the federal Minister of Agriculture is considering removing barley from the jurisdiction of the Wheat Board; and

WHEREAS this is another step towards dismantling the board; and

WHEREAS, as in the case with the removal of oats from the Wheat Board in 1989, there has been no consultation with the board of directors of the Wheat Board, with the 11-member advisory committee to the board or the producers themselves; and

WHEREAS the federal minister has said that there will be no plebiscite of farmers before the announcement is made.

WHEREFORE your petitioners humbly pray that the Legislative Assembly of Manitoba may be pleased to request the Manitoba Minister of Agriculture (Mr. Findlay) to consider conducting a plebiscite of Manitoba farmers on this issue as soon as possible.

* (1335)

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

Mrs. Louise Dacquay (Chairperson of Committees): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the honourable member for La Verendrye (Mr. Sveinson), that the report of the committee be received.

Motion agreed to.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, may I direct the attention of honourable members to the gallery where we have with us this afternoon 25 visitors. There are 16 students from the Towa Junior High School of Towa, Japan. These students are under the direction of Mr. Kanichi Onodera, Mr. Tatsuo Saito, Mr. John Vandewater and Mrs. Audrey Vandewater.

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

ORAL QUESTION PERIOD

No-Fault Auto Insurance Advertising Campaign

Mr. Gary Doer (Leader of the Opposition): My question is to the Premier.

Mr. Speaker, Manitobans have received material across the province dealing with no-fault insurance which is co-sponsored by the Manitoba government with the minister responsible for the Public Insurance Corporation (Mr. Cummings) and the Manitoba Public Insurance Corporation itself. Estimates of the cost of this campaign ranged, yesterday, at \$200,000. The minister today said it was close to \$100,000 in comments he has made on this program.

Mr. Speaker, last week when we asked even the most minimal of questions in the House, the minister told us to wait and he would produce information. The bill was not even tabled in this House. So we found it very strange, if not antiparliamentary, that the government would be proceeding to advertise on a program that is not even introduced in legislation in this Chamber for purposes of debate and passage by this House.

Does the Premier feel it is appropriate that a Crown corporation will spend close to \$100,000 advertising a program that requires legislation in this House which has not even been introduced in this Chamber?

Hon. Gary Filmon (Premier): Mr. Speaker, I find it very, very difficult to accept the position of the member for Concordia (Mr. Doer) who, when he was part of a government, spent millions of dollars of public money on advertising on anything and everything going, all sorts of apple-polishing ads to try and improve the image of a failed government. Indeed, they used Crown corporations like MPIC to try and fund their public relations gimmicks.

This is not public relations. This is a matter of having the public understand what is the largest change that has taken place in over 20 years in the operations of the Public Insurance Corporation, an issue that Manitobans—and particularly Manitoba motorists—are vitally interested in, who want to know the various principles that will be involved in the no-fault system.

The corporation and the minister, obviously, felt that it was important to spend, as I heard him say, something under \$100,000 to ensure that the public understood the principles of what is going to be a sea change in the way in which they will be covered for their automobile insurance.

Surely, he cannot take issue with having the public well informed about an issue of this magnitude that will affect every motorist in Manitoba, Mr. Speaker.

Mr. Doer: The Premier did not answer the question. I asked the Premier whether it was appropriate to advertise prior to the bill even being tabled in this House.

I would quote, Mr. Speaker, from Speaker Fraser when the same contemptuous Conservatives in Ottawa had ads on the GST all across this country before it was passed. Speaker Fraser said that this is so-called executive democracy. This is not appropriate. This is not an administrative democracy. He goes on to say that it is ill-conceived and does a great disservice to the great traditions of parliamentary democracy, that this ad is objectionable and should never be repeated.

This is what Speaker Fraser says about GST advertising before the GST bill was passed.

Does the Premier now believe that it is appropriate for him to run this government and the spending of his Crown corporations in an executive management function and negate the parliamentary traditions that are so important to the Chamber and the people of Manitoba? What is wrong with having a bill passed by a democratically elected Chamber first before the government proceeds with its public relations campaign?

* (1340)

Mr. Filmon: Mr. Speaker, I remember the government of Howard Pawley of which that member was a minister running full-page ads about the constitutional amendment to make the French language an official language of this province, to constitutionalize it well before it was ever passed. In fact, the member knows it was never passed. They ran full-page ads advertising their position on this with a picture of Howard A. Pawley, it said.

Mr. Speaker, I remember that happening throughout this province and he has the audacity—and that was hundreds of thousands of dollars of pure government propaganda to try and persuade the public, who were 85 percent opposed to that, to approve that.

This is a situation in which there will be a major, major change in the way in which every motorist in this province will have their coverage for automobiles, and I believe that it is incumbent on the government to make sure the public understands what that change will do to affect them.

Mr. Doer: Mr. Speaker, this is the second example where this Premier and his government runs roughshod over the traditions of parliamentary democracy in this Chamber.

On the one hand, they instruct the police not to lay charges on Sunday shopping even though there is no bill passed in this Chamber, and on the other hand, they have \$100,000 worth of advertising going on in this House after Speaker Fraser made a ruling in Ottawa in 1989 dealing with the inappropriateness of this ad.

I would ask this Premier: Is he going to continue to proceed on the basis of executive management, or are we going to go back to the traditions of parliamentary democracy which all members of this House should participate in, unlike the dictatorship that is going on from the Premier opposite?

Mr. Filmon: Mr. Speaker, the member opposite had nothing but contempt for those so-called traditions of parliamentary democracy when he was in government and participated in and defended the expenditure of millions of dollars on advertising, including hundreds of thousands of dollars trying to promote a wrong-headed constitutional amendment.

I say to him that what he is doing is absolutely hypocritical, and I think the issue deserves the lack of attention it is getting.

Gasoline Stations Log Book Inspections

Mr. Jim Maloway (Elmwood): Mr. Speaker, my question is to the Premier.

Yesterday, approximately 200 homes and two schools in the Elmwood constituency were evacuated for several hours after a gas leak into the sewer at the Domo Gas bar at 955 Henderson Highway occurred.

Mr. Speaker, under the law of Manitoba, log books are to be kept on a regular basis with the readings taken on a daily basis to show if there is any loss of gasoline. Interestingly enough, this gas leak was found not by the Domo station people themselves, but by a resident of the constituency in his or her basement.

My question to the minister is: How often are the station log books inspected by his department?

Hon. Gary Filmon (Premier): Mr. Speaker, recognizing that this falls within the responsibility of the Minister of Environment (Mr. Cummings) who is at a meeting with his environmental minister counterpart in Saskatchewan today, I will attempt to give as much information as I can on this situation.

I can confirm, Mr. Speaker, that there has been regular examination of those log books as recently as even within the last 10 days. The department did not detect any leakage by virtue of the measurements in the log book, and that has occurred even within the last 10 days.

Whether or not the evidence leads directly to the conclusion that the member has reached or has jumped to, Mr. Speaker, the Environment department, at the moment, cannot substantiate that conclusion.

*(1345)

Gasoline Leaks Environment Department Directive

Mr. Jim Maloway (Elmwood): Mr. Speaker, perhaps the First Minister should check with the Environment people in the field who will tell you, if you want to check, that there were shortages of gasoline noted in the log books as early as the week before the 1st of May. So that would be at least 20 days now that there have been substantial shortages—

Mr. Speaker: Question, please.

Mr. Maloway: My question to the First Minister is: Would he endeavour to find out whether the Minister

of Environment (Mr. Cummings) issued a directive to all stations after the last major spill last month?

Hon. Gary Filmon (Premier): I will take that question as notice and have it responded to when the minister returns.

Contaminated Sites Domo Station—Henderson Highway

Mr. Jim Maloway (Elmwood): My final supplementary to the same minister is this. Last month, I asked the minister to release the list of 375 contaminated sites his department has files on.

Can the minister confirm that the Domo site at 955 Henderson Highway was already on that list of contaminated sites?

Hon. Gary Filmon (Premier): No, Mr. Speaker, I cannot confirm that. I will take that question as notice on behalf of the minister.

No-Fault Auto Insurance Income Replacement—Seniors

Mr. Reg Alcock (Osborne): Mr. Speaker, I am pleased that the Leader of the Opposition (Mr. Doer) raised the problem which the government has created by beginning the debate about no-fault insurance without the substantive information being before the House.

I would like to ask the Premier a very simple question since that information is not now available to us. The minister has stated that the plan is based on the Quebec model, and in Quebec, we note that seniors will receive no income replacement after age 67.

We would like to ask the Premier: Is that the intention of their model?

Hon. Gary Filmon (Premier): Mr. Speaker, I will take that question as notice on behalf of the minister responsible.

Pension Benefits

Mr. Reg Alcock (Osborne): It is passing strange that the Premier would have supported a policy without knowing the answer to a question—

Mr. Speaker: Question, please.

Mr. Alcock: Mr. Speaker, let us ask him another one.

Point of Order

Hon. Gary Filmon (Premier): Mr. Speaker, on a point of order, I did not say I did not know the answer to that question. I said I would take it as notice on behalf of the minister responsible for MPIC (Mr. Cummings).

Mr. Speaker: The honourable First Minister does not have a point of order. It is a dispute over the facts.

* * *

Mr. Alcock: Mr. Speaker, if the Premier will check, he will note that I asked him the question, not the minister, so perhaps he will now be able to answer a second question.

To the Premier: Will pension benefits be deducted from payments on the no-fault insurance plan?

Mr. Filmon: Mr. Speaker, I will take that question as notice on behalf of the minister responsible for MPIC (Mr. Cummings).

Introduction

Mr. Reg Alcock (Osborne): You see, Mr. Speaker, the problem we have. The government is sending out very limited information extolling the virtues of this plan and refusing to answer any questions about it here in the House.

So I have to ask the Premier a very simple question. Why are you afraid to reveal the details of the plan?

Hon. Gary Filmon (Premier): Mr. Speaker, despite the fact that this question may well be out of order because it was not presented to the Chair, I will take that as notice on behalf of the minister responsible for MPIC (Mr. Cummings).

Government Departments Service Co-ordination

Mr. Jerry Storie (Flin Flon): Mr. Speaker, my question is to the Premier.

Almost two years ago, the Pedlar report talked about the need for working together to deal with domestic violence. In that report, Ms. Pedlar noted that there is a tremendous need to provide commitment, consistency and communication within and between government departments and

agencies in order to prevent family violence from occurring.

Subsequent to that time and prior to that time, the Minister of Justice (Mr. McCrae) had been promising this Legislature and the people of Manitoba that they would be putting together a means of providing that co-ordination.

My question to the First Minister is: Will he now undertake and commit the government to implement a public inquiry of the incidents in Flin Flon so that we can understand why once again the government of Manitoba and its agencies and institutions have failed families in this province?

* (1350)

Hon. Gary Filmon (Premier): Mr. Speaker, I want to be able to provide a reasonable response to the member for Flin Flon. I know that all members in this House do not wish to have had happen what happened in Flin Flon. I also know that all members in this House do not want to interfere with court actions that will ensue from the apparent murders that took place in Flin Flon.

I think the member opposite understands that in the case of a court action, the psychological and behavioural conditions of the accused may well be a question in point, that files and information available from a variety of government departments and individuals who may have been in contact with the family and the individual—all of that may well be material to the legal action that is ensuing.

So I just say to the member opposite that I would hope that we would just put aside the opportunity for political gain and let the matter rest until the justice system deals with it. Then we will examine thoroughly, as the Minister of Justice (Mr. McCrae) has said, all of the processes that have taken place.

I can tell him that in response to the recommendations that followed the Reid tragedy, certain things were put in place which were and have been in place with respect to interdepartmental co-ordination and communication on this particular issue, but I believe that by going at the questions the way, apparently, the member wants to do, we are not going to necessarily do the right thing vis-à-vis the legal actions that will ensue.

James Phillip Bridson Case Public Inquiry

Mr. Jerry Storie (Flin Flon): Mr. Speaker, to say the least, I resent the implication that somehow this is a political issue.

Mr. Speaker, the people of Flin Flon, including the mayor, including the crisis centre board, including service agencies and departments of this government, have identified the lack of a crisis centre as an implicating factor.

My question is: Will the First Minister, given that he has the authority under The Evidence Act, appoint a commission to study the role of the government itself and its agencies in dealing with events leading up to this tragedy?

It does not have to be a criminal investigation or touch on the criminal investigation. My question is to the minister: Given that these kinds of inquiries have been done before, will he now launch a public inquiry into the role of government and its agencies—

Mr. Speaker: Order, please. The honourable member has put his question.

* (1355)

Hon. Gary Filmon (Premier): Mr. Speaker, the member opposite says he resents being accused of trying to make political hay on this case and then proceeds to do exactly that.

Mr. Speaker, the fact of the matter is, he has made the suggestion, as has the wife of his member for Thompson (Mr. Ashton), made the suggestion that there is a direct connection with the—

Point of Order

Mr. Gary Doer (Leader of the Opposition): I believe, Mr. Speaker, that individuals in their various roles and spokespersons across the province are treated as individuals, not as spouses of somebody else.

I would ask the Premier to be sensitive to that in this Chamber.

Mr. Speaker: The honourable member does not have a point of order. It is a dispute over the facts.

Mr. Filmon: Mr. Speaker, I am very sensitive to it, because I have learned from my colleagues opposite and their cheap shots over the years.

Mr. Speaker, the member opposite has made a suggestion about the role of a crisis centre. The principal resource that was represented by the crisis centre that was no longer available was the ability to have members of the family taken out of their home and housed in the shelter.

Mr. Speaker, there continues to be in Flin Flon the Northern Women's Resource Centre that provides both counselling and education, and there continues to be a 24-hour crisis line, and there is no evidence that either of those was attempted to be accessed. So I think that the member is drawing a long bow on this one, but we will be happy to have that investigated at an appropriate time.

Mr. Storie: Mr. Speaker, as the crisis centre board tried to explain to this government, the sick situation in Flin Flon, the economic circumstances and the pressure the community is under, require a quicker response. We cannot wait for six months or a year or two years for the government to make these decisions, to determine whether in fact this—

Mr. Speaker: Question, please.

Mr. Storie: Mr. Speaker, the First Minister has the power under The Evidence Act to begin an inquiry.

My question is: Will the minister now admit that the political decision to cut funding to the crisis centre was wrong? Will he now agree to reinstate funding and to assess the role of the government agencies—

Mr. Speaker: Order, please. The honourable member has put his question.

Mr. Filmon: Mr. Speaker, I repeat, there continues to be in Flin Flon the Northern Women's Resource Centre with funding of \$123,800 from the Province of Manitoba.

That centre provides both counselling and education for women with an emphasis on family violence as well as other issues to do with that matter. There also continues to be available a 24-hour crisis line. There is no evidence to suggest

that either of those was attempted to be accessed in the case.

ACCESS Programs Future Status

Ms. Jean Friesen (Wolseley): Mr. Speaker, when the ACCESS programs were created, they were meant to be a long-term strategy to support programs for people in Manitoba who have experienced barriers in their entry and in their success in post-secondary education.

As we all know, these have been extremely successful programs. They are internationally renowned. They have produced many teachers, doctors, dentists and social workers.

Last year, Metis nonstatus students had their allowances reduced by \$3,000. This year, the minister has cut a further 16 percent from ACCESS programs.

I would like to ask the Minister of Education: Will she tell the House today, what is her long-term plan for those ACCESS programs?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, as I have explained to the member before, the ACCESS programs have received some funding from the federal government and also our provincial funding. This province has maintained its commitment to ACCESS programs while the federal funding has changed. The federal funding now flows directly to bands.

Last year, as the member may remember, there were then some students currently in their program who were left unfunded. It was this government that came forward with the supplementary funding to assist those students to make sure that they could continue their program. I think that action speaks for itself.

Ms. Friesen: And so does the Estimates page with the \$1.2 million reduction.

Winnipeg Education Centre

Ms. Jean Friesen (Wolseley): Will the minister confirm that her departmental delays and apparent absence of long-term policy have meant that the Winnipeg Education Centre has been unable to admit its regular first take intake this year, something which should have happened on May 3 and which

is extremely disruptive for prospective students and their families?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, we have been making every effort to get information out to all of the institutions regarding student financial assistance regarding ACCESS programming. My department has now been in touch with all of the institutions.

Ms. Friesen: Mr. Speaker, that still leaves 20 families in limbo.

Enrollment Statistics

Ms. Jean Friesen (Wolseley): Will the minister tell us how many fewer funded students will be in ACCESS programs this year?

Would she care to reflect upon her comments of October 16, 1992, quote, that our commitment to ACCESS programs underlines the province's commitments to educational opportunities?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Speaker, again, we are in the process of intake in the ACCESS programs.

As I explained to the member before, when we look at the funding, we know that approximately 40 percent of the funding goes for living allowance and rent subsidies, and we are aware that approximately 60 percent of it goes for administrative costs.

We have been meeting with the institutions involved to look at how their administrative costs may be reduced, so the greatest amount of money will then be there as a benefit to students.

* (1400)

Government Departments Protocols—Information Sharing

Mrs. Sharon Carstairs (Leader of the Second Opposition): Mr. Speaker, my question is to the Premier.

Mr. Speaker, in reviewing the Reid report, one of the comments that was made by the individual who conducted The Fatality Inquiries Act on this case was that, and let me quote: However, Mrs. Reid, in her own fashion, appears to have been reaching out for help with no positive results.

We have a similar situation with respect to the case in Flin Flon.

Will the Premier table today the protocol that had been put into place by his government to ensure that information, sensitive information, travels from one department to the next department so, in fact, it can be acted upon in unity together?

Hon. Gary Filmon (Premier): Mr. Speaker, I might say that in drawing the parallel to the Reid case, there were, throughout that period of time, crisis shelters in Winnipeg within easy access, and that was not an answer for the Reid case.

I am not sure if she is drawing the parallel, but it obviously is not a parallel whatsoever.

Mrs. Carstairs: Mr. Speaker, I can only assume the Premier simply did not understand my question.

My question is, very clearly: What protocols are in place by this government to ensure that sensitive information about families which is learned by the Department of Education is shared with the Department of Child and Family Services, is shared with the Department of Justice, if applicable, and vice versa? There must be protocols in place between government departments. Will he table those protocols?

Mr. Filmon: Mr. Speaker, I will attempt to get a fuller response to that, but I do know that there are limitations to which we can go in terms of having so-called sensitive personal information about people and their behavioural or psychological problems. It is not the sort of thing that would necessarily be freely transmitted among departments and people within government.

In fact, I would be very concerned if it was so easy to obtain that kind of information that it just got passed along, file to file, people to people, and was in everybody's files in government. I would have to know a great deal more about the kind of thing she is talking about.

I do know that since the report on the Reid inquiry, a critical-incident team approach was established by government which is an interdepartmental action between the Departments of Health and Family Services instituted over a year ago and which prepared for situations such as the Bridson situation in reacting to a crisis, a tragedy, of this nature and that, in fact, it has of course been engaged in this particular circumstance.

Mrs. Carstairs: Well, Mr. Speaker, the Reid report states very clearly, and let me quote again from that report: That a proper exchange of information between agencies and police, assisted by legislation, if necessary, would have shown where it was heading.

We know that the Department of Education had information given to them in September of 1991 that an individual was suicidal.

Can the Premier tell us what the protocol was for the Department of Education to then share that information with the Department of Health, so a mental health worker could be called in to evaluate this particular situation?

Mr. Filmon: Mr. Speaker, I know the member is familiar with the circumstance because I have a copy of her correspondence on file. I have a copy of correspondence with members from the New Democratic Party. I also have seen copies of correspondence in the files with respect to other communication that went on amongst the school board, the family, the Department of Education, psychologists and so on.

Mr. Speaker, there is a great deal more to the circumstance as to the role of other people, including the family in this circumstance, and what was offered and what was accepted and what was not accepted. The member knows because she was, in fact, urging a certain resolution at the time of the correspondence.

I just say that I do not think this is the place to be airing those private pieces of correspondence between the family and—[interjection] I answered the question of protocols before, and I said that I would look into it and report back, Mr. Speaker.

But if we are now trying to find out who said what and did what and who may have been offered certain supports and services, and what their response might have been, I do not think that it is appropriate for us to get into this. That is why we will have to have, at an appropriate time, a full and complete review of this matter.

Children's Dental Health Program Funding Reduction Justification

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, while on many different occasions this

government has said they are committed to rural Manitoba, they are committed to preventative health and to the children of our province, we have also seen how hollow this rhetoric is, and in particular, it was most clear in the Minister of Health's cut to the Children's Dental Health Program.

I am going to table a letter from the Dental Auxiliaries Association of Manitoba, which says, and I quote: The Children's Dental Health Program currently provides effective dental care which increases and improves the general health of our population.

My question to the Minister of Health is: How can he justify his shortsighted move which will place the future of the dental health of our rural children at risk?

Hon. Donald Orchard (Minister of Health): Mr. Speaker, this issue has been raised ever since the announcement of the budget, that we were curtailing the treatment portion of the Children's Dental Health Program, and I simply indicate to my honourable friend that the founding principles of health care reform are on preventative services and education around the appropriate personal activities to maintain one's health status, and that includes dental health.

Mr. Speaker, I simply reinforce to my honourable friend that this component of prevention and education is to be maintained in the Children's Dental Health Program. I said, as I have repeated in the past, it was with regret that we made the decision to curtail the treatment aspect of that program, but we maintain, Sir, the very essence of health care reform in terms of prevention and education services that my honourable friend thinks so appropriate. We agree. That is why they are still there.

Study Tabling Request

Ms. Rosann Wowchuk (Swan River): Mr. Speaker, we have raised it before, and we will continue to raise it, because it is a great disappointment to rural Manitobans that the minister would make this decision.

Will the Minister of Health table any information or any studies he has which led him to choose this program as a target for budget cuts? Is there any

information which shows that the Children's Dental Health Program was not effective?

Hon. Donald Orchard (Minister of Health): Well, you know, Mr. Speaker, again, I have to say that no one on this side of the House took any particular joy in making the decision to curtail the treatment side of the program, nor did her confreres who govern in the province of Saskatchewan take any particular joy in removing the treatment portion of their program.

I do not even suspect her confreres in Saskatchewan took any particular joy in reducing GRIP benefits to farmers right across from the Swan River valley that she represents. Nor, my honourable friend, does she ever believe that the Saskatchewan government took any particular joy in curtailing funding to 52 acute care hospitals this year. But the reality of government, Sir, says that you make those decisions, but you attempt at all possible times to maintain prevention and education, and that is what we are doing with this program.

Ms. Wowchuk: Mr. Speaker, the minister should remember he is in Manitoba, and he should be proud of the programs we have in Manitoba.

