



**First Session — Thirty-Fourth Legislature**  
of the  
**Legislative Assembly of Manitoba**

**DEBATES**  
and  
**PROCEEDINGS**  
**(HANSARD)**

37 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fourth Legislature**

**Members, Constituencies and Political Affiliation**

NAME	CONSTITUENCY	PARTY
<b>ALCOCK, Reg</b>	Osborne	LIBERAL
<b>ANGUS, John</b>	St. Norbert	LIBERAL
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BURRELL, Parker</b>	Swan River	PC
<b>CARR, James</b>	Fort Rouge	LIBERAL
<b>CARSTAIRS, Sharon</b>	River Heights	LIBERAL
<b>CHARLES, Gwen</b>	Selkirk	LIBERAL
<b>CHEEMA, Gulzar</b>	Kildonan	LIBERAL
<b>CHORNOPYSKI, William</b>	Burrows	LIBERAL
<b>CONNERY, Edward Hon.</b>	Portage la Prairie	PC
<b>COWAN, Jay</b>	Churchill	NDP
<b>CUMMINGS, Glen, Hon.</b>	Ste. Rose du Lac	PC
<b>DERKACH, Leonard, Hon.</b>	Roblin-Russell	PC
<b>DOER, Gary</b>	Concordia	NDP
<b>DOWNEY, James Hon.</b>	Arthur	PC
<b>DRIEDGER, Albert, Hon.</b>	Emerson	PC
<b>DRIEDGER, Herold, L.</b>	Niakwa	LIBERAL
<b>DUCHARME, Gerald, Hon.</b>	Riel	PC
<b>EDWARDS, Paul</b>	St. James	LIBERAL
<b>ENNS, Harry</b>	Lakeside	PC
<b>ERNST, Jim, Hon.</b>	Charleswood	PC
<b>EVANS, Laurie</b>	Fort Garry	LIBERAL
<b>EVANS, Leonard</b>	Brandon East	NDP
<b>FILMON, Gary, Hon.</b>	Tuxedo	PC
<b>FINDLAY, Glen Hon.</b>	Virden	PC
<b>GAUDRY, Neil</b>	St. Boniface	LIBERAL
<b>GILLESHAMMER, Harold</b>	Minnedosa	PC
<b>GRAY, Avis</b>	Ellice	LIBERAL
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HELWER, Edward R.</b>	Gimli	PC
<b>HEMPHILL, Maureen</b>	Logan	NDP
<b>KOZAK, Richard, J.</b>	Transcona	LIBERAL
<b>LAMOUREUX, Kevin, M.</b>	Inkster	LIBERAL
<b>MALOWAY, Jim</b>	Elmwood	NDP
<b>MANDRAKE, Ed</b>	Assiniboia	LIBERAL
<b>MANNES, Clayton, Hon.</b>	Morris	PC
<b>MCCRAE, James Hon.</b>	Brandon West	PC
<b>MINENKO, Mark</b>	Seven Oaks	LIBERAL
<b>MITCHELSON, Bonnie, Hon.</b>	River East	PC
<b>NEUFELD, Harold, Hon.</b>	Rossmere	PC
<b>OLESON, Charlotte Hon.</b>	Gladstone	PC
<b>ORCHARD, Donald Hon.</b>	Pembina	PC
<b>PANKRATZ, Helmut</b>	La Verendrye	PC
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<b>PRAZNIK, Darren</b>	Lac du Bonnet	PC
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<b>ROCH, Gilles</b>	Springfield	PC
<b>ROSE, Bob</b>	St. Vital	LIBERAL
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<b>TAYLOR, Harold</b>	Wolseley	LIBERAL
<b>URUSKI, Bill</b>	Interlake	NDP
<b>WASYLYCIA-LEIS, Judy</b>	St. Johns	NDP
<b>YEO, Iva</b>	Sturgeon Creek	LIBERAL

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, August 23, 1988.

The House met at 1:30 p.m.

## PRAYERS

### ROUTINE PROCEEDINGS

#### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**Hon. Charlotte Oleson (Minister of Community Services):** Mr. Speaker, I would like to table the Supplementary Information for Legislative Review for the Department of Community Services.

I would also like to table the Supplementary Information for Legislative Review for the Manitoba Employment Services and Economic Security Department.

Mr. Speaker, I have a ministerial statement.

I rise today to make two announcements concerning Government funding for wife abuse services.

First, 1988-89 funding for these services will be 43.8 percent higher than in 1987-88. That funding totals almost \$2 million this year.

Second, I wish to advise the House that I met today with the Manitoba Committee on Wife Abuse to inform them that the Government will end its financial support to this agency as of September 30, 1988.

Concerning the first announcement, Mr. Speaker, we are very pleased with the plans for wife abuse services that are being developed for the current fiscal year. Not only is this Government increasing funding substantially, but services throughout the province will be placed on a stronger footing and a more stable funding base.

The first major component is to provide equitable funding for the non-residential services operated by the five crisis shelters: Aurora House in The Pas, NorWin House in Thompson, Westman Shelter in Brandon, Osborne House in Winnipeg and Ikwe-Widdjitewin, a new Native shelter in Winnipeg.

\* (1335)

Funding to these shelters will more than double this year. They will receive \$392,000 in 1988-89, up from \$165,400 in 1987-88. At the same time, their fundings are being placed on a stable base. This will result in equity in staff salaries among shelters and strengthen services for clients and communities. We have also made special provision for the conditions that must be taken into account in operating services in the North.

The second major component of the 1988-89 plans call for substantial increases in support for crisis services in rural and northern Manitoba. The 14 agencies providing these services will have their funds increased 43 percent for a total of \$437,100.00.

Committees and crisis centres will receive increased funding. This will strengthen the critical services that these groups offer and will improve their ability to meet the needs of their communities.

These allocations also include a special provision of \$24,800 for transitional housing operated by the Thompson Crisis Centre. This is the first time the centre has received such assistance, which will provide medium-term housing for abused women until they can find independent accommodation.

Satellite housing, which is short-term accommodation for abused women and their children, will be given increased grants to provide the same funding among the six satellites and equity in salaries between staff of satellites and those working in shelters.

A third major component is increased support for services in Winnipeg. Funds will be given to a wide variety of services and client groups: Native women, immigrant women, abused women with chemical dependency, the 24-hour province-wide crisis line, and second-stage housing. Besides these crisis services for abused women, funds will also go to a Winnipeg treatment group for abusers.

Finally, we have provided an increase in funds for the two Women's Resource Centres in Winnipeg. We are confident that these initiatives will ensure much greater stability for these essential services for abused women and their children.

With respect to the Manitoba Committee on Wife Abuse, I want to emphasize that my department will assume the projected costs associated with the winding down of the committee. In addition, the accumulated deficit of the Manitoba Committee on Wife Abuse, amounting to \$40,000, will be absorbed by my department. The decision to cease funding to the Manitoba Committee on Wife Abuse arises from a need to reduce duplication of services and channel resources directly to agencies providing services to abused women.

I would like to point out that the Manitoba Committee on Wife Abuse can take pride in contributing to the development of a network of services now available to abused women. Their past record of accomplishment on behalf of abused women is an important one.

Within Government, the fully operational responsibility centre, Family Dispute Services, has been developed. It coordinates programs working closely with agencies and local groups. There are now 23 agencies actively providing wife abuse services throughout the province. The end result is that the roles and responsibilities formerly played by the Manitoba Committee on Wife Abuse are now an integral part of the network of community-based agencies. These include crisis intervention, training, public education and advocacy.

At this time, I would like to table the final report of the Review of the Manitoba Committee on Wife Abuse.

This Government remains firmly committed to supporting wife abuse services as shown by our program announcements today. As part of our commitment, we will ensure that the services now operated by the Manitoba Committee on Wife Abuse will be continued with minimum disruption to the community.

In summary, we have acted decisively and responsibly to reduce duplication of services available for abused women. We have also acted responsibly with respect to the provincial network of wife abuse services by moving to stabilize their funding and introduce equity into the funding of services.

\* (1340)

Finally, wife abuse services are being enhanced through the significant increases in support we have committed for this fiscal year.

**Ms. Avis Gray (Ellice):** We on this side of the House would certainly like to commend the Minister of Community Services (Mrs. Oleson) and the Government for their proactive and progressive steps regarding stable funding for wife abuse shelters in the province.

We certainly applaud the efforts of this Government regarding better funding because we know that certainly difficulties with family dispute and women all across the Province of Manitoba, the difficulties have been many in the last few years. Certainly it is long overdue and we do commend this Government for their efforts.

With respect to the decision by this Government to no longer fund the Manitoba Council on Wife Abuse, the concern that this side of the House has in regard to that is that—I do not know whether the Minister is aware of it. Certainly, in many lengthy discussions with many of the wife abuse shelters across the province—The Pas, Steinbach, some of the shelters in Winnipeg—it has been made very loud and clear to us that in fact there is a great necessity for some type of umbrella organization other than Government that can provide a clear advocacy role for the shelters across the Province of Manitoba, and to say that we are reducing duplication and now that training and crisis intervention and education is part of each centre, I have some difficulty with that concept.

I would encourage the Minister of Community Services (Mrs. Oleson) to further discuss with the various shelters across the Province of Manitoba the idea of an umbrella organization, an advocacy group that can deal with training and public education and the issues that these particular centres have. We will look forward to more information and possibly we hope that the Minister of Community Services will listen to these groups.

We have some concerns that if there is not an umbrella organization or advocacy that in fact rather than better services decentralizing into the community and out into the province, you end up having fragmentation and competition among the groups in the shelters. Thank you.

**Ms. Judy Wasylcia-Leis (St. Johns):** I would like to also thank the Minister of Community Services (Mrs.

Oleson) for providing that statement and tabling the report on the Manitoba Committee on Wife Abuse. It is good to see finally some detail on a particular policy area in the Department of Community Services. We anticipate and hope that this is a sign of things to come and that there will be detailed statements of all major policy areas in the Department of Community Services, particularly in those areas where Manitoba has been lagging behind and losing its very strong leadership position.

Let me say at the outset that I am pleased to see that the Minister of Community Services (Mrs. Oleson) has announced today almost the same increase that was proposed in the Budget of the former NDP administration, but I think it is only imperative that we point out that there is a shortfall in the increase that was proposed previously by my colleague, now the Member for Logan (Ms. Hemphill), and indeed the entire NDP administration, for proposing a major increase of well over 43 point whatever percent it is. It was that Budget that Members opposite defeated. I am pleased to see that they are now having second thoughts about the importance of spending in those major social policy areas.

Let me say, in specific terms, that on the basis of not the Detailed Supplementary Estimates but on the Main Estimates that were tabled with the Budget with the Minister of Finance's (Mr. Manness) speech some eight, nine days ago, in fact there was a shortfall of, in my calculations, \$115,700 to external agencies. We are very concerned at this end of the House about what that reduction actually means.

My concern, more specifically, relates to, first, the fact that if the Minister, in her wisdom and based on her findings around the Manitoba Committee on Wife Abuse, has found that organization should no longer be funded, it is our very strong opinion that there needs to be funding for some similar group to pull together the concerns and needs and aspirations of women working in the field of shelters.

\* (1345)

Secondly, the Minister has announced today increased funding for the two existing Women's Resource Centres. There is clearly a need for more resource centres. There is clearly a need to live up to the commitments of NDP Members, when we were in Government, to move in the direction of a resource centre in northern Manitoba, a resource centre among francophone female population of the province and other areas of need.

Let me say, finally, and I will try to wind up my remarks—this is a very important policy area for us and so I would like to just take a moment longer—that there are some other major concerns relating to the issue of Family Dispute Services and battered women that the Minister has not addressed. She has not addressed the fact that this Government, this Minister made no representation to the federal Government about receiving its fair share of the \$40 million four-year federal initiatives for increased resources for existing shelters and new shelters right across the country.

That proposal, if we calculated it out, would amount to about two new spaces per shelter in Manitoba. That is a ridiculously small amount. It is a poor initiative on the part of the federal Government and we would hope that this Government, that this Minister would be maintaining Manitoba's leadership position in the area and ensuring that major initiatives occur right across this country and that we are able to work together cooperatively, federally-provincially, to ensure that we meet the very, very growing needs and demands in this area.

Finally, let me say that there was an announcement with respect to Osborne House. I would hope that we will hear, in the very near future, either from the Minister of Community Services (Mrs. Oleson) or the Minister responsible for Housing (Mr. Ducharme) about their response to the proposal submitted by Osborne House. Given the fact that it has been well over four weeks since this Government has responded to the proposals of Osborne House, we anxiously await some immediate announcement and further details on that important issue.

## INTRODUCTION OF BILLS

**Mr. Gary Doer (Leader of the Second Opposition)** introduced, by leave, Bill No. 19, An Act to Protect the Health of Non-smokers; Loi sur la protection de la santé des non-fumeurs.

## ORAL QUESTION PERIOD

### Textbook Grant

**Mrs. Sharon Carstairs (Leader of the Opposition):** My question is to the Minister of Education (Mr. Derkach).

On January 15, 1988, the former Education Minister of the NDP Government announced that there would be a reduction in the per-pupil textbook grant from \$40 down to \$35 per pupil. Can the Minister inform the House if this policy has continued under his administration?

\* (1350)

**Hon. Leonard Derkach (Minister of Education):** I thank the Leader of the Opposition for that question.

As is known, when this Government took office, we were well into the fiscal school year. Therefore, a lot of work that had been started by the former administration was already in place. Therefore, it was very difficult for any administration taking office at that time to reverse the decision to reduce the textbook grant.

I have to indicate that it is not the direction that this Government wants to go in terms of reducing the resource materials to students. Therefore, we are going to take another look at that in the next fiscal year. However, for this year, that policy will continue and will be in place.

**Mrs. Carstairs:** But I am sure that the Minister of Education (Mr. Derkach) is aware that there are two

times in the school year when textbooks are purchased: September, primarily, and January for semestered schools.

Can the Minister not inform the school divisions that they will be given additional funding for textbooks, in that his department in one subject alone, Grade 8 Social Studies, is recommending a textbook at \$34.95 per text?

**Mr. Derkach:** The Leader of the Opposition is correct that there are two times in the year when textbooks are ordered, but I have to advise the Leader that there is only one time during the year when a budget is struck. Therefore, that makes somewhat of a difference. I can indicate to the Leader of the Opposition that we have taken a very serious look at this.

The money that was taken from the textbook grant was allocated to a different way of delivering services to schools in Manitoba and we are going to abide by that particular approach this year. I understand the cost implications that school divisions are under when they go to buy textbooks that are \$34 and even more. However, for this year, the policy will remain and we are going to change that in terms of allocating that extra \$5 that was taken away from school divisions for textbooks in the next fiscal year.

**Mrs. Carstairs:** With a supplementary question to the Minister of Education (Mr. Derkach): Literacy will not be addressed by studies. Literacy will be addressed by providing children with textbook materials appropriate to their grade level.

Can this Minister tell this House what initiative he will provide for the academic school year 1988-89, which will begin in September, in order to ensure that school divisions who have reported to me will not have to go on a two-child-per-textbook system.

**Mr. Derkach:** I have to advise the Leader of the Opposition (Mrs. Carstairs) that we have been in touch with all the school divisions in the province. We have talked about the fact that there has been a reduction in the textbook grant. School divisions struck their budget knowing that they would have a \$5 decrease per pupil. Therefore, there is not going to be any harmful effect to students who are entering the school year in 1988-89.

However, we understand the cost implications that is going to have on school divisions. We are going to ensure that in the following year we address that problem so that it is not a hardship on school divisions across this province.

## Universities Funding

**Mrs. Sharon Carstairs (Leader of the Opposition):** With a new question to the Minister of Education (Mr. Derkach), Saturday Night Magazine in the September 1988 issue has an article which focuses on the lack of quality of Canada's universities. Regrettably, in that article, the University of Manitoba is cited as one of the universities which is unable to meet the quality level required of our universities in this country. Much poorer

provinces than this, New Brunswick and Newfoundland, for example, have given 6.7 percent and 6 percent to our universities for this fiscal year.

Can this Minister of Education (Mr. Derkach) explain how he is going to enhance the quality of education in Manitoba in that he is not prepared to provide adequate funding?

\* (1355)

**Hon. Leonard Derkach (Minister of Education):** I think quality of education is probably one of the key areas that this Government has focused on in terms of providing education to Manitobans, whether it is at the public school system or at the university level.

I am very familiar with the article that the Leader of the Opposition refers to, whereby Manitoba was cited as one of the five universities which lacked in many of the areas that the author had related to. However, if you take a look at the article and try to specify what Manitoba universities lack in, you are not going to be able to find the specific areas because they are not related to in that article.

I have to tell you that, when a Government takes office in May when budgets have already been struck, you cannot just throw a pile of money at universities and say, here is your money for this year. We are increasing it by 50 percent or whatever, and use it at your discretion. I think we have to approach funding to universities, to schools, to all educational institutions in a rational and prudent way, in a responsible way.

This Leader of the Opposition has, over the past few days, through Budget Debate, through her questions in the House, accused this Government of spending too much money. Now she is telling us to spend more without any plan or without any responsibility. That is not a prudent approach, and I tell you that this Government is going to spend the money in terms of focusing it on the educational needs of this province.