* (1410)

Consultations

Ms. Rosann Wowchuk (Swan River): Before eliminating this program and the jobs, did he have any discussion with his federal counterparts with respect to the impacts that these cuts would have on those employees, all of whom are women and several who are on maternity leave? Did he have any discussion on how this would be handled—

Mr. Speaker: Order, please. The honourable member has put her question.

Hon. Donald Orchard (Minister of Health): I realize that my honourable friend gets rather excited.

Mr. Speaker, I attempt not to use the budgetary decisions of other provinces and how consistent they are with decisions we have made in the province of Manitoba because each province has a responsibility to govern and make decisions in the best way possible.

What I attempt to do, in bringing examples like Saskatchewan forward—is that there are governing responsibilities from Newfoundland to British Columbia, and in government today, governments, regardless of political stripe and affiliation, make difficult decisions.

It is only irresponsible opposition parties that say they can be all things to all people. They can lower deficits, lower taxes, increase services and mislead the public, Sir.

Simplot Plant Future Status

Mr. Leonard Evans (Brandon East): I have a question for the Premier or the Acting Minister of Industry.

Given the fact that the Conservative government of Grant Devine financed the construction of a new Cargill fertilizer plant in Saskatchewan and that its existence would threaten the future of the Simplot plant in Brandon, and since the Minister of Industry has said he was working very closely with the company on an expansion program, and since it is now reported that Simplot cannot get financing to allow it to proceed, my question is: Can the Premier tell us now exactly what is the future of Simplot in the province of Manitoba?

Hon. Gary Filmon (Premier): Mr. Speaker, I have not had a recent briefing from the Minister of Industry, Trade and Tourism (Mr. Stefanson), but as I understand it, Simplot intends to carry on its operations at the level they currently are in Brandon.

Mr. Leonard Evans: My supplementary question: Can the Premier be truly confident that Simplot will be able to survive?—because initially it was reported that the company had to either expand or it would perish.

So the question is: Is that situation now changed, and is the company no longer seeking provincial financial assistance?

Mr. Filmon: Mr. Speaker, according to Simplot, it is business as usual. If the member has better information, I would be pleased to have him share it.

Manufacturing Industry Employment Decline

Mr. Leonard Evans (Brandon East): Mr. Speaker, my questions are based on previous statements made by the Industry minister where he says—

Mr. Speaker: Order, please. The honourable member for Brandon East, with his question, please.

Mr. Leonard Evans: Mr. Speaker, I would like to ask an auxiliary question to the Premier: Can he explain to the House why jobs in the manufacturing industry in Manitoba are continuing to decline?—because I note that in the first four months of this year, Manitoba declined by 7.6 percent from last year, whereas there was an increase of 1.4 percent in manufacturing jobs in all of Canada.

Why are we going against the national trend?

Hon. Gary Filmon (Premier): Mr. Speaker, during that same period of time, of course, the member opposite will know that the total number of jobs in Manitoba has increased and, in particular, the total number of full-time jobs has increased.

The member will probably know that we have a new plant in Morden from Monsanto that has been announced and is beginning its construction, that Carte Electric yesterday announced 72 additional jobs in a manufacturing facility in Morden, that Ayerst in Brandon is more than tripling the size of its operations and investing more than \$130 million direct investment, Mr. Speaker, that many of the companies such as Lode-King in Winkler are up to all-time record levels of employment and expanding, and we continue to work very hard to encourage investment and job creation in this province.

That is our goal, to continue the kind of trend that we are seeing of more people making investments, of more jobs, new jobs being announced and more new opportunities for Manitobans. That may be a great disappointment to the member for Brandon East, but it is a great boon to the people of Manitoba.

Domo Station--Henderson Highway On-Site Inspection

Mr. Kevin Lamoureux (Inkster): Again today, Mr. Speaker, we see that Henderson Highway is being closed because of an incident that has occurred, in part, because of the inaction of government

regulation to take care of the leakage of gas tanks that are buried underground. The concerns that have been expressed from motorists and residents that live in the area have to be addressed by this particular government.

The Premier made reference to the law. My question to the Premier is: Can he tell this Chamber when, in fact, there was the last on-site check of that particular gas station?

Hon. Gary Filmon (Premier): Mr. Speaker, I will take that question as notice on behalf of the Minister of Environment (Mr. Cummings). [interjection]

Mr. Lamoureux: To the Minister of Finance (Mr. Manness), no, it does not surprise me. I would think that the Premier would—

Mr. Speaker: Order, please.

Environmental Concerns Gasoline Leaks

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, my question is: The Liberal Party has called for tighter regulation for the industry after similar incidents in '89 and 1990.

Can the Premier tell us what this government has done in the past three years to reduce the risk of these incidents?

Hon. Gary Filmon (Premier): Mr. Speaker, the member opposite knows full well that there has been the enactment of legislation and regulations with respect to this. In fact, the very legislation and regulations referred to in the question of the member for Elmwood (Mr. Maloway) that require the examination of daily inventory logs of the levels in the underground storage tanks are new and are intended to prevent such leakage from occurring.

There are a number of other matters that are underway. There have been a series of outcomes from the passage of legislation and regulations within the last couple of years to ensure that underground storage tanks were safe and that we did not have the prospect of leakage, Mr. Speaker.

* (1420)

Mr. Speaker: The time for Oral Questions has expired.

ORDERS OF THE DAY

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Energy and Mines (Mr. Downey), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Motion agreed to, and the House resolved itself into a committee to consider of the Supply to be granted to Her Majesty with the honourable member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Education and Training; and the honourable member for Seine River (Mrs. Daquay) in the Chair for the Department of Agriculture.

COMMITTEE OF SUPPLY (Concurrent Sections)

EDUCATION AND TRAINING

The Acting Deputy Chairperson (Mr. Jack Reimer): Order, please. Will the Committee of Supply please come to order.

This afternoon, this section of the Committee of Supply, meeting in Room 255, will resume consideration of the Estimates of Education and Training. When the committee last sat, it had been considering item 1.(c)(1) on page 34 of the Estimates book.

Mr. John Plohman (Dauphin): Mr. Acting Deputy Chairperson, last night when we finished, I just asked the minister about her views on professional development and asked her, as well, whether she had changed her mind on the importance of professional development between the period of January 19 to February 19, when she had issued in January the press release indicating that there would be 10 days available for professional development.

Then, in February, when the announcement was made, she indicated that there would be options given to school divisions to reduce professional development. Of course, that has manifested itself in the form of Bill 22.

I want to just explore that a bit with the minister. Perhaps the minister can tell us precisely what change in decision was made between those two dates. The minister mentioned yesterday that there was additional information given to the Finance

minister, and I understand through him to the ministers that the financial situation of the province was somewhat different than was anticipated on the 19th of January.

Would it be correct to assume that the minister was preparing to undertake funding for schools that was substantially different a month earlier than what was finally announced, and that there would have been no impact on professional development days when that release was put out to the public?

Hon. Rosemary Vodrey (Minister of Education and Training): Mr. Acting Deputy Chairperson, we have been working very hard as a government on the budgetary process for some time. As we were working on that process and attempting to meet, in Education particularly, the date on which we would like to announce school funding, more information was received and government had to look at the amount of money that is available across government and how we would deal with our financial situation.

What it was, as I have said before, and we used the term last evening, it was a budgetary process. When we received the information, then we were able to make the decisions across government on behalf of Manitobans.

Mr. Plohman: I do not understand how this was going to save the government money, to eliminate professional development days. The minister is still going to provide us with the amount that may be saved as a result of the professional days being cut back, the amount that is budgeted, the \$4 million figure that was budgeted by the department to go towards professional development. We had asked about whether some of that money would actually be spent on those professional development days that are allocated and how much of it would go for that purpose, therefore what the saving would be. The minister was going to provide us with some of that information today.

Other than that, where was the saving that the minister was finding as a result of the budgetary process that she was talking about? It was obvious that the government had to make a decision. Were they going to increase the funding to the public schools, decrease it, freeze it, whatever? How was

the cutback in the professional development days going to save the government money?

Mrs. Vodrey: Well, the government had to make decisions based on the amount of money that it had available, and those decisions were made across government. What we looked at then, was to say in government, specifically with our employees, how could we save some money in terms of our own budgetary process? Then when we looked at the amount of money available for schools, we also offered that same tool to school divisions, that they might also have the opportunity to look at and to use up to the 10 days or the eight days within schools, but that was an issue which school divisions would be making a decision about, and they would be looking at their own budgetary situation.

* (1430)

I would just like to go back to clarify for the member again, too, last evening when we were speaking, we spoke about the in-service days and if every division were to use the maximum number of days, up to eight days, because for schools that would reach about 3.8 percent to 4 percent, then I did give him the number that the maximum savings would be \$32 million, but the actual savings that school divisions will have will depend upon how they wish to use the option, how many days they choose to use within their own school divisions. When we spoke about the \$4 million I explained to him that that is money which flows through our ed funding formula. That money was not ever flowed through a formula before, and it is money which flows through the formula to school divisions, and school divisions then decide how they will use that money.

As I said last evening, sometimes school divisions choose to use that money to send a staff person away to look at a program. Sometimes they use it to offer programs other than on the professional development days.

So I think the member should, within his own mind, make sure that he is clear about the professional development funding which flows through our formula, how school divisions will, in fact, use their option with in-service days and what the government's decision was with its own employees.

Mr. Plohman: Well, I understand the maximum amount that could be saved if all the divisions decided to cut eight days of professional development from their school year would be \$32 million, estimated by the minister. But that saving would accrue to the school divisions. I ask the minister, through her budgetary process, how she could make the statement that this was going to save the government money when it was the school divisions that would incur the savings? So it was not an impact on the bottom line of the dollars being paid by the Minister of Education and the government.

Mrs. Vodrey: Mr. Acting Deputy Chairperson, government had an amount of money which they could make available to school divisions. That was my announcement when I announced the funding for the school year '93-94. But with the recognition of the difficult time period, the really extraordinary circumstances that Manitoba is in, I also said to school divisions that government with its own employees would be exercising this option of the workweek reduction and that we would include, if school divisions wished to have it, enabling legislation which would allow them to then exercise the same option with their employees.

Mr. Plohman: So the minister is saying that the professional development days were chosen because in the minister's mind they were the least important part of the teacher's work, or because it was something that she thought could conveniently be done?

Mrs. Vodrey: Again, what was given to schools was to look at a version of the workweek reduction with days such as the in-service days, and it is up to the employer to decide which days that the employer wishes to use.

Mr. Plohman: So is the minister saying that there are other options there for reducing the workweek? Could a school division decide to cut other days, other than the in-service days or professional development days?

Mrs. Vodrey: If schools wish to reduce the days that they are in school, they cannot reduce days in which there is a pupil-teacher contact, and that was made clear, that it would have to be days which were not considered to be days that teachers and students were working together. I also made it clear that those days were not an option and if they were used then funding would be reduced, because as I

said in the beginning it has been important to protect the integrity of the classroom.

Mr. Plohman: The minister is really saying then that the professional development allocated days are, in her mind, the lowest priority work of the teachers, and therefore they can be eliminated.

Mrs. Vodrey: Mr. Acting Deputy Chairperson, they are not all in-service days, though some are in-service days and others are administrative days. It is up to school divisions if they wish to use that option to use those days.

We are saying, however, a priority is that the days in which teachers and students are working together are very important days. We wanted to make sure that the integrity of the classroom was protected.

Mr. Plohman: My colleague has some questions on professional development as well. We can deal with a number of issues here. I do not know whether the minister would like us to move through a number of policy issues. We could do that at this time, and then come back to this, Mr. Acting Deputy Chairperson, when you recognize someone else for questions. I do not know about the Liberal critic. She did not have an opportunity to make a statement last night either as to these issues.

I want to pursue a couple of other policy decisions that were made by the minister and her senior planning staff. It certainly would, I think, be appropriate to discuss those at this particular line.

I first want to ask about one of the latest decisions that was announced. That was the elimination of bursaries for students. Can the minister indicate what the rationale was for eliminating something that is so important, particularly for rural Manitoba students going to university? The loan program has been widely used. There has been a lot of impetus, I think, in recent years for some special provisions to be made for rural students in particular, because they do have additional costs from those that urban students would have. For housing, for example, they do not have the option of continuing to live at home. There are travel costs and so on, so they have unique costs associated with going to university.

The minister has now changed the system so that any assistance is going to be based on loan. In

other words, these students who have very great difficulty finding employment in the present condition, the economic situation of the province, are now faced with having to pay back every possible cent of assistance. How can the minister justify that kind of decision, especially during the difficult economic conditions when tuition fees have increased dramatically over the last number of years, when rural students have these additional costs? What was the rationale and thinking behind this kind of a decision?

* (1440)

Mrs. Vodrey: Mr. Acting Deputy Chairperson, it was another of the difficult decisions which we had to make; however, we did look across Canada as well.

Let me start with the Canada Student Loan, because I think that is the first place in previous answers that I have given. Students' first supplementary assistance does come through the Canada Student Loan program. We have been very active in Manitoba in working with the minister, the federal minister, and in also making representation to the federal minister about changes to the Canada Student Loan program, because we recognize that there has not been an increase in the weekly loan limit, and there has to be a very accurate recognition of the needs assessment of students, what the true cost of education and living allowances are, and that has not been revised for some time.

Just in summary to that point, Canada has not announced its changes to the Canada Student Loan, and though we, as a council of ministers, have written letters as ministers of Education across this country, we have not yet heard what the changes may be.

So Manitoba has offered a second supplementary assistance for students. It was offered in the form of a bursary, but it was very difficult for us to continue with the bursary. We looked across Canada, we saw that other provinces, as well, were operating with a loans program. I will remind the member that Manitoba has continually put more money into that bursary program over the past five years, and it was important to us to make sure that there was still

access to that second supplementary set of funds for students. Our concern with the amount of money that was available was that if we continued with the bursary, we would have had to make some very difficult choices.

One choice would have been to reduce the amount of money that students would receive weekly through the bursary system; secondly, we could have made another choice. We could have said there is this amount of money, X amount of dollars available in the bursary system, and it will be only available on a first-come, first-served basis to students. Therefore, if you did not get your application in first and you were not right at the front of the line, then you might get no second supplementary assistance. That did not seem fair. Both of those choices, operating on the bursary system, seemed unfair and limiting in access to students.

So we made a decision that we would move to a loans guarantee program. The loans guarantee program makes sure that there is funding available for students, and that it is not offered on a first-come, first-served basis but that students need apply to that second supplementary level and where they meet the qualifications, and the qualifications have not changed since the bursary program, they remain the same, students then would have access to those additional funds so that they would then have access to post-secondary education. In addition to that, we also said that for the most needy students we would provide a bursary as a third supplementary step for students.

Mr. Plohman: The minister has limited herself by her own policies. She said that the only options were to reduce the amount by bursary, and I think these are areas that we will explore in some detail when we get to this line in the Estimates.

I want to move on to another area at this particular time, that being the issue of the cuts in clinicians and services to special needs students. Again, a decision that was made by the minister. She was going to tell us, as a result of a very difficult process—and the minister probably would say that she did not have any choice but to do this. I want to

know what the rationale and the thinking was behind this kind of decision prior to it being made.

Was the minister of the opinion that the service could be reduced? Was the minister of the opinion that there would be an enhancement of the service by way of the action that was taken? Was it the minister's position that perhaps it was not needed to the extent that it was being offered in rural areas? What kind of thinking went into the minister's decision to cut these positions and then to say, well, school divisions could hire them back with funding that was insufficient to do the job?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, the role of clinicians is a very important one in schools, and I think the member knows that being a school clinician is my background, so I am very familiar with the work that those clinicians do and how valuable they are to schools.

Through our new ed funding formula—it is now in its second year as the member knows—we did look at the grants that were available to clinicians, and we did change them, we did increase them. We put together what was previously a salary grant, an administrative grant, and we also increased the amount. Again, with the formula changing, there was an allowance of \$23,000 for clinicians and it did go up to \$45,000.

So because we recognize the importance of the role of clinicians, we did increase through that funding formula decision the level available. I will remind the member, too, that 19 school divisions do operate with their own clinician services. Because we provided for the funding, we made the decision that then we would move to the school division's hiring the clinicians as their own employees. But the member has said, what about regional services?

We certainly have supported the idea that school divisions may come together and they may wish to hire their clinicians on a regional basis. So the decision was made with an increase in the funding formula last year and with the knowledge that divisions may decide how they would like to receive the services.

Mr. Plohman: What relevance is it that 19 school divisions operated with their own clinicians? The

minister has used that a number of times. What is the relevance of that statement to this decision?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, I mention the number because I would like the member to know that this model is not one which has just been developed this year with this particular decision. He should know that there are school divisions who are currently operating under this model and have done so successfully.

Mr. Plohman: That is certainly something I think anyone associated with the school divisions is aware of, but that does not make it a relevant point because they have chosen to do that for whatever reason. I asked the minister how that justifies forcing all school divisions to operate on that basis.

Mrs. Vodrey: Again, I can say to the member that this model has been in effect. It has been an option for school divisions, and this year we decided that with the enhancement to the grants—now we are in the second year of the funding formula—that school divisions now would become the employers of their clinicians.

However, we have retained the responsibility to make sure that clinicians have the supervision that they require in order to become certified. We will continue to assist divisions if there is any concern around hiring. We will assist divisions in terms of finding a clinician, a person who would be interested in going to work in their area, and we also support where divisions have come up with plans of regional service. We also support that.

* (1450)

Mr. Plohman: Did the minister undertake this then—I am not going to ask her at this time how much money is going to be saved. When we get to that line, we will deal with that question but was this basically a cost-cutting measure?

Mrs. Vodrey: As the member says, when we get to the budget line we will be able to have a full discussion around the issue of whether money is being saved because we will be making every effort to support divisions, and they may receive additional funding through the supplementary support available through the funding model.

We can look at the issue of whether or not money is actually being saved, as the member said, when we get to that line. This was a decision that was

made. It was one of many decisions that we had to make during this process but, again I can say to the member, when we get to the budgetary line then we will be able to discuss in detail if in fact there were any savings by this measure.

Mr. Plohman: Is the minister saying she does not know if there are any savings?

Mrs. Vodrey: I am saying that, as the member said, the monetary and financial areas would best be discussed under the line in which the clinician services are noted.

Mr. Plohman: I did not ask the minister how much she is saving, we will get to that when we get to the line. This is a decision that was made by her senior staff and herself as minister and brought forward to Treasury Board. I am asking the minister whether it was brought forward as one of the objectives being saving money for the provincial government for her department—yes or no?

Mrs. Vodrey: Just for the member's background information, most provinces do have a decentralized service and a service where the school division is the employer and the employing authority is then closer to the area where the service is being delivered. I understand that Saskatchewan also has a decentralized service, and as I have said to the member, we had a number of school divisions in the province already who are operating under that model.

Mr. Plohman: It sounds like a pretty straightforward answer to the question.

Can the minister tell us whether one of the motivations for this decision to decentralize was to save the department money?

Mrs. Vodrey: Again, I have said to the member we have discussed the issue of service, the service issues, the decentralized service and the service being within local control. I have also said that the clinician grant is available through our funding formula and that it has been an increased grant for clinician services. I have also said that we will also be endeavouring to assist school divisions where they require it through supplementary funding. However, there will be some savings to government but there will not be a loss of service. There will be an increase in local control.

Mr. Plohman: I congratulate the minister for finally admitting that she was attempting to save money here. The many questions that we have asked in the Legislature, and now even in the committee, the minister has avoided that question. It is encouraging that she finally has decided to reveal what has been suspected all along, and that was that one of the motivations—and I will not say primary at this time, but I believe it probably was—was not to increase local control and not to provide better service but simply to save dollars and look good in terms of the number of SYs eliminated from the department. I say look good insofar as the minister and the government being able to report that they have cut civil servants. It sounds like something the government feels is popular at the present time.

I think that is a revelation today that is significant, that the minister has finally admitted the fact that the government will be saving money here. I think there is another revelation, though, that we are going to be needing. I am going to be following this up later on to find out the precise number of dollars that are projected to be saved.

The issue of service now, and I think we can approach this by asking the minister, first of all, how long was this being planned. Was this something that the minister has been working on over the past year, or was this something that is simply arrived at as a result of budgetary requirements these last few months?

Mrs. Vodrey: Again, I would say to the member that there have to be critical choices, but I reject the fact that he is not understanding the issue of service is an important one. The issue of service has been considered by this government in this decision. In the making of the decision, there was an alternate way, funding through the funding formula, to provide for this service. Therefore, the service would continue to be available, and the service would continue to be available within local control. Those are important issues.

Discussions around the devolution of clinician services have occurred for many years. It has been a discussion that has gone on for some time. There needs to be a readiness in the field in terms of making this decision. That has always been a factor. But I can tell you that the funding formula added by virtue of its formula. The formula

changed, not just in money. I will just remind the member that previously the number of clinicians was calculated in a ratio of 1 to 900 and the funding formula changed that to 1 to 700. It provides for then, if funding is through the funding formula, an additional nine clinicians.

Mr. Plohman: The formula that was put in place the previous year, as the minister said, reduced the ratio from one to 900 to one to 700 and increased from 43,000 to 45,000, but those are just numbers.

Point of Order

Mrs. Vodrey: On a point of order. The number was from 23,000 to 45,000.

Mr. Plohman: Oh, pardon me.

The Acting Deputy Chairperson (Mr. Reimer): There was not a point of order, just a dispute of the facts.

Mr. Plohman: Mr. Acting Deputy Chairperson, you have to say that, eh? It was okay that we have that clarified.

* * *

*(1500)

Mr. Plohman: So there was a rather significant increase in the grant available. However, those numbers are all relative to the real cost. The minister may find them particularly significant, but they do not mean anything insofar as the decision that was made this year if they still do not cover the actual costs. The minister has admitted that they do not cover the actual cost, because in fact there is going to be a reduction in costs. [interjection] Well, the minister can clarify that later on.

I want to ask her, she said there have been ongoing discussions, is she saying that the trustees have been asking, has MAST been asking, as an organization, and have individual boards been asking for the minister to devolve this service completely to the school divisions? Was there a resolution to that effect? Have they been clamouring to have this change instituted by the government?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, I just would like to correct that I did not, in the member's words, admit the funding did not cover the cost.

That was not a statement that I made. I think it is important to clear that up.

In terms of the discussion with school divisions, no, a resolution did not come from MAST. The discussion has been with the department and school divisions making sure that school divisions understood the availability and, certainly, when the new funding formula came out that there were now changes. There were changes in the amount of funding available and also changes in the ratio or the numbers available. As I said to the member, that change allowed for nine more clinicians to be hired.