### University Libraries Funding

**Mrs. Sharon Carstairs (Leader of the Opposition):** With a supplementary question to the Minister of Education (Mr. Derkach), 3.3 percent will not do it. The article did indeed indicate one serious lack affecting almost all Canadian universities, and that is the lack of adequate funding for libraries. It indicated that 1.5 percent of budgets, on an average, in universities were spent on libraries.

What specific programs will this Government undertake to ensure adequate library funding, or will it only provide money for bricks and mortar but not for brains?

**Hon. Leonard Derkach (Minister of Education):** It is strange that the Leader of the Opposition gets a little issue and tries to focus on it as being the all-important issue. There are many important issues with regard to education. We know that in the past, universities, public schools, independent schools, all forms of education have suffered because there has not been perhaps the amount of funding that should have been addressed.

We cannot keep throwing money in an indiscriminate way at problems that are identified. There has to be a rational approach, and I do not think three months in Government can be a sufficient amount of time to put a sufficient plan into motion. But I assure the Leader of the Opposition that in the next year we will be acting in a responsible way to ensure that there is adequate funding given not only to universities but libraries and post-secondary institutions of all nature.

**Mrs. Carstairs:** With a final supplementary to the Minister of Education (Mr. Derkach): This is not the first time in this House I have addressed the need for library funding in education. The last Government did not listen. Will this Government assure the House through the Minister of Education (Mr. Derkach) that the nursing library, the architecture library, the agriculture library, the law library, the engineering library, will be brought to a standard to which accreditation can be met?

**Mr. Derkach:** Mr. Speaker, this is not a new problem that the Leader of the Opposition raises at this time. We had raised this problem many times when we were in Opposition as well, but I think it is somewhat foolish to expect that in three months we will have the answers to all of these questions. The former Government promised a library to Red River Community College. We have not seen that library yet and there is a need there. There is not just a need at the University of Manitoba, or the Brandon University, or the University of Winnipeg. We have needs throughout the province and they cannot be addressed at once. We have to have a plan in place, and that plan will be put in place over the next year.

\* (1400)

### Environmental Round Table Participants

**Mr. Gary Doer (Leader of the Second Opposition):** My question is to the Minister of the Environment (Mr. Connery). We are indeed all very proud of the fact that the former Minister of the Environment chaired a national task force dealing with the economy of the environment and we were pleased, and stated so, that the Speech from the Throne recommended and stated that they will keep the former Government's commitment to have a round table in this province. Could the Minister of the Environment please inform Manitobans and this House who are the members of the round table and will he table the participants in this House?

**Hon. Edward Connery (Minister of Environment, Workplace Safety and Health):** Mr. Speaker, the First Minister (Mr. Filmon) will be making that announcement and he will be ready very shortly to make the announcement, and the members of that round table.

**Mr. Doer:** Given the fact that September is the deadline for all Governments who have accepted the establishment of this round table, can the Minister advise us whether he has met any of the environmental

groups that would be affected by this very important round table?

**Mr. Connery:** I do not believe any environmental group will be affected. The round tables are going to enhance our environmental situation in Manitoba. Mr. Speaker, I have a meeting set for September 7 with the Manitoba Environment Council. We will be addressing them. We will be presenting concerns to them and we will be working very hard. We are going to be meeting. But during the summer, it is very difficult to get people all together. Come the fall, we will be meeting with all the appropriate groups, and I am looking forward to meeting with them and to the challenge that they will be presenting back to our Government.

**Mr. Doer:** Mr. Speaker, regrettably, the Minister of Environment (Mr. Connery) does not even understand the round table that he is responsible for. The round table report that was accepted by all Ministers of the Environment in this country stated that representatives from the environment groups, industry groups, Government groups will be together on a round table. Yet, the Minister of the Environment says he does not need to meet with them.

**Mr. Speaker:** Order, please; order, please. The Honourable Government House Leader.

**Hon. James McCrae (Government House Leader):** Mr. Speaker, on a point of order, I would like to ask you to consider reminding the Honourable Member for Concordia (Mr. Doer), the Leader of the New Democratic Party, that Question Period is not a time for making speeches. This is a time for asking questions.

**Mr. Speaker:** The Honourable Member does not have a point of order, but I would like to remind all Honourable Members that a supplementary question does not need a preamble.

**Mr. Doer:** Mr. Speaker, my question is to the Minister of the Environment (Mr. Connery). Why has he not met with any of the affected environmental groups in this province so that he can give advice to the First Minister (Mr. Filmon) on the type of representation that is recommended in the task force report that all provinces and all Ministers of the Environment have accepted in this country?

**Mr. Connery:** If the Honourable Member had have done his homework, he would know that there are only two provinces at this point who have round tables in place. The other provinces are all working on them. The Government of Canada has not yet announced its round table. We are very concerned about the environment.

It is very interesting that I ran across an environmental report. It is a national report card and it is from the Canadian Nature Federation. In 1985 it said, environmentally in programs and so forth, Ontario was No. 1, Alberta was No. 2, Saskatchewan was No. 3 and guess where Manitoba was? No. 4? No, not No. 4. Tenth. We were the last province environmentally. At the same time, in 1987, the report card was absolutely identical. It is not a lot of fun starting off in last place.

**Mr. Speaker:** Order, please.

**Mr. Connery:** As a Minister and as a department, we have inherited last place. I am looking forward—

**Mr. Speaker:** Order, please; order, please. May I also remind Honourable Members that answers to questions should be brief. The Honourable Member for Concordia (Mr. Doer), with a final supplementary.

**Mr. Doer:** That is why, Mr. Speaker, we brought in one of the best Environment Acts in 1987 that was proclaimed on April 1 this year, an Act that many Members opposite were opposed to, and many members at City Council, I should point out, were opposed to. That is why we proclaimed that Act on April 1, 1988.

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

**Mr. Doer:** My question is to the Minister of the Environment, Mr. Speaker. Why has he not met any environmental groups to establish this round table which comes in place in eight days? Why has he not met with any environmental groups in this province? He is derelict in his duties.

**Mr. Speaker:** Order, please; order, please. The Honourable Member's question is repeating in substance a question which was previously asked. Could the Honourable Member kindly rephrase his question?

**Mr. Doer:** Will he meet with the environmental groups of this province prior to the First Minister (Mr. Filmon) announcing the round table?

**Mr. Connery:** Mr. Speaker, when you are in last place, I can see the sensitivity of the Honourable Member. They are bringing forth issues now that they were afraid to bring forth. They did not have the political will. Now they are raising these questions when they have a Government in power that has the political will and the ability to do it. All groups will be met with in due time, and the First Minister (Mr. Filmon) will be making that announcement. It is the prerogative of the First Minister to announce the round tables and he will do that.

### Community Colleges Teaching Positions

**Mrs. Iva Yeo (Sturgeon Creek):** Mr. Speaker, my question is to the Minister of Education (Mr. Derkach).

In this age of necessity for both parents working and with the increase in the number of single-parent families, there are many, many young mothers who are trying to maintain a home and at the same time hold a part-time position in the workplace. I can sympathize, because for several years I was fortunate enough to have a flexible teaching assignment. There are several educators at Red River Community College who are trying to organize their lives before school begins to arrange for day cares, etc. I ask the Minister: Do you understand the concept of half-time teaching and what is your position on part-time teaching assignments?

**Hon. Leonard Derkach (Minister of Education):** Of course, Mr. Speaker, I understand the implications that are involved in part-time teaching positions, and I have nothing but admiration for those mothers who are trying to raise a family and yet trying to put food on the table at the same time. I have a lot of respect and admiration for those people, and we can do nothing but encourage those types of people to get part-time employment in our institutions.

**Mrs. Yeo:** Mr. Speaker, my question again is to the Minister of Education. Has the Minister received a request to authorize approval of staffing arrangements at Red River Community College?

**Mr. Derkach:** Mr. Speaker, perhaps the Member can be more specific in terms of her question. I receive staffing authorizations for not only Red River Community College but for all the community colleges in the province. So perhaps the Member could be more specific with regard to her question.

\* (1410)

**Mrs. Yeo:** Does the Minister of Education (Mr. Derkach) appreciate the critical shortage of trained nurses in northern Manitoba? Is he also aware that three instructors hired by Red River Community College to teach in the northern nursing program have not received ministerial approval for their position?

**Mr. Speaker:** Order, please. The Government House Leader (Mr. McCrae).

**Hon. James McCrae (Government House Leader):** The first part of the Honourable Member's question seeks an opinion and the second part attempts to put forward information asking for confirmation. Perhaps the Honourable Member would reflect on that and rephrase her question.

**Mr. Speaker:** Would the Honourable Member kindly rephrase her question?

**Mrs. Yeo:** Thank you, Mr. Speaker. Will the Minister of Education (Mr. Derkach) authorize the part-time positions that the northern instructors are waiting for? They do not know whether they should prepare their classes, their labs, their home lives, because they have not yet had authorization for their part-time teaching position.

**Mr. Derkach:** It is interesting to note that just a day or so ago the Leader of the Opposition was making phone calls to the community colleges asking whether or not the Minister of Education was authorizing staffing replacements on time and so forth. I have to tell you that there is a process in place whereby staffing authorizations are done and that, as they come to my desk, we take a look at the staffing authorizations that are requested and act on them as quickly as we can. It takes a little time for staffing authorizations to go from the various departments. But I can assure the Member for Sturgeon Creek (Mrs. Yeo) that staffing arrangements will be in place when classes start in September.

## Rafferty-Alameda Project

**Mr. Harold Taylor (Wolseley):** My question is to the Minister of Labour and Environment (Mr. Connery). On July 27, this Minister emphatically in this House said Manitoba would benefit from the Rafferty-Alameda project in Saskatchewan. On August 17, the Minister said that he could depend on U.S. Army Corps of Engineers for all the environmental information he required to assure himself that Manitoba would be adequately protected.

On page 40 of appendix 2 of that U.S. Army Corps of Engineers Report, it states there is a serious concern about the quality of water leaving the U.S. for Manitoba. "The boundary water treaty calls for the nondegradation of water passed to Canada. This requirement may not be satisfied with the decreased flow regimes."

Will this Minister explain how Manitoba benefits when it will get less water which is more polluted, as it crosses the international boundary after this dam project is complete.

**Hon. Edward Connery (Minister of Environment, Workplace Safety and Health):** I do not know where the Member gets the idea that it will be more polluted than what it is now. I think the Honourable Member wants to put into perspective the amount of water that comes into Manitoba from North Dakota that originates in Saskatchewan. Mr. Speaker, 19 percent of the total water, if it all flows from Saskatchewan, is the part that comes from Saskatchewan into Manitoba. Under the treaty, the Saskatchewan Government has the right to impound half of that water. So less than 10 percent of the water coming into Manitoba from North Dakota will come from Saskatchewan. We do hope though that, because there will be dammed water that will be released during the whole year, that will be beneficial to Manitobans.

As you know, there is the 1959 international agreement that we discussed the volumes of water that Manitoba will receive. The Honourable Member knows that, five months out of the year, we receive 20 cfs. We are trying to get that to six months and also to have an additional 10 months the rest of the year.

So we see some very vital gains in this agreement. We sent our proposals to them. They have come back. We are in the process of negotiation. I think we have a competent team working on it. I am confident that it will be more than adequately looked after.

**Mr. Taylor:** The Fish and Wildlife Study referenced by the U.S. Army Corps of Engineers shows that, after Rafferty-Alameda, Manitoba-Souris water—

**Mr. Speaker:** Does the Honourable Member have a question?

**Mr. Taylor:** The question then is this: Is the Minister satisfied with 100 percent flows in wet years, 85 percent in average years and in years like now, drought years, at a dismal 45 percent? Will he insist that Saskatchewan and North Dakota compensate Manitoba the million dollars necessary to replace the town of Souris' water supply which will be required as a result of this project?



**Mr. Connery:** The Member should know that it is Lake Darling that really controls the water flow into Manitoba, so the Member is not doing his homework. The amount of water that comes into Manitoba originates in North Dakota. So this plan has very little impact. I can assure you, once our department has gone over this agreement, they will get back to me with recommendations and we will deal with those recommendations. I will apprise the Honourable Member of those.

### **Rafferty-Alameda Project Environmental Impact**

**Mr. Harold Taylor (Wolseley):** The Minister has not been prepared to secure an environmental impact assessment study up until now. Is he prepared to consider this at this time and, if not, would he consider an alternative so as to produce a credible independent scientific review of Manitoba's position by having the federal Government request the International Joint Commission to undertake this work on a priority basis before Manitoba signs its rights away?

**Hon. Edward Connery (Minister of Environment, Workplace Safety and Health):** I am glad that the Member is so concerned about water, because water right now has become a very important issue in Manitoba. Our department is analyzing the environmental impacts on Manitoba. We have had a lot of conversations over it and they are analyzing the implications to Manitoba. The concern is not the quality as much as the flow. If we do not have the flow, you are not going to have the quality. So you are going to have the down side. It is the flow that we are trying to ensure, that we are working with Natural Resources on to ensure. The quality is Environment, Natural Resources is the flow, and we are working to ensure that we get a better more even flow for Manitobans and the Town of Souris.

### **Manitoba Mediation Board Membership Replacements**

**Mr. Bill Uruski (Interlake):** I would like to direct a question to the Minister of Agriculture (Mr. Findlay). In the last number of months, western Canadian farmers have been faced with a severe drought as the Minister well knows. As well, in the last number of weeks, the Canadian bank rate has risen again to all-time highs and interest rates are rising, and many farmers are under continued severe financial pressure.

I want to ask the Minister of Agriculture (Mr. Findlay) why he has fired the Manitoba Mediation Board members retroactively, creating a lot of confusion and uncertainty in the 40 to 50 farm families who were before the Mediation Board and had their hearings suspended and wasting money by having the new board having hearings rescheduled. Can he explain that to us?

\* (1420)

**Hon. Glen Findlay (Minister of Agriculture):** The Member's question relates to a transition that is

occurring between a new board and an old board. I will tell the Member that the new board is going to be working in conjunction with the federal Debt Review Board so that we can streamline the process to reduce the cost, reduce the duplication that exists in the process. I can tell the Member that we met with the National Farmers' Union last week, and they agreed that the duplication was no longer necessary. We needed to put the resources to work to do the best job we could for resolving disputes the producers have and try to resolve their cases. We know there is difficulty out there and the new board members are actively working towards achieving some debt resolution for those affected individuals.

**Mr. Uruski:** The Minister did not answer my question but, nevertheless, I want to ask him since he has made those replacements without consultation with other political Parties in this House, unlike the setting up of the board that I did when the board was established that Members from all Parties were there. He left one of the members on the board. He has made these replacements. I want to ask him why is he circumventing the legislation by not passing the required Order-in-Council. Since I checked at quarter after one today, there has been no required Order-in-Council passed replacing the board members that he says he has replaced.

**Mr. Findlay:** The Order-in-Council has passed.

**Mr. Uruski:** I wonder what the Minister is hiding by not filing the Order-in-Council and making the announcements.

**Mr. Speaker:** Does the Honourable Member have a question?

### **Drought Assistance Grain Producers**

**Mr. Bill Uruski (Interlake):** I ask the Minister, in light of the circumstances that many Manitoba farm families, especially those in the grain sector, are facing as a result of the drought, can the Minister of Agriculture (Mr. Findlay) advise Manitobans of his Government's position to the federal Government on further drought assistance for grain producers? Is he prepared to table that position and their request to the federal Government in the House today?

**Hon. Glen Findlay (Minister of Agriculture):** I will tell the Member that the federal Government has had meetings with producer organizations across the country. As recently as August 9, a meeting was held in Saskatoon where federal representatives met with producer organizations. The Keystone Agricultural Producers were one organization that was present from the Province of Manitoba, put on the table a proposal that is being actively pursued at that level. It is a very good proposal that hopefully all parts of the country will support in terms of federal assistance to the grain producers of Manitoba.

## Teachers Language Proficiency Test

**Hon. Leonard Derkach (Minister of Education):** I took a question as notice from the Member for Seven Oaks (Mr. Minenko) with regard to teacher certification or, pardon me, language proficiency testing mechanisms for teachers of languages other than English, and I would like to provide the Member with a response to that question.

Outside of teacher certification and decertification, all matters that are related to hiring or the competence of teachers are within the jurisdiction of school divisions. Now divisions will very often either have a member at the board table present who may be proficient in that particular language for which a teacher is being hired. In that way, that individual can assess the skills that applicant has with regard to that particular language. When a division makes their intentions known to the department that they wish to introduce a heritage language program, the department will many times provide all the necessary support that it can to help the division implement the program in a proper way.

With regard to French language competence, school divisions will sometimes be called upon or will call upon the department to provide a consultant in terms of implementing program and hiring staff for that particular position. Although it is in the jurisdiction of school divisions, the department is most willing to help in any way that it can.

## RCMP Protection Winnipeg Beach

**Mr. Paul Edwards (St. James):** My question is for the Honourable Attorney-General (Mr. McCrae) - (Interjection)- Got to get some answers yet.

On July 4, 1987, Mr. Mercier, then the Conservative critic for the Attorney-General's Department went to a town hall meeting in Winnipeg Beach. At that town hall meeting, he made a commitment to those people to restore RCMP service to Winnipeg Beach and the surrounding beach communities, if elected. Now he was not elected, we do not regret that.