Mr. Plohman: Mr. Acting Deputy Chairperson, that was the previous year that that formula was changed. So the minister is misrepresenting that insofar as how it impacts this year. That change was taken the previous year, and it would result in additional clinicians being hired as a result of that change in that formula. However, that does not mean additional clinicians have been hired by school divisions at the present time. We do not know and I hope that we will find out. Maybe the minister knows at some point how many have actually been hired by these school divisions throughout the province.

The point is school divisions are saying this does not cover the cost, and the minister has admitted that there will be cost savings today. She also has said that MAST did not ask for this. There was a permissive process in place that allowed school divisions to hire their own previously. So they were not asking to be forced to do this.

So, once again, I want to ask the minister then on what basis, on what consultation, did she arrive at the decision to in fact force school divisions to hire these people, these clinicians, these specialists, on their own. Every single school division in the province that wants to have that service available to their students, whether it is practical or not in terms of numbers, in terms of critical mass of activity to make it efficient or practical to do so.

Mrs. Vodrey: Let me start by saying the service is important. Believe the service is important which is why the changes were made in the funding formula. With the recognition of the changes in the funding formula, the increased amount of money available for a clinician grant, the change in the ratio of the

numbers of clinicians available to students, with the issue of local control being a possibility and with the effective working of 19 school divisions, decisions were made this year, but they were made with the knowledge and the background that I have set out for the member.

Mr. Plohman: Well, the minister has proudly talked about partners in education, and we are dealing with reform of the legislation. When she is talking about reform, she continuously talks about the consultation with the partners in education.

What happened on this important issue? Where was the consultation with the divisions that are being forced to hire these clinicians on their own whether they have the money or not?—keeping in mind the capping, Bill 16, and the inability to raise funds locally, plus the cut that the minister made of 2 percent which manifested itself in much higher amounts for many divisions.

How could she decide unilaterally that this decision should be made and that this would be in the best interests of those school divisions and the children in those school divisions?

Mrs. Vodrey: Mr. Acting Deputy Chairperson, again I can go over the list, the background which I believe is important, which is known to the school divisions. I think the number of clinicians is an important one because the member has spoken about concern for special needs young people and we share that concern too. Certainly that was the work that I did in working in schools was direct work with special needs young people.

Under the current situation and our current employing, we did not have the nine extra clinicians. When school divisions move now to the funding through the funding formula and the ratio available through the funding formula, that makes available nine more clinicians for services in the area of special needs. I think that that is a very important issue to be considered in the decision making.

The issue of local control is an important one. School divisions themselves may come to a model of regional service. They may also sell or purchase services among themselves. They may come to a variety of ways in which to have the clinician services that is the most beneficial to the divisions.

We wanted to make sure that the clinician service would be continued, therefore the issues which I have been reciting for some time were important in the decision-making process. It was important to make sure that the clinician services would be continued.

Mr. Plohman: The minister should not misrepresent that the formula yields nine additional clinicians because she said through some magical process here that we are going to have nine additional clinicians in the province, and we are going to save money.

Now are we going to pay the clinicians less? Is that what the minister is saying? Is that coming from her grants or is it coming from supplementary dollars then for these additional costs, or if they are not going to pay the clinicians less, is it coming from the school divisions? Are they having to supplement the \$45,000 grant in order to hire these people?

Let us give credit if that is what we are going to do to those that it is due to, not attempt to take credit for something that is not an enhancement of services at all on the part of this minister.

Mrs. Vodrey: We are moving into a very detailed discussion of the funding of clinician services and, again, I believe that the funding issues, the money, if any saved to the province, would best be discussed under the financial line which deals with clinician services.

Mr. Plohman: I did not ask the minister for the amounts, and she knows that I stayed away from that. We will deal with that in the line. I was asking the minister how she could claim better service as a result of this policy decision by herself and her senior management; how she could claim enhanced service and take credit for it as a result of the grant system that is in place? It just does not add up, and that is my point.

The second point that I was making to the minister was that she seems to try to leave the impression that consultation is so important, and that the partners in education are very important, that she values their input. What happened in this particular instance? Why is it suddenly the minister deciding that this is good for the school divisions, that this is appropriate, that this gives them local control and they should want it when they did not ask for it?

Mrs. Vodrey: Again, I can go over for the member how the funding formula and the funding applied through the funding formula with the changed ratio does allow for nine more clinicians than were currently available through our direct employees through the Child Care and Development Branch. In addition, there is local control of direct service to students which will allow for divisions, and I have given the member some examples—that the divisions may decide to share the services of some clinicians. They may decide to purchase service of one clinician for the amount of time that they believe they need it, and it may allow them then to make sure that they have the amount of clinician services that they determine they would like to have at their own level as employers.

* (1510)

Mr. Plohman: Well, Mr. Acting Deputy Chairperson, how much time did the minister give advance notice to the school divisions to do this kind of planning to decide if they wanted to have regional delivery of services, if they wanted to work with other school divisions, if they wanted to hire additional services locally? How much time were they given prior to the deadline for the budget being prepared?

Mrs. Vodrey: School divisions were told in early March about the clinician services, and we have made every effort to help clarify for them the flexibility that they have in terms of hiring clinicians. When I spoke at the MAST convention, there were questions then about, could divisions come together for a regional service? Could divisions in fact purchase service from another division? All of these issues have been clarified, and we are now hearing daily from school divisions what it is that their service agreements will be, and we expect to have the totals and the total numbers in by towards the end of May.

In terms of consultation, Mr. Acting Deputy Chairperson, I have to say that we do believe in consultation. We certainly have consulted on a number of issues. In fact, the member seems sometimes critical about the consultation. Last night he was speaking about the making of decisions. So I will tell him that again, yes, we do believe in consultation. It is important to get the input of the partners in education and also the input from Manitobans.

Government does have to make decisions, and government does try to make decisions with the most information possible. Some of those decisions will be fiscal decisions, and some of them will be decisions which, as I said to the member, also make sure that service is still available for young people.

Mr. Plohman: If saving money was not the primary motivation for this change in how these services would be delivered, why did the minister not plan for it? She is talking about a reform process. That is what we discussed yesterday about the many stages of consultation in that reform process. There is really no outlined process or time line. We found that out, but the minister is going through several steps of consultation.

Why would she not do the same thing with this kind of an issue, give the school divisions notice that the government intends, for whatever reason, to move towards a different form of delivery, a different method, a different system? Then give them notice that this would take place in the coming year, in the following year. Why not do that kind of a logical step-by-step, systematic, planned process instead of dumping this on the school divisions a couple of weeks or less before they had to finalize their budgets, especially when the minister had thrown them into chaos with a late announcement, a late financing announcement that was substantially less than the previous year?

There was a great deal of last-minute work that had to be done by these school divisions. There was a tremendous pressure and, I think, a great deal of confusion as a result of the minister being so late with her announcement. Then throwing this kind of a thing on top of them to add to the confusion, it was a chaotic way to make decisions by this minister, and I have to ask why she did not do it in a more orderly fashion.

Mrs. Vodrey: Again, the pressure that school divisions were under with the timing of the funding announcement, I have spoken to the divisions about that. It was a very difficult time. It was a very difficult time for government, and I understand that there was a lot of work and a lot of effort that was then put forward by school divisions in terms of their decision making.

That was not done leaving them completely alone. My department was out visiting school divisions. My department made sure that they were available to school divisions to assist them as they worked through their budgets. That has been the case every year.

I think it is very important to make sure that the member understands the resources that we have attempted to make available to school divisions to assist them. The Finance Branch has been out visiting with divisions, helping to clarify, helping to work through questions and concerns with school divisions. We did appreciate the pressure that school divisions were under. When I spoke at the MAST convention, at that time as well we made every effort to clarify areas where there have been questions to make sure that divisions in the area of the clinician services, in particular, that divisions understood the kinds of service that they could engage in. I have used examples where divisions may wish to come together for a regional service, or where divisions may wish to purchase service, one from another.

Mr. Plohman: Mr. Acting Deputy Chairperson, the point is they were not given notice of this, so none of this planning could be done in advance, whether they wanted to purchase services or plan together as to the best way to deliver the services, because it was dumped on them at the last minute.

Now the minister said, this is the same every year, this pressure. It is not. Does the minister know that the average date for releasing the figures over the last five years before public schools is January 20? Not February 20 or approximately that, which the minister did this year. She took one month out of their planning and added a month of pressure to those school divisions, so it is not satisfactory to say that this is the same as every year.

In addition to that, she dumped on a last-minute decision with regard to the clinicians which does not happen every year either.

Mrs. Vodrey: Let me just provide the member with maybe some information that he has forgotten. Letters were sent to school divisions. They were sent before Christmas to let school divisions know what the funding may be this year, and the very

difficult funding announcement that would follow. In that funding announcement school divisions were then to begin planning their budget to understand that they would not be receiving any more than last year and perhaps less. Should the member like to look at the letter, we can find the letter again and retrieve it.

So school divisions were in the process of planning for several months before the budgetary announcement. I would not like to leave the impression that school divisions received no notice because they did receive notice. Then again, the Minister of Finance (Mr. Manness) and I had in representatives of school divisions so that we could discuss with them the fiscal position of the province and reinforce the message of the difficult funding year that this was going to be.

In terms of "the same every year," what I was referring to was the support that the Department of Education and Training offers to school divisions, that when the budget is announced, the staff from the Department of Education then go out into school divisions to assist school divisions as they work through the budget process.

Mr. Plohman: Mr. Acting Deputy Chairperson, I have a copy of the letter, not right in front of me, but I have read it. It did not give a specific figure. It talked about not expecting more funding, but it did not say there was going to be a 2 percent cut or 3 or 4 or 5 or 6 percent cut that many divisions experienced. It said nothing about the transfer of clinicians. So again, a precipitous decision, total lack of planning.

This is what we are finding with this minister, except when it is convenient to say that there is planning, such as not knowing what to do about reforms, so say we are planning. But it sounds to me from the information that the minister has given us, that these are not made as a result of careful plans, but rather chaotic decisions made in a precipitous way at the last minute.

That is what we have seen here with the clinicians. There is no rational reason given by the minister for not alerting school divisions that the government intends to move in that direction many months before it finally did so in this particular case. That is

what we are pointing out to the public and to this minister, and saying that is not satisfactory.

* (1520)

Mrs. Vodrey: Mr. Acting Deputy Chairperson, again, I point out to the member that there was in fact warning to school divisions. Many school divisions were working on several scenarios for a budget so that they would be able to look at what a budget might look like within their division. So we have in fact made sure that school divisions in Manitoba had as much information as we can give them.

I will say to the member that this government has been very open about doing that. This government has sent letters, which I do not believe were received in the past when the critic was in government. This government has had Manitobans in and shared our fiscal situation with Manitobans.

The Minister of Finance (Mr. Manness) has brought Manitobans in and has shown them very openly the position of this government and our fiscal realities. I do not believe that that was ever the practice when the former member was in government.

So I would say to the member that we have made very effort to, when we have not been able to give the exact figures because government is going through its budgetary process, that we have in fact made sure that Manitobans understand the process that we are going through and what we are working with as a government, that they have access to the same kinds of numbers and that they have an understanding of the realities of this province that has been shared with Manitobans, that was shared with school divisions.

Then school divisions, when the announcement was made, we acknowledged that this was a difficult budget and that there was some pressure in terms of time to get the budgets produced, but the school divisions were able to do that and we did provide all the support that we could from our department to assist school divisions to prepare their budgets.

Mr. Plohman: I want to just add on this matter at this time that the minister is even going so far as misrepresenting the letter that was sent out in November. It was sent out by her predecessor

before her in November. I have seen those letters as well.

She said, so they could have the same numbers and share the same information. There was not a lot of information shared in that letter, no numbers given, Mr. Acting Deputy Chairperson.

Point of Order

Mrs. Vodrey: On a point of order, it was not the numbers within the letter. The letter itself provided a global sense of what the funding might be, that it would be no more than last year and perhaps less, and the numbers were shared in a presentation by the Minister of Finance (Mr. Manness), a presentation that this government has initiated to make sure that Manitobans understand the reality. So there were two separate pieces of information.

Mr. Plohman: It sounds quite a bit different the second time around, and I am happy the minister has clarified that. That is exactly how I would characterize the letter. It was global. It did not give any numbers, and the presentation by the Finance minister then was not in November, months in advance, because the minister talked about these in the same context as if school divisions had this information in November when they got the letter.

The fact is, when the Minister of Finance made his presentation, it was only a couple of days before the funding announcement in February. So there was not a great deal of time added to the school divisions' ability to plan and to make budgetary decisions. It was a matter of a couple of days. So let us not overstate that issue so far as the role the Minister of Finance had here. I want to just say, Mr. Acting Deputy Chairperson, that there is no other way to characterize this as an unplanned, chaotic, precipitous decision by the minister and this government.

* * *

Mr. Plohman: I want to mention to the minister that perhaps if she has additional staff here that are involved with other sections of the Estimates, she might consider advising them—and I am doing this out of courtesy and out of respect for their time—that we do not plan to move from this section this afternoon, so if they are waiting in anticipation of us moving forward, in fact they need not do so.

Mrs. Vodrey: I would like to thank the member for that. That is very helpful for the department to be able to continue its work. Thank you.

Mr. Plohman: I think I am going to leave it for now.

Ms. Avis Gray (Crescentwood): I am not going to begin with any opening statements. First of all, I would like to welcome the minister to her portfolio. I think this is the first opportunity I have had to do that publicly, so I welcome her to her portfolio and to this Estimates process. I would also like to welcome the staff from her department here. I recognize that the Estimates process is a very time-consuming and resource-intense occupation for a number of weeks. I had spoken with the member for Dauphin, and again, because of the nature of the Administration and Finance section, where we have an opportunity to ask a number of questions, we certainly will be doing that until private members' hour at five o'clock.

I will not be giving an opening statement because I think, as I ask the questions throughout the Estimates process, it will become clear what our policy is in regard to education in our caucus. I think sometimes that politicians, with all due respect to all politicians in the Legislative Assembly, like to hear themselves talk.

I have some general questions on reform and goals, but before we do that, I wanted to pick up on an issue that has been discussed over the last number of days, and this is the co-ordination of services amongst a number of departments: Education, Justice, Health and Family Services. I recall, from a Seven Oaks School Division debate a number of months ago, where the minister was in attendance, that she had indicated that the deputy ministers committee had reached a point where they were now looking at an implementation plan for co-ordination of services. I am wondering if the minister could give us an update as to where that process is at.

Mrs. Vodrey: The committee that the member is referring to was a committee which came about at the recommendation of a committee of cabinet. It involved a steering committee of deputy ministers and then a working group of our staff from the four departments who have been involved. The steering committee has been working, has met and has met

also with the working group who has met more times again then to do the work of the project.

The working group has now submitted a report to the deputy ministers; the deputy ministers have reviewed it. It has, as I said yesterday, now come to the ministers, and the ministers will now be reviewing the report, but we will have to look at the report together as a group of ministers, as we now look at exactly what the implementation will be and what the effect can be.

Ms. Gray: Mr. Acting Deputy Chair, so the minister is indicating then—can she tell me that in the interim, while this process is underway, are there any agreements amongst the departments or any protocols in place or even interim protocols in place with respect to sharing of information and sharing of potential cases and referral of potential cases amongst departments?

Mrs. Vodrey: Mr. Acting Deputy Chair, from the working group, there certainly was a recognition of the need for the sharing of information. I think that has been brought to us very clearly by the initial report, which was considered by government and led to the establishment of this committee.

There has also been an increased willingness and an understanding of the need for us to speak and to share information.

Yes, there are some protocols which are now in place. One that I have spoken about in the House is the protocol for the 24-hour—it is called 24-hour crisis planning, and it is between the Departments of Health, Family Services and Education, which does look at the planning on behalf of a young person. Most often these are severely emotionally disordered young people or behaviourally disordered young people who need that consistency over the 24-hour period between school and home life, so there is that protocol in place by way of example.

* (1530)

Ms. Gray: Mr. Acting Deputy Chairperson, there is no question that there is a recognition of a need for co-ordination. I think it went well beyond the recommendations in the last five years. This is a problem that has been there for the last 10 and 15 years. So it is not a new issue and the recognition is there.

I am familiar with the 24-hour planning process. Can the minister tell me, other than the 24-hour planning, are there any other protocols in place with reference to perhaps even calls that come in or material or information that comes in directly to ministerial offices?

Mrs. Vodrey: Mr. Acting Deputy Chair, well, there are other protocols. Because we are not at that line in terms of the PDSS or the K to 12 area of my department, which has been dealing with this area most specifically, we do not have the lists available today for the member. However, there is another protocol, and there are also a series of other joint initiatives between departments to assist and to show the co-ordination where departments are in fact already co-ordinating.

In terms of the work of that committee, the committee was looking at an inventory of service. It was looking at what services are currently provided by departments and then bringing those services together so that then they could be looked at. The availability of services would then be made known so that there was not just a reliance on the knowledge of a single department or the services of a single department, but rather we could look across those departments in which services to people are given and know what range of services are available.

As I said, the report will now be discussed at the ministerial level, and the ministers will then make some decisions based on the report that we will have received.

Ms. Gray: Mr. Acting Deputy Chair, perhaps the minister misunderstood me, but I was asking actually what protocols were in place within the ministerial offices, i.e., what protocols are in place, if in fact the minister's office or any of the ministers' offices receive, let us say, calls on an ongoing basis from a particular individual? They are obviously expressing concerns and seem to be having difficulty, et cetera, and although there may be, as the example this minister's department, an educational focus to it, it may seem obvious that there are perhaps potential services that might be utilized in other departments, let us say, Health or Family Services. Is there protocol in place and in fact are the staff in the minister's office trained to know what to do with the information that they

receive or how to refer people on to other departments should that be required?

Mrs. Vodrey: Again, I can tell the member that, yes, co-ordination does occur between departments where there is a concern that has been raised. Again, and the member is likely aware of this, sometimes individuals, when they phone, do speak to our office staff and tell them the whole issue but sometimes they do not. Sometimes they wait until they can be directed, and in our case we do make every effort to direct through our department in particular, if they are asking for a support to make sure that people are connected with the service that they require, where people are able to tell us what it is that their need is.

As I said, we do not always know if people then do follow up on that. The member comes from a services-to-people background as I do. Sometimes when information is provided, people are not able to make that second call.

Ms. Gray: I am not even interested in and perhaps placing any blame on any particular circumstance or any particular case to a department. I mean, this lack of co-ordination in services, unfortunately, has been longstanding for well over 10 years, whether it is this government or the former government. It certainly has been raised as an issue with governments in '84 and '86 and '88. My concern is that I know what it is like when you get committees together in government. First of all, you have to get them together to meet, and then trying to reach a decision oftentimes when you are dealing with a number of departments can be a very difficult task.

I am concerned that we do find people who are falling through the cracks because staff are not necessarily trained and there are not protocols in place. Now that this particular working group has made recommendations which are now with the ministers, can this Minister of Education tell us how long it will be before a decision is made as to which of the implementation pieces are accepted and when we might see some protocols in place?

I would suggest that those protocols would be very useful to members of the opposition as well, and perhaps we should even be looking at some training for all staff in the Legislative Assembly when it comes to issues such as this. I am not suggesting

this is just something government staff need to be worried about, but perhaps all of us here.

Mrs. Vodrey: Just to go back to when a call comes in, again it does depend on how much information that a person is able to give the person on the other end of phone. When we get enough information from that individual—and many times it is important for us to make the calls, and certainly some of our support staff will then, when an issue is defined, make calls within departments and then return the call to the individual who has called to give them the information that they require so that they can then make the call on their own behalf.

* (1540)

So the support which is available—and again I speak for my department, and other ministers will speak for theirs, but when a call comes in, again we make every effort to direct an individual, or where there is further information required, we will very often make those calls ourselves to get the service numbers for the individual and then phone the individual back and provide them with the information that they need.

In terms of a time frame for the implementation, again it is very hard for me to, as a single minister, give an exact date of implementation because it does involve other ministers and other ministries. But I can tell you that it is an, obviously, important issue, and, as the member says, yes, it has been an issue for a long time. As I had said last evening, I remember in my own practising in the early '80s sitting in the minister of the day's office and saying to that minister, we need to have some co-ordination.

So I can tell you from a personal point of view, I understand the needs in the field. It is an important issue and Education has, in fact, chaired the committee, so we will be looking to have some developments to report as soon as possible.

Ms. Gray: Can the minister tell us when next is this group of ministers meeting, and will that particular report be on the agenda?

Mrs. Vodrey: I am not able to give the member a date at this time as to when that meeting will occur and as to the agenda at that meeting.

Ms. Gray: I can appreciate the minister has to get some support from other ministers in order to quickly move on this, but can the minister tell us when she would like the report acted upon and actually protocols in place?

Mrs. Vodrey: Mr. Acting Deputy Chair, well, again, as soon as possible because it is a high priority and it is a very functional priority to have the information actually available. As the member knows, we will be looking to co-ordinate as a group of ministers, and we will be doing it as soon as possible.

Ms. Gray: Could that as soon as possible be by the end of June?

Mrs. Vodrey: Mr. Acting Deputy Chair, as I said to the member, I certainly see the issue as a priority. I will be taking it forward, but I cannot give the member a date at this time.

Ms. Gray: Mr. Acting Deputy Chair, moving on to some more general questions in this area of Administration and Finance, it is always difficult in Question Period to really get a lot of answers because of the nature of the question and answer and the time factor.

I am very anxious to hear from the minister, now that we have more opportunity for discussion, if she could give us a sense of when she refers to reform of the education system, does she have a framework or some type of blueprint in mind, not in terms of what all the answers are as far as education reform, but really what components does she see as a part of that reform? Has her department developed goals and objectives around that reform that they would be able to share with us?

Mrs. Vodrey: The issue of education reform is a major initiative. We have spoken about it very briefly in terms of questions and answers in the House, and yes, we did have an opportunity in our last sitting to discuss it as well.

I would like to just outline for the member some of the issues that are important in education reform. First of all, a series of principles, which we have developed through our own strategic planning, which we believe should be reflected in all of the education reform. Our decisions and our actions would be based on principles such as excellence and equity, and principles such as openness and responsiveness—I think those are some of the issues

which we are discussing even here this afternoon—choice and relevance, and integration and accountability.

The whole process is one which does require consultation. It is a process which, as I have said before, we need to be careful not to develop strictly in isolation and then just lay it out to the field, but that we should involve the field. I have described the people who have been involved as partners in education, but I call those people—they are teachers and superintendents and trustees. They are also business and industry and labour. They are also parents. They are Manitobans who have an interest in education, who must be involved in the process.

There are a number of areas in which we are looking to reform. One is the area of legislative reform of The Public Schools Act, and that does provide the legislative and legal framework for education in Manitoba. We are looking at that reform for the first time in over a decade, and for the first time, that reform has included public consultation. I think that is important because the previous reforms of The Public Schools Act were reformed more in isolation by government, and this time, we have taken the step to say to Manitobans, what should this framework look like?

I did just release the document not that long ago. The document contained the suggestions of approximately 6,000 Manitobans. When Roy White, who was the chair, released the document, he said, this is how Manitobans see the issue of legislative reform.

So we have had to look at that document and say, what within that document is currently in The Public Schools Act, because some things are in the The Public Schools Act, and Manitobans may not have known that. What is in The Public Schools Act and requires changing as a result of some of the recommendations that have been put forward? What is in the reform package which is not in The Public Schools Act and will require us to look at the act and also the effect.

We also have had to look at that first part of the reform and we have had to view it with its impact on organizations, its legal impact and also the impact

of funding because again, when Mr. White released the report, he said that that was not a consideration of those people who made recommendations and made presentations to their panel. The committee was very careful to accept the ideas of Manitobans and not try and in any way only pick those which appeared to have an organizational effect or otherwise. So that is one area, and that does provide the framework.

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

In addition, we also have to look at some reform in our whole area of curriculum and in our area of standards and in the accountability of education in Manitoba. That will require some perhaps substantive reform. So we have on the one hand the legislative framework reform, and then we have reforms which may affect our curriculum and may affect our assessment.

As I have pointed out, that document, the document on legislative reform also has to be co-ordinated with the other parts of reform because there are recommendations within that document that speak to what a curriculum should be or what a curriculum might be in terms of, I believe the term that they use in the report is a basic education.

Reform then looks at the framework document. It looks at also the areas of curriculum and standards and accountability and reform will also look at the issues of Manitobans wide interest in terms of education, in terms of the partnerships in education. That is one message that we have been receiving very clearly. What we are leading to then is to hear from Manitobans their views of education and leading up to an Education Innovation forum in which Manitobans will then be able to provide us some information on some of these basic questions.

Ms. Gray: The minister refers to a framework document. Can she tell us, is there a framework document or a plan that indicates goals and objectives and time frames, a brief outline that she has that she could table for us today?

Mrs. Vodrey: The framework document I have been referring to is the legislation, and that then is what provides for the powers of the minister and the

school boards and parents and rights and responsibilities of students.

*(1550)

Ms. Gray: What about the overall education reform? Does the minister have a planning document or brief outline or idea of what that is that she could share with us?

Mrs. Vodrey: A starting document is the document, Building a Solid Foundation, which is the strategic plan. The member may have seen this. It is a five-year plan in the Department of Education which has laid out principles, and actions will be measured based on those principles.

In terms of a document for this next few months leading up to the education fora, we will be looking at the best way to put forward the views of Manitobans and the views of government. Some of those interests that are represented may be competing interests, and Manitobans may want the opportunity to discuss the pros and cons and also to develop priorities. So in order to look at that in a very focused way, we are leading up to the Education Innovation fora.

Ms. Gray: I certainly was given the impression from various organizations interested in education that they felt that they did not seem to have much information on this entire education reform, and you refer to the document, the strategic planning.

Organizations and school divisions and MTS and MAST and Manitoba association of principals, does the minister feel they are clear as to the government's plan or how they plan to proceed with this education reform?

Mrs. Vodrey: Mr. Deputy Chairperson, I have met with each of those groups. We have begun starting points of discussion around issues of priorities and around areas of reform, and I can say that in some areas among organizations—I met with the organizations individually because I felt that it was important for them to be able to express their interests, concerns and priorities without feeling that they would have to defend those with other people at that point.

However, among those organizations, the priorities are not always the same, and so now the next step is to put together the information that we have been receiving as a government, that partners

in education have given to us. We will be working towards the Education Innovation fora where then some—we are looking for a very concrete discussion on education reform.

I also wanted just to say that the organizations are working with the department on a number of initiatives. When I look at one of the initiatives, that being Distance Education, they were represented on our Distance Education task force as were representative Manitobans, other Manitobans who had an interest in the area of Distance Education, and that is one large area of a reform initiative within this government. I have just received the final report of that Distance Education task force. I plan to release it.

So there are a number of issues which are ongoing and which the member groups, the groups that the member has mentioned, have been working very directly and very closely with the Department of Education.

Ms. Gray: With the document, the report on the education legislation reform, at the news conference the minister certainly made it clear that this was a report of the group who had worked on it and was not sort of government's recommendations, the report, and that is fair enough.

Can the minister tell us, what is the process for determining which recommendations in this document will be taken forth and actually used as part of legislation changes? If in fact, that where there have been no legislation changes, can she tell us of the process? How will government decide which ones they are going to utilize out of here and which ones they are not?

Mrs. Vodrey: Mr. Deputy Chair, we will be examining the recommendations again in the light of the principles that I spoke about in the beginning. Through our strategic plan, we did identify principles that would be guiding us in terms of moving education ahead, and that was within our five-year plan that those were developed.

We recognize we are moving education ahead into the year 2000. We will be looking at the recommendations based on those principles and we also will be looking at the recommendations, as I said, through those three areas. We will be looking

at the impact on the organization; we will be looking at the financial impact; and we will also be looking at the legal impact to see if there are legal ramifications for some of the recommendations.

Ms. Gray: Mr. Deputy Chairperson, can the minister tell us, will it be her departmental staff, or will it be herself as minister, or will it be cabinet who will actually be making the final decisions once this analysis is done?

Mrs. Vodrey: Mr. Deputy Chair, again the department staff will do a great deal of work and then that work will be brought to me and I, as minister, will look at what the potential changes will be. As the member knows, in the development of legislation, which is where this report is leading, the development of legislation and the legislation itself then is a government decision.

Ms. Gray: Mr. Deputy Chair, can the minister tell us, in regard to establishing this particular budget for '92-93—I am not sure if the process in all departments is the same, but I am assuming that the minister was aware and certainly made it known to her department that in fact many of the departments were looking at in general a 2 percent cut across the board. I am wondering if the minister can tell us did she ask her staff to give her various options and suggestions on where there could be changes in funding within her department, whether those changes meant decreases, total cuts, or whether in fact there were increases in some of the areas?

Did she ask for that information from her staff, and could she give us some examples of suggestions that were made from her staff as to ways to make changes within the various divisions within the Department of Education?

Mrs. Vodrey: I can tell the member that numerous options were examined. As she knows, during a budgetary process, we do try and look at many potential options. However, in the final decision making we also look to what will be effective, what will be fiscally responsible and what will also be, among difficult choices, the decisions which will assist Manitobans. I think that is an important part of the decision-making process because we have to keep in mind that we are dealing with services. So we were looking among options again to be fiscally responsible but to look at effectiveness and also to look at the effect.

I am not sure how much additional information the member would like. We do have a very well-developed decision-making process where staff input is facilitated through a series of internal committees, and staff is brought together across the department around specific issues and tasks. There are intradepartmental committees also which work and include strategic—some examples are areas of strategic planning and teacher training and so on.

Our department also follows the cyclical planning process, and we always are looking to strengthen that process as well. So I just want to assure the member that there is a process in place within the department to deal with the bringing forward of suggestions and the generation of ideas.

Ms. Gray: Can the minister tell us, were there suggestions of reductions in funding or monies within the Department of Education that were recommended by her departmental staff that she rejected?

Mrs. Vodrey: Again, I can confirm that numerous options, as in a budgetary process, were brought forward. Then there was an attempt to look at the effect of those options and the effect in a total sense, and then an option was recommended.

Ms. Gray: Can the minister give us just one example as an example of one that was rejected?

* (1600)

Mrs. Vodrey: The budgetary process is a complicated one. It is one that we work very hard at, but now I think that what is important to have on the record are those budgetary decisions which were made.

Ms. Gray: I can appreciate the budget process is complex but the examples actually would not be, so perhaps if she could just give us one example.

Mrs. Vodrey: Sorry, I did not hear the last part of the member's question.

Ms. Gray: It is the same question. If the minister could just give us one example.

Mrs. Vodrey: As I have said, the process was a complicated one. It is now the decisions which have been made which are of importance to Manitobans.

Ms. Gray: Can the minister tell us the decision in regard to changes in clinicians? Where did that recommendation come from?

Mrs. Vodrey: Again, that was a part of the budgetary process. It was discussed, and then the decision was made to accept that and to recommend that. But as I have said this afternoon, I think it is important to know that in making that decision we were also very careful to consider the changes in the funding formula, that we were able to look at the changes in terms of the amount of money available in terms of the ratio of clinicians, and that we would make sure that the service was still available.

Ms. Gray: The minister has said earlier today that the allowance for clinicians had changed over the last year or so from an allowance of \$23,000 to an increase of \$45,000. Can the minister tell us, for those school divisions, the 19 who hire their own clinicians, are there dollars within their budgets that they receive that allow for that and has it been changed from 23 to 45?

Mrs. Vodrey: Yes, that formula does apply to each division.

Ms. Gray: Can the minister tell us what if a particular school division under this new arrangement chooses not to hire their own clinicians or does not share resources with another school division, will that be brought to the minister's attention? Will there be anything that is then done on the part of the Department of Education to ensure that a service is provided?

Mrs. Vodrey: In order to access the funds, divisions must hire the clinician. So there is not the ability for a division to hire and not offer the service.

Ms. Gray: What if the divisions do not access the funds?

Mrs. Vodrey: Again, it is a very hypothetical question. We do work with divisions. Divisions do submit annual division action plans which talk about how they will plan for their special needs students. We also have special needs guidelines, and I believe that there is a recognition of the need for support. Again, we do check through the aid apps that the divisions submit.

Ms. Gray: Of course, it is a hypothetical situation, but I know that this minister and her department like to be proactive. So I am sure that they have thought

about the fact that should a school division not decide to take the grant—and the minister as well has ensured that those services would be available—so I would ask the minister what provisions or what plan has been put in place should a school division, for whatever reasons, decide not to accept the grant and therefore not hire clinicians?

Mrs. Vodrey: Mr. Deputy Chairperson, with the clinician services, when the clinician services were divided among some school divisions through our Child Care Branch, if the divisions did not want to use the service at that time, they did not have to then. Divisions made their decision on the kind of service that that division wanted and how they would use it.

In this case, the funding is provided. If divisions do not provide the clinician services, then the funding will not flow. So, as was the case before the devolution, if the divisions did not want to have the service or did not have a sense that they needed the services, then, in fact, they did not use them.

In this case, the funding is available, and divisions will again have the ability to have clinician service through the funding formula.

I am informed that no divisions have indicated that they will not have service.

Ms. Gray: Is the minister saying, were there school divisions before who did not use those services?

Mrs. Vodrey: Mr. Deputy Chairperson, I am informed that all the divisions did use the service in the past. However, if they did not wish to use the service, they did not have to use the service.

Also in the past the divisions were able to determine which service they wanted to have, and divisions now will decide how they want to use that clinician grant. Again, our own staff are in regular contact with the divisions. They are in regular contact to support the transition from the clinicians being employed by our Child Care and Development Branch and as they move to being employees of school divisions.

Ms. Gray: Can the minister tell us, what plan has been put in place with this transfer of staff to school divisions? What plan is being put in place to ensure that, now that these clinicians will have different and separate employers, there is some co-ordination of

services that will occur and something in place to ensure standardization and consistency of service?

This is certainly a concern that has been expressed by not only the clinicians themselves, but other professionals who work with the clinicians in the school division.

* (1610)

Mrs. Vodrey: Mr. Deputy Chairperson, we are providing support during the transfer. We are providing support for the hiring process of clinicians. We are also providing support for local models as school divisions decide which clinician services that they wish to employ. We also will continue to offer the supervision.

Ms. Gray: Can the minister tell us how will her department ensure, while respecting local school division autonomy, that there is a co-ordination of services amongst clinicians and that there is still some consistency and standards in place in regard to the delivery of those services?

Mrs. Vodrey: Mr. Deputy Chairperson, divisions, as I said, do put forward their annual division action plan, the ADAP plan. In that plan, they put forward how they will deal with issues such as special needs within their division, how they plan to address the issue of special needs. They are specific to divisions because some divisions have some specific needs based on the young people who are currently living in that division. Those needs can change, so the ADAPs are put forward on a yearly basis, and we do look at those plans.

Those plans also put forward a division's philosophy as well as planning in terms of how they will deal with the young people within their division. So that is one very important way that we will be able to look at how the needs of special needs children in particular are being met and plan to be met by the local school division.

In addition, we have continued contact with school divisions. As I said, we are prepared to offer the supervision. We will most certainly offer the supervision until a clinician is certified, and then following that certification, where divisions would like it, we can offer ongoing supervision.

We will still have also a regional approach with regional co-ordinators to support the co-ordination for the Level II and the Level III support, and as the

member knows, the Level II and Level III support is support offered through our funding formula for those young people who are, in fact, most in need as special needs young people. So we do provide that continued support through our regional co-ordinators.

Ms. Gray: Can the minister tell us then, these plans that are submitted, does the department then have to approve those action plans before any funding flows?

Mrs. Vodrey: I know one of the issues the member is concerned about is the issue of standards, and I can tell her and I am informed that since the ADAPs have been in place, the local policies and the services at the local level have been developed. They have been more clearly articulated since the ADAP plan has been in place, and the programming has been improved.

In addition, we do review the ADAP plans. We provide feedback about the ADAP plans which are submitted by divisions. We do not, however, supervise the implementation, but we do look at how a division plans to work with its students and particularly its special needs young people.

Ms. Gray: The minister indicated that none of the school divisions had not asked for funding for clinicians. Is that correct?

Mrs. Vodrey: To our knowledge, every division will be looking to use the clinician grants.

Ms. Gray: Are the school divisions allowed to apply for partial grants, or one-third, or one-quarter if they only want to use so many hours of a clinician's service?

Mrs. Vodrey: In terms of the clinician grants, divisions may apply to use for a portion of a whole grant, .5. I am not sure there is anything in addition that I can add.

Ms. Gray: Can the minister tell us that with the clinicians that were in place before, through the Department of Education, were there waiting lists at all for services? Or is that a question that the staff are not here to answer right now?

Mrs. Vodrey: I am informed that students were seen on a prioritized basis. There were, in fact, no specific waiting lists because with the young people needing to be seen, the effort was made to see

them. However, I am also informed that there were always young people who would be worked with.

Ms. Jean Frlesen (Wolseley): I think we are still on this line, 16.1(c). I am looking at Planning and Policy Development.

The minister has five Professional/Technical people in this line, and I wonder if she could tell me how much of the time of those five people is devoted to post-secondary education.

Mrs. Vodrey: Again, I think it is important to say we do not have a specific breakdown of time because it does depend upon the project and also depending upon the issue. However, we do make every effort to see that the issues as they relate to the K to 12 side or the post-secondary side do receive the attention and the work and are integrated within the workload of the technical staff.

Ms. Frlesen: I am looking for an estimate. I realize that projects differ from year to year and over a five-year period, but I am looking for an estimate of how much time in this section of the department, which is listed as the Planning and Policy Development, is related to post-secondary education.

* (1620)

Mrs. Vodrey: I am informed from staff that, again, it is very difficult to come up with this estimation because there is time spent on both sides of the department on some issues, and it has been very difficult for us to conceptualize a person's work within one box. I would use, as an example, the Task Force on Distance Education, which looked at the issue of Distance Education, but looked at distance education as it applies to the K to 12 side and the post-secondary side, universities and also training. So, with that in mind, again, it is hard. I am informed that if the staff were to estimate at this time, and again it would be a very difficult estimation, they would say approximately 30 percent might be specifically devoted to post-secondary.

Ms. Frlesen: Thank you, and I recognize that is an estimate. Within that 30 percent, could the minister ask her staff for another estimate on how much of that is devoted to colleges and universities and how much is devoted to other post-secondary education issues?

Mrs. Vodrey: Mr. Deputy Chairperson, it seems to be very difficult. We have not looked at the issue in

that specific a way to break it down as universities and then colleges. As the member knows, we do have at the moment the Roblin commission, which is examining all aspects of university education and university accountability and mandate at this time. It is also very difficult. I did speak about the Task Force on Distance Education and technology as being one in which there was post-secondary involvement, as well as involvement on the K to 12 side. It was hard to say how much time could be broken down.

The issue is similar in the area of Adult Basic Education; the issue is similar in the departmental submission to the Northern Manitoba Economic Development Commission. It is also difficult in the area of our strategic direction. I am not sure that I will be able to provide her with the specific, even estimated, number that I think she is looking for.

Ms. Frlesen: So, essentially, we are looking then at less than two people who are doing the planning for colleges, universities and other post-secondary issues in the province of Manitoba?

Mrs. Vodrey: I did speak earlier in the Estimates process about the interdepartmental and intradepartmental committees which deal with some of the issues as they relate to the wider educational issues within our department.

Therefore, it is, I do not believe, really accurate to suggest that it is only two people working on the policy issues as they relate to post-secondary education, because we do have people who are representative on the intradepartmental and interdepartmental committees for strategic planning, again the Task Force on Distance Education. We had also a committee which was working on college governance to bring our colleges into the governance model. We also have people who do not work in this policy branch but instead work in the post-secondary side who are working on the labour market development strategy.

Ms. Frlesen: But we are looking here at the overall implementation, evaluation of the department's direction and progress. We are looking at departmental policy options. All of the things that the minister has mentioned—the interdepartmental committees, the people elsewhere in the department and in other departments who have work that affects tangentially the post-secondary

education area—presumably those all feed into a unit within the minister's office essentially which develops options and has an overall perspective on what the goals and evaluation processes should be for post-secondary education. That is what I am looking for. Does this mean, then, that there are, in effect, in Manitoba two people who are—or the time of two people that is essentially devoted to that long-range planning?

Interdepartmental committees look at specific projects such as Distance Education. People who are on the post-secondary side are looking at specific issues, but the whole long-range planning, policy options, choices for the government presumably come from this unit, and it amounts to less than a third of the five, I gather.

Mrs. Vodrey: I am informed in terms of the detailed workings of the staff by the director that it really has been very important—and we support this throughout the Department of Education—that there be a broad corporate perspective, that it not just be a single individual who is the repository for a single bit of information.

Instead, individuals working within the department—and I know we will get into speaking about that when we move into all other aspects in our K to 12 and post-secondary side—that individuals, when questioned by Manitobans when they are in the field, are able to speak about more than just a small, single area.

* (1630)

So I think that is one reason why it is very difficult to simply then reduce it down to looking at it as two people because there is a responsibility, a more general responsibility to all the people, all eight people who are working in that area.

In addition, the Planning and Policy Development branch does provide leadership. It also co-ordinates the departmental planning process. I think the term "co-ordinate" is an important one because that also implies the kind of work that I have been speaking about where then we bring together people within the departments, and the co-ordination is done through our Planning and Policy Development branch.

They also provide some consultative support to the branches in doing their work and also are of assistance to me in terms of making sure that I receive information on the status of all of the committees and how they are working.

Ms. Friesen: The reason I am putting some emphasis upon this and trying to get at the priority which is given to planning is that it seems to me, and I have said this in Question Period and on other occasions, that what is missing in this department is any sense of long-range planning.

What we are seeing is ad hoc activities that do not seem to examine policy options but simply respond in only one way—with a cut. I wonder if the real weakness in the department is, in fact, the long-range planning. Is it not here that we should be looking at some rearrangement of staff?

The minister mentioned eight people, for example. I know that is what it says on the Total line, but who is actually doing the research, planning and development of alternatives, development of policy options? Is it the full eight people?

Mrs. Vodrey: Mr. Deputy Chairperson, well, again I would like to say that we see the planning as a process, and not just specifically as a single unit but rather the planning is, and I think that this is then the most efficient way for me to describe it, as a process, and it does involve this corporate perspective, and it does involve people in addition to our policy and planning area, which does provide the co-ordination.

I am also informed that during the legislative reform process there were literally thousands of Manitobans who saw our principles, and they liked the principles that they had seen, and there was a great deal of support for those principles. Then I would also point to the document, Building a Solid Foundation for our Future, which is a five-year strategic plan of the department, and which we do review every year and which we will look at building upon. This does provide the basis for long-range planning.

Ms. Friesen: My concern is specifically for the long-range planning in post-secondary education. The minister has spoken of the hundreds of people who dealt with the legislative framework. I think we can also find hundreds of thousands of people who

are very deeply concerned about the long-range future of post-secondary education, people who are sitting on those two-year waiting lists at Red River Community College, the people who are now finding that their loan burden for post-secondary education may be prohibitive.

Where is the long-term planning for that kind of change? Yes, in part there may be in the long run some suggestions which come from the Roblin review, but where is the long-range planning for the other part of post-secondary education? Where is the overall perspective?

The minister refers to planning as a process, and, yes, that is good bureaucratic language, but process has to have an outcome, and what I am looking for in this section of the department is, in fact, outcome. Where are the ideas? Where are the policy options in post-secondary education? Where is the indication of—and I think, and I do not use this term lightly—the crisis that we are facing in the provision of post-secondary places for Manitoba students?

Mrs. Vodrey: Mr. Deputy Chairperson, well, I would like to say that we have, as a government, a strong belief that we will find direction and we will find ideas from the Roblin commission. We are looking to the Roblin commission to provide us on the university side with the latest thinking, and also with some guidance and direction. They have worked very hard and we know that they have examined a wide number of issues. This province has made sure that we were able to look at university education in a very detailed way.

In terms of the colleges, we have just finished a three-year transitional process to move our colleges to governance. That was a very large and very detailed and significant planning process which now has the colleges functioning under governance, and as they are now functioning under governance. I know we will get into this when we get to the community colleges area. We will be able to look at how the colleges now can become more responsive to their communities and to their regional areas.

That was a very important issue in the decision to move the colleges to governance. It was not something that could occur overnight. It did require long-range planning, and, now, we have moved to the end of that three-year process with the

successful movement of our community colleges into governance. So those are two of our post-secondary programs—universities through the Roblin commission, colleges through governance.

We are also looking to—and we will be discussing this when we get to the post-secondary side of our department—labour market policy development, and we understand how that will very closely influence our decisions regarding training. So there has been, in the past, and there continues to be planning, and there continues to be major initiatives in the post-secondary area.

From our strategic plan, and I am not sure if the member has seen this strategic plan, but it looks at moving from the vision and principles into strategic initiatives, then into specific plans and activities, and it does move into the outcome areas. What are our expected outcome areas? We have answered that through the strategic plan and through the vision, as well.