Soon after the election however, this year, the Honourable Member for Gimli (Mr. Helwer) went to the Town Council in Winnipeg Beach and said he would be looking into restoring RCMP service. Now the summer season is almost passed, all but passed, yet the RCMP service has not yet been restored to Winnipeg Beach. This Government has promised to restore rural policing. Will it stop doing this selectively, in Reston where the Conservatives have larger majorities, and not at Winnipeg Beach, and will RCMP be in place at least before the 1989 summer season?

**Hon. James McCrae (Attorney-General):** I really do not know what the Honourable Member for St. James (Mr. Edwards) has against the people of Reston. I suppose it is because he sits so close to the Honourable Member for Ellice (Ms. Gray) who does not seem to want to see the roof of the court house at Minnedosa

repaired either. These are matters of concern to us and matters that we are acting upon.

Mr. Speaker, the Reston Detachment, as well as the Deloraine RCMP policing situation, as well as the Winnipeg Beach situation, are all under discussion. Certainly with Reston, that matter has been decided. Some negotiations had to be undertaken with the R.M.'s of Winchester and Brenda. As well, the Town of Deloraine would have been involved in those discussions and similarly with Winnipeg Beach. The commitment that our Government made was to restore and to enhance the rural policing in Manitoba. I think the Budget speaks very loudly about our commitment to that very principle, and work is under way and discussions are being had with representatives from the Winnipeg Beach area.

**Mr. Edwards:** I certainly do not deny that there is lots of talk. Again, for the Honourable Attorney-General (Mr. McCrae), the former Attorney-General of this province assured the House in July that Winnipeg Beach would be safer without the RCMP Detachment, to which the now Premier responded quite correctly, "When the RCMP are not there?" What is this Government's opinion of the need now, now that they have let a full summer season go by without restoring RCMP services? Has it been revised?

**Mr. Speaker:** Order, please; order, please. The Honourable Member's question seeks an opinion. Therefore, he is out of order. Would the Honourable Member kindly rephrase his question?

**Mr. Edwards:** Thank you, Mr. Speaker, I will rephrase that. Will the Honourable Attorney-General please tell this House what this Government's plans are to restore RCMP service prior to the summer of 1989?

\* (1430)

**Mr. McCrae:** I think when the Honourable Member and I get into a full discussion of rural policing issues in Estimates, he will be delighted to learn exactly what it is our Government has in mind for this very fiscal year. In fact, the previous Government was bent on reducing services to rural Manitoba. We are intent on seeing that does not happen. It is a fact that crimes committed in rural Manitoba need to be prevented just as they do in Brandon or just as they do in Winnipeg. It is a fact that crime prevention is just as important in rural Manitoba as it is in the City of Winnipeg. This Government is committed to those kinds of expenditures and they are borne out in the Budget documents.

## RCMP Protection

**Mr. Paul Edwards (St. James):** I have no doubt it is just as important. It is just as important in Winnipeg Beach as it is in Reston. Mr. Speaker, finally let me ask the Honourable Attorney-General, and this is coming from an article from the Brandon Sun, a very authoritative source—

**Mr. Speaker:** Would the Honourable Member kindly place his question?

**Mr. Edwards:** Mr. Speaker, for the Honourable Attorney-General, is the Honourable Attorney-General aware that the federal -(Interjection)- I will rephrase that. Will the Attorney-General please indicate to this House what his plans are with respect to the recent announcement by the federal Government that they have upped the limit for the funding of police services to 5,000 people, leaving towns like Carberry, Morris, Snow Lake in a virtual lurch and, in particular, with respect to the Carberry situation where the provincial policing contract was canned in late June of this year.

**Hon. James McCrae (Attorney-General):** The Honourable Member touched on something in the Brandon Sun. Maybe he and I can get together later and discuss whatever it was he was going to refer to coming from the Brandon Sun. But I can speak loudly and clearly about the commitment of the provincial Government, and discussions about communities like Carberry and Snow Lake are ongoing.

But just to remind the Honourable Member who suggests that Winnipeg Beach is not somehow in our minds as important as Reston, I suggest the people of Reston will be quite insulted when they hear the comments of the Liberal Party on this issue when it is reported to them, as I am sure it will be by the Honourable Member for Arthur (Mr. Downey). But the Honourable Member's questions are trying to make some kind of case, Mr. Speaker, that this Government has some lack of commitment to Winnipeg Beach or to some place in this province other than perhaps Winnipeg or Reston. I just do not understand that. The facts do not bear him out.

### Environment Act Legal Opinion

**Hon. Edward Connery (Minister of Environment, Workplace Safety and Health):** Last week I took three questions as notice. Mr. Speaker, I promised the Member for Flin Flon (Mr. Storie) that I would supply him with a legal opinion on the need for a Clean Environment Commission hearing. Those will be delivered to him, to also the Member for Flin Flon who is the critic, and for the Member for Wolseley (Mr. Taylor) who is the critic for the Liberals. Those will be delivered.

### Manfor Ltd. Oil Spill

**Hon. Edward Connery (Minister of Environment, Workplace Safety and Health):** We were also asked by the Member for The Pas (Mr. Harapiak) for a report on the spill at Manfor, which he indicated was a recent spill. Well, I guess for the Member, who has not been in the House since we started, it was a recent spill, but the spill actually took place on June 6 and our department was notified on June 10. This is a serious spill.

It is bunker sea oil and there were about 2,500 litres of oil that was spilled. The ground water around Manfor is contaminated. We have a large group of people working at it. The Maclaren Engineering Company is working with Manfor and with our department. They

are doing a lot of tests to ensure that the contaminated water is not moving. As you know, the soil in that area is very porous with the rock and fractured rock and so we are very concerned that it does not move into the river that is close by or to the local reserve that is not that far away. We are attempting to make sure that this spill is confined. We are going to make sure that we do everything we can to clean it up as quickly as we can.

The Member also asked if they were hauling water, Mr. Speaker, and they are for the Manfor complex, and we will be continuing to monitor their wells to ensure that contaminated water is not being used. Our department is on top of it. We are concerned, and we will make sure that this clean-up takes place as quickly as possible.

### Hospital Bed Closure Policy

**Mr. Jay Cowan (Churchill):** Mr. Speaker, my question is to the Premier (Mr. Filmon).

Yesterday in the Legislature, the Premier said that his Government would live up to their election commitments on a number of different occasions. The Premier (Mr. Filmon) clearly stated during the election that they would put an immediate, and I will read from his own press release: "We will put an immediate halt to permanent bed closures, pending a comprehensive review." Yesterday outside the Chamber, the Minister of Health (Mr. Orchard) contradicted the Premier's earlier statement and undermined the Party's—well, perhaps I can read the quote from the Winnipeg Sun with respect to what the Minister of Health said. He said, in respect to the campaign promise: "We would not allow beds to close for budgetary reasons. Closing beds because there is not enough demand would be in agreement with the policy," he said.

My question to the First Minister (Mr. Filmon): Is the Premier now prepared to publicly confirm that the election promise will be Government policy and so indicate to his Minister of Health (Mr. Orchard), so that the Minister of Health will stop trying to renege on that election promise?

**Hon. Gary Filmon (Premier):** Mr. Speaker, I will publicly confirm that the election policy is the policy of our Government. But if the Member for Churchill (Mr. Cowan) is suggesting that beds ought to be kept open and staffed when they are empty, when there is no demand for a particular purpose for those beds, and that in other areas in the same institution where there may be an increasing demand, where people are on waiting lists, are not able to get the particular treatment that they are looking for, and that we should not be able to commit resources to that because he believes and his Government believes that we ought to keep empty beds available with staffing and everything else, if that is their way of managing health care in this province, we do not agree with it.

That is the reason his Government got into such disrepute, because they were so rigid in their application of their principles that they insisted on keeping beds staffed and empty and available for which there was no demand. That does not make sense, Mr. Speaker.

\* (1440)

## Health Sciences Centre Bed Closures

**Mr. Cowan:** Mr. Speaker, now we know that the Minister of Health (Mr. Orchard) does not know a promise when he sees it, and the Premier (Mr. Filmon) cannot keep a promise when he says it. It was not us who made the foolish commitment to keep hospital beds—

**Mr. Speaker:** Order, please; order, please. The Honourable Government House Leader.

**Hon. James McCrae (Government House Leader):** I suspect the Honourable Member is finished now, Mr. Speaker. I was on my feet for some time.

Earlier, the Leader of the New Democratic Party was reminded about making speeches in Question Period. His own House Leader has not learned from that experience earlier today.

**Mr. Speaker:** The Honourable Member does not have a point of order.

**Mr. Cowan:** On the point of order first, Mr. Speaker, as you have so—

**Mr. Speaker:** Order, please; order, please. I have said the Honourable Member did not have a point of order. The Honourable Member has time for one—

**Mr. Cowan:** On a new point of order, Mr. Speaker.

**Mr. Speaker:** The Honourable Member for Churchill, on a point of order.

**Mr. Cowan:** Mr. Speaker, on numerous occasions you have indicated to Members in this House, as have other honoured Speakers before you, that long, rhetorical, provocative questions provoke the sort of or long provocative answers provoke the sort of -(Interjection)- in both instances.

Perhaps, Mr. Speaker, I got it right on both occasions. You have indicated that those sorts of answers provoke those sorts of questions, and I would suggest that if the Government House Leader (Mr. McCrae) wants to rise to his feet on several occasions during the Question Period to admonish Members on this side for doing exactly what is being done on his side, perhaps in his caucus meetings or in his Cabinet meetings he could have some private discussions with his Ministers so that we do not get into this sort of a harangue during the Question Period.

My question to the—

**Mr. Speaker:** The Honourable Member does not have a point of order, but I will take into consideration what the Honourable Member has said and my Chambers are open to the three House Leaders of which I expect to meet with this afternoon.

The Honourable Member for Churchill has time to place one final question.

**Some Honourable Members:** Oh, oh!

**Mr. Cowan:** Mr. Speaker, I told him personally not to introduce that No Smoking Bill.

**Mr. Speaker:** A short question.

**Mr. Jay Cowan (Churchill):** A short question then to the Minister of Health (Mr. Orchard).

Can the Minister of Health indicate when it was he learned of the proposal by the Health Sciences Centre to close these beds, and what action he took and when he took that action in response to that information that was provided to him?

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, let me refresh my Honourable Member for Churchill's (Mr. Cowan) recollection of events. One of the statements -(Interjection)- I thought the Honourable Member asked a question and wanted an answer, and I will attempt to give him that answer.

The Leader of the Opposition, during the election campaign, indicated publicly, as a result of the imposed bed closures put upon the hospitals of Winnipeg by the previous administration in a very uncoordinated and unplanned fashion, that there would be no permanent bed closures permitted for budgetary reasons.

**Mr. Cowan:** No, no, no.

**Mr. Orchard:** Mr. Speaker, my honourable friend from Churchill (Mr. Cowan) ought to know that the comprehensive review that he has just referred to is an attempt to determine and to coordinate the delivery of health care services in Winnipeg and throughout the Province of Manitoba.

Upon assuming the responsibility for Minister of Health, I believe, on May 9, shortly thereafter the Manitoba Health Services Commission was informed that there will be no bed closures due to budgetary constraints. That communication went to the Health Sciences Centre as well as every other hospital administration in the City of Winnipeg.

In a letter of July 22, in which the proposal to extend the summer closing of 22 respiratory beds was made, on July 22, there is within that request a statement which I would like to read to my honourable friend: "We realize, however, that permanent closure is dependent upon ministerial approval."

**Mr. Speaker:** Order, please.

**Mr. Orchard:** Mr. Speaker, do they not want an answer to the question they posed?

**Mr. Speaker:** Order, please. Does the Honourable Member have leave to answer this very important question? (Agreed)

**Mr. Orchard:** The answer to the question is the Health Sciences Centre knew on July 22, 1988, that this Government would not allow permanent bed closures because of budgetary constraint and alluded to that

very fact in the letter requesting an extended closure for those summer-closed beds. No communication was further to that July 22 letter because it was acknowledged that ministerial approval would not be given and was not requested. That is the simple answer to my honourable friend.

**Mr. Cowan:** On a point of order, Mr. Speaker, on a point of order.

**Mr. Speaker:** The Honourable Member for Churchill (Mr. Cowan), on a point of order.

**Mr. Cowan:** Yes, Mr. Speaker, it is customary that when a Minister reads from correspondence in the House that he tables that correspondence. Is the Minister prepared to table that letter?

**Mr. Orchard:** I will provide my honourable friend with a copy of that letter.

**Mr. Speaker:** The Honourable Member for Churchill (Mr. Cowan) did not have a point of order.

The time for oral questions has expired.

\* (1450)

## ORDERS OF THE DAY

**Hon. James McCrae (Government House Leader):** Mr. Speaker, I would like to move, seconded by the Honourable Minister of Municipal Affairs (Mr. Cummings), 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 presented and carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Community Services; and the Honourable Member for Seven Oaks (Mr. Minenko) in the Chair for the Department of Industry, Trade and Tourism.

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY—COMMUNITY SERVICES

**Mr. Chairman, Harold Gilleshammer:** The Committee of Supply will be dealing the Estimates of the Department of Community Services. We will begin with a statement from the Honourable Minister responsible.

**Hon. Charlotte Oleson (Minister of Community Services):** Thank you, Mr. Chairman. In opening discussion of the 1988-89 Estimates of Manitoba Community Services, I can assure Honourable Members and all Manitobans that we are firmly committed to providing high-quality social services. I would like to emphasize that my department is responsible for ensuring that high-quality social services are available to Manitobans. Our goals are to encourage independence and increase human potential by working

with individuals, families and communities in a supportive and enabling manner.

In its programs, my department will reflect the human rights and diverse cultures of Manitobans. Services will be accessible to all Manitobans to the maximum extent possible. In fulfilling this mandate, we will streamline administrative operations whenever possible, ensuring that most efficient and effective use of available resources is achieved. This principle will be closely linked to maintaining a consultative and cooperative relationship with the community and agencies through which many of the services supported by my department are provided.

For 1988-89, we are proposing expenditures of \$194,549,800 for Manitoba Community Services. This represents an increase of \$27 million over the Budget for the 1987-88 fiscal year. The 1988-89 Estimates include important funding increases for a number of programs that are priorities for Manitobans. These include child day care, support to centres and agencies, wife abuse, child abuse, and persons with disabilities.

Before discussing detailed Estimates, I want to mention two other important matters. First, with respect to the Decade of the Disabled Persons, we have committed additional funds to the Research and Planning Branch in operational support for the work of the coordinator for the Decade.

Work is continuing on a Government-wide plan to improve accessibility of Government programs and services to disabled persons. This Government intends to work closely with the disabled community to ensure full participation and equality for all disabled people.

Second, in response to requirements in the department and needs in the community, a number of service manuals and protocols are in the process of development. They are intended for use by departmental staff, staff of the Child and Family Services agencies and of licensed residential care facilities. We expect that these resources will play an important role ensuring that high-quality service and safety standards are maintained and proper procedures followed in the delivery of services to Manitobans.

The services within the Community Social Services Division are operated through consultation and in cooperation with a number of external agencies that are supported by departmental funding. Essentially, we have budgeted for continuation of service at existing levels. In the case of agency services, we made a general provision for increases of up to 3 percent in financial assistance.

With respect to the Manitoba Developmental Centre, the department will continue to implement recommendations of the Report of the Ombudsman. Some provisions for this implementation to be made are in MDC's Operational Budget, others are in the Department of Government Services.

Provisions have been made for the continuation of existing services for this fiscal year and a contingency fund to allow for some volume increases. The department's priority is consolidation and maintenance of the same level of service, with program expansion

depending on community readiness and budgetary factors.

Child and Family Services, the most significant changes in the Estimates this year are in the Child and Family Services Division. This, Mr. Chairman, reflects the need to maintain and improve social services, particularly services to children and families. Our child day care allocations will increase by 25 percent over 1987-88 to 35.7 million. These increases are required to ensure high-quality child care system and generate improvements to respond to the needs of Manitobans. About \$2 million of the increase will be allocated to new programming, designed to improve the accessibility of existing day care spaces by making subsidies to parents more flexible and portable.

We have also earmarked \$1.6 million in additional funds to cover volume increases arising from the fact that more families may be eligible for day care subsidies. More than \$2.5 million in additional funds will be committed to establishing funded facilities that were approved in the previous fiscal year and funded on a part-year basis. We are committed to making these facilities part of the current day care system.

More funds will be allocated to helping families with financial needs and families with disabled children who require day care services. This Government is committed to integrating special-needs children into the day care system.

Finally, \$970,000 has been earmarked for increases to day care fees, to help day care centres keep up with increases in their own operational costs. We are continuing preparations, Mr. Chairman, to negotiate with the federal Government concerning the details of Manitoba's participation in the proposed National Child Care Plan. We will ensure that Manitobans receive maximum benefits from the federal plan. We are confident that, with its assistance, our program will ensure that all Manitobans will continue to have affordable, accessible, high-quality day care, providing a full range of opportunities to family, private and public facilities, facilities that meet the needs of both full-time and part-time users in our cities and rural areas and in remote communities. We will announce shortly the details of the Task Force on Child Care, which will provide an important perspective into child care needs of Manitobans.

\* (1500)

My Government is committed to a day care system that will provide a sensible balance of public family day care homes, workplace and private day care. Our first commitment is the development and well-being of the child and, secondly, we will give the choice of appropriate child care back to the parents where it belongs.