We have looked at what would we like the outcome to be. We have looked at outcomes such as expanded program offerings to more Manitobans in the northern, rural and urban areas. As we look at that, we have recently completed the Task Force on Distance Education, which will be one way to address some of those specific issues.

So I know as we move into the discussion, it may be more clear by way of more examples to look at how we are, in a very thorough way, moving ahead with the plans that were laid out in a broad outline. The details of the plans are being worked through, through steps, some of which have already been accomplished.

I would say that the colleges, having moved to governance, are the accomplishment of one major set of goals and objectives.

Ms. Friesen: The move to governance does not expand the offerings. In fact, it has reduced them, so in the minister's long-range plan for expanding offerings at colleges and in post-secondary education, it seems to me the only example she has been able to give is Distance Education.

Yes, there may be some improvements there in the long run. I have no difficulty at the moment with

the kind of planning process that is going on there, but, again, the outcome is some distance away. [interjection] Yes, I did not mean the pun. I am not a punner.

So I really do not see that as a major achievement. It is a beginning, and it is addressing part of the issue, but the three- or four-year process that has gone on in transferring the colleges to governance, it seems to me, has not had the effect of expanding opportunities and will not have that effect for some years.

Indeed, it is difficult to see from the planning process, that is, from the minister's own planning unit where the direction is for the colleges to do that. Where is the overall planning for the three colleges? Where is the needs study that says what the different regions of Manitoba will need, what the different industries of Manitoba will need? How can the minister even begin to approach that program when Manitoba itself has no economic planning document?

* (1640)

Mrs. Vodrey: Again, in moving the colleges to governance, it provides a two-way communication which assists in that planning process. The board members, for example, all represent various segments of the community. They bring the expertise and the knowledge that they have about needs and about skill needs and labour market needs to the college and put that into the decisions that the boards of governors make in the planning process.

In addition, they have another role. The process is a two-way communication. The communication also then flows from the board governance table, from the decisions that the board of governors make, out into the community, where they will be able then to have their community see that the communities are connected to the community colleges, and that two-way communication was a very important part of the movement to the board structure.

So that now, when the member asks about regional needs and regional planning, we will have that information on an ongoing and a very dynamic basis within the community college boards. I know the boards are working very hard and I know they

are working very hard now in their new role also of negotiating directly. They now have the power to negotiate directly with the federal government, and directly for other kinds of training contracts to work with CEIC.

I know that the boards are in the process of now doing that. That is where the boards have now a greater flexibility, a greater flexibility in responding to, for instance, if the federal government does say that it wishes to put a particular program on at a community college, and they would like to do it in a very short time, the colleges now have the ability to respond to that, whereas in the past it had to go through the whole process of government.

So we believe that we will see some very positive results, one from the involvement of community members in the two-way communication process and from the ability of the colleges now to do that negotiation on their own.

Ms. Friesen: I am surprised to hear a minister of this government say the power to negotiate directly with the federal government is a great advantage. It does not seem to have done this government any good. It is almost like a Chinese curse, I would think, in these times.

Certainly in the case of Red River Community College, what we have seen is the result of their ability to negotiate with the federal government, is that the federal government has simply withdrawn even more money in the former Canadian Jobs Strategy, cutting the courses and leaving Red River Community College in a very unpredictable situation and one which it does not have the power to control. So, I suppose there is a better analogy, but all I can think of at the moment is it is like offering a Chinese curse to anybody.

Point of Order

Mrs. Vodrey: Mr. Deputy Chairperson, just on a point of order, I would just like to say that more detailed information on the community colleges and exactly where they are will be available when we do get to that line, and when we are able to discuss the college's secretariat also.

Mr. Deputy Chairperson: The honourable minister did not have a point of order.

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Ms. Frlesen: We were talking about the long-range planning again in this department, and my attempt to find out whether, in fact, one-third of eight people or one-third of five people, I am not sure which the minister means, is really enough to provide the kind of information and direction that is needed by all of our many varieties of post-secondary institutions. I noticed the minister said that she is expecting to have the latest thinking from the Roblin commission. I think we also certainly look forward to that, but I wonder if she could tell us how many research people and how much staff were assigned to the Roblin commission for their work of—what was it?—six months.

Mrs. Vodrey: Again, I do not have the staff from the Universities Grants Commission who will be able to provide the details of the supports that were given to the Roblin commission here at this time, but, when we get to that line, I will be happy to answer those questions.

Ms. Frlesen: The minister also mentioned that this section of the department presented a position paper to the Northern Economic Development Commission. I wonder if that has ever been made public or tabled, because I was very surprised and very disappointed to see the one paragraph on education in the Northern Economic Development Commission's interim report. Has the department's position been presented since that interim report, or was in fact the department's position represented by that one paragraph which essentially said, oh, yes, education is important to the future of the North?

Mrs. Vodrey: My department did present to the northern Manitoba Economic Development Commission, and a document was prepared by my department. The document outlined the role education and training play in the long-term development of the North. The report placed particular emphasis on such areas as labour force development and skills training programs meeting the education needs of target groups, pre-employment and on-the-job training opportunities, the use of Distance Education as a means for improving access, and the need to be more responsive to the needs of the North.

This document was submitted to the northern Manitoba Economic Development Commission, and then the commission provided their report.

Ms. Frlesen: At the moment, we have an interim report from that commission, I understand. Was the substance of the department's report accurately summarized in that interim report?

Mrs. Vodrey: I am informed that the report that has been released was an interim report. I am also informed that the commission did receive the information that was presented to it by Education and Training with a great deal of interest, and, as a result of the submission and the interest that was generated, I understand that the Task Force on Distance Education then also made a submission to this particular task force.

Ms. Frlesen: Does the minister share my disappointment that the Northern Economic Development Commission paid so little attention to education?

Mrs. Vodrey: Mr. Deputy Chairperson, as we have said, this is an interim report, and so I will look forward to seeing the full report when it is released.

Ms. Frlesen: Is the minister prepared to table the report or the presentation that her department made to that committee?

Mrs. Vodrey: The report that we provided to that commission, again, was for their use. Now we will wait to see their report to see how education is represented in the report.

Ms. Frlesen: Does that mean no?

Mrs. Vodrey: It means that our report was submitted to another commission, and now they will look at how they will be using it.

Ms. Frlesen: Well, this is a little puzzling. We have a report by one government department to another government commission which the minister is not prepared to table. Is that the case?

Mrs. Vodrey: The submission which was made—and I would like to make sure that it is called by its correct name, the submission—was prepared by this department to that commission, and now the commission will have to look at all of the information that it has received, and we will look for the final report of that commission.

* (1650)

Ms. Frlesen: Well, I do not know whether I want to comment any further on that. It strikes me as very surprising and quite unnecessary. If the minister is pleased with the work of her planning section, her

Planning and Policy Development, if she thinks that it in fact does have the ear of northern Manitoba, that it has long-range expertise in the area of the needs of northern Manitoba, if it has long-term concerns about the future of education in northern Manitoba, what on earth can be possibly served by not presenting that submission now?

Mrs. Vodrey: Again, I have read out for the record the areas that were covered in that report. So what had been discussed by the Department of Education in that submission would not be a surprise to the member.

I have covered the topic areas within that submission, and the submission was for that particular commission, and now the commission will decide how it will use the information contained in the submission.

Ms. Friesen: The minister should not underestimate my capacity for surprise at this government. I would very much like to read the report. I would like to understand what the department's perspective is on northern Manitoba and the needs of northern Manitoba.

That certainly is not served by, essentially, chapter headings. What the minister is offering me is a description of topics. I am asking for analysis, comment, information and a chance for Manitobans to have some access to essentially the official mind of the Manitoba government on the future of the North. Why is that not possible?

Mrs. Vodrey: Mr. Deputy Chair, the member says she is looking for the Manitoba government's official view of the North, and that will come through the task force. My understanding is that will be the work of the task force, that we provided a submission to the task force.

I understand the member is particularly interested in the North and is particularly interested in northern issues. I can say that, when the commission does provide its report, the report should provide for the member all of the information because she is asking for an integrated view, government's view. I look forward to the report also from the commission.

Ms. Friesen: Mr. Deputy Chair, but what we are looking at here is the perspective and the expertise of the Education department on the role of education

in the future of the North, and that seems to me a legitimate matter of inquiry for Manitobans.

The report has been done. It has been based upon the long-term work of the department in the North. Why? I mean, when one does not table a report like that, which has been presented to a public inquiry, it seems only obvious for any critic, any Manitoban, to inquire why. What is there to be worried about? What are the anxieties here? Why can Manitobans not read it?

Mrs. Vodrey: Mr. Deputy Chair, again, I want to distinguish that this is not a report. This is not a report that was given to us. This was work that was done internally by our department as a submission to the commission.

The member has asked about the issue of vision, and I can give her some statements on vision. We would include that the vision for this province, including the North, is one of a vibrant economy and a healthy society. The development of Manitoba's human resources is the key to achieving this vision. Manitoba Education and Training's mission is to ensure high-quality education and training programs for Manitobans to enable them to develop their individual potential and to contribute to the economic, social and cultural life of Manitoba.

That is the vision statement, and the member had asked for a vision. However, the staff has informed me that this was presented at a public hearing, and I had not known if it was done in a private hearing. Because it was done in a public hearing, then I am prepared to give the member the submission tomorrow. I am sorry, Thursday, the next time we are together.

Ms. Friesen: Mr. Deputy Chair, I thank the minister for that. I hope that the report does have perhaps as much analysis as it has vision, and I will be looking forward to reading it.

I wanted to ask the minister if, since the department had presented a submission to the Northern Economic Development Commission, whether it had also presented one to the Rural Economic Development commission.

Mrs. Vodrey: Mr. Deputy Chair, one of the major ways in which we have been looking at issues as they relate to rural and northern Manitoba has been

through our Task Force on Distance Education. I am informed by the staff that they believe that task force made a submission to the Rural Economic commission, but I would want to make sure and to check with the Distance Education task force before I am able to say with certainty that occurred.

Ms. Frlesen: Why, in policy terms, is the department putting all its rural eggs into the Distance Education portfolio—yes, basket? It seems to me, yes, I quite see that the Task Force on Distance Education might want to make representations to the Rural Economic Development commission, but surely there is more to the problems of education in rural Manitoba than Distance Education. Distance Education, it would seem to me, would have as much to say in suburban areas, as much to say perhaps to some of the issues of college education or university education as it does to rural education. So, by compartmentalizing things in that way, has the department and the minister not perhaps prejudged a variety of issues here?

Mrs. Vodrey: When I was discussing the task force last evening, I did say that I understand that the Task Force on Distance Education also has an impact on the urban area and recognize very fully the fact that its impact and its scope are not only rural Manitoba. However, it has been one issue and one initiative which rural Manitobans have raised as a priority issue for themselves, and that is why I have spoken a great deal about it.

It is not the only way in which we are attempting to address the issues of rural Manitoba. We are also attempting to address it through our funding formula. We have looked at small schools. We have also, within our ed funding formula, accepted a revision recommendation which allows for a special grant for sparsity and another grant for northern and remote areas, and so we have been looking to address the needs and the concerns of the issues as they have been brought forward.

* (1700)

In my term as minister, I have certainly tried to have a good contact with rural Manitoba and to look at what the issues are that they are raising, and we have, in fact, been able to already provide some action for rural Manitoba. Also, Assiniboine Community College is really a centre of excellence for rural Manitoba, and there are a number of

initiatives which relate to rural Manitoba, rural initiatives, rural economic development, that are provided with Assiniboine Community College. When I was out visiting the college, I did go and actually speak to that particular class and had an opportunity to visit with those students and have them talk to me a little bit about how it was that they chose that particular course and chose the—and in some cases left other work to come for that training.

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

AGRICULTURE

Madam Chairperson (Louise Dacquay): Will the Committee of Supply please come to order.

This section of the Committee of Supply is dealing with the Estimates for the Department of Agriculture. We are on item 4. Agricultural Development and Marketing, page 15 of the Estimates manual.

Would the minister's staff please enter the Chamber.

Item 4.(a) Administration (1) Salaries \$105,400. Shall the item pass?

Ms. Rosann Wowchuk (Swan River): Madam Chairperson, there are several areas that I want to do under this section here.

We touched briefly on sustainable agriculture on organic farming. The minister indicated last night that organic farming could not replace all other farming. I can understand that. We would not expect it to replace it, but from some of the statistics that are available it is certainly warranted. There is information that the products are in great demand and that there is a benefit to the soil by going in that direction.

Again, when we look at our soils and the water and the impacts of chemicals on this, I want to know where any research is being done. Is there anywhere in the department that is doing any studies, and what kind of information is being made available? Are there any steps being taken to encourage farmers to move to more organic fertilizers, and are there any steps being taken to

discourage the use of the large amount of chemicals that are being used right now?

Hon. Glen Findlay (Minister of Agriculture): We discussed this topic to some degree last night. The member is looking for further information.

The department does not do research *per se*. We have a grant at the University of Manitoba, an annual research grant of \$784,000 this year. They are the official research arm of the department. They currently have a long-range rotational study underway which is looking at the principles the member is talking about, the use of fewer chemicals, fewer fertilizers, in comparison with the conventional process of using chemicals and fertilizers at the rates that farmers now use today.

As I mentioned last night, through OPAM, staff are working to assist the association. The member says the product is in demand. I do not know that this is totally consistent with the facts, the reality. The association realizes that there has to be a stronger marketing effort in order to market what they are now producing both domestically and export. So there is a limited market. Percentage-wise, it is small. I reiterate what I said last night. It will not replace conventional farming. The member may want to dispute that fact, but I do not believe it will. It will serve a niche market for those people who want to buy food produced in this fashion, but that market may well be limited.

I contend very strongly that there is nothing wrong with the methods we now use in the process of registering chemicals and fertilizers and all the extension research that is done and all the production research that is done in terms of trying to determine the appropriate levels to apply, when to apply and the waiting periods after application. That has all been very adequately researched.

I think the farming industry and agriculture industry has done a very good job of developing itself in what we would call the conventional practices. To say that we are in any process discouraging conventional practices, the answer would be no.

* (1430)

Ms. Wowchuk: Madam Chairperson, the minister talks about just being niche markets out there and not doing anything to discourage the present practices, but what I am looking for: Is anything being done to encourage organic farming? Is information being provided?

If we go back a couple of decades, two to three decades, all our food was organically grown. In fact, there is an article here that says that organically grown food is becoming more in demand because of the safety, purity and excellence of the taste and that there was the ability to grow that food, but it is just a change in thinking and the promotions that have gone on by the agribusiness to encourage a switchover to the synthetic chemicals and products that are used in the production of food. There is also concern with traces of chemicals that are in food that cannot be washed off.

Although, as the minister says, it may be a niche market, it is a growing interest. People are wanting healthier food. I think that the government should be taking steps to provide that information and encourage the production of healthier food. If the minister is indicating that food is as safe that is grown with synthetic chemicals, then perhaps some information should be made public that clarifies that it is as safe, because there are many doubts and a large number of people who want to see more organically grown food in the marketplace.

Mr. Findlay: Madam Chairperson, the member commented that agriculture production used to be organic. I am sure she is referring to many, many years ago in the primitive stages of the development of agriculture production in Manitoba or western Canada.

Certainly, the settlers did come here, and they broke up the sod. There were not any natural weeds around and there were not many diseases because there were no plants, no wheats or barleys or canolas upon which they could grow or multiply or survive.

As we developed our agriculture industry, we broke more and more land, we got to more and more of a monoculture, and along the way, we certainly, inadvertently I would have to say, introduced weeds and diseases, many of which were foreign to this

part of the world. Mother Nature did not bring them. Man did. It is man's response to control the threat of the diseases wiping out crops.

I am sure she might remember the potato famine in Ireland. Those things did happen and could have happened here had the scientific approach not found ways to control the diseases and to control the weeds, because weeds grow. They love the monoculture environment. Diseases do very well, too, and man has found a way to respond.

I think, as I said earlier, we have also done it in a responsible and realistic way. As I said last night, we are living longer and we are more healthy in the latter years of our lives. So that speaks well for the nutrition and the food that people get.

To say that organically produced foods are more healthy, I beg to ask the member where there is evidence of that. There is a perception that chemicals and fertilizers were not used in the production of them, and if you get down to fertilizers, you are talking the elements—nitrogen, phosphorus, sulphur, potash. If you green manure a field or you apply manure, essentially, you are applying those elements in a different fashion—you may say in a natural state as opposed to a synthetic state.

Whether that makes any difference to the chemical reactions within the plant, I am not aware. A nutrient is a nutrient, and plants do the appropriate chemical conversion as they absorb them and metabolize them in the process of growth and maturity.

So we encourage the process of organic farming for those who are interested. Staff work with the OPAM in a wide variety of ways, have done right from the inception. I met five or six years ago with the association, and since I became minister, we have made sure that we have promoted it to the extent producers were interested and helped them as much as we can along the way in many different regards.

If there is a market for what they produce, I think they should serve it, and I hope the process in the end is economic for everybody involved, but at the same time, I will not say things in the negative sense about the overall conventional process.

I think in the overall conventional process, we have done the appropriate things to ensure food safety and continue to do that. Certainly the total processes of nodding thistle and leafy spurge shows an indication of trying to find all possible alternate means of weed control. We have done integrated pest management studies with vegetable growers to again minimize the amount of chemicals that have to be applied and improve the timing so you have greater effectiveness with less actual application.

So it is an ongoing process, with I think two driving elements. One is the cost. People want to reduce the cost of synthetics and chemicals and fertilizers they have to buy. The other is strictly the bottom line: what is the most cost-efficient way to produce a crop. The food safety is critical at the end of the day, because if residues are found that are above tolerance levels, that food product and the producers of that food product will be getting into trouble and losing a potential market, getting bad publicity and all that.

I am not aware of any incident in Manitoba where farmers in any particular way violated the regulations of use of chemicals and caused levels of contamination that would be in any measure harmful to the consumers.

I would say one should be equally concerned of all the things that might happen to that food product in the processing and handling and getting it onto the shelf and to maintain its shelf life. Some questions might be answered in all of that process. I think at the basic production level we have done a very responsible job of using the inputs appropriately and responsibly as farmers.

Ms. Wowchuk: Madam Chairperson, I agree with the minister that the goal is to get a safe food supply to the consumer. He indicated that they were looking at alternate ways of controlling insects and ways to use less chemical, and that is what I was getting at.

I think there is a place for organic farming, but we also have to be careful about residue that might be on foods and that in some cases we are not using too much chemical, because let us face it, the chemical companies want to sell as much chemical as they can. That is their business, but we have to

be sure that the information is there and the regulations are there to control the amount and get the proper information that we do have a safe food supply. That is the main goal.

I want to move onto another area and that is in forage production. I think all of us, particularly the member for Dauphin (Mr. Plohman) and myself, were very concerned with the closure of the alfalfa plant in Dauphin and the impact that is going to have on the economy in the area, not only as far as jobs but to a number of farmers who will suffer because of it.

We are disappointed that the government could not step in and support those farmers when all they were asking for was a guaranteed loan to help them carry through this year. I find that very difficult to understand when the minister has indicated that they are looking at expanding markets for various forage products and he had indicated earlier on in the session that they had made trips to Japan and there were potential markets there.

The people in Dauphin have the contacts. They have a market for their product. Granted they have run into some difficulty, but they were looking for some help, and I am disappointed that the government did not see fit to help those people. I would like the minister to address that, because what we have is people in the other parts of the province being encouraged to produce different alfalfa products.

We saw just last week a large plant opening, a successful plant in Saskatchewan, and the government there was prepared to back that one. I think the government has responsibilities, particularly when they talk about rural economic development. Do they have a commitment to supporting jobs in rural Manitoba? Why did the government not see fit to support this project and keep it viable?

* (1440)

Mr. Findlay: There is no question that the process of producing alternate products and doing the value-added processing in the province is a very desirable route to go.

Yes, I have been to Japan twice and in both cases talked to different people about alfalfa market potential over there, and yes, we did sponsor, pay costs on a trade mission that went over about a year ago. The principal people on the tour were people interested in establishing a plant in Arborg for dehydrated alfalfa.

What I found out, what that mission found out and what staff in the Marketing branch had found out is yes, there are markets, and yes, there are fairly good economic opportunities in those markets, but the quality that has to be supplied there is very, very topnotch. The margin for error on quality on any produce out of Japan is very, very small.

The Dauphin plant has been in operation, under one type of ownership or another, for a number of years and really went on to co-operative ownership in 1986 and has been in a process over the last number of months of trying to determine how to address the future.

People from the Marketing branch and the Economic Development Board have been in discussion with them, the most recent meeting of April 19 talking about ways and means to structure themselves to deal with the current problems and future market opportunities, contracts that they have with producers to produce alfalfa.

That process has been, I hope, helpful to the Dauphin alfalfa plant. Certainly, we are of the understanding they were developing a business plan to take forward to the Federal Business Development Bank, but we have received a note from the Economic Development Board which would indicate that Farmer's Alfalfa Products Ltd. in Dauphin has received an offer of purchase from a local business interest.

To the best of our knowledge, they made a decision to move forward with that purchase. The plant will operate in 1993 and process alfalfa under new ownership, having been purchased by a local business person. That is our most recent information, and it is a decision by the shareholders. So I would have to assume from that, that the end result is positive and the plant will continue to operate and process alfalfa in Dauphin for a market

somewhere in the world, and that the alfalfa producers will have a market for their alfalfa in that process.

The member says, why did we not just help that operation? Well, it is very difficult to help one of a group of people all competing for the same market. There are similar plants elsewhere in the province. There are other plants looking at developing, particularly the Arborg one, and they are doing it without the request or need for financial assistance.

If you give financial assistance to one, then all the others have every right to say, and why not me too? So we were trying to work with them to restructure them in a fashion that they could continue to operate on a level playing field with their competitors.

What turns out to have happened, on the surface at least, looks like a positive deal for everybody involved, and it is going to be living with the marketplace. Somebody saw an opportunity and has come in and decided to make an offer that the shareholders appear to have accepted.

Ms. Wowchuk: If that deal works out, and the plant still survives and there will be jobs in the area, that is good, but for a length of time—and I am not sure where it is at right now, whether that deal has been accepted or not.

I also heard there was an offer on the table, and it quite likely would change hands, but it is the whole idea of the impacts on that area and the risk of losing that economic base in the Dauphin area where, as in many other parts of the province, they are facing quite a lot of difficulty and really have a lack of jobs.

This was income, off-farm, supplementary, value-added jobs, extra income coming onto the farm, and we will continue to say that we were disappointed that the government did not make the decision to secure that loan, just the loan they were looking for. They were not looking for actual money. They were looking for a guarantee of a loan, and if the government was committed to jobs in rural Manitoba, that would have been better, but it has worked out.