With regard to foster care, Mr. Chairman, I am pleased to announce the first significant adjustment in rates to foster parents in several years. Retroactive to April 1, parents will receive an increase of 3 percent over previous rates. They will also receive an increase of \$1 a day, effective September 1. This is an average increase of 12.4 percent over the previous rates, the highest

increase in several years and the first increase to have been allocated in dollars and not straight percentages.

We see this as an important achievement for a Government in the first weeks of its mandate. It clearly demonstrates our willingness to respond to providers of direct services.

In an effort to strengthen support for community based agencies in the field of child abuse, we will provide a significant increase in funding to the Child Protection Centre in Winnipeg. The funds they will receive in 1988-89 will be more than double the amount in 1987-88. These additional funds will allow the centre to respond to a major increase in its caseload. This is the first major increase in support to this agency in several years.

In the area of Family Violence Services, I have today announced initiatives to correct long-standing funding imbalances and strengthen the position of community agencies serving abused women and their children.

Mr. Chairman, we recognize that our funded agencies have faced major problems because of the defeated Budget of the previous Government. I want to thank them for their patience and understanding over the last few months. I also wish to thank the staff of my department who have been given extra work in the past three months breaking in a new Minister and in preparing a second set of Estimates and a new Budget. I have greatly benefitted from meetings with departmental staff in their workplaces, and their efforts have been very much appreciated.

These Estimates of my department reflect our strong commitment to a social service system that responds to the needs and concerns of Manitobans. At the same time, we have determined service priorities in light of available resources. In recent months, I have had opportunities to meet with many individuals and delegations in the social service field to examine needs and ways to address them. I look forward to working with Manitobans and with the community agents that have dedicated themselves to serve the community.

Mr. Chairman, I look forward to a meaningful examination of the Spending Estimates of this department. I welcome the Members' participation, constructive criticism and suggestions. After all, what we are here to do as a Government and Opposition is to make sure that service is provided to people who rely on us for help. The overriding principle which our Government has stated on numerous occasions is that our priority is service and these Estimates clearly reflect that priority.

**Mr. Chairman:** We will now have the customary reply by the critic of the Official Opposition (Ms. Gray).

**Ms. Avis Gray (Ellice):** Thank you very much, Mr. Chairman. We certainly welcome the Minister's comments about looking forward to this productive Session, and we too see the role of Estimates to look at services provided to Manitobans. Certainly we will be providing constructive criticism and input and suggestions as we do go through the Estimates.

We are entering a time where it is more important than ever that we really examine our social services in

the Province of Manitoba and the impact of the decisions that we make in this department. We know they are very far reaching. Decisions in this department that are made certainly affect our more vulnerable citizens in Manitoba, whether those citizens are our children in regard to day care, our children in regard to child welfare, whether it be citizens, our mentally and physically handicapped, or whether they are our battered women and families who are in trauma and difficulties.

We certainly look forward, Mr. Chairman, throughout these Estimates, in looking for clear direction and policy in the Department of Community Services in all areas. We certainly know it has been a difficult task for this Minister and for any new Government coming in to take over the Department of Community Services because, in describing the department in the last four or five years, I must say it is a horrific mess. We certainly look forward to clear policy direction and new group direction, common-sense approaches to providing services to Manitobans.

Every day in this province, Mr. Chairperson, we are aware of the needs of families out there regarding day care. We look forward, as we go through the Estimates, to hearing what specific plans this Government has in the Ministry of Community Services regarding providing more day care spaces which are much needed in Manitoba. Every day we receive calls from families and from day cares and all day cares, or most of them, seem to have waiting lists.

We know there is a tremendous need for innovative approaches in day care, particularly in rural Manitoba, in a time where the farm economy is particularly poor and women are now forced to go off the farm and find second jobs. The need for looking at innovative day care approaches are very, very important and we look forward to engaging in conversations and discussions with the Minister and her department regarding actually developing strategies through improved day care services in rural Manitoba.

Mr. Chairperson, I will keep my comments fairly brief because I would like the opportunity to make further statements at the end of the Estimates process, but I would like to comment on the Child and Family Services.

We certainly hope, as we go through these Estimates, that there is a recognition of the needs for the Child and Family Services agencies to receive funding that will at least allow them to maintain services and maintain the mandate that they are called to do in terms of child protection.

We also hope that dollars will be forthcoming so that these Child and Family Services agencies can really deal with prevention issues. There have been some difficulties in the past regarding the lack of outreach funding provided to rural Child and Family Services agencies. It has been available to Child and Family Services agencies in Winnipeg and we hope that funding, as well, will be available to agencies in rural Manitoba.

We, as well, hope that with the Child and Family Services agencies that this Government will be looking

at some of the difficulties that there had been over the last few years in terms of growing pains of the Child and Family Services agencies as they have been decentralized, and that there will be a commitment towards improved coordination of services across the City of Winnipeg and, in fact, in all of Manitoba.

In regard to services to the mentally handicapped, we will certainly be asking on this side of the table important questions regarding exactly what some of the policies are of this Government in regard to the mentally handicapped in regard to self-determination, the balance between institution and community. We know that clear policy direction has been very woefully lacking in the last few years and we are quite willing to work with this particular Minister and the department to ensure that policies are much clearer, to ensure that agencies in the community, that families and individuals in the community are aware of what services are available, and to ensure as well that staff in the field and supervisors are aware of what policies are so that they can communicate that with the public as well.

Mr. Chairperson, the Premier in the House oftentimes likes to use the phrase "and we work hand in glove." Well, that takes care of the left hand, but let us ensure that the right hand as well knows what the left hand is doing, and I think that is very, very critical in this particular department.

We will certainly be looking at the VRS funding and be asking questions regarding policy clarification in that particular area as it involves policies with external agencies such as AFM and the Society for Manitobans with Disabilities. The Minister of Community Services (Mrs. Oleson) in her opening statement talked about streamlining operations, and I think as well that it is very, very important that we certainly need to be looking at the ratio of field staff to clerical in regional operation and, particularly, the ratio of field staff to supervisors. I think it is very important that we clearly look at middle management and senior management in the Department of Community Services to ensure that, in fact, people who are in jobs are doing a worthwhile service and that, if there is streamlining that can occur, that is done.

Mr. Chairperson, I have a few more comments regarding the Family Dispute Services, as I mentioned in the House earlier on today, we certainly do commend this Government for their efforts and initiative in providing extra funding and a better base of funding for shelters across the province. We certainly do have some concerns about the fact that, with the funding that has now ended for the Manitoba Committee on Wife Abuse, in fact there is no umbrella organization or advocacy group that is available to deal with concerns, to deal with public education and some training issues with the shelters across the province.

\* (1510)

I urge the Government to speak with the shelters across the province, Steinbach, The Pas, Norway House and the ones in Winnipeg, to sit down with those particular groups and discuss the issues of what type of umbrella organization or memberships organization

perhaps should be looked at. I think it is important that, with these shelters and abuse centres across the province, there is an organization that can prevent fragmentation of services across the province, prevent some competition and also ensure that there is that objective advocacy towards Government.

At this point, Mr. Chairperson, those are all the comments that I have. Again, I would like the opportunity to be able to make further comments, and I know I will as we go through Estimates but also at the end of Estimates. Thank you.

**Mr. Chairman:** We will now hear from the critic of the Second Opposition Party.

**Ms. Judy Wasylycia-Leis (St. Johns):** Thank you, Mr. Chairperson. I would like to begin my remarks as well by thanking the Minister of Community Services (Mrs. Oleson) for her opening statement and for an indication of her plans and her strategies for the department as a whole for the coming fiscal year. I too look forward to working, as much as it is possible, on a cooperative basis of working together to find solutions to some very difficult problems, of trying to avoid, as much as possible, the environment that has characterized the Chamber.

However, Mr. Chairperson, I have a number of concerns that I want to outline, a number of fears and worries that I want to present to the committee, but I do not want, at any point, for those remarks to be seen as a personal attack on the Minister. I have concerns and my colleagues in the NDP caucus have concerns about Government performance in this area to date, about Government plans for this area in the future. Our comments and our questioning and our debating will not in any way be a reflection on the personal capabilities of the Minister but they will be very much a commentary on the performance of the Government as a whole and its commitment to this policy area and to the broader area of social policy. In our view, social policy development is one of the critical fundamental policy areas for any present Government right across this country. It is an area that has too often been reduced to secondary status, dismissed as soft policy matter by other Conservative Governments across this country. We only have the example of the late Sterling Lyon Government to use as an example of the kind of worries and fears that we have before us.

The point I was trying to emphasize is that social policy and parts thereof, whether it be Community Service specific matters, family-related policy matters, policies pertaining to children, or policies pertaining to economic security and social progress for all of our target groups are very much fundamental and central to any plan of action by any Government. I am afraid, Mr. Chairperson, that to date we have not seen evidence of that kind of commitment to equal priority being attached to social policy development that we have seen being attached to economic and industrial strategies. I would like to see all of these issues elevated to the highest level possible in all of our arenas whether it be the Chamber, whether it be the committee, whether it be the internal workings of any one department, so

that we can begin in a more comprehensive way to deal with some very serious problems looming on the horizon, some problems and some demands and some new concerns that require a repriorization on the part of the Government of the Day to meet those challenges.

While I said that I would not be singling out the abilities of the Minister, I want to say that we are very disappointed that over the last three to four months we have not seen evidence of specific concrete policy decisions, of comprehensive coordinated planning around these very important issues and we believe there has been time enough. Our patience is running out. The Minister has asked for our patience and I want to say, with all respect to the Minister, that our patience is running out. There have been too many burning issues that have emerged over the last three to four months that have been totally ignored by the Minister and dismissed and pushed off, to the Budget first with no answers forthcoming, to the Estimates where we hope we will finally get the answers.

Today at the midnight hour, the Minister announced details of one particular policy area, very important, a critical policy area for the Government as a whole and particularly within the mandate of the Department of Community Services. We are delighted to see some details around the department's plans for dealing with the very difficult issues that battered women face, but that was at the midnight hour. We have been waiting and waiting and waiting for detailed plans on a number of policy areas. Our job here in this committee, in this Estimates process, will be to get those answers and we will be here until we get those answers. The people of Manitoba want those answers. They want to know where this Government is taking us, where this Government is placing its priorities on a number of key issues. We have mentioned many of them in our questioning to date in the House.

At the top of the list has been the issue of child care, an issue that is long overdue in terms of specific plans and details and answers from the Minister. It is an area that is growing in terms of demands and needs daily. It is an area that is demanding our immediate attention because of the federal initiative in this regard. It is an area that has really left Manitobans, because of commitments made by the Conservative Government during the election, wondering where we are going with it and what is happening to our quality child-care system.

I think there is no one in this room who will dispute the fact that, up until recently, Manitoba has led the country and indeed the continent on child care policy. It was the NDP Government that initiated the most comprehensive planning and set of discussions and coordinated strategizing around quality, affordable, accessible child care that resulted in the best plan that is seen anywhere in the country, that resulted in probably the most progressive undertaking around child care anywhere in North America. That has been acknowledged by other provincial jurisdictions, that has been acknowledged by Senators appointed by the federal Conservative Government, and that has been acknowledged by Legislatures outside of Canada.

Mr. Chairperson, we are very worried in the NDP Caucus that we will be losing and that we may have



already lost some of that leadership that has guided this country and this continent, that we will be going back in time, losing ground that has been made by the former NDP Government and by people like Myrna Phillips who went right across this country talking to Manitobans everywhere, collecting data and information about the needs and concerns in this field, and we want to see that leadership position upheld.

It is without a doubt that we are facing a critical situation with respect to taking advantage of the federal initiative on child care. The Minister has said the legislation is not passed, but the Minister also knows that Manitoba is one of only two provinces that has not submitted a plan, even a tentative plan, to the federal Government for staking out a position and a ground with respect to our needs here in Manitoba so that we can maintain the kind of quality, accessible, affordable child care system that has been our pride and, more than our pride, that has reached and met the needs of Manitoba families everywhere.

Related to that lateness in submission to the federal Government, related to the loss in ground that may have occurred, we know that provinces, powerful provinces like Ontario—Manitoba is always powerful but not always numerically—and Quebec are standing at the trough with both feet in it and they are lining up for their share of scarce dollars through this federal national day care strategy. There is every reason to believe that Manitoba will be losing the position that we have staked out for ourselves and the goals that we have set for ourselves in terms of making steady progress in meeting the needs of families everywhere as they seek real, meaningful, quality alternatives for care of their children as they work and as they go and take advantage of further education.

\* (1520)

So it will be our intention to find out exactly what the intentions of this Minister and this Government are with respect to child care, and not to wait for days, not to wait for weeks to get answers, but to hear and receive some answers now to know immediately what those plans are so that we can be assured that we will be meeting the needs of Manitobans in a real way.

There have been many other issues that have emerged over the last several months that require our immediate attention and that make us somewhat concerned and worried about the present Government's commitment to social and family policy.

The Premier (Mr. Filmon) at the Premiers Conference participated in a decision by Premiers right across this country to participate in a special conference on family policy. We were very pleased to see that kind of development take place, to see the Premiers, the leaders of this country, focus on a very important social policy issue, that being concerns related to the family. But it will be our specific concern to determine exactly what is the policy of this Government when it comes to the family, when it comes to meeting the needs of the family into the next decade.

We will be wanting to know whether or not this Government has recognized the reality of the family

today, has recognized the fact that in most cases there are either two persons working in the family or the family is constituted with a single parent headed by a woman.

Mr. Chairperson, it will be important for all of us to know how this Government is keeping up with the change in the family, keeping up with the growing demands being placed on the family, the demands of trying to juggle care of the children, of quality parenting and good productive members of our labour force.

We have had some indication unfortunately, to date, to indicate that this Government has not kept pace with changes in the family and with demands and concerns of Manitoban families. The failure of this Minister and this Government to find some middle ground in meeting the needs of the Foster Parents' Association of Manitoba is ample evidence of that. It is evidence of a Government that is not prepared to deal with a new demand placed in front of it for which it has not budgeted, but for which it has new-found resources to allocate in that direction.

To perpetuate the notion that the family is not the bedrock of our society or to perpetuate the notion that parenting and the work of care of children, of quality care for children, is something that should be viewed as unpaid or cheap labour in our society, I think, Mr. Chairperson, any policy on the family, any progressive policies and programs to deal with the family must start to change that perception, must start to give credit where credit is due and recognize the incredible job that parents provide to our economy, the incredible role that families make in our economy, the incredible contribution that has been made by women who have been primary caregivers for decades and decades.

Mr. Chairperson, that is the kind of policy that will have to be addressed by this Government because society is changing, because the family is changing, because needs are changing. We need to see evidence of that in response to critical issues like the Foster Parents' Association.

We would hope that the Minister will, in the very near future, change her position, become less inflexible around the needs being presented by the Foster Parents' Association and present a compromise position, move part way to meet the concerns of this association and recognize their worth as an organization, as well as the work they do in providing care for kids with special circumstances, kids who really depend on good quality foster care.

Mr. Chairperson, there have been other issues as well that have caused us great concern. Today, we heard the news, as I said, and I was pleased to hear some news around the question of battered women, the needs of battered women and spousal assault. However, as in the case of child care, we have yet to see from this Government some leadership, some direction, some clear strategy around the long term, of meeting on a long-term basis the growing needs and demands in this very serious area.

We all hoped that the Minister at her first Ministers' Meeting of Ministers Responsible for Status of Women

would have maintained Manitoba's leadership position by taking to that conference detailed presentations on the part of Manitoba's concerns, demands and needs, and continue to lead the way, but I am afraid all the evidence suggests that the Minister has resorted to a listening position rather than a leading position.

Mr. Chairperson, we very much will urge the Minister, throughout this Estimates process, to regain that leading position, to go to our federal-provincial Ministers and lead the way on matters pertaining to child care, on matters pertaining to battered women, on matters pertaining to child abuse and seek creative solutions, seek real initiatives on the part of the federal Government to help us solve some of these incredible problems facing us.

\* (1530)

I will be raising as well concerns that are growing in the area with respect to this Government's commitment to meeting the needs of parents of children who are mentally retarded at the community level. We will be seeking from the Minister specific answers and a specific plan of action around deinstitutionalization, around a commitment to the Welcome Home initiative sponsored by the previous NDP administration, around adequate Respite care for parents who choose to keep their children at home in the community, and around the deficit situation facing numerous group homes right across this province. There is a crisis looming on the horizon, a crisis that requires action on the part of the Minister.

We are pleased to see that this Government has chosen, as far as we can tell, not to engage in the usual Conservative tradition of cutting and slashing in social programs. We are pleased, and I have said this on many occasions, that this Government has chosen to introduce the same spending increases roughly that were introduced by the NDP administration in the last Budget.

But it is not good enough to simply pretend that one is progressive in terms of social spending and in terms of social policy. Any Government is tested by its ability to respond to new issues, to new situations, to new demands and new needs that are directed at it, that come with this field. This policy area is filled with examples of growing needs that are not caused by maladministration, that are not caused by neglect but are caused by the fact that people are coming forward with examples of abused children, that people are coming to grips with problems that have been kept behind closed doors for decades and decades.

So the challenge for any Government, the challenge for the previous Government and now the challenge for this Government is to determine how it will react to those new needs and those new demands. The Foster Parents' Association presented one such demand and we unfortunately saw the intransigence of the present Government on that issue. We hope that will be reversed.