I want to then ask the minister, what supports or what involvement does his department have with the Interlake group of people who are working to

develop the Arborg plant. Are there staff spending time helping them develop a market on that? Is that group applying for any financial assistance, and what is the minister's position on helping that group? Does he believe it is a viable operation, and is he prepared to support that operation?

* (1450)

Mr. Findlay: Well, that is a—I am very shocked at the most recent reply from the member for Swan River saying, they just wanted a guarantee. The minute you put a guarantee you are liable for every dollar of the loan. Once you put your signature, the person who guaranteed it is fully liable for every dollar, and if the guarantee was for a loan of \$120,000 you are liable technically for every dollar.

We criticize other governments for doing exactly that, like High River, Alberta, with the loan guarantee that was put in by the Alberta government. The Saferco plant in Saskatchewan where, you know, although the Saskatchewan government at the time said, we have only put in a little bit of money and in reality they carried 85 percent of the risk on the total cost of that plant. So yes, it is just a little thing, but, you know, if something went wrong, where the liability falls. Governments have done far too much of that over the last 20 years. That is why we have these horrible deficits that we have, because just put a little bit in and do not do the proper analysis.

Our approach was to attempt to stabilize the company and find a way in which it could deal with the present problems and the future, and if the sale has come forward it is a win for everybody—for the investor, for the former owners, for the staff, for the farmers and for the government. It is absolutely the right solution, and I wish them all the best, and I hope that everything works out the way everybody would like it to.

The member asks about the Interlake dehyd processors, a plant proposed for Arborg. I have met with them at least twice over the last couple of years as they worked their plan forward, and I congratulate them on the extensive effort they are putting into doing the analysis as to whether it is a viable investment, what kind of plant they would put in place. Really they are talking about a dehyd plant, and they think that long-fibre alfalfa cubes is the

market opportunity. The support we gave to the Japanese mission was through the Manitoba Forage Council who you may as well say represents all people in that business, and the Forage Council saw fit to send two people from that operation, or proposed operation, to Japan on the mission. The investors have put money into the opportunity, and they also hired a consultant for a period of time to do some preliminary work for them. Whether you would call it a feasibility study or not it is hard to say, but they did hire a consultant to do some work.

I would have to think that they are looking at REDI funds, Grow Bonds, as ways and means to finance themselves. Certainly they have looked for joint ventures with a potential buyer of the product in some market, particularly in the Pacific Rim. So they are going through an exploratory stage, and our department has been working extensively with them through the Marketing Branch, local staff in the region, as well as my office and the Manitoba Forage Council. So there is a lot of work being done. A lot of the information found out in the process of them moving along their decision path will be of assistance to other similarly interested groups, of which there are several in the province.

Ms. Wowchuk: Madam Chair, the minister has indicated that he is supportive of the project in the Interlake, but one of the keys to having this proposal, or this project, fly, so to speak, is that they have natural gas in that area.

I want to ask the minister whether he has lobbied his counterparts, other members of cabinet, to encourage the gasification of rural Manitoba, not only into the Interlake area but into other provinces. I think particularly about the Swan River area right now which has some economic development proposals, but natural gas, an alternate energy source, is very important.

I want to ask the minister where he is on that proposal. Has he lobbied his cabinet to pursue that quickly?

Mr. Findlay: Certainly, in the meetings that I have had with Interlake Dehyd Alfalfa Products, gasification or the ability to have natural gas as an energy source has been discussed, and I agree with

them. They need lower-cost energy in order to compete.

In all of rural Manitoba, we need the lowest potential energy cost that we can source. Whether it is gas or whether it is three-phase power also is another aspect. Yes, we have discussed it. I have discussed it with other colleagues in cabinet. It is an ongoing process to try to determine how it is feasible to do what we need to do. Obviously, there will be particular locations that should have a priority because there is reason to have it right there right now.

I am really encouraged with the attitude of people in rural Manitoba, local round tables, economic boards being formed, people saying it is up to us in the community to get together and try to expand the jobs in our community by investigating and attracting to our communities economic initiatives that are feasible and reasonable.

It is something that has worked very well in certain communities in this province for a number of years. Other communities have not been as aggressive. It is really encouraging to see many other communities taking their own personal initiative, and we are working with all those that are interested in a fashion to help them along the decision paths that they have to go on, because it will all come down to where is the money going to come from for the investment?

Often you have potential joint ventures or investment partners where everybody has comfort, and you are doing the right thing for the right reasons. A lot of these opportunities are focused on value-added processing related to agriculture production. It will help diversification on the farm. It will help jobs in the local communities through the value-added process.

None of this happens overnight. We have increased our effort in the department in terms of trying to assist people in these directions, whether it is farmers or farmers in association with other business people, to improve opportunities for value-added activities and job creation related thereto.

Ms. Wowchuk: I feel it is really important. We had electrification of rural Manitoba many years ago, and that made many changes. Now, as the whole agricultural industry has changed, there is a need for—and the minister continually speaks of value-added jobs, and I agree with that. We have to have diversification in rural Manitoba.

I think it is time for the next phase. How are we going to provide that next step, that energy source that is needed for rural Manitoba, whether it be natural gas or whether we make use of the energy that we have right in our own province? I believe that it is time that those steps were taken, and we give the opportunity for rural Manitobans to have some of the opportunities for value-added jobs, so all of those jobs do not have to go to the larger centres.

Part of our goal is to keep people in rural Manitoba, and we have heard, time and time again, about the number of people that have secondary jobs to support the farming economy. We also want—those of us who are from rural Manitoba—to give our children the opportunity to come back if they so choose. But right now that opportunity is not there. So I would hope that the minister would continue to pursue that.

He continues to talk about value-added jobs, and now if we can see the action on the part of his government, we will see that more of a reality. Government will have to show the leadership and be prepared to make the investment. But, just as government made the investment to bring electricity to rural Manitoba, I believe the next step has come, and it is time to look at how we are going to give rural Manitobans the opportunity to those value-added jobs and have some industry distributed across the province, not just in the larger centres.

Mr. Findlay: I am pleased to hear the member say that we need to have diversification and we need the value-added jobs. I preached that for five years, and I believe in it very strongly, and I think there are a lot of people out there who also believe in it. I see a lot of things happening that would indicate people do understand we have to do more and more of those activities.

There is always a bottom line one must pay careful attention to. At the end of the day, whatever is done,

whether you diversify your production on the farm or whether you get involved in value-added industries, it must be economically viable in the marketplace. The decisions along the way must reflect that reality absolutely.

In the past, people have said, well, I want to do this, just give me some government money, and I will be off and running. There is probably a failure down the road, if that is the beginning scenario, because people have not really addressed the marketplace and determined the business plan to determine if their costs can be covered, plus a reasonable return for the investment from the marketplace.

They have just gone and done something to source government money, and when the government money ran out, suddenly, they were not viable in the marketplace, and that was the failing of some of these initiatives in the past. I think almost everybody I have talked to understands that very clearly, that if you make the decisions, remember that you have to live with the marketplace.

* (1500)

The government is here to assist in a wide variety of ways, but in terms of just putting money in to try to make you competitive is not likely going to be an answer in the immediate term or the long term. We have seen other governments do that, and in the long term I do not know whether it does anybody any good. The bills never get paid at the end of the day in terms of the government grants; they are still on the books as deficit.

So I raise that with everybody I talk to: be sure it is economically viable at the end of the day, and you make the decisions focussed on the marketplace, and you know you can compete price-wise, quality-wise, and all the other ways that you have to compete. If you do all those proper analyses, and use the appropriate government assistance in terms of extension people or resource people, contacts, maybe a loan guarantee, this sort of thing set up in the proper fashion, so that the government has low risk in terms of the loan ever being called, I think that is the way of the future.

I am not saying that government should not be involved at all, but they have to be involved in a very constructive fashion, that the probability of failure is almost removed—not totally, or, obviously, you would not have to be there. Sometimes, with these operations, the private lenders have great reluctance to deal with them until they have proven themselves, and that is where government can play an initial role for a short term until they get up on their feet.

But it does require an awful lot of homework to have a comfort zone for all involved, so that the investment risk is minimized to the greatest possible extent, and you have all the expertise you need at the table in the process of arriving at the decisions that lead to starting the construction and getting the operation going.

The Arborg people are a very good example of going through a very long process, and I compliment them on their perseverance as they work their way through a long process of decision making.

Ms. Wowchuk: The government does have a role. The government has a role to provide supports, to do research, to identify markets. It would be very difficult for every individual that had an idea to try to do all the work and to research whether it is possible.

I believe that the government does have a role to guide people, so to speak, as to where the markets might be, and help them out with their feasibility studies. I believe there is a role. There is a role at times for government to invest in certain areas. Sometimes government has to be prepared—and I do not think government should be investing in every proposal that comes along, but when there are sound proposals that are put forward, and it will benefit the economics of an area, I believe that there is a role for government, in a combined effort, to support the people, whether it be only with guaranteeing the loans. To see the operation get off—if it is viable, I think that the government cannot completely wash its hands of investment.

With the work that government has done in identifying markets, last year there was, as the minister said, a trip to Japan to identify markets and look at different places of expanding the market. Are there any plans in the upcoming year to travel

to other countries to negotiate deals or identify markets that could be of benefit to the Manitoba agricultural industry?

Mr. Findlay: Madam Chairperson, the member asked about this fiscal year in terms of missions. We are anticipating somewhere between 30 and 35 incoming trade missions to the province from many parts of the world. We are presently going to be involved in 12 outgoing trade missions: three to Mexico; three to Japan; four to the U.S.; one to Southeast Asia; and one to Europe, dealing with such things as dairy, swine, canola, pulse crops, vegetables, beef cattle, forages and whatever else. But it is across the board in terms of agricultural commodities, in terms of the missions, concentrating in North America and the Pacific Rim.

Ms. Wowchuk: Madam Chair, I wonder if the minister could tell us where the costs of those trips show up in the budget. Is it in the Agriculture budget, and if it is in this budget, what would a trade mission cost? For example, the mission to Japan last year, what would a cost of a trade mission like that have cost? Does it show up in the Agriculture Estimates, or does it show up in another department?

Mr. Findlay: Madam Chair, the expenditures that are encountered in the various missions are really covered in the Marketing branch. When those missions occur, government does not pay for it all. It pays a portion. There are usually industry reps on the missions, and in many cases, they will pay all or part of their expenses, so it is a case-by-case consideration as to the level of government expenditure.

We do not have a breakout of the total costs or our portions on any of the particular missions. If the member would like that, if she has a specific one or two she would be interested in, we can do that, but we do not pay all the costs. The other industry members pay their costs.

For instance, the ones I am most familiar with, of course, are the two times that I went on marketing missions to Japan. In both cases, we were accompanied by five, six, seven industry reps representing turkey, pork. Those were the primary other commodities that were on the trips, and they paid their own costs—their own air fare, their own accommodations, their own travel costs.

Government costs for myself were paid, and whatever staff of the department. There is usually one staffperson accompanying.

Ms. Wowchuk: If it is something that is available and is not too difficult to find, I would not mind if at some point I could be provided with that information as to cost, just for interest's sake, and then we can look at the benefits of the mission versus the costs of it.

When the minister talks about industry reps paying their own fare, does that mean that it comes out of the marketing board budget? Is there another way that the department pays for it, through the marketing board, or is it picked up through the membership?

* (1510)

Mr. Findlay: If, say, Manitoba Pork has people on the mission, Manitoba Pork pays it and government does not pay a dollar, directly or indirectly, on their behalf, or if it is Granny's Poultry, they pay, and the people who do business obviously pay through the cost of operating the co-operative there. That is how it is paid, so there is not an indirect way in which government pays for these people.

In most cases, these people want to go because they see a great opportunity to maintain their exposure in those markets, and they see a minister being on the mission as being very helpful to get them to meet people at higher levels that they otherwise could not source.

In Japan, that very definitely is true. Whenever we go there, the time is constantly filled with meeting a wide variety of people, well beyond the initial intent of the mission, to just keep our exposure there, keep people aware that we are here and we are interested in them coming over here on a trade mission to look at business opportunities. When you see 30 to 35 trade missions projected for this next year, and last year there were 44 incoming trade missions, the spin-off is constant. You can never quantify it. If you do not do these sorts of things, you lose the opportunity.

I can tell the member that the department—when they have people in, one of the common things is to have a luncheon downstairs which I attend and try to make the people feel welcome and try to keep the

doors of communication and business opportunity open. It is generally a very rewarding experience to do that and to give people a sense that we are really here wanting to do business, and we look upon them as being friends in the process of trying to do business with them.

I am sure everybody else is trying to do the same thing. We definitely believe, and certainly the industry believes that this must be done if you are going to create economic opportunities in the intermediate and long term.

Mr. Nell Gaudry (St. Boniface): Madam Chairperson, I have a question here. I do not know if it is the right area to ask it. It is in regard to the Inwood Creamery's letter that was written on March 10 to the minister. They expressed concern in regard to an injustice that was occurring in the dairy industry.

Could maybe the minister give us an outline of what was the response to this letter, because there are several questions that were raised on this, and I will raise a few others.

Mr. Findlay: Madam Chairperson, a lot of the statements in that Inwood letter, I do not know what motivated them. There were a lot of anti-Milk Board comments in there.

Just to give the member some idea of the milk industry in Manitoba and Canada, the Milk Board has been in existence for over 20 years. They have the responsibility of managing the supply of milk. They have set quotas for both milk and cream. They first get a national quota to the province, and then the province allocates the quota to producers over time.

Back about 1988 or '89, I guess it might have been '89, we set up a quota exchange for milk in the province. It was opposed by many people at the time, but it worked magnificently ever since, a monthly exchange for a milk quota. It took out a lot of the inefficiencies of transfer of cow ownership, facility ownership and quota ownership.

Over the course of time, the consumers have changed their preference for what they want to drink in the form of milk. The member and I probably grew up on whole milk. Pasteurization came in and we obtained it that way. We did a little pasteurization

at home. Then homogenization came along, and we drank 3.5 percent milk, 3.5 percent butterfat.

Then a little later in life, 2 percent milk came along, and then they have gone to 1 percent. The consumer preference is to have less fat in their diet. There is even skim milk on the market. What has taken place is that consumers bought less and less of the whole milk and also less and less of 2 percent milk, and more and more of skim milk and 1 percent milk, because they want less fat in their diet. So when the cow is producing milk at 3.5 to 3.7 percent butterfat, there is obviously a surplus of butterfat in the system.

Where there was a market for cream 20 years ago, that market is no longer there to the same extent for the cream-derived by-products, because there is a skim-off from the fluid milk side, another skim-off of excess cream that is available for the industrial side of the milk industry. The Milk Board has the responsibility to manage the milk and the cream to supply the necessary demands for all the processors.

So the Milk Board has been going through considerable discussion and meetings with its producers over the last two or three years trying to deal with this dilemma of the excess cream in the system. They have had meetings across rural Manitoba talking about the issues I have just described, this surplus of cream. They contend that anybody who wants cream, any creamery, there is lots of cream in the system.

In fact, if I remember the figure, there was a six-million kilogram surplus of cream last year in the country. Manitoba had about 17 percent of its market share quota in the cream sector up until recently. That is the highest in all of Canada. The majority of other provinces have reduced the share of the MSQ in cream quota and have more and more of it, obviously, in milk quota.

The industry has gone through quota reductions for milk over the last two or three years, and now they are trying to deal with the reality that the consuming market is for less and less butterfat, in other words, less and less cream. With the cream

surplus that is in the system, there is lots there to satisfy all the industrial needs.

This is the process the Milk Board is going through, is dealing with. They are not easy decisions. In the process of offering cream shippers alternatives, they have been out and discussed it. They made their decision in amalgamating the quota. The exchanges from the cream and the milk quota have been amalgamated. Producers have, as I understand it, three options: one is they can continue to produce cream and accept whatever price would be attached to that cream in the future; they can sell their cream quota I think at a fairly handsome profit right now; or they can convert from cream production to milk production.

I have been adamant when talking with the board that they keep all these options open for producers so you do not force somebody to quit. If they want to quit, they can. They can sell the quota. If they want to convert over to milk, they can. There are criteria, in most cases, certainly, there are health-related criteria that have to be met.

There has been quite a strong push to get producers who want to stay in the milk production business, who have been in just cream, to convert over to milk, and many have. I think it is fair to say that approximately 30 producers have exercised that option over the past period of time. The Milk Board has worked aggressively and hard to facilitate this transition which is driven by the consumer. They are responding to reality. I think they have gone through a very positive process in otherwise difficult circumstances. I have responded in that general context to the creamery, and the board is continuing to remain in contact with them, too.

Mr. Gaudry: How many cream producers do we have in Manitoba right now?

Mr. Findlay: Madam Chairperson, in answer to the member's question, there are around 500 cream shippers in the province and approximately 900 milk producers in the province. Most of the cream shippers are a little older than I am; an awful lot of them are down to two, three, four, five cows—not large operations. There are a few that have 10 or 15 or 20 cows, but the vast majority were people that it was something they did for extra income, and it

worked well through their lifetime. The number of cream shippers is dropping drastically as they have the opportunity to sell their quota, and many are doing that.

* (1520)

Mr. Gaudry: Madam Chairperson, the minister indicated that he has responded to this letter. Would it be possible to get a copy of their response to the letter?

Mr. Findlay: Yes, we will supply it as soon as we can get our hands on it.

Mr. Gaudry: They mention here, of course, all the way through the letter, and you said it was a lot against the Milk Marketing Board; they have indicated injustice, of course. It says the decision of the Milk Board to consolidate milk and cream quotas on April 1, 1993; they wanted that stopped. Has that occurred on April 1, 1993?

Mr. Findlay: As far as we know, yes.

Mr. Gaudry: Madam Chairperson, another here—an investigation into the advisability of the continuation of supply management under the authority of marketing boards where a few treacherous old men can meet behind closed doors and make decisions that adversely affect the lives of thousands of people. Can the minister comment on this?

Mr. Findlay: I am surprised that the person would make those comments. As far as I am concerned, the milk industry has conducted itself very responsibly over the course of time. As I said earlier, they are dealing with difficult issues, and the process of managing to supply the consumer in a changing consumer preference period of time requires some difficult decisions. I do not agree with the gist of those comments at all.

Mr. Gaudry: Madam Chairperson, I thank the minister for his answers and his comments on this issue. I will look forward to seeing his answer to the letter.

Madam Chairperson: Item 4.(a) Administration (1) Salaries \$105,400.

Ms. Wowchuk: Madam Chairperson, the member for St. Boniface raised the whole issue of the elimination of the cream quota and moving over to milk quota, and that, indeed, did cause a lot of concern and a lot of communication back and forth

from those people who are in the cream industry who felt that they were unfairly treated by the Milk Marketing Board and that they were not listened to, that they did not have very much input into this decision, that the cream quota representatives on the board were overruled and basically did not have any say into this.

The minister says, it is changing times and changing habits of people in what they are consuming that has caused this change, but this change is affecting an awful lot of people. There are 500 cream producers, as the minister has indicated. Although they are small operations, this small income is important to those families who have set up in that way.

The minister says that they have the opportunity to sell their quota or convert over to milk quota, but is it not a fact that the milk quota has now gone to such a high price that the price of the quota has increased to the degree that it will be more difficult for small producers to buy that quota and the investment that they will be required to make to convert over to milk virtually makes it impossible for many of these small producers to make that changeover?

To go from a cream operation to a milk operation requires a much larger investment. In reality, they will be basically forced out of business because the quota becomes quite expensive and it will be absorbed by the much larger producers and the smaller producers will not have the ability or the funds to make the conversion over to a milk production.

Mr. Findlay: Madam Chairperson, the member for Swan River says, change does affect people, and there is nothing new in that statement. That is the way change has always been ever since man came onto this planet. Change does affect you. You cannot do in the future what you used to in the past if change says it is no longer viable and the services are no longer needed, that the product is no longer needed in the system.

I hope she is not attacking the principle of supply management. I wonder, you know, because the member is chastising the Milk Board for going through a process of making decisions of managing the supply of the product they are producing to the

market they are selling to. That is the very reason for operation that they were set up. They have the responsibility to manage the supply of the product off the farm to the industry that is buying and consuming it.

I wondered in the past when the member attacked the Milk Board on this issue whether she was attacking supply management. She might want to correct the record, but I have said in my earlier answer that supply management, the people have done a responsible job, particularly the milk industry here, in dealing with this issue. It is not easy.

I tell you, the egg industry is going through equally difficult times dealing with I say a very illegal activity on behalf of Ontario and Quebec because they do not want to agree that the principles they signed up to 20 years ago still exist, although they have never been changed in the legal context of the agreement. So the people representing supply management in the province, who are people elected from amongst the producers, are doing the appropriate and right thing and making decisions to address industry change. The Milk Board has done everything it can to alleviate the pain of change.

Now I do not have the exact figures here, but the value of cream quota, and I am just sort of guessing here a little bit. I could be off. Do not hold me to these figures. It was down around \$4 or \$5 a kilogram, and I think that you can now sell it in the vicinity of \$21 a kilogram. So for a person who has some cream quota, it has value they never dreamed of. So there is a good economic incentive to retire that quota and the board is buying that quota.

* (1530)

I think they have responded very responsibly. They have not taken away the value of the quota in the process of giving the opportunity of termination of the quota by the producer. They are giving them a real economic, I guess, retirement policy. They could be milking cows for another five or 10 years to make that money, and now they are getting a chance to get it out of the system. So I think it has been a very responsible approach.

In terms of the conversion to milk production, yes, anybody who is in milk production now, there is high

investment in buildings and equipment. There is a high level of technology needed, a high level of management needed to meet the health standards, to have high-quality milk on the consumers' shelves. All the regulations that are presently in place and supported by the department are there for a justifiable reason. In order to meet all those specs, you have to have a certain quality of equipment and lines and stainless steel and all the appropriate health considerations have to be addressed. Yes, it is costly for somebody to get into milk production.

In balance, I think the board has, over the course of the last two or three years, done the responsible right thing in trying to help this industry adjust and ease the pain of the adjustment to the best possible Do not forget, the long-range projections are that the total consumer consumption of dairy products continues to go down. So the total Canadian quota that is shared between the provinces continues to decline.

The industry wants to find ways and means to reverse that trend. It will require more aggressive activity in terms of consumer friendly products, more processed products as opposed to just raw products and their traditional industrial products. A lot of competition is coming from the people in the world of the soft drinks and the other beverages, fruit beverages, all competing for that consumer dollar for a beverage, and the milk industry is being challenged to maintain its present share of the domestic market and try to prevent the continued erosion.