We will see, on a daily basis, new challenges to this Government that can be addressed by a commitment to social policy development in a serious way, and by

a repriorization of resources based on new-found wealth that does not all have to go towards tax breaks to mining companies and big corporations and the CPR, but some of which could be directed to meeting the needs of the Foster Parents' Association or the deficits of group homes or the deficits of Child and Family Agencies, and the list goes on and on.

I realize I am taking up considerable time. I will try to conclude my remarks by saying that, for the NDP, the whole area of social policy is for us of the utmost importance and must receive adequate attention and adequate resources if we are going to build for the future, if we are going to ensure economic and social security for all of our citizens. We will be looking for an understanding of this Government about its approach to social policy, its approach to Community Services.

We will be anxious to know if the fact that this Minister has both responsibilities of Economic Security and Community Services means a step backwards in time, or if they are committed to a clear delineation between those two entirely different policy areas and responsibilities.

We will be looking very closely at any shifts in spending to ensure that there is a continued commitment to high standards, to community-based, non-profit delivery of service. In that context, we will be very, very concerned if there is a move on the part of this Government, as was hinted at in today's opening remarks by the Minister, to reallocate resources that have been earmarked for the child care development field into the private sector.

If this Government is determined to reallocate resources which, by the way, have been again put in the Budget at the same level as that of the previous NDP administration but reallocated to sponsor existing spaces in the private child care field, then we will have enormous concerns and the people of Manitoba will have enormous concerns about the commitment of this Government to quality, affordable, accessible child care. Because any allocation of set budget to meet the needs, the profit motives of private operators to fund existing spaces only means taking away from parents who have been on waiting lists for non-profit spaces for months and for years, will only take away from the goal of enhancing salaries for underpaid child care professionals. It will only take away from the goal of ensuring that our child care centres and our day care programs are at the highest standards and with the highest possible quality.

Finally, we will be looking at this Government's commitment to meeting the needs of those who face special problems in our society, who have double burdens in our society, the commitment of this Government to reach out and meet the needs of our Native community in real and meaningful ways, of the visible minority community, of the disabled community, of single-parent women and the list goes on. All of those target groups require a commitment to affirmative action programming, to special initiatives, to long-term planning and to very major allocations of resources. It will be our hope that no group, no individual is left with a need unmet or with concerns unaddressed by this Government.

Let me conclude by saying it is immensely important that this area be dealt with in great detail and with great seriousness. I hope that we will be able to find grounds for cooperation and grounds for coming together to find solutions to new problems. That will mean a signal from this Government of a commitment to raising the priority that it has attached to social policy to date, of giving it much higher emphasis, much greater allocation of resources that has been seen to date. Thank you, Mr. Chairperson.

**Mr. Chairman:** I would remind Members of the committee that the date on the Minister's Salary is deferred until all other items in the Estimates of this department are passed. At this time we would invite the Minister's staff to take their places at the table by the Minister.

**Mrs. Oleson:** Before we begin, I would like to introduce my staff. I have with me Mr. Ken Gray, Executive Director, Administration and Finance; Joe Cels, Assistant Deputy Minister of Community Social Services; Drew Perry, Assistant Deputy Minister of Child and Family Services; Rick Dykes, Director of Financial Administration; Lou Gorski, Director, Residential Care Licensing; Dave Floren, Manager, Financial Services; and Con Hnatiuk, my Deputy Minister.

**Mr. Chairman:** We will proceed to item 1.(b) Administration and Finance, Executive Support: Provides for the operation of the offices of the Minister and the Deputy Minister. (1) Salaries, \$151,100.00. Will the item pass?

**Ms. Gray:** Mr. Chairperson, the Minister of Finance (Mr. Manness) tabled the financial report that listed the fourth quarter actuals. Could we ask this Minister to provide the line-by-line actuals, as would be described from the report in the fourth quarter statement?

**Mrs. Oleson:** Would it be helpful if I just provided a list? That probably would be more helpful than me reading them off and you trying to jot them down.

**Ms. Gray:** In the Supplementary Estimates on Schedule 3, page 12, under the Reconciliation Statement, there is mention of transfer of functions from a variety of areas, such as Executive Council, Education, Health, Attorney-General, and Health again, and Government Services. Could we have an explanation as to exactly what is involved in these transfer of functions and what are included in the dollar amounts?

**Mrs. Oleson:** There is one SY to do with services for hyperactive children; one SY, Children's Therapeutic Services and the Independent Living Resource Centre; division of Corrections, one SY.

**Ms. Gray:** The Minister has just indicated the number of SYs. What specifically was the transfer of functions from the Executive Council? It amounted to \$32,400.00.

\* (1540)

**Mrs. Oleson:** It was a position transferred from the former Government's Planning and Priorities group.

**Ms. Gray:** Would the Minister tell us what the purpose of this particular position was and why the reason for the transfer?

**Mrs. Oleson:** The position had previously been seconded from the department. It is now back in the department to work on programs.

**Ms. Gray:** When the position was seconded to the Department of Community Services, what exactly was the, I assume it was, person or a number of persons doing within that position?

**Mrs. Oleson:** It was one position that worked on planning and priorities for the work on programs for the Planning and Priorities Branch, but it is now in the department instead of being in the Planning and Priorities Branch.

**Ms. Gray:** Mr. Chairperson, in the Education, the Reconciliation Statement, what was involved with the transfer of functions and the involvement of the \$11,400.00?

**Mrs. Oleson:** That was the one I indicated before, the services for hyperactive children.

**Ms. Gray:** The services for hyperactive children, where now are dollars found for services to hyperactive children?

**Mrs. Oleson:** Under Children's Special Services which follows on a different line than this.

**Ms. Gray:** Could the Minister explain to us in detail the transfer of functions regarding Health for the amount of \$351,000.00?

**Mrs. Oleson:** That was a transfer to us of the regional director from Thompson and a transfer of some of the Independent Living Resources and Community Therapy. They were funded under Health before. They are now being transferred to this department.

**Ms. Gray:** Would the Minister explain to us in a bit more detail where in this Budget we would find the dollars allocated for Community Therapy services?

**Mrs. Oleson:** Children's Special Services, under Community Services section.

**Ms. Gray:** Could the Minister tell us again specific details as the transfer of functions of the \$45,200 to Health from Community Services?

**Mrs. Oleson:** That is a reconciliation, to the Member, between Health and Community Services, a transfer back to the regional director at Thompson.

**Ms. Gray:** Mr. Chairperson, could the Minister tell us about the Allocation of funds from Government Services for the amount of \$132,500 what those dollars were specifically for?

**Mrs. Oleson:** Those were for postal services. At one point—I am not sure exactly when it happened—postal

services were directed out of the Department of Government Services and put on a line in each department so that each department has in its line a fee for postal services.

**Ms. Gray:** On page 27, in the Supplementary Estimates, under Executive Support, the Salaries indicate one managerial position. Would the Minister tell us who is the manager of that particular Executive Support of Administration and Finance?

**Mrs. Oleson:** My Deputy Minister.

**Ms. Gray:** Okay, fine. There is an indication of reduction in staff years as a result of an amalgamation of several Government departments. Would the Minister explain to us exactly what was involved in that amalgamation, where the SYs have been transferred to? If there were individuals in those SYs, are those individuals still working or and were they transferred with the positions?

**Mrs. Oleson:** Four positions were abolished.

**Ms. Gray:** The Minister indicates that four positions were abolished. Were individuals in those positions and what has become of those individuals?

**Mrs. Oleson:** They were vacant positions.

**Ms. Gray:** Would the Minister explain to us the rationale for abolishing these four positions, these four SYs?

**Mrs. Oleson:** These positions had been kept vacant because of decisions made in the previous fiscal year and now have just remained vacant.

**Ms. Gray:** Mr. Chairperson, there is an indication that there are two SYs for professional/technical, or they were the two professional/technical positions. Could the Minister elaborate exactly what those positions did, a summary of what their job functions were?

**Mrs. Oleson:** Those positions were positions to the former Minister. Because of the changes and just having one Minister for two departments, that naturally shows up a change in that as I believe one SY will be assigned to this department as one of my private staff and the other one to Employment Services Department. Thereby, there will not be as many people involved here.

**Ms. Gray:** Under the same reference No. 2 in regard to Operating Expenditures, in the Operating Expenditures, the appropriations have not changed significantly given that there is a decrease in the staff. Could the Minister explain this?

**Mrs. Oleson:** There have been general salary increases in these areas and that probably is the reason for the amounts being similar.

**Ms. Gray:** Could the Minister explain for us, for instance, the Transportation line has remained the same, the Communication line has increased, and Supplies and Services have remained the same, as well in Other

has decreased? Why has there been a similar amount of money allocated when there are less positions? What are the specific reasons for that?

**Mrs. Oleson:** The expenses for operating the Minister's office essentially remains the same, even though there were no longer those same number of positions there. It costs the same amount to run the office.

\* (1550)

**Ms. Gray:** The activity identification in this particular line of the budget refers to Executive Support, and indicates that in fact Executive Support is responsible for ensuring some financial accountability and that some systems are in place. Could the Minister explain to us, specifically, what mechanisms this particular part of the department develops to ensure that in fact there is financial accountability throughout the department?

**Mrs. Oleson:** Thank you, Mr. Chairman, for the Member. It is regular financial forecasting for the department.

**Ms. Gray:** Do these particular staff in the department set up or ensure that financial commitment accounting systems are in place throughout the department, or is it simply forecasting?

**Mrs. Oleson:** That is done in the Financial and Administration Branch.

**Ms. Gray:** That is fine.

**Ms. Wasylycia-Leis:** I assume we are still on 1.(b)?

**Mrs. Oleson:** Yes.

**Ms. Wasylycia-Leis:** As I understand it, the major reduction from the previous fiscal year is based on the need for less staff because the Minister now has several different responsibilities.

Could I just get a clarification on exactly what that translates into in terms of what staff she has in total available to her, both in terms of secretarial support and in terms of executive and special assistance? What numbers does it work out to?

**Mrs. Oleson:** My office has three secretaries and one special assistant who will appear in lines in this department. I also have an executive assistant who will show in lines of the other department.

**Ms. Wasylycia-Leis:** I just really have one question in this whole area and I hinted at it in my opening remarks. That is: Has there been any discussion, any thinking in terms of a long-term plan to merge the Departments of Community Services and Economic Security? I raise it, given the fact that when different responsibilities have been lumped together, it has resulted in, in effect, a departmental restructuring that would suggest in a case like this that we are headed towards a merging down the road. I would like to know if the Minister has an opinion—I guess I cannot ask, has an opinion. Have

there been discussions around that? What is the policy of the Government with respect to those two areas? What kind of differences does she attach to the two different policy areas?

**Mrs. Oleson:** At present, the departments are running as two separate entities. I have not been in discussion with anyone about changing that system at the present time.

There are some functions of both departments that complement one another. On one or two occasions, being the Minister of both, I have discovered information that is very useful to me because I happen to hear things in discussing with staff in one department, I hear something that perhaps could be worked on or improved or changed in the other. So it has been an interesting exercise for me being Minister of both departments. I can see where there are some things that we could work more closely together to be more efficient. But as far as putting them together, that is not a subject I would really address now. We are running them as separate entities at the moment.

**Ms. Wasylycia-Leis:** Can I take it then that there have been no discussions either at the departmental level, in terms of the two departments, or at the Cabinet level in terms of moving in the direction of merging those two policy areas, those two separate responsibilities?

**Mrs. Oleson:** I am sure the Member will be aware, when she asks questions about what we have been discussing in Cabinet, that is completely out of order. I know I am not about to make remarks about what is discussed in Cabinet. I have had no discussions with either the department about merging the departments.

That is the answer that I will be giving at this time. I have not been discussing with the department. Of course, what is discussed in Cabinet is another matter altogether.

**Ms. Wasylycia-Leis:** I can appreciate the need to not reveal discussions that take place at the Cabinet level. I raise the question because the Minister indicated that she has come to appreciate the similarities in the departments. I wonder if she has come to appreciate the differences between the two departments.

**Mrs. Oleson:** Yes, I would agree to that. There are differences in the two departments. We continually keep assessing both departments. It is an exercise that a new Government goes through in assessing what we have, what we are doing, which way we are going. It is part of the whole overall assessment of Government and what structural changes you make. We have decided at this point on these two departments as separate entities. We are bringing in separate budgets; we are debating separate Estimates. That is where it is at the moment.

**Ms. Wasylycia-Leis:** There has historically been a move away from the treatment of Economic Security policy matters and Community Service policy matters and, in fact, towards a merging of Community Services more

along the lines of the Department of Health. I wonder if there has been any consideration to further coordinate efforts between those two departments to further enhance the delivery system that is in place. What are the Minister's views, if I can ask that, Mr. Chairperson, on the similarities between those two policy areas?

**Mrs. Oleson:** There are many functions that take place that are done. There are offices run, as you well know, in conjunction with the Department of Health. We presently, of course, are looking at how we can better deliver the services, whether individually separate in the departments or if there should be some changes. The bottom line is to get the service to the people. That is what we would be looking at, the most efficient and effective way of getting the services to the people, not whether or not we are interested in how many administration staff and all this. It is getting the services to the people that is the bottom line as far as we are concerned. If we can do it better by amalgamating some functions, we will.

\* (1600)

**Ms. Wasylycia-Leis:** Has the Minister met with the Minister of Health (Mr. Orchard) to talk about the whole question of community health care and Community Services and better coordination, better planning between the two departments? If they have met and discussed this matter, are there any plans in the works? Is the Minister prepared to convey any of those details or table any reports along those lines?

**Mrs. Oleson:** The Minister of Health (Mr. Orchard) and I often discuss various things in our department and often meet to discuss these, but the actual discussions of delivery are going on between the staff in both departments. When we get some sort of a report on that aspect, then the Minister and I will sit down and discuss that in more detail.

**Ms. Wasylycia-Leis:** Can the Minister give us any assurances that there will be no attempt now or in the future with the present Government to merge the departmental responsibilities of Community Services and Economic Security?

**Mrs. Oleson:** I think the Member would be expecting a little too much if I carved this in stone somewhere and set it up in the Legislative Building on whether or not we are going to amalgamate in the future. I am telling her now and I have told her several times this afternoon, we have no plans at the moment to do this. But as for the future, there are all kinds of things that can happen in the future and I do not know how far into the future she wants me to make any commitments.

**Ms. Wasylycia-Leis:** Mr. Chairperson, can I ask the Minister then if I should take from her remarks that she has not ruled out the possibility of merging the Department of Community Services with the Department of Economic Security?

**Mrs. Oleson:** Well, to the Member, I try to keep an open mind about all these things and I am looking at

them with a view of the best delivery of service. To say that there will never be a change ever or that there might be one next week is not something within what we are doing now. Today we are debating the Estimates of this department separate from the other department, and that is the way it is right now.

**Ms. Wasylycia-Leis:** Could the Minister indicate whether she sees the Department of Community Services—and I am speaking now of the policy of that department in terms of its broadest policy aspects—being closer to a department like Health or a department like Economic Security?

**Mrs. Oleson:** The Department of Community Services, as the Member well knows, is a very far-ranging department. There may be some functions that could be maybe, if you were looking into the future, amalgamated with one department, one with another. There is, as I say, nothing carved in stone about how things should be organized. That is one of the functions of a Government, to look at these things objectively from time to time. It gives a new Government a great opportunity to look at things in an objective way and see what changes will be made. I repeat, I have not any changes to announce today.

**Mr. Reg Alcock (Osborne):** Just a couple of quick questions on the administrative side. I would like to start by complimenting the Minister on having at least moved to reduce the size of the Supplementary Estimates by printing on both sides of the page. It is an interesting restraint or attempt at restraint that we would presume is a major initiative on the part of this administration, or consistent certainly with the attitude you have taken in the past.

I also want to comment on the wonderful charts and graphs in this presentation. I think they very clearly illustrate what is taking place in the department.

**Mrs. Oleson:** Told you what you want to know, did it?

**Mr. Alcock:** Yes, they certainly provide an awful lot of information, and I think whoever thought of designing and printing those graphs was really a wizard within your department.

I would like to ask just a couple of quick questions. I notice in the operating line in your office—now this is the half of your office that is supported by Community Services—that the number of staff have been cut, as you have mentioned, but the operating expenses remain the same?

**Mrs. Oleson:** It costs the same to run the office because essentially there is the same amount or even more work being done. The changes, as I pointed out earlier, are with personal staff. There is one Minister. I would not be hiring two executive assistants and two special assistants the way two Ministers would. I hire one of each.

**Mr. Alcock:** About half as many staff need the same amount of transportation money.

**Mrs. Oleson:** Yes, the staff advise me that I still need to travel as much as if I were two Ministers. I am

wondering where I am going to get the time. But that has been allocated to me that there is transportation fund in there because there are functions and interprovincial responsibilities that need to be met whether there is one Minister or two.

**Mr. Alcock:** The communication expenditures in that line, what are they for?

**Mrs. Oleson:** That is the telephones and fax equipment and other equipment that is still needed for communication.

**Ms. Gray:** The Member for St. Johns (Ms. Wasylycia-Leis) alluded to possible difficulties or a move towards better coordination between the Department of Health and the Department of Community Services. Could the Minister tell us what the policy is in regard to services that are provided to the aging mentally handicapped individual, i.e., who provides the service? Who has the mandate for the service and where do those dollars come for the service, the Department of Health or the Department of Community Services?

**Mrs. Oleson:** The mentally handicapped come under this department. The aged, I guess it is unclear really where they should fit into the whole pattern and with the delivery by the two departments that they are being served, but the whole subject of where they should be is something that the Minister who is in charge of Seniors (Mr. Neufeld) will be looking at.

**Ms. Gray:** The Minister hits the nail right on the head when she says it in fact is unclear, because what we have occurring and have had occurring in the last five or six years, which was never addressed by the previous administration, was the very grave difficulties of clients and individuals who require service and who may have the unfortunate distinction of having fallen somewhere between the two departments. There may be an aging mentally handicapped individual, and who provides the service if they do require Home Care services and who picks up the shot? What is occurring right now is that in fact families and individuals are experiencing delays in service because there are arguments and disputes going on at regional levels which do not seem to be able to be clarified by the directorates in either Health or Community Services as to who should provide the service.

My question would be to the Minister: What proactive steps is her department initiating with the Department of Health to have the directorates quickly look at this ever-looming issue and come to some decision as to who is going to pick up the tab and who is going to take the responsibility for providing services to these individuals?

\* (1610)

**Mrs. Oleson:** That is one of the topics that is being assessed by the committee between the two departments, and hopefully we can come to a quick resolution of that.

**Mr. Chairman:** Just to remind Members that the item under discussion is 1.(b) Executive Support: Salaries.

**Ms. Gray:** I am not sure of the procedure here. Can we move on to reference No. 2? Am I able to move on to ask questions in that area, or what is the process?

**Mr. Chairman:** On item 1.(b)(1) Salaries, shall the item pass? (Agreed) Item 1.(b)(2), Other Expenditures, \$66,300—pass.

1.(c) Research and Planning: Provides departmental co-ordination for policy, program and related budgetary planning and for cost-sharing; (1) Salaries \$752,000.00. Shall the item pass?

**Ms. Gray:** Under the area of Research and Planning, and I think the Minister mentioned it in her comments at the beginning of this particular afternoon, the number of SYs in Research and Planning seems to have increased by two SYs from the previous administration, under the line Professional and Technical. Could the Minister explain to us exactly what these SYs are for?

**Mrs. Oleson:** That has been transferred from Administration and Finance as a consolidation of the cost-sharing unit.

Before I leave the mike, I would like to introduce Bev Ann Murray who is the Assistant Director of Research and Planning.

**Ms. Gray:** In the Research and Planning, there is an indication that the managerial position held by Mr. Ken Maskiw, I understand, has increased substantially from the last adjusted row. Could the Minister explain this rather large increase?

**Mrs. Oleson:** Sorry about that length of time. There are actually two positions being paid for. They are Ken Maskiw as acting, and there was a Mrs. Proctor who was on exchange from Ontario. Her salary was included in that. She has since left.

**Ms. Gray:** Would the Minister then tell us currently what the salary is for the Manager of Research and Planning or for the Director of Research and Planning?

**Mrs. Oleson:** \$58,200.00.

**Ms. Gray:** Would the Minister outline for us, there are 14 SYs who are part of the professional/technical support in Research and Planning. Could she give us an indication of the types of jobs or the job titles of people who compose those 14 SYs?

**Mrs. Oleson:** A number of those people do some of the cost-sharing negotiations with the federal Government. They do tripartite negotiations, and they do policy analysis, interdepartmental coordination. We cost-share for three departments, so that is probably why there is a larger number there. We cost-share for Employment Services and Economic Security and for Community Services and for Health.

**Ms. Gray:** The Research and Planning area talks about some of their activities in regard to policy development in the area of Natives and working with other Members of other agencies and cost-sharing agreements with

the federal Government. Would the Minister explain to this committee exactly who has the mandate for servicing our Treaty Indians and our Metis Indians in regard to these individuals who may have physical handicaps, may have mental handicaps or may have difficulties with alcohol abuse?

**Mrs. Oleson:** The Natives on reserves are the responsibility of the federal Government, but off reserve we are responsible for whatever program the department can offer to them. They are our responsibility if they are off reserve. Whatever department of the Government—it may not be this department, but it may be one of the other departments that is responsible for them.

**Ms. Gray:** If one of our aboriginal people who happen to be living in the City of Winnipeg is physically disabled, my understanding is that the Society for Manitobans with Disabilities will not assist these individuals because they are saying that they do not have the resources or the manpower. Therefore, the referral gets moved to regional operations and, in fact, there is a delay in service. Could the Minister explain exactly who has the responsibility and what the policy is?

**Mrs. Oleson:** I wonder if the Member might, perhaps not on the record but otherwise, give me an indication of what exact case because I do not quite understand. If the Society for Manitobans with Disabilities have resources and are able to take someone in, I am sure they would. I am not quite certain of just exactly what she is meaning here.

**Ms. Gray:** Could the Minister perhaps confer with her senior staff and see if what happens at the end of fiscal years is that, in fact, the society will not pick up aboriginal individuals who have physical disabilities? They say they do not have the resources or the dollars and, in fact, it falls back on the regions to do that. I am wondering—this has happened in the past—what negotiations have been going on at the Research and Planning level to ensure that these people do not fall between the cracks and do not receive appropriate service.

**Mrs. Oleson:** I wonder if the Member would let me take that as notice and get back to her when we do the Regional Operations lines in this department, because we need to look into that more fully.

**Ms. Gray:** Yes, that is fine.

Under the Research and Planning area, could the Minister tell us what specific areas of research and/or planning have been conducted within that particular component of the department to assist the regions as far as Research and Planning as to how they plan in the future for services to the clients in the community? Have there been specific projects that have been initiated where actual Research and Planning has been done in conjunction with regional operations?

\* (1620)

**Mrs. Oleson:** The evaluation of the Welcome Home Program is one example of how that was done, and also research into who uses day care.

**Ms. Gray:** The Minister has mentioned evaluation of the Welcome Home Program. In fact, now that I recall, there was certainly an extensive review and audit of that program. Would the Minister tell us exactly what the recommendations were that came out of that Welcome Home review?

**Mrs. Oleson:** It might be more fruitful if we waited till the line in that part of the Estimates. Then we could get a more full report on that.

**Ms. Gray:** That is fine.

Under Operating Expenditures, the Supplies and Services line has increased dramatically from the previous Budget of the NDP. Could the Minister explain what exactly the purchases and services were that have amounted to that increase?

**Mrs. Oleson:** Those include special programming for contracts to Social Planning Council, vulnerable adults legislation, consultation if required, Decade of the Disabled Persons and office supplies. This mainly concerns the Decade of the Disabled.

**Ms. Gray:** Would the Minister tell us what specific initiatives or what objectives the Research and Planning have outlined to her as to where they see their priorities in the coming year?

**Mrs. Oleson:** That would consist of the review of the agencies, 25 cost-sharing issues that are before us and implementation of the VRDP Agreement.

**Ms. Gray:** Could the Minister tell us what specific areas of research and planning she has asked her department to pursue over the next year, what her priorities are?

**Mrs. Oleson:** The review of agencies was one of the things that I had asked for. I have asked for a number of reviews to be done throughout the department. But we need to also coordinate departmental and interdepartmental cost-sharing negotiations. That is something that needs to be coordinated. The administration of the department's contractual research with external agencies, that is something that is being worked at. There is some movement, and we could talk about that when we talk about external agencies. There is some thought to enter into cost-sharing agreements with those agencies. As I say, we could discuss that later. They are service contracts, coordination of legislation, development and amendments, if there were to be any, and of course the coordination of the Decade of the Disabled initiatives comes under that. Those are some of the things that we are working on.

**Ms. Gray:** The Minister mentioned a review of agencies. Could she tell us which agencies she is referring to?

**Mrs. Oleson:** For the Member's information, the Canada Assistance Plan requires some reviews of agencies. We also, of course, as a new Government, are reviewing a lot of things and so this would fall into that department.

**Ms. Gray:** The Minister has referred to CAP. Could she tell us: Are there other agencies as well that will be reviewed and what is the purpose of this review? What is the scope and nature of the reviews?

**Mrs. Oleson:** When we are discussing cost-sharing plans, we want to be sure that we are getting all the federal dollars we possibly can, and so we have to make sure we coordinate those plans. The CNIB, the Children's Home, various agencies like that, their functions can be cost-shared, and there is continuing work being done with the department to make sure that we can get the maximum amount of dollars that we are able to out of those programs.

**Ms. Gray:** The Minister has referred to reviewing CAP funding in relation to some of these agencies that she has identified. My question is: These particular agencies, such as Children's Home and CNIB, are they going to be going through a review in terms of the purpose of the agency, their intent, the services they provide?

**Mrs. Oleson:** That would be the sort of information that the federal Government would, I am sure, want before they would enter into cost-sharing agreements. So you have to look at the entire agency, the programs that they would be providing. The federal Government of course needs this sort of information before you can enter into negotiations and cost-sharing agreements.

**Ms. Gray:** My question for the Minister is: Are these agencies aware that in fact they are going to be reviewed, and is this something that has been standard procedure in the past?

**Mrs. Oleson:** Yes, the agencies are aware that this is something that should be done. It has not been done and our staff are sitting down with them to discuss the terms of reference, but it is something that should be done for cost-sharing purposes.

**Ms. Gray:** If this is in fact something new and the agencies are aware, would it be possible for the Minister to provide us with the list of agencies that will be reviewed?

**Mrs. Oleson:** I can give the Member a list of some of them. I do not know if that is all of them, but at present this is what I have: CNIB, Young Parent's Centre, Children's Home, Main Street Project and Wife Abuse Shelters.

**Ms. Gray:** Can the Minister assure us that in fact this review is specifically related to CAP funding and that there is no intent or hidden agenda of such review?

**Mrs. Oleson:** I would assure the Member I have no ulterior motives. Anything like this is negotiated between the agency and the department, so that they know what the review is that is taking place.

**Ms. Gray:** Could the Minister tell us if there are other initiatives, other than the ones that she has mentioned that she has initiated with Research and Planning?



**Mrs. Oleson:** Yes, the various information that I need was to go for negotiations with Indian agencies, for child welfare, that sort of thing. This is the sort of work this section of the department does.

**Ms. Gray:** Could the Minister tell us specifically if Research and Planning will be coming up with more definitive policies regarding services to individuals such as aboriginal people who may have alcoholic difficulties, who are physically disabled or who are mentally handicapped? Could she tell us if Research and Planning will be coming up with more or very clear definitive policies as to who has the mandate for that particular service?

**Mrs. Oleson:** Mr. Chairman, this group, the Research and Planning, do the background papers, the research, and prepare information. The Cabinet sets policy.

\* (1630)

**Ms. Wasylycia-Leis:** Mr. Chairperson, since this is the branch of the department that is involved with research and planning around the National Day Care Implementation Plan, I have some questions on day care that I think relate directly to this area and not specifically to the Child Care line that we will be coming to later.

**Mrs. Oleson:** For the Member's information, it is the Day Care Branch that is doing the work on the day care program and not this branch.

**Ms. Wasylycia-Leis:** Mr. Chairperson, my first question was: Is this the group that is specifically working on child care since it has been mentioned here? Is this the group that is involved with the submission to the federal Government on day care? The Minister has said this branch is not at all involved. Could I ask for clarification on that?

**Mrs. Oleson:** The Day Care Branch is involved with that.

**Ms. Wasylycia-Leis:** The Research and Planning Branch of the department does not deal at all with child care issues, with cost-sharing issues pertaining to day care, with negotiations with the federal Government around child care?

**Mrs. Oleson:** This branch monitors the money we get, but they have no function as to the new day care initiative by the federal Government.

**Ms. Wasylycia-Leis:** Mr. Chairperson, since this group monitors money, and I assume arrangements under CAP, could the Minister indicate to the committee what kind of tentative levels of funding have been negotiated with the federal Government as part of the National Day Care Plan? Roughly what spaces have been set aside by the federal Government, by the federal Minister in terms of Manitoba's needs?

**Mrs. Oleson:** For the Member's information, the negotiations cannot possibly start before the legislation

is passed because it is the enabling legislation and you do not start into negotiations before the legislation is passed. No provinces have been into negotiation with the federal Government. It has not started yet, and I think the Member is doing a disservice to the whole program if she thinks we can start negotiating 20 minutes after the federal Minister makes the announcement that he is going to put in a day care Act. The day care Act has not passed the House of Commons, unless it passed today when I was not listening.

**Ms. Wasylycia-Leis:** Mr. Chairperson, it is my understanding that provinces have been in discussion with the federal Government for many, many months around rough shares of resources available through this plan, at least on a tentative basis, plans that will come into effect once the legislation is passed. It is my understanding that in fact it will be made retroactive to, I believe, this spring or even probably around the time of introduction of the Bill in the House of Commons.

Could the Minister give us some indication of what plans have been submitted to date? Could she table any plans previously submitted by the previous administration? Could she give us some indication of discussions that are taking place, and some assurances to the people of Manitoba that we will be able to obtain our fair share through this program?

**Mrs. Oleson:** I am advised, for the Member's edification, that no province has been negotiating with the federal Government. I reiterate, the legislation has not passed yet. After that time, then negotiations will begin. This, of course, we could discuss more fully in the Child Day Care section of the Estimates. I will be bringing forward mention of work we have been doing at that time.

To suggest that we are losing out on money because we are not standing down on the steps of the House of Commons with our hat in our hand is totally ridiculous. The legislation has not passed, is enabling legislation. There is a negotiating process that will go on with each province; each province has submitted their plans. The plans that are in there now are the plans put in there by the former Government and we will negotiate around them. I think we should have a fuller discussion on this when we come to the line of the Child Day Care.

**Ms. Wasylycia-Leis:** Would the Minister be prepared to table the plan as submitted by the previous Government by tomorrow?

**Mrs. Oleson:** I think there would be no trouble in tabling the plan that was put forward by the former Government, and we will be happy to put forward the plan we have for this year's day care spaces when we get to that line.

**Ms. Wasylycia-Leis:** Thank you.

Could the Minister give us an indication when a plan will be ready for submission to the federal Government with respect to Manitoba's strategy and plans around accessing funds under the national day care strategy?

**Mrs. Oleson:** It is my understanding that, after the day care legislation is passed, then a negotiating team will go to each province to discuss the plans that were put in beforehand. At that time, they will be presented with any alterations or changes. Negotiations will take place and I am sure everyone will get their fair share of the dollars. Mr. Epp has given me that assurance.

**Ms. Wasylycia-Leis:** Is the Minister then indicating that no plan will be submitted until after the federal legislation is passed?

**Mrs. Oleson:** The federal Government has our plan and the negotiations will start after the legislation is passed.

**Ms. Wasylycia-Leis:** To seek further clarification, when the Minister says the federal Government has our plan, is that a new plan she has submitted on behalf of her Government since taking office or is it the old plan submitted by the previous administration?

**Mrs. Oleson:** They have the plan submitted by the former Government, and they will be presented with any new plans that we have when they come to negotiate.

**Ms. Wasylycia-Leis:** If I could again get a further clarification from the Minister, is she indicating to this committee that the plan previously submitted by the NDP Government is the plan for the Conservative Government?

**Mrs. Oleson:** No, I am not indicating that. That was a base from which to work on. As the Member will know, it was submitted by the former Government at the request of the federal Government. Any changes that we will wish to make, because we wish to make things more flexible and we want to ensure more flexibility with rural day care and various subjects like that. We will be discussing that with them at the appropriate time.

The Member should be aware that there are two years to negotiate this, and it is retroactive to the 1st of April this year. No money, not a dime, will be lost because there is a slight delay, and the slight delay is mainly because the legislation is not passed. I think, as I said to her before, we could have a much better discussion about this when we reach that line of the Estimates, instead of rehashing it over twice.

**Ms. Wasylycia-Leis:** I return to the Minister's initial comments when I raise this subject matter and the role of the Research and Planning Branch with respect to the, at least, monitoring of the National Day Care Plan and the whole cost-sharing arrangements for child care. I would like the Minister to indicate to us today what assurances she has received from Ottawa that there will be adequate resources set aside to meet Manitoba's needs in this area, given the fact that Manitoba has maintained, at least until recently, a leadership position in this regard and has done a great deal of pioneering work in terms of the establishment of quality, accessible, affordable child care.

Could she indicate to us what assurances she has received from the federal Minister, and whether she is prepared to table any such assurances in terms of preserving Manitoba's very great interest in this regard?

**Mrs. Oleson:** Mister Epp, the federal Minister, has sent out various communiques that would indicate his strong support for legislation and for funding which he has put in place, funding which will cause us to be able to get 50 percent as opposed to the 43 percent we get now under CAP. This department, this Research and Planning Department, is monitoring the CAP arrangements.

From what I can learn and I am sure it is true, this new federal day care plan will give us far more money in return than the CAP system, so we will not be staying with it. As I said before earlier in this whole discussion, the Day Care Branch is working on the day care plans, and this department is not.

\* (1640)

**Ms. Wasylycia-Leis:** On the matter of CAP and the question of this new National Day Care Plan versus the old arrangements under CAP, could the Minister indicate to us today whether or not it is true that it is possible for any provincial Government to choose either program, either the new National Day Care Plan or an arrangement under CAP?

**Mrs. Oleson:** Yes, the provinces are free to choose which system, whether CAP or the new federal day care plan, they prefer to go along with.