Ms. Wowchuk: I want to assure the minister that I have always been supportive of supply management and will always continue to be supportive of it. However, I see nothing wrong with constructive criticism. You can criticize without opposing the idea. I believe that when I talk to producers some of them feel that they have not been treated fairly by some of the things that have happened over the past couple of years. There are a couple of producers who question the whole idea as to why, in the last couple of years, if there was so much less demand for cream, why the Milk Marketing Board did not have that advice sooner

and told them, and not sold quota to these people to start up a cream operation.

This has happened in a couple of cases that I am aware of where producers bought cream quota to start up an operation to supplement their farm income, and then very shortly after they got it, were cut back on the amount of quota that they have and now we have the other change coming in where we have a conversion over to a combination of the cream and milk quota.

I believe the marketing board that has control over quota should have been more open with these people when they were setting up these operations, and should have given that information up front and said, you know, you want to get into this business but we want to discourage you because these are the changes that are coming. I do not think they should have encouraged and I believe some of these people have been in contact with the minister that have bought this quota and started their operations and now are required, if they want to continue, to convert over to milk production.

Mr. Findlay: As I said earlier in answer to an earlier question, we set up a quota exchange for milk. That was the first quota exchange set up, and then a cream quota exchange was set up, an egg quota exchange was set up. All those quota exchanges are working reasonably well, a much more efficient way of transferring quota amongst cream producers.

Now I do not know the specifics of the individuals that the member is talking about, but I would have to presume that when they bought the cream quota, they bought in on the quota exchange, in other words, they bought it from other producers. So I cannot see how the Milk Board encouraged them to buy it. They operated the exchange and somebody who wanted to sell the quota offered the quota up and somebody who wanted to buy it bid for it. There was free determination on behalf of seller and buyer in the process of making a decision as to whether they wanted to sell or wanted to buy.

In terms of whether the Milk Board should have been more open, I think that they have been constantly. I am sure we can go back and all the information they sent to their producers, or at least

I have to assume they were sending it because they talked to me about it, and this has been happening very much in the open. Other provinces were reducing the amount of quota in the cream sector and ours was at 17 percent which was the highest in the country. If I am not mistaken, I do not know the figures, the next highest portion of total quota that was in cream was Saskatchewan around 4 to 5 percent.

So there was a clear signal there that we were way above the average, way above, and the milk quota has been coming down about 2 percent each time they reduce the total milk quota right across the country. Everybody is reduced 2 percent, so the handwriting was on the wall. Consumers are consuming less in total, therefore the total quota is being reduced, and in the egg industry if you watched what was happening there, they did not reduce quota fast enough and they ended up with tremendous surpluses and then levies had to be paid by producers for surplus removal. Certain degrees of debt were incurred that seemed a very, very heavy burden because they did not respond fast enough, and I think the milk industry saw those examples and were responding.

The board sent around bits of information which indicated the realities of the marketplace, and followed that up with a decision that they thought was necessary and gave the options to the producers, as I said before, three of them: Continue to produce cream at what the market value is; secondly, to sell your quota; thirdly, convert to milk. They have been advocating the conversion to milk for some time. If I am not mistaken approximately 30 producers are in the process of, have either completed that exercise or are in the process of conversion. In the milk quota, when a producer offers his quota for sale, there is a 15-percent levy, or 15 percent of the quota is turned into the board to be used for giving quota to new producers or small producers to get up to I think a minimum of 600 litres, some criteria like that.

I honestly feel that the board has done absolutely an admiral job in dealing with the realities of the marketplace, trying to help its producers adjust. A little simple high management can be seen as a bit

of a protection mechanism for producers and for processors. You cannot escape the realities of the eventual marketplace. It does not mean you can hide from change, it means that change occurs in a more managed fashion. I think that is what has taken place in this particular sector.

Ms. Wowchuk: Some of the people who were concerned about this change when the announcement was being made about changing cream to milk production were the creameries. The member for St. Boniface (Mr. Gaudry) mentioned the one in Inwood. There is I believe a creamery in Neepawa, or Minnedosa, and there is one here in Winnipeg who have said that although the marketing board is saying there is not a demand for cream, that the market is changing, all of these producers that produce butterfat are saying that there is a market.

They can be selling butterfat, but now by this change their supply of cream is going to be restricted. The minister shakes his head, but in reality if it is sold as whole milk and the processor of the whole milk then has control of the butterfat, it will not go back to these small creameries. Where are they going to get the supply of cream? What we are doing is taking the butterfat supply away from these small creameries who say that there is a demand for butterfat and are feeling very frustrated by what is happening and concerned, again, about loss of jobs that they are providing in their communities.

* (1540)

Mr. Findlay: Madam Chair, the member, if she would listen to her own questions, she would have seen an answer in the early part. She says that the whole milk has come in, there is a surplus of cream. Now where does she think that cream is going? There is no magical disappearance. There is a surplus of cream. I believe the figure is and in all of Canada last year there was a 6-million kilogram surplus of butterfat. Now that surplus of butterfat that comes from the fluid milk market and the skim-off is available to the industrial sector to use as cream. Now skim-off of whole milk is the same as cream separated from milk that is milked on the farm. It is exactly the same commodity. There is a surplus in the fluid milk side of cream that is available for the industrial sector to make the cheeses and the ice creams and all those other

high-fat dairy products for which there is a market. There was a 6-million kilogram surplus last year, so there is lots of cream.

She says, where are those creameries going to get their cream? What she just said, if she had listened to the early part of her question, she gave me the answer. It is in the surplus from the fluid side, in the skim-off process. When the cow produces 3.5- to 3.7-percent butterfat and the consumer only wants to consume zero percent, 1 percent or 2 percent fat, there is obviously a surplus taken out of that whole milk, and that is available.

She mentions certain creameries, now I do not know how they run their business. But I understand, and I say I understand, that Neepawa, which is Schwan's Ice Cream, is buying the appropriate butterfat that they need from the fluids milk plants. They used to buy direct from cream shippers, but they made that change.

I have to assume everybody else has done that too. I have asked exactly those questions of the Milk Board, and they give the appropriate response. They say exactly what I have just said; I am giving the answers I have received. I say, I have no reason to think that there is anything that is wrong in the system. Maybe some people cannot get along, and they do not like to have to change the way they do business from the way it was. But supply management does not mean no change; it means a managed process of change. Everybody has to adapt where change is necessary.

If these creameries want to buy their butterfat directly from the farm forever, what is going to happen to this mountain of butterfat in the skim milk process? What is going to become of it? Who is going to take the loss? The consumer does not want to consume it, so I think it is only appropriate that it go into the industrial market.

I think the member will be well served if she called up the Milk Board and asked for a review of the complexities of the industry and how it has operated, because they will give her the full story. I have talked with them and asked the same questions, and I am giving the answers that I have received, and I believe the answers that I have received.

Ms. Wowchuk: I can assure the minister that I have met with the Milk Marketing Board and I have discussed this issue. I will consult with those people in the industry who earlier this year expressed a concern that they would not be able to get their cream supply because the cream supply would be controlled by someone else. They were concerned about—[interjection]

The minister talks about a bogeyman; he is being rather ridiculous. Wherever the milk is going, whichever company the milk is being bought, somebody has control over the cream that is skimmed off. I agree, they have to work something out, but there was concern that cream would be processed by other companies, that we were going to be losing industries in processing in rural Manitoba.

He talks about the one at Schwan's; there is also the People's Co-op at Minnedosa, and there is, on Dufferin, a co-op here in Winnipeg, who are concerned. I think it is a legitimate question to ask, and I will go back to those people to see whether they are having problems with getting a cream supply, because they are viable operations. They provide jobs for many people, and I think that we have to have some concerns if the supply is shifting and they cannot continue in their operations.

We should be concerned about all people. Granted, we do have to have change. Change does happen, but in the process of change we have to think about minimizing the impacts of that change and try to be concerned about the people that are affected by this change. That is basically what I am concerned about: are we still going to have those jobs? Those people had a concern, whether or not they would be able to get a cream supply and continue their operations. If the minister says that the Milk Marketing Board assures him that there will be cream supply available so that those operations can continue, then that is fine, but we have to look at jobs for Manitoba in all parts in the milk industry.

What are we losing? Is the butterfat being shipped out and being processed in another province, the skim-off? That is the question that I think we should think about, the jobs in Manitoba

and those smaller operations that have employees and provide a service in the communities.

Mr. Findlay: The way our market system works, if you want to buy something you have to bid for it, you have to buy it. If whoever is selling the butterfat, whether it is a company or whether it is the marketing board, they should be selling it to the highest bidder. I am sure with transportation costs there is no way that somebody outside of here could outbid somebody that is inside the province. The board's job is to sell the raw commodity at the highest price advantage to the producer. I think it is important that that principle be recognized. That is the very purpose of the marketing board existing, to access the best market for the commodity that is produced on the farm in the process of selling it to the processing industry.

There is no evidence that I am aware of that the skim-off is being exported out of the province. I cannot imagine the economics of that, and I cannot imagine why anybody would want to accept a loss in that process in order to do that. I am fairly confident the cream is available here to maintain the jobs in the industrial processing sector.

We are going through a process of adjustment, there is no question. Maybe there is a bit of antagonism between some of the parties, maybe there are a few personality conflicts, et cetera. Some of them may have been boiling over for a number of years. Let us face it, some of the people in the processing industry do not like marketing boards, and the letter from the Inwood Creamery clearly said some uncomplimentary things, because they would like to be able to drive down the price of the product they are buying, and the Milk Board says no, here is the price. The very reason for setting up marketing boards was to extract a better price from the industrial sector for commodities farmers are selling. The industry's job is to drive the price down. If they can get the marketing boards out of the way they know they can drive the price down, and I do not agree with that.

Ms. Wowchuk: Madam Chairperson, the minister has indicated that he does not believe there is cream leaving the province. Is there then surplus milk leaving the province? Is all milk being processed in Manitoba or is milk being shipped out of the province

to be processed? I am thinking about the cheese industry now. Are we processing all our cheese and our yogurts here in Manitoba or are we shipping milk out and having it processed and then brought back in?—because he says it is not happening in butterfat. Is it happening in other products?

* (1550)

Mr. Findlay: Over the course of time, as I recall, the milk board manages the supply of milk coming in to the demand first in the fluid sector and then, secondly, meeting the industrial sector request for product. Certainly there are times—well, you think back over the last 20 years, they have evened out the production cycle over the course of 12 months to a very significant extent so you do not have surpluses in the summer and deficits in the winter. Even in that management process there certainly are times in the year when there might be a surplus of milk being produced in Manitoba that they may well send a few loads to some place like Yorkton because there is no place, no processor that wants it in Manitoba, and the reverse happens if there is not enough milk being produced in a particular day or particular week or particular month in Manitoba; they might have to bring some milk in.

You have some manufactured products come into Manitoba. We also export some manufactured products, particularly cheese, export it across the country and, I would have to think, outside the country too. So there is movement in and out.

We have a little less than 4 percent of the population. We have about 4 percent of the milk quota in the country. So in terms of population, our production at the farm level is in balance.

I cannot comment whether over the course of a year our movement of milk and manufactured products is in a surplus or deficit with other provinces but, in the overall management between the milk boards in the various provinces, raw product does move back and forth in trying to even out supply with processor demand.

Ms. Wowchuk: So then there would be no guarantee. The minister talks about supply moving back and forth between provinces, and I would assume that applies to butterfat, that applies to milk. There would be no guarantee that the needs of those processors who are in Manitoba, those that we raised earlier who are saying they cannot get an

adequate supply of butterfat, there is no guarantee that their needs would be met before the butterfat was shipped out somewhere to another province.

Mr. Findlay: It comes down to, if they want to guarantee themselves supply, they have to bid for it and return a higher price to the farmer at the farm gate. I support that principle.

Mr. Gaudry: The minister mentioned that the surplus of butterfat—Schwan's was probably one of them that was buying some of that. Was Schwan's buying direct from the farmers before?

Mr. Findlay: When Schwan's came into the province, they bought the Neepawa Creamery, which had for years been buying cream directly from producers, and they continued that process up until a number of months ago when they made the switch.

Schwan's is a rather interesting story. We talked earlier about consumers wanting less butterfat in their diet. Yet the ice cream that Schwan's produces is a high butterfat content and it is delicious.

The member for Swan River—look at all the jobs being created in rural Manitoba by Schwan's in terms of all those trucks travelling around and all the gas they buy and she is against it. I am surprised. I apologize.

It is an interesting marketing concept. They have found a niche market for a high-fat ice cream, and I love it; I am an ice cream fan. They are selling it door-to-door throughout rural Manitoba. Yes, they started in rural Manitoba and then they evolved into the towns and the villages, and now they are in the city, and it is door-to-door sales.

The price of the product is higher than what you could buy it for in the normal retail outlets, but it is a superior quality and a superior service which satisfies the customer. It is an interesting marketing principle; it bucks all the trends.

It is a higher fat content, higher priced, but they are selling. It is creating a lot of jobs, I do not know how many, in rural Manitoba, but there are a lot of trucks on the road. There are a lot of jobs that were not there before.

I have talked with the management of Schwan's. They are broadening the spectrum of products that they are selling, and they say, wherever possible, absolutely, we want to source all our food products, particularly the processed ones, and basically everything is a processed product, in Manitoba. They are aggressively trying to find everything they can of Manitoba origin that they are marketing in this process.

So it is totally counter to the earlier discussion. We said the consumer preference is less fat in dairy products, and this is really an example of more fat, but it sells—so consumer preference again.

Mr. Gaudry: Yes, you mention that they bought a Neepawa creamery. Where did this firm come from? Is it a Canadian firm or an American firm?

Mr. Findlay: Well, it is an example of free trade. It is American in terms of ownership and marketing principles, but what they are doing is hiring Canadians and promoting business and business activity in Canada for Canadians.

To the best of my knowledge, this is the first province they have entered. So we have the benefit of their investment right off the bat. The investment in Neepawa, expansion of the plant, and expansion of jobs in Neepawa has been rather dramatic.

Mr. Gaudry: Yes, that is what I understood that it was an American firm because I did meet a gentleman who was transferred to Portage la Prairie and who came from New Jersey, I believe, and it was to manage their branch in Portage la Prairie.

I have no objection to the fact of whether they are American or not, but like you said, they create a lot of jobs here in Manitoba. I know they have come to St. Boniface, and I have recommended them to several friends and they keep going there, and they call at our place every two weeks. Like I say, a lot of their products are very good. Like I say, you pay a little bit more but we feel that we get service at the door, and it has created jobs also. I think you look at it that way, in that respect.

With those comments, I will pass it on to the member for Swan River.

Ms. Wowchuk: Just to set the record straight, I have no objection to the quality of Schwan's Ice

Cream. They provide service in our part of the province, and there are many people who enjoy the product. Every individual has their own preference, and some of us perhaps are a little more concerned about the fat quality and there are others who choose to enjoy that luxury, but I have tried the ice cream and I have no objection to it.

I want to go on to another area that has caused some concern within the city of Winnipeg. It goes back to a time when we saw minimum pricing of milk removed. In February, there was quite a bit of concern about a price war on milk that was started by SuperValu.

I have a copy of a letter here, and I would just like to read parts of it and get the minister's comments on it: I am writing to inform you of the concerns with a new price war on milk started by SuperValu. As indicated in Superstore's full-page ad, they plan to make these new prices a permanent discount-price policy. This unfair pricing would disrupt the retail industry causing undue hardship to all convenience stores and probably placing several small stores out of business. Dairies could go out of business which could allow for larger and more efficient American dairies to gain the foothold on the Canadian marketing board.

There were many concerns when the minimum price was removed from milk, that it would have an effect on consumers and also on the dairy industry, that this was the wrong direction to take. I am wondering whether the minister has had any concerns raised to him, and whether there are any steps being taken to bring back the minimum pricing of milk, so we can have stability and not put undue pressure on many of the smaller businesses that they are feeling when a larger business can lower their prices and cause disruption for people.

It is a benefit in the short term, but on the other hand, if it is going to affect the businesses of smaller areas who cannot compete at that price, there is a concern. I wonder whether there is any move towards bringing back a minimum-price regulation as has been suggested by many people.

Mr. Findlay: Madam Chairperson, we removed the minimum price on milk because we felt consumers had a right to be able to source the product at

whatever price the retailer wanted to bring it down to. If you put a minimum price in, you are effectively raising the price to the consumer, and I do not hear any consumers complaining about being able to source food products at a lower price.

The producer is not being affected in this. The price the producer is receiving is not being affected. If the stores want to attract business by offering a special, a lower price to the consumer, the consumer is the winner in this and the lower price probably stimulates consumption to some degree. So I stand on the side of the producer and the consumer.

* (1600)

If the business world in between wants to fight, and the consumer gets a lower price and the producer is not affected in terms of his farm-gate price, I mean I think that is business operating as business operates, all struggling for the marketplace and satisfying the consumer in terms of keeping the price down.

I think we all want to keep the prices of consumer products down. We do not want skyrocketing prices. If somebody says they can sell it at a lower price to the consumer, the consumer benefits, and the producer, where my prime interest is, is not affected in this process. In fact, more milk or more dairy products in total might well be sold if the prices are kept down to retail level.

I said earlier that milk is losing some market share because people are looking at soft drinks and fruit drinks as being competitively priced and maybe more attractive because of flavour and price. If you bring down the price of milk, and they say, okay, now milk is a much nicer, better price, I will buy more milk and less fruit juices. So you end up with more dairy products being consumed. I think that is positive.

Now the Milk Price Review Commission has been reviewing this. They sent letters to the companies involved, the retail outlets involved, saying that we have a policy that if you want a special—milk—you should apply for the privilege to do that, and that has been an ongoing process.

Whether they are predatory pricing, it would appear not because they are not selling—the prices that we have seen in the store are not below the cost

of acquisition of that dairy product. This is going on in other locations in the country, and the consumer is the winner in this. The consumer is the winner when the prices are reduced. I do not want to prevent a consumer from being able to source a product at a lower price.

Ms. Wowchuk: Well, I think the minister has to realize that in the short term the consumer may be the winner, but in the long run the consumer can lose and so will small business, because it appears then that the minister is not prepared to support small businesses. He is prepared to say to big business, you go ahead, you drop this price to whatever you want and put those small businesses out of business. Then they have control of the market.

Is that the minister's opinion that it should be big business that controls everything and small business should not have any protections, and we should not have standard prices on products like milk, that it is an accessible price that consumers can—it will be available to consumers at a reasonable price. At the same time, I believe we have to be concerned about what is happening to small business, and really this is just a ploy by big business to squeeze out these independent producers and small retail businesses.

Mr. Findlay: The member says I do not support small business. Absolutely I do, and the vast majority of jobs created in this province are created by small business. In fact, the country of Canada is really operated and run by small business. But on the other hand, the large businesses she is referring to—I presume she is talking Safeway, SuperValu—create an awful lot of jobs in Winnipeg and Manitoba.

Now we are not aware, as I said earlier, that the retailers are selling the milk below the cost of acquisition or below the wholesale price. She says that small business will be driven out of business. I heard that long before we removed the minimum price of milk, and it did not happen.

Again, it is this concern that I will be hurt. Well, if we followed that scenario all across the board, how far would prices rise because people say I cannot compete? There are market niches out there and, as far as I understand—now I have not been in a retail store for years—but as far as I understand, the low

price is offered on the four-litre container. A lot of people do not want to buy it in that large a volume, and at our corner stores and our home delivery, they sell it in smaller packages more conveniently packaged for the consumer, whether it is a half litre or a litre or a two-litre container.

Many of the consumers, if that is what they want to buy, will pay whatever they have to pay to get the product in the proper container that they would want to buy it in. As far as we know, the home delivery by Dufferin dairy—is it Dufferin Co-op Dairy?—it has been business as usual because they have a certain clientele that they offer the home delivery service to. That is why the consumers buy from them, not really affected by the fact that there is a four-litre container in the large store where they could buy it cheaper.

(Mr. Edward Helwer, Acting Chairperson, in the Chair)

The business world sorts itself out over time, and we are not aware that the small business person is going to go out of business over milk by itself where we see the consumer getting a good price on milk if they want to buy it in the four-litre container. I know that the member comes from this concept that we can control everything. Well, the world is not about controls anymore. The world is about a marketplace that works things through the system. If she said, if you are going to do it on milk, why not do it on eggs, why not do it on meat, why not do it on cornflakes? Why not? Everybody says, well, I have to have this kind of price in order to stay in business, and the costs go up and up and up, and all you do is increase the cost to the consumer. Then the consumer wants higher and higher wages.

We make all the products we produce in our factories to export uncompetitive. We are in a whole mode as a country trying to be competitive on the global marketplace and living with realities in the marketplace, and you cannot go in these special little niches and hide from that. You cannot. Now I know the member will not believe that philosophy, but if she looks around, that is what drives our system, absolutely, and I will not demand that consumers be forced to pay certain prices because somebody says they need that in order to compete.

That principle—we will put on cornflakes next, put it on puffed wheat, put it on cheese—where do you stop it? You cannot live that way. The planned society of the U.S.S.R. failed.

Ms. Judy Wasylycia-Leis (St. Johns): Mr. Acting Chairperson, just to follow up on this issue since it is a concern to people in my area and certainly other parts as well.

What we are dealing with right now is the issue of the recent price war on milk that happened in this past February and started by SuperValu. The minister has just stated that price war did not have a negative impact on the small retailers and distributors. I think that, if the minister would check, I am sure he would find that for the period that the price war on milk lasted it did have an impact on the Dufferin Co-op distributor, and I think if the price war had continued it would have been felt in a very serious way by that Co-op Dairy. We could be looking at a situation of losing a very long-standing institution in our community that provides a valuable service to consumers, and the loss of that firm, that co-op, would be a blow to the consumers. There is real danger that with price wars and the absence of a minimum price on milk it could happen.

*(1610)

That scenario, coupled with the fact that SuperValu and other large retailers no doubt are looking at and implementing these new plastic jugs, which provide milk to consumers in much larger quantities than has been the case up until now. That happened around the same time as the price war, and that has an impact on small retailers and on places like the Co-op Dairy.

I would like to ask the minister two questions. One, if he does not see that, in the absence of a minimum price on milk, price wars, which will rear their heads every so often, that in fact these price wars do have an impact on the small corner stores and small distributors like Co-op Dairies. That is one question, and related to that is, what are his plans for preserving those small businesses in our community and protecting them against serious fallout from the price wars of major retailers like SuperValu?

The second question is, is there not a role for this government to play in terms of directives to retailers for the kinds of containers in which they sell their products? I refer specifically to nonrecyclable jugs, the kind which were just introduced into the market very recently, and whether or not there is not a role for government to play in terms of ensuring at least that containers in which milk is stored are recyclable.