I am sure that, if it were more beneficial to stay with CAP, one would stay with CAP. But from what we are learning about it is that there is 75 percent cost-sharing in capital through the new federal day care plan. So that would certainly be of interest to us. There is 50 percent as opposed to 43 percent reclaiming of dollars under the new federal plan. The CAP is 43 percent. So it looks, without too much elaboration, that this would certainly be the best plan to adopt.

**Ms. Wasylycia-Leis:** Could the Minister, on that point, indicate to us what happens under the new National Day Care Plan when a province surpasses the number of day care spaces negotiated in the final analysis with the federal Government?

**Mrs. Oleson:** We have an indication that you do not have to spend all the money or any money or an equal amount of money every year. That can be very flexible. So if we can do a carryover or a catch-up or what have you, I am looking forward to those negotiations because that sort of thing will be clarified at that time.

From my understanding, you can opt in those seven years of the plan to spend varying amounts. It is not going to be carved in stone, from what I understand, that you have to spend "X" this year and "Y" the next. It can be flexible. I think that is probably one of the very good things about that plan.

**Ms. Wasylycia-Leis:** Could the Minister indicate whether or not it is the case that, when a province

surpasses the number of spaces negotiated with the federal Government, whether it is on an annual basis or a seven-year basis, what happens in terms of cost-sharing additional spaces under this new plan?

**Mrs. Oleson:** That sort of information has not been finalized. That is something we would have to find out. I think probably the best time would be, when the negotiation team comes out, they will explain that sort of detail to the department.

**Mr. Chairman:** I remind Honourable Members the item under discussion is Research and Planning: (1) Salaries.

**Ms. Wasylycia-Leis:** I still would like to pursue this matter. It does fall under Research and Planning and the National Day Care Plan and the cost-sharing arrangements.

Could the Minister indicate, if it is not the case, or what would be the point of choosing between the new National Day Care Plan and the old cost-sharing program if there were not some limit on spaces to be cost-shared by the federal Government?

**Mrs. Oleson:** The federal Government, of course, has a limit on total spaces. What they were prepared to fund was 200,000. From what we can see, by looking at this now, is that the federal plan is more flexible, but it does allow in its flexibility the option for staying with CAP. That is something, of course, the department would have to look at but, from what we can see now, the advantage would be to go with the federal plan. As I say, I am anxious to have those negotiations take place so we can get some of that detail.

I remind the Member that, under Research and Planning in this department that we are actually debating right now, the only thing that Research and Planning do is monitor the dollars that flow back into Manitoba. They have no function as to negotiating or preparing day care plans.

**Ms. Wasylycia-Leis:** Given the monitoring role of Research and Planning with respect to federal-provincial arrangements around child care, could the Minister indicate on what basis the federal Government has allocated the 200,000 child-care spaces on a tentative basis to each province?

**Mrs. Oleson:** I remind the Member that the legislation has not passed. The negotiating team has not been out to Manitoba. No province has been allocated any spaces.

**Ms. Wasylycia-Leis:** Mr. Chairperson, on what basis then was a tentative plan submitted to the federal Government, under the direction of the federal Government as the Minister has indicated?

\* (1650)

**Mrs. Oleson:** As I understand it—and of course I was not part of the submission because we were not in Government then—the federal Government asked for a submission from each province and set a number

based on the number of children between the ages of zero to 12 and asked for a projection of how many spaces would be required in that particular province. Having received that information and having received notification from most provinces that was inadequate funding, they took it and looked at it again and fortunately came up with another—I think it was a billion dollars, if my memory serves me—to try and meet that goal. That was sent in by the former Government, the 8,800 I believe it was space suggestion, on the request of the federal Government that they give them a number based on the number of children in the province.

**Ms. Wasylycia-Leis:** Mr. Chairperson, can I take it from the Minister's response then that a per capita basis is being used for tentative allocation of spaces? If that is the case, has the Minister received any assurances from the federal Government or the federal Minister that there will be some flexibility around that number based on the stage of development in a particular province with respect to child care?

**Mrs. Oleson:** We have been assured of lots of flexibility. That number was one of the factors in the whole mix and, as I repeat, the federal Government have not come to us and said anything about numbers because the legislation has not been passed.

**Ms. Wasylycia-Leis:** Could the Minister indicate whether or not she feels that 8,800 spaces over seven years will meet the needs in Manitoba and as well meet the objectives of the Conservative Government with respect to building in this area and development in the child care field?

**Mrs. Oleson:** Mr. Chairman, the 8,800 spaces were a projection by the Member's former Government, not by us, and we will be hopefully able, through the way that we hoped to use the flexibility that we intend to put into this, that we could get even more spaces than that.

**Ms. Wasylycia-Leis:** Sorry, I must have missed something because I thought I had heard the Minister say that some general guidelines and directives were forthcoming from the federal Government in terms of guidance for a tentative plan to be submitted, and that the per capita suggestion came from the federal Government.

**Mrs. Oleson:** Mr. Chairman, the numbers that I was telling you had been put in and the suggestions made were by the former Government, but all these things are up to negotiation. You see there is more money put in, as the Member is aware. From the time that the 8,800 projection was made by this province, there was more money added by the federal Government and so that changes the negotiations somewhat. As I say, those negotiations have not, of course, taken place.

**Ms. Wasylycia-Leis:** Mr. Chairperson, the Minister has said that a plan has been submitted by Manitoba and it is the plan of the previous administration. Will she then indicate that it is not the case that Manitoba is one of only two provinces not to have submitted a plan

on the same basis as all the other provincial Governments that have submitted plans?

**Mrs. Oleson:** Then the Member should be aware that, in the light of the new money that was injected into it, every province's projections and plans that were placed in there have now become obsolete and they would all need to be renegotiated.

**Ms. Wasylycia-Leis:** Is the Minister saying that the extra \$1 billion injected by the federal Government most recently will mean an increase in the number of spaces?

**Mrs. Oleson:** It could very well mean more spaces for Manitoba. It will depend on how that is negotiated, how the negotiations go, what the federal Government plan is for allocating those. Of course, we will attempt to get every possible space that we can.

**Ms. Wasylycia-Leis:** Is it the case that there will be, based on the Minister's comments—is she suggesting something that we have not heard previously, and that is that there will be additional spaces above and beyond the 200,000 additional spaces promised by the federal Government through this National Day Care Plan, which includes the additional \$1 billion?

**Mrs. Oleson:** It could mean that there are more spaces within that 200,000 in Manitoba. As I have been repeating, we have not entered into the negotiations because no province has entered into the negotiations. When that team comes to negotiate, all these things will be put before them of what kind of spaces we would want, what type and how we intend to take advantage of those funds.

**Ms. Wasylycia-Leis:** If no discussions are taking place or negotiations under way, how is it that a province like Ontario has indicated publicly that it has had to downsize its expectations by some 12 to 15 percent, if my memory serves me correctly, in terms of its own day care plans? Would it not seem that some fairly serious discussions are under way with each province in terms of trying to arrive at some allocation, some fair share, of the 200,000 spaces for each province?

**Mrs. Oleson:** Information given to me, today from Ottawa is that there are no negotiations taking place with any province. Ontario can say, of course, exactly what they would like to say about the day care program. They can use numbers; they can say they will get more, less, in between. That is entirely up to Ontario. I am not in the position to argue for or against what Ontario is saying. I am the Minister for Manitoba and I am saying that, when those negotiations take place, we will get as many day care spaces as we possibly can.

**An Honourable Member:** Hear, hear!

**Ms. Wasylycia-Leis:** Mr. Chairperson, since the Minister has indicated previously that a plan has been submitted, and it is the plan of the previous administration, can she indicate to the committee whether or not she stands by all the principles upon which that plan is based, including a commitment to ensure all public funding to the non-profit day care sector?

**Mrs. Oleson:** We have committed on many occasions during the election and since that what we want in the day care field is flexibility, availability, choice for people who need to and want to place their children in day care. We have indicated also that we feel that there needs to be some mechanism by which parents can place a child in private day care if they so wish or if it is handier for them and get a subsidy.

I do not share this Member's paranoia with private day cares. I do not really appreciate this use, in the way that she does, of the word "profit." People are making a living running day care centres privately. They are just the same as you and I; they care for children. It happens to be that is their job, to run a day care centre. They employ people. They have to abide by the standards of this province or they would not be licensed. I think it does a disservice to the whole day care field for this Member to discuss the day care private operators as if they were vultures. They care for children or they would not be in the day care field.

**Ms. Wasylycia-Leis:** Mr. Chairperson, I would be delighted to engage in a debate on this matter, but—

**Mrs. Oleson:** Maybe we will have our chance. There is a resolution in the House.

**Ms. Wasylycia-Leis:** I understand the Minister's wishes are to discuss that more specifically under the Child Care line. However, I go back to my question which was: Given that the Minister has said that there is a plan officially in to Ottawa from this province and that plan is the plan submitted under the previous administration, and given the fact that plan would be clearly based on the principles of flexibility in our day care system but within the non-profit day care sector, can she indicate that, if that plan holds, all negotiations with Ottawa will revolve around increased spaces, increased funding, in the non-profit sector?

**Mrs. Oleson:** It seems we have strayed considerably from the line that we are on in this, but anyway all the plans that were put forward by the provinces to the federal day care Minister, the Minister in charge of federal day care at whatever date they were put in, became obsolete the day he announced that there would be another \$1 billion in the fund, so the whole thing has to be negotiated after the legislation is passed. I wish the Member would be a little more patient. We will negotiate in good faith with the federal Government. We will get as many spaces as we possibly can. We will discuss with them the subject of subsidies to private day cares. We will not be narrow-minded in our approach to day care. We will get as many day care spaces as we possibly can, and we realize that the families of Manitoba do need them.

\* (1700)

**Mr. Chairman:** The hour being 5 p.m., it is time for Private Members' Hour.

Committee rise.

## SUPPLY—INDUSTRY, TRADE AND TOURISM

**Mr. Chairman, Mark Minenko:** The committee will now come to order.

This section of Committee of Supply will be dealing with the Estimates of the Department of Industry, Trade and Tourism. We will begin with the statement from the Honourable Minister responsible.

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** I am pleased to introduce the Estimates today of the Department of Industry, Trade and Tourism, a new department featuring a consolidation of two predecessor departments, that of Industry, Trade and Technology and Business Development and Tourism. This consolidation implements a commitment entered into prior to the election in terms of streamlining Government, in terms of reducing the bureaucracy, yet still delivering good, adequate programming.

The new department offers more than a simple consolidation. A major retailing has been accomplished which reflects not only the more efficient use of resources but new directions and more effective ways of doing things. My objective over the next few minutes is to inform you as to the reasons for the consolidation and to highlight the changes which are taking place.

I would like to begin by expressing appreciation to the staff of the department. Change can be a real source of difficulty as well as opportunity and the burden of shouldering change cannot always be spread evenly. It has been necessary to redeploy a number of staff from previous departments to other responsibilities within the new department and within Government.

Our efforts to effect change and to find positions for staff on redeployment are moving quickly. In accomplishing this I would like to acknowledge the strong support provided by the Civil Service Commission as well as the personnel officer within the Department of Industry, Trade and Tourism.

Consolidation of the two departments creates a single Economic Development Department as existed prior to 1983. With the exception of northern and Native economic development, the new department continues to act as lead agent within the provincial Government for economic development and inner agency coordination on economic development matters. The bottom line for everything it does has to do with the creation, maintenance, or enhancement of employment and income opportunities. There is also concern there should be an equitable distribution of employment opportunity throughout the province.

The new department consists of, firstly, two principal line divisions: Industry and Trade; and Tourism. There are three line branches: Health Industry Development; Industrial Technology; and Information Technology. There are the staff or service branches: Finance and Administration, which includes the function of personnel; Strategic Planning; Corporate and Community Relations; and (4), the Manitoba Research Council is a separate arm.

For what reasons and in what ways is the new department different from its predecessor departments? We did essentially four things:

- (1) we consolidated units to achieve greater efficiencies in the use of our resources;
- (2) we reorganized units to bring complementary functions and skills together or to remove impediments so as to increase operating effectiveness;
- (3) we redirected resources from certain activities to other activities addressing more critical needs or offering higher returns;
- (4) we enlarged certain units having high priority, good prospects and excellent returns.

Except for instances of overlap or duplication, I wish to point that our review did not turn up activities that we were inherently unhappy with. I hope to demonstrate as we go through the Estimates that changes were only made when it was evident that resources could be employed more efficiently or put to better purpose. We were impressed by much of what we saw. A number of important initiatives have been undertaken in recent years which show great promise and we fully intend to sustain if not reinforce many of them.

**Mr. Jay Cowan (Churchill):** Sounds good to me.

**Mr. Ernst:** Well, you did not do everything bad, Jay. Just most things.

**Mr. Cowan:** Is that personal, or my Government?

**Mr. Ernst:** No, no, your Government. It is not personal, certainly, Heaven forbid.

Let me offer some examples of the four different aspects of change which I referred to. Firstly, efficiency: In terms of greater efficiencies, consolidating the management of the departments has enabled the elimination of several positions at the executive level.

We have been able to substantially downsize the combined communications resources of the previous departments and the Jobs Fund. We have also improved operational effectiveness by attaching the communications function directly to the Tourism Division—a high priority in our promotional planning. Also combining the planning branches of the predecessor departments has enabled us to reduce the total number of planning staff by almost half. We have realized important efficiencies by consolidating the administration of all financial programs from the two departments into a Financial Programs Branch.

In spite of differences in individual program objectives, the financial administration functions are common to all programs. However, with the program staff in different locations reporting to different managers, it was not possible to obtain maximum benefit from the full range of skills available.

Including efficiency, we have also dealt with effectiveness. In terms of reorganizing units to increase their effectiveness, a Sectoral Development Branch, combining resources from the Winnipeg Business Development Centre, has been made responsible for

all Manitoba businesses regardless of size. Previously, there had been a division of responsibility based on the size of company served. Although such a division had some appeal when considered in the abstract, it created many difficulties in practice and in some cases was dysfunctional.

\* (1500)

Please note that the importance we attach to small business has not been diminished one bit. Rationalizing our approach to sectoral development will improve the effectiveness with which we serve small business. The branch is to be the principal point of contact with all Manitoba businesses.

A Small Business Resource Centre has been formed incorporating the business library, consulting functions from the Winnipeg Business Development Centre and the Manitoba Marketing network. This puts into one place, as a first point of contact, a number of business support programs which have a special importance for the small business sector. Services offered by this centre will include, firstly, a reference library; secondly, business counselling, including a referral service; business information and publications; entrepreneurial development and training; women's entrepreneurial development; special projects such as participation in Small Business Week.

We also, Mr. Chairman, decided on a little redirection in terms of redirecting resources to areas of greater need or offering higher returns. The Information Technology Division was downsized by transferring the Educational Technology Program, including staff and budget, to the Department of Education and eliminating the Business Technology Program. Many of you might also know that as InfoTech.

The Educational Technology Program promotes the use of computerized learning systems in the public school system and the development of educational courseware. This, Mr. Chairman, did not seem appropriate in the Department of Business Development or business of Industry and Trade, so it was transferred to the Education Department where it rightfully belongs.

The Business Technology Program provided for the use and awareness of information technology by business firms. While the branch continues to facilitate the development of information technology industry through industrial and market development, and the management of various information of technology projects, it now has a much clearer and more direct relationship to the department's overall mandate but, quite frankly, it is not competing with the private sector in terms of providing that service to the public.

The Quality Assurance Program is under review, Mr. Chairman. Presently reporting as a branch to the Assistant Deputy Minister of the Tourism Division, it is responsible for inspecting, classifying accommodation facilities, investigating consumer complaints, administering and reviewing regulations and recommending on the issuance or revoking of operating licences. We will, in due course, be entering into a consultative process with the tourism industry to determine an optimum role for Government in this area.

A major area of redirection concerns the Rural Economic Development Branch. I would like to focus on this new initiative as it reflects a rather profound change in our approach to regional development within Manitoba. After some review, we became concerned that the goals of regional development policy in Manitoba were not very clear. Remnants of earlier policies and created attitudes that emphasized the negative rather than the positive and the instruments for regional development were incomplete and inadequate and in many cases not functioning at all.

We concluded that the goal of regional economic development should be to develop a full economic potential of all the regions of Manitoba. Regional development should emphasize building on the strengths of each region. Regional development should be the direct concern of Cabinet and each of the regions should have a route to Cabinet which is direct and free of red tape. All regions should be assured equal access to Government programs and services. All of the policies of Governments should be weighed in terms of their regional impacts.

And, lastly, Mr. Chairman, regional development must take place according to well-defined priorities, and these development priorities should be determined by the people living in those regions. As a result, our Government did three things.

Firstly, we committed ourselves to working more effectively with the regional development corporations. It expects that the regional development corporations, along with other regional bodies, will serve to assess potential, determine needs, identify opportunities and obtain regional consensus on priorities. These regional development corporations, boards of those corporations should contain many private sector and business people. Those people know the kinds of things that can happen, know the kinds of needs that are required in those areas from a private business perspective, and we will be working toward that end.

As well, it is creating a Rural Economic Development Committee of Cabinet which will ensure effective consultation and that the resources of Government will respond fully to the priorities of each of those regions.