Mr. Findlay: Mr. Acting Chairperson, well, the member really likes the planned economy. She just thinks that I can plan everything, I will decide what the prices are and I will decide what the size of jugs are.

She did not listen to my last answer. Those things are decided between the consumer and the retailer. If the retailer puts on the shelf something the consumer does not want to buy, they will find they had better change the product on the shelf and put something on there the consumer wants.

We have a law, a Canadian law, against predatory pricing. We are not aware that any predatory pricing has occurred in this particular instance. The consumer has had lower priced milk. I cannot imagine the members of the NDP saying consumers should be forced to pay more, they should not have the benefits of lower prices. Whether it is a milk war or a gas war, it is of benefit to the consumer.

There is this great fear that business will be lost. Well, there is no evidence of that. They say, I have heard. Oh yes, we have all heard. We all have to adjust. There are adjustments. The consumer is the winner in this, and the dairy producer, our primary interest, is not negatively affected at the farm gate in terms of price, and he is probably seeing an increased consumption of milk in the process.

Milk has to be competitively priced with the other fluid products that a consumer can drink, so I say that I am amazed that now we are going to have to decide what container size you can sell in. You are going to do that for cheese? You are going to do that for meat? You are going to do that for soft drinks? We are going to decide the container size? If the consumer does not want a certain container size, they will not buy it. But if it is a lower priced product in a certain size of container, I think the consumer is the winner in this.

In terms of the recyclability of the container, I cannot comment. I can tell the member that we have made inquiries to the Department of Environment about that particular concept of whether it is recyclable or not recyclable. That is my answer.

Ms. Wasylycia-Lels: Just to go at these issues again, I think there is some area for clarification and still some room for some responsible action on the part of government. The minister suggests that, basically, it has advocated the hands-off approach by government in this whole area of milk markets, pricing and types of containers. He has argued that the current hands-off approach is absolutely beneficial to the consumer and that government has no business interfering with the marketplace whatsoever and that approach will always benefit the consumer in the short and the long term.

Well, I think that the minister has enough experience in terms of the marketplace and economic theory to know that it is very possible, and it certainly happened in the past, where price wars, which large retailers are able to initiate, do end up hurting small retailers and distributors. That has absolutely been the case in the past and it is quite likely the case in Manitoba in the near future if this kind of situation happens again.

The minister says we are making speculative statements. Well, there were real concerns expressed by representatives from the Dufferin Co-op about the impact of the price war on milk if it had gone on for any period of time. If it had had that kind of impact to the point where a place like Co-op Dairy would have to shut down, or local corner stores, or family stores would have to shut down, then who suffers? In actual fact, it would be the consumer that will suffer, because the marketplace will be totally controlled by a couple of large retailers.

There will be a monopoly situation with that kind of control. Those retailers can set the price they want and consumers are at the whim of those retailers. That is inevitable under that kind of situation. So, I think, given the minister's stated commitment to small business in this province and given his adamant remarks about acting on behalf of the consumer, he should be concerned about this kind of situation and begin to think about some protection for both the consumer and the small

retailer, whose very existence is beneficial to come full circle for the interests of the consumer.

So I would ask him to look at that again and at least admit or acknowledge that there are very serious problems down the road if we end up with a monopoly situation in terms of supermarkets and retailers of milk products.

Now onto the second concern once more, and I will leave it alone after this, I was not suggesting that government intervene in the marketplace and dictate to retailers the size and type of containers except when it comes to meeting standards with respect to preservation of the environment.

We have heard a lot from this government about environment, about economic sustainability. We have heard a lot of words, commitment and promises around the three Rs.

* (1620)

Here we have a situation where a nonrecyclable container has been added to the marketplace. We know it is a plastic container. We know we have very serious problems in Manitoba right now recycling plastics. As a resident who tries to recycle everything, and is part of a recycling co-op, I know that there is no way right now, virtually no way to recycle plastic containers of almost any size, shape or form.

The plastic recycling industry in Manitoba is almost nonexistent. I do not think this is the time and place to go into all of that in great detail, but I think the minister knows that is a serious problem right now, and he is aware of his own government's commitment to preservation of the environment and to serious recycling. It is in that context that I raise the question of the ability of large retailers to be able to put on the marketplace a new container which is made up of a nonrecyclable material. I only ask whether there is not, given the government's policy and programs on the environment, some area where the government could be playing a role and encouraging these retailers not to put new products on the market that are not recyclable.

This government has taken some action in some areas. It has intervened in the marketplace. It has put a tax on disposable diapers because we know

that disposable diapers take so long to break down, and they are very hazardous to our environment.

The same holds true for plastics. So I think it is an area where we need some action which would also help deal right now with a difficult situation for small retailers and distributors who cannot compete with that kind of ever-changing packaging and enticement around products. So I think it is an area that needs to be addressed, both from a point of view of the environment and the consumer.

Mr. Findlay: Mr. Acting Chairperson, I cannot comment too much on the recyclability. That is for another department, and, as I said earlier, we have asked the Department of Environment for some comment on the issue of recyclability.

The member says they are not recyclable because of the size. I have a hard time believing that. There are businesses built on the basis of using old, unused plastics, recycled plastics in terms of grinding it up and putting it into other types of products. So I have a hard time believing that, because of the size and because it is plastic, it is not recyclable. I have to believe that there is an awful lot of plastics out there that are recycled by grinding it up and putting it into a variety of products.

In terms of saying that retail outlets will close because of a price war on milk, I have a hard time believing that the corner stores live and die on the sales of milk. They provide a lot of other products that they sell, retail products that they sell to consumers, and the corner stores exist. I would have to believe that most products sold in the corner store tend to be a little higher priced than in the big super stores, simply because the super stores work on volume, and the smaller stores work on quality, service and convenience for the people that do business there.

They do business there. It is like the Schwan's example. People will pay more for a certain quality of product that they can get, a certain convenience of doing business there, and other human factors that are important to the person who is buying. So I do not buy the argument, and it is all built on hypothesis over there that we are going to go to rack and ruin in small business over some lower prices in milk for the consumer. That is not going to

happen. Trust me, it is not going to happen. [Interjection] Trust me. I will not run federally either.

The corner store is not built on underpricing the big stores on very many commodities. They are built on convenience, quality of service, and the hours of convenience for the consumer who is buying. Milk is, obviously, a major attraction, but many, many other products are sold in those corner stores. I do not think we should be forming government policy on a lot of hypothesis. I heard those same hypotheses when we removed the minimum price of milk, and none of them came true.

Ms. Wasylycia-Lels: Just a couple more quick points based on the minister's response. First off, I want to say that to his words "trust me," I am afraid we cannot just accept those words and assume that the worst will not happen, because we have seen it too many times. Was it not the current Prime Minister of Canada who said, trust me? We know the kind of situation Canada is now facing. So I think we are trying to be responsible and pass some information to the minister so that he could perhaps avoid some really bad case scenarios from happening.

With respect to the ability of small corner stores and small distributors to be able to compete with big stores like SuperValu and Safeway, I think the minister is mistaken and he is wrong. He knows it is impossible for a place like Co-op Dairy to be able to turn around their whole operation and keep up with the latest fad of packaging every time SuperValu or Safeway is able to do that.

A small distributor like Co-op Dairy made a big leap from going to glass milk containers to the plastic cartons to keep up with the changing marketplace and the large retailers setting the trend, now finding that those large retailers are able to come up with new packaging and new sizes of containers to attract and keep consumers. That is, clearly, a difficulty for those small distributors and for corner stores. It just is not possible for them to compete on the same basis. I just put that on the record for the minister.

I do ask a question again about the plastic containers, the new ones introduced by SuperValu, because, in fact, there is no market in Manitoba for

those plastic containers. In fact, I have had to do some research around this for a local recycling community effort in my constituency that has been trying to find markets for plastic products. Their best efforts have been able to determine that there is only one company in Manitoba that recycles plastic. That is a company by the name of Nemco, and it only recycles No. 2 plastic.

So we do have a problem. In fact in the last year, one of the Winnipeg 2000 newsletters talked about the need for someone to attract business to Manitoba or encourage a business to start up in Manitoba that could get into the plastic industry in a big way and recycle all the types of plastic we have on the marketplace which range, as I understand it, from No. 1 plastic right through to No. 9 plastic. We have a serious problem, and we now have a new plastic container being put on the market, and I think it is an area, and I will just say it once more, for this government to play a role and exercise some responsibility.

(Madam Chairperson in the Chair)

* (1630)

Mr. Findlay: Madam Chairperson, on the basic philosophy we will have to agree to disagree. I will not change your philosophy, you will not change mine. In terms of the four-litre containers, my understanding is that they are a fairly large item in Ontario. A lot of milk is sold in Ontario in that fashion, and if we now have a new plastic product on the market that needs to be recycled, there is a business opportunity for people who want to get into the plastic recycling business. As the member just indicated, there is a need for that sort of business activity in Winnipeg, so rather than try to stomp out the four-litre jug, let us say now we have another product to attract a business enterprise to recycle plastics. Where you see an obstacle, I see an opportunity. I am optimistic and you are pessimistic. If we can leave it at that, we will never agree on the subject.

Ms. Wowchuk: I guess as I listen to the minister's comments about these jugs and opportunity to attract industry, it appears that we have the cart before the horse. We have all the jugs piling up but the problem is not being addressed, and the member for St. Johns raises a good point. I hope

that we will see leadership from this government, that we will see an industry—

An Honourable Member: As normal.

Ms. Wowchuk: This is really getting heavy here. First it is trust me, and then it is as normal. We have to be very careful about what we believe is being said here.

I want to move into another area that is a concern in the city of Winnipeg as well as in rural Manitoba, and that is with the purple loosestrife, *Lythrum*. Many people have expressed concern about the spread of this plant and the drought conditions that we have had over the past few years has exposed mudflats at marshlands and has resulted in a tremendous increase of this plant which is listed under The Noxious Weeds Act.

I remember last year raising it with the minister, or it may have been the year before, when we had a discussion about *Lythrum* and the Morden Pink is the name of the plant, and whether or not it should be for sale in the province. At that time, the minister indicated that there was no connection between the purple loosestrife and the *Lythrum*, but there is indication now that there is a connection and that recommendations have been made, based on research from the University of Winnipeg, that purple loosestrife seed should not be sold. There is also concern that, although it is on the noxious weeds list, nothing is being enforced. This is a serious problem, and I wonder what steps the minister's department is taking to bring this problem under control.

Mr. Findlay: Madam Chairperson, the department is very much aware of the circumstances and the problem, and is involved in an interagency task force which is assessing the severity of the problem and the appropriate remedial action that can be taken. Certainly, the member mentions the city, and the city is involved in this task force and is in the process themselves of removing this particular plant from any plantings and parks or wherever it might occur.

Here is where I will ask the member if she really thinks we should, or should not, use a chemical agent to control this particular species, because it is very competitive. It has no natural predators that we are aware of. It will expand its population very

aggressively over the next few years, so something has to be done to put it in check. There is no registered chemical at this stage to control it.

Certainly it is fair to say that efforts are being made to determine what will control it and maybe whether it can be registered. Also, some work has been done on a biological control agent. That work is going on, whether it will or will not work, I guess that is still a somewhat unknown question.

It is being addressed, but I think it is a relatively serious problem. I have been on the Red River and seen that growing on the riverbanks. Yes, it is pretty, but when you look at what might happen over time in terms of squeezing out other species on riverbanks and lakeshores, we do not want to see it expand its population any more rapidly in the future. We would like to see methods of control.

Really, right now, removal is the only remedy against it that exists, and that is quite a formidable task. Whether there will be a chemical agent or whether the biological agent that is presently being investigated will work remains to be seen. I guess, really, it is the overwintering aspect of that that is being researched right now.

Ms. Wowchuk: Madam Chairperson, the plant, as I had indicated, is listed on the noxious weed list, but it is still being sold by many greenhouses. I wonder whether this is one area where the government can move.

The minister has indicated it is a serious problem and it is spreading into many areas. If this is one area that we can move in, since it is under The Noxious Weeds Act, why can control not be brought in there? Why are we allowing the sale of that plant to continue when we know that it is causing a very serious problem?

Mr. Findlay: The department is working with the nursery associations trying to get them to voluntarily accept the principle that they should not be selling it. Apparently, there is some technicality as to whether the ornamental varieties fall under the strict definition of the purple loosestrife as listed in The Noxious Weeds Act.

There are attempts being made to reduce the sale or in fact eliminate the sale by the nurseries and it

is being done in consultation with them. We would hope that there will be compliance.

* (1640)

Ms. Wowchuk: Madam Chairperson, the minister says there are attempts being made. I think this is a very serious problem, and there is indication from research that says that there is cross-pollination with the wild population and that the plants that are being sold by nurseries are increasing the problem.

I think that it may take more than asking nurseries to co-operate. I am asking the minister what steps he is prepared to go to to bring this under control. If it is a plant that is under The Noxious Weeds Act, it is causing problems to our environment and having an effect on the other species that grow in that area, overtaking slews and affecting the Red River and Assiniboine River, then what steps is he prepared to take?

Is it only going to be just asking them to come under control, or is he prepared to take steps that this plant will be banned and they will not be allowed to sell it?

Mr. Findlay: Madam Chair, there are really two areas of activity. One is the ornamental area, which is the plants being planted in a controlled environment. Yes, seed might spread from there, but limited potential. The other is that which is growing on the riverbanks wild, where seed can obviously very easily spread, and that is the serious area.

The member says, why do we not just ban it? Well, as I said in my previous answer, the purple loosestrife is listed in The Noxious Weeds Act. There appears to be a problem with enforcement because the ornamental varieties, I mean, they may not fit the definition exactly. We could change that, make that amendment but, in the meantime, we are working with the nursery association to get them to understand the relative seriousness of it.

Let us face it, we could ban it, but that will not stop it from being sold. We have to have voluntary compliance. Even though there might be a regulation you can enforce, the people are going to abuse it. There are not enough Lythrum police in existence to stop it from being used, if somebody really wants to have it and grow it in their yards,

unless you run around and pluck it all out. That would create quite a little scene here and there.

The big issue is on the riverbanks and, if the biological agent process will work, it may well get the plant in check. There are the riverbanks here, and there are the lakes and various locations, marshes outside the city where it also is expanding its area of growth. So it is well recognized what the problem is and we are attempting, in a reasonable and responsible way, to address it with the nursery association.

Ms. Wowchuk: Madam Chair, the minister said that there is not the mechanism in place, and perhaps it is through actions that he has taken as the Minister of Agriculture and his government has taken that there are not those people in place. I refer to the Weed Control Districts and the support that the—

Mr. Findlay: They were not in the city of Winnipeg.

Ms. Wowchuk: The minister says, they were not in the city of Winnipeg, but this is not only a problem, it is a tool that could be used to control the plant in other areas. So there are mechanisms that the minister has weakened by steps that his government has taken in reducing supports to Weed Districts.

I want to go on to another area. That is the area of sustainable development and irrigation. We have had a lot of discussion about—[interjection] You want to close that, okay.

Mr. Findlay: Madam Chair, the member wants to take a shot at us for Weed Districts. Weed Districts only covered half the province, half the R.M.s or slightly more than that at the very best of times. To say that Weed Districts are not here is the cause of the Lythrum problem is drawing such a long bow I cannot even see the rainbow here. It is not a fair comment.

The department's activities in terms of trying to control this plant have not been affected by the removal of the Weed Districts. The problem she identified is to a large extent in the city.

Ms. Wowchuk: Madam Chair, just responding to that, I did not—the minister said the Weed Districts were only covering half the province. That is true. We do not agree with him that that was a reason to remove them if they were serving a viable purpose.

They were people that were doing what was necessary and I think we should have looked at how we could enhance that rather than reduce it.

Also, the reason for my comment was the minister said we do not have enough people to police all the Lythrum that is growing all over the place. I was just saying, yes, we did have some people in place that might have been able to help. Although the problem is in the cities, at the present time it has to be addressed because it could—and in other provinces it is not only a problem in the cities. It will not take very long before it spreads, and we will have a problem outside the city. I do not know whether the minister wants to respond to that.

Mr. Findlay: In the weed districts, the member must be aware, we are in the rural part of the province, not in the city where she says the Lythrum problem is, and I can assure her that it is and will be addressed.

Ms. Wowchuk: Madam Chairperson, I was getting onto another area and that was sustainable development of irrigation in Manitoba. There has been a lot of discussion about the Assiniboine diversion and the value of the Assiniboine diversion and whether or not it should be happening. There is a lot of controversy that has begun. [interjection] The minister asks me whether I am for or against it. I will answer that in due time.

I want to ask the minister, though, what is his department doing as far as promoting irrigation? What role has his department played in the Assiniboine diversion proposal that is now the subject of a lot of controversy? What kind of dollars have been expended in the last budget year on the Assiniboine diversion study from the Department of Agriculture?

* (1650)

Mr. Findlay: Madam Chairperson, the present proposal, what the member refers to as Assiniboine diversion, is a proposal from the Pembina Valley Water Co-op. This proposal was put together by municipal officials. We have technical people that work with groups of this nature.

I want the member to be very clearly aware that the proposal—and I hope she will take this to her caucus and be sure that they understand this. We have said this many times, but people refuse to

listen. It is a proposal by municipal officials for municipal and domestic water. It has no reference to irrigation. It is for municipal and domestic water.

We have technical people assisting the Central Plains Water Task Force, which is the Portage area people looking to develop a response to this proposal. It is a proposal for domestic and municipal water use, a proposal of municipal people in the Pembina Valley. It is called the Pembina Valley Water Co-op. I hope she will transmit that and use the proper terminology and use the right references, rather than trying to use the word "irrigation" as a swear word.

I represent agriculture. We in agriculture live and die on water. I am sure the member has heard of things called droughts. That is because of a lack of water. It is one of the limiting factors to our production in agriculture in this province, availability of water and the proper timing of water.

We have some irrigation going on in potatoes and in vegetables. Those are the primary irrigated crops. Irrigation of potatoes does two things. One, it guarantees the quality of the potato, and we have a superior quality which we can market around the world. We market potatoes on quality. It can also guarantee supply or quantity or yield of the potatoes.

There is nothing wrong with irrigation, because if we did not have irrigation, we would have less potatoes produced here and maybe not even have a potato industry because you could not guarantee supply or the high quality that we now have. I think it is fair to say that around two-thirds of our potato acres are now under irrigation, so irrigation is not a swear word. It is a component of agriculture production that is critical for our ability to expand in special crops. It creates jobs in the value-added processing sector, because more quantity of products is produced, and the high quality we want can be obtained in the process.

Although the proposal we are talking about that is under review does not have an irrigation component, I also want to say that irrigation is important to the agriculture industry. We, as a department, will attempt, over a course of time, to work with people interested in irrigation, so we have a strategy, a

process and research done so that we can do irrigation activities in the future that are responsible from every direction, water use, environment, soil quality, all those factors. Research, indeed, must be done on the use of irrigation. Irrigation is positive. It can be positive. We have to do the research to be sure it is in terms of production and job creation.

The project that she is talking about does not have an irrigation component. It is municipal and domestic water use. I hope that she would support it on that basis.

Ms. Wowchuk: Madam Chairperson, I was asking the Minister of Agriculture whether any funds from his department had been spent on the proposal. What was the cost of services provided in the last year? Is there any money budgeted this year for studies of the impacts of this diversion or in putting the proposal together.

Mr. Findlay: Madam Chairperson, as I said earlier, we have technical people that assist where assistance is requested to give people the kind of technical input they want, whether it is the Pembina Valley Water Co-op or whether it is the Central Plains Water Task Force. So our input is whatever staff time is offered to or requested by these various groups.

In terms of studies, no, we do not have a study on it. As I said, it is not an agriculture-based request. It is for municipal and domestic water.

Now, the member may well be aware of another project which is under development, and we will assist them, too. It is not part of the present Assiniboine diversion public hearings that are underway.

Ms. Wowchuk: Madam Chairperson, the minister says the Assiniboine diversion is for municipal and domestic water, but it is going to have an impact downstream, and I am thinking about the Portage area where water is used for irrigation purposes. Has his department looked then at the effects that this diversion would have on the agricultural food production industry in the Portage area?

Mr. Findlay: The whole question is Mother Nature gives us a certain supply of water every year, and man has got the challenge of managing it to meet all the needs that everybody has, whether it is

irrigation in the Portage area, whether it is water for Portage or Oakville or the Morden-Winkler area. The water exists in the overall system on an annual basis. We seem to be content to sit by and let it flow on our rivers and on into Hudson's Bay and out to salt water. Why can we not be responsible and try to retain it here so we can use it to satisfy all these needs? That is how, if you want to guarantee supply, you keep the water here that Mother Nature gives you, instead of letting it flow away and say, thank you very much, goodbye, in the month of April and May. Keep it here, and I am sure that the member for Swan River should take that to her caucus and ask if her caucus will support that.

Mother Nature is challenging man to say, manage the water I give you. I cannot give it to you at the right time every year, but I am giving it to you in total. You just have to manage it so it is available to you at the times and the places you want it. Surely we can respond to that.

Ms. Wowchuk: I take that to mean then that there is no assessment being done by the department as to whether or not there is going to be an impact downstream on the agriculture production in the Portage la Prairie area.

Mr. Findlay: I said we have technical people involved, the Central Plains Water Task Force, and I am sure that is the major initiative that they are undertaking—is there going to be enough water for us given this proposal? We are offering or have made available technical people to assist in that analysis.

Ms. Wowchuk: The minister alluded to another diversion proposal that is being studied right now. Can the minister tell me which proposal that is and whether or not that is a proposal for water for irrigation purposes rather than for municipal and domestic purposes.

Mr. Findlay: There is the proposal by the Agassiz Irrigators Association, that is the building of dugouts to impound water in spring runoff time to hold it back for use in irrigation. It is in the same region, but it is not part of the Assiniboine diversion proposal that the member is talking about. It is strictly the impounding of water that Mother Nature puts into the region, particularly in the springtime for use in the summertime. It is another proposal that has been brought forward by local people and, again, we

will supply technical assistance, and have been along the way, to help people evaluate it.

Let us say, I think the proper management and use of water is critical to the survival of agriculture in the future.

* (1700)

Madam Chairperson: Order, please. The hour being 5 p.m., committee rise. Call in the Speaker.

IN SESSION

Mr. Speaker: The hour being 5 p.m., time for Private Members' Business.

Committee Report

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

I move, seconded by the honourable member for La Verendrye (Mr. Sveinson), that the report of the committee be received.

Motion agreed to.

Mr. Speaker: Is it the will of the House to call it six o'clock? [agreed]

The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 11, 1993

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