It created, as well, within the Department of Industry, Trade and Tourism a branch that serves as a secretariat to the Rural Economic Development Committee of Cabinet, and to ensure that all the necessary linkages between the regions in Governments exist and work well. The branch is to focus exclusively on economic development in those regions outside the City of Winnipeg. More specifically, the Regional Representatives Branch is to be responsible for:

- (1) Ensuring that the needs of the regions are properly communicated to and within Government. Aspects of this activity are to include serving as a one-stop shopping centre, acting as a project expeditor when necessary, and coordinating departmental responses to the regions, as well as going to act as a reasoned advocate for the regions within Government.
- (2) When we ensure that developments within

Government which are significant to the regions are properly communicated to the regions.

- (3) Liaising with the federal Government to ensure that the delivery of federal programs is coordinated and reflects priorities in these regions.

From time to time, what happens is that another level of Government will undertake a program or a funding mechanism of some kind and put it into a region that has no relationship to how the region operates. We think that that is inappropriate from time to time and creates certain animosities and certain rivalries within those regions. If the regions are to function properly and effectively, then we are going to have to do that coordination.

The administering and monitoring of provincial grants to the regional development corporations also will be undertaken by that committee of Cabinet.

Responsibility for economic development in northern Manitoba, which is not covered by the RDCs, has been transferred to the Department of Northern Affairs. It seems reasonable to us that those people responsible for most of the infrastructure in the North, who have all of the contacts with the people of the North, the same Minister who administers the Communities Economic Development Fund ought to have the same kind of coordination within his department to deal with economic development.

We will, of course, provide all of the necessary back-up, information and so on that is required for that economic development unit within the Department of Northern Affairs.

We have established an agreement amongst ourselves as to the principles which should guide regional development in Manitoba. We have put in place certain instruments for facilitating dialogue between the regions and the Government. We are now embarking on a consultation process with people in the regions to receive their advice and how we should proceed from this point.

I believe that these new arrangements have great potential and, frankly, I am excited about the contribution that I feel this branch in the department can make to stronger and more purposeful regional development efforts in Manitoba.

We also dealt with the question of expansion. In terms of enlarged or expanded services, Members of the committee will note that the resources allocated to Tourism Marketing have been increased substantially. As well, various units have been consolidated to ensure a coordinated approach to the promotion and sale of Manitoba as a destination area and the provision and distribution of product information once the sale is made. Tourism has been targeted by my Government as a priority area for development.

Please note as well that the additional resources have been applied to the Canada-Manitoba Tourism Agreement. This has been done to ensure that cash flows do not constrain Manitoba from taking full advantage of this very important agreement.

I want to highlight an initiative which has developed well and which we are now in a position to extend very considerably. I am referring to the department's Health Industry Development Initiative. This initiative was first conceived a few years ago and has had an opportunity to develop economic benefits from the health care sector. To realize fully this potential, it became necessary to enlist the cooperation of the federal Government. Negotiations were entered into but reached an impasse in 1987.

We have been able to move matters along in recent weeks, and on August 10, I was able to announce, along with my federal colleague, Mr. Epp, the signing of a Canada-Manitoba Health Industry Strategy. Acting jointly, our two Governments have identified significant economic growth opportunities that will make Manitoba a unique and leading health care industry centre in Canada.

Over the next five years, the Government of Canada will concentrate its efforts in the areas of research and development, infrastructure, support, biotechnology, virology, health care telematics (phonetic), aging and rehabilitation, home care, nutrition and other special projects that are consistent with the economic diversification objectives and consistent with the health care strategy.

The Government of Manitoba will concentrate its efforts in the areas of business development and business support, health research, technology commercialization, health care product development and marketing. The aging and rehabilitation home-care product development and health information communication systems also will be highlighted. Members will notice the provision in the Estimates for a significant increase in resources allocated to this area to make these undertakings possible.

Mr. Chairman, the new department and the changes I have outlined represent our strong commitment to economic development and the generation of employment opportunity throughout Manitoba. With that, I would like to conclude my remarks and look forward to answering questions from the other Honourable Members here today. Thank you.

**Mr. Chairman:** We will now have the reply by the critic of the Official Opposition.

**Mr. John Angus (St. Norbert):** Mr. Chairman, I would like to begin by congratulating my honourable friend on the initiatives that he has undertaken and the effort that I know he has put forward in the short period of time to attack his position positively. Being an absolute newcomer to the procedure, I am not sure if it is a give-and-take question-asking type of concept or not, and whether or not we are absolutely or actually here to review budget processes and thereby look at possibly trimming budgets and looking at eliminating specific amounts of expenditures and/or rearranging expenditures to make for a more efficient system or not. I suspect that I could get some guidance from somebody on that.

The Minister has given leave to answer questions and I know that he would do his best to answer

questions in an open and honest fashion. How open and honest, I guess, remains to be seen, not suggesting for a minute that he would be dishonest.

\* (1510)

Mr. Chairman, do I begin by asking a specific question and having a reply? Then let me serve warning that I would like to see this Minister bring in an initiative that will reduce his departmental budget by 2 percent and will prioritize those departments' changes that he is going to make. It is a method of reviewing and examining budgets and seeing which portions of the administration's budget that has been created for the Minister under his direction they find to be most important, and which ones they would find that if they had to let something go, they would let something go.

I would also like to know what initiatives most specifically the Government is going to be taking to compensate those people that may be adversely affected by free trade.

I would like to know what initiatives the Minister intends to take specifically in order to address employment circumstances of high school students and university students and perhaps senior citizens.

I would like to know how we can intend to measure the performance of his department. I would like to see some specific objective statements in terms of clearly identified targets so that we can all come back at the end of a particular realistic legitimate period of time and say we are doing a good job or there are areas where we can adjust and make changes.

I think that it is a practical approach to budgeting that we have an opportunity to apply, given the minority circumstances of this Government. I think that there is an opportunity for a greater cooperation and a greater meeting of the minds for the overall benefit of Manitobans and the economy of Manitoba.

I am looking forward to a little less of what the Minister intends to do and a lot more of how he intends to do it. I am looking more specifically for information from the various departments as to exactly what they do and what the reasons are that they do it, with a view to finding out whether or not they are absolutely necessary or not, whether the money that is raised on behalf of Manitobans in this department is being invested wisely and whether we are actually in a position to see returns on our investments. Thank you, Mr. Chairman.

**Mr. Chairman:** We will now hear from the critic of the Second Opposition Party, the Member for Brandon East (Mr. Evans).

**Mr. Leonard Evans (Brandon East):** Thank you, Mr. Chairman.

I would like to begin by congratulating the Minister on his appointment to this very important portfolio, a very challenging portfolio, one that is watched upon by many people in the province, not only the business sector.

I would like to say, at the outset, that we have divided in our Party the responsibility for criticism between

tourism and the rest of the department. So my colleague, the Member for Dauphin (Mr. Plohman), would like to add to my opening remarks if he could re the tourism side. I am not going to say anything about the tourism side and just leave it to him, because this is what we had planned some time back.

I just wanted to comment that when you reorganize, there is no one magical way to, I suppose, organize Government activities. You can organize and reorganize departments ad infinitum and there is probably no one organization that is so superior that no others match it.

I do have some concerns about the consolidation that the Minister referred to in his opening remarks—consolidation of a department in saying that now you have a single economic development delivery department—because if you only think about it for a moment, that really still is not the case. I am sure the Minister, if he thought about it, would not be so remiss as to think that only this department is the one that is going to trigger economic development in this province as far as the provincial departments are concerned.

There are many other very important departments that are involved in economic development—the Department of Mines and Energy for instance. I cannot think of a more critical department, in a sense, because it plays a very significant role in that whole area of electrical energy development, other forms of energy development and certainly mining development. So to say that you have economic development being delivered in a single department surely is not really correct.

Similarly, I would refer to the Department of Natural Resources, again a department that has a bearing on the rate of economic development in the province, and surely let us not forget about the Department of Agriculture. I am sure the Minister of Agriculture (Mr. Findlay) would agree that that is a department that has an important role to play in the economic development of Manitoba. So you cannot say that this department is the single delivery department in economic development because it is not, and so on, and you could go on to even name other departments such as Highways and the transportation area. They are very critical to the economic development future of this province.

I do regret that we do not have a continuation of a department which says it can zero in on small business development. I would refer the Minister to some other provinces. I have not done a lot of research but I do know there are other provinces that do have a small business development department.

In Manitoba, I guess, if you looked at those firms with 50 or fewer employees, you are looking at 93 percent of the number of firms in the province. So there is some merit, in my judgment, Mr. Chairman, to have a department that can relate and concentrate on the concerns of the small business sector.

I am pleased that the Minister has made reference to the challenge of Rural Economic Development. It is



an area of great concern, I guess, to all parties, but for whatever reason that we continue to see concentration in the City of Winnipeg and we continue to see insufficient development in regional centres in northern Manitoba and so on.

I am not so sure that setting up a committee, while I do not necessarily oppose the idea, whether that is the panacea, I think, ultimately, what it does do is take a lot of commitment, it takes money to make certain things happen to try to attract industry outside of the City of Winnipeg.

The Minister also made reference to initiatives taken in the health industry. We are pleased to see the developments there, but as he himself acknowledged, this is something that has been worked on for many months, in fact, many years. A lot of hard work - (Interjection)- If the Minister wants to get into a debate at this point, we will debate it, but I say that this is an area that was worked on for some considerable time. I will not mention some of the individuals but I know some individuals worked very hard and worked very closely with the federal Government in the area.

In our New Democratic Party Government, Mr. Chairman, we brought in many successful programs, and I go back not only to the previous administration of the NDP, but the one before that under the Schreyer administration. We brought in successful programs, federal/provincial programs—the Enterprise Manitoba approach—and I think it provided a tremendous boost to the whole enterprise system in the province, assisting both small- and medium-size businesses, and not to forget about the large, not only in manufacturing and processing but also in the important service and trade sectors. It created entrepreneurial development centres, business support centres in the regions. We brought new businesses in line and expanded others.

We would have liked to have seen more but we did manage, in the last number of years with the Pawley administration, to provide many new development programs for businesses, particularly small and medium businesses. We paid a lot of attention to export-oriented business, concerning ourselves with interprovincial trade issues, women owned-and-operated businesses, youth owned-and-operated businesses, Manitoba owned-and-controlled businesses.

\* (1520)

I only hope that this Minister is going to be more successful than we have had experience in the past in dealing with Ottawa with respect to such important investments such as the aerospace industry where the CF-18 was lost to Manitoba for pure political reasons.- (Interjection)- I am speaking as a Member for this constituency of Brandon East in the good Province of Manitoba, and I say that we have to stand up against the federal Government in this issue, no matter which Party we are in, and I am sure the Member for Portage, the Minister of Environment (Mr. Connery), would agree with me that we have to fight our way to make sure that we get as many Ottawa federal dollars here as possible. I am not so sure the setting up of an Ottawa office is the panacea by any means. It makes you

wonder what about the effectiveness of the existing Cabinet Ministers in the Conservative Government with respect to their role in helping to bring federal money here.

I am very concerned about the Government's attitude towards free trade. I really think they have a blind eye to the negative impact. They are always talking about the new jobs, the expansion of markets and so on, but they seem to forget that there are some pretty big operators south of the border. In fact, they are massive operators compared to some of our industries here who will be free to compete.

I say, Mr. Chairman, that with their massive economies of scale and indeed some of their support systems that they have, our smaller- or medium-sized businesses are going to have a very difficult time.

The Premier (Mr. Filmon), in debating the Free Trade Agreement in February, earlier this year, February 24, and I am quoting from Hansard, he says, "Sure, free trade means that the inefficient and uncompetitive will have to mend their ways and pay the price. I don't think we would have it any other way."

Mr. Chairman, it depends on how you end up defining inefficient. They may be very efficient in terms of the environment we now have, but once you make certain changes, reduce certain tariffs, change the market structure, you may find that those who thought they were competitive are no longer competitive. Indeed, they are wiped from the scene; they are eliminated from the economy. So I say that this is something that I want to discuss. As we go through the Estimates, I would trust other Members in the committee would be interested as well.

I do not think we should rely too much on the Government's oft-touted reliance on their friends in Ottawa, that they can get along better with the present Prime Minister than anyone else can, because Parties come and go, Governments change, and who knows, there may be a change in Government in the not too distant future in Ottawa. I am not going to predict, but there could be a change. I ask then: What happens if the present Government is no longer there? What happens to their great "in" with the federal Government?

As I said, Mr. Chairman, there are some very important issues that we want to address in the review of the Estimates. I think youth entrepreneurship is something we have to give more attention to than I think we are in these Estimates. In fact, I do not see anything specific for youth entrepreneurship. We did try something a couple of years ago in my own department whereby we provided grants and consulting services from older senior businessmen to younger businessmen to help them get started—business people.

The interprovincial trade issues are very, very important. I would like to know what this Government, what this Minister can do to help bring down those barriers. We are interested in knowing what is going to happen to the Industrial Grants Program. We want to know what is in store with some of our federal-

provincial agreements. Certainly we are interested in knowing what effective measures this department will take to help the small business sector.

The other thing I detect perhaps, apart from the promotional money being spent in Tourism, I do not see any plan or any reference made by this Minister to some sort of thrust to provide some enthusiasm on the part of the department, some gung-ho spirit. As I recall way back so many years ago with, in fact, a former Minister in the Conservative Government of Duff Roblin, growing to beat 70, some of that spirit, some of that - (Interjection)- Whatever you want to call it. There was more to it than that. If you want to be mean, this is a program the Conservative Government - (Interjection)- Yes, I am saying there is some room for that type of enthusiasm and we do not seem to have it. We seem to be a little too flat at times. We need to boost our province more. We need to provide some enthusiasm. I do not know what all the answers are, but I do not detect anything in these Estimates or any suggestions made by the Minister in this respect.

At any rate, we look forward to the line-by-line discussion. I know Members in the committee will have many questions, and I hope we have a productive few hours, few days, few weeks at this. Thank you.

**Mr. Chairman:** I have been advised by the Official Opposition's Tourism critic that he would save his comments to the questioning and would invite the Second Opposition Party's critic on Tourism to reply.

The Member for Dauphin.

**Mr. John Plohman (Dauphin):** I have some brief remarks, as the Member for Brandon East (Mr. Evans) indicated. Because we have started with two departments, we have two critics here: one for Industry, Trade and Technology, as it once was called; and one for Business Development and Tourism. However, my area will be primarily Tourism.

I want to indicate, first of all, to the Minister, that I think he has inherited a very interesting portfolio—actually devised it through the reorganization. Certainly, the areas are extremely interesting, a tremendous challenge and one that I think the Minister can make a real difference in, insofar as the economic development activities in the Province of Manitoba. I know that he is going to enjoy that challenge. I am very pleased—I think he is too—that we allowed him to continue with that challenge last night, contrary to what the Members on this side of the House wanted. They wanted to make his impact very minor, very quick, very short insofar as he is concerned.

I want to indicate to the Minister that I will be concerned not only with the tourism area but also with regional economic development, or lack thereof by this Minister and this Government, as well as raising the tourism concerns for the New Democratic Party Opposition.

Amalgamation of this department will be of some concern to us. I think it has resulted in reductions in some areas that cannot simply be dismissed in the name of efficiency. I think we have to look very carefully

at those areas. My concerns will largely centre on the contradictions that I see between what the Minister and the Government have stated as to their priorities in rural Manitoba and what we are seeing in the various branches of this department in actual fact.

I note that Tourism Development Branch, for example, is down in the departmental section. I note that Corporate and Community Relations section is down some 18 percent. Those are areas of concern. In the Canada-Manitoba Tourism Agreement we see major reductions in the Marketing Expansion area which is program No. 1, and we also see it particularly in program No. 2, the Rural Resorts Attractions and Facilities, some 23 percent. I think that those reductions contradict this Government's statements as to the rural priorities that they have for development.

We will want to know the status of the agreement, many of the developments that were being proposed and planned when we were Government as to what, in fact, their status is at the present time. We believe that it is not simply enough to pay lip service and say that this Government is going to do a lot of things in rural Manitoba and set up a Cabinet committee and then, in fact, see in the Estimates an alarming reduction in some areas that affect rural Manitoba.

In the business sector, we will be concerned with the reduction in the Sectoral Development Reconciliation Statements, some nine SYs and some \$460,000 there, almost half a million. Again, I cannot see how this can be viewed as equal effort or enhanced effort in this area by this Minister. This is precisely where we see the elimination of the Business Development Centre in Dauphin coming out of the sectoral development area.

\* (1530)

Again it will be, I believe, a blow to business development in the Parklands area, one that was taken as we saw yesterday as a result of the questions that I raised in Question Period, that was taken without consultation with those who would be impacted upon by that decision. That flies in the face of the kinds of statements made in the Throne Speech by this Government as to the need for consulting and listening to Manitobans. It was not done in this particular case.

We also have a number of questions in the area of Rural Economic Development, down some \$160,000 or more than 11 percent. I would like to see a strengthening of the RDCs. I have been a very strong supporter of the regional development corporations which fall within that area of Rural Economic Development. But I am wondering how that will actually in fact take place when there is an overall reduction in that whole area of Rural Economic Development in terms of dollars allocated in this budget.

So we see a number of contradictions stated by Government objectives in ministerial statements that have been made; and notwithstanding the fact that the Member for Fort Rouge (Mr. Carr), the Liberal critic, wants us to get on with it, he will have to be patient and get used to the process in this House where we will, in fact, take as much time as we need to determine whether we are satisfied with the answers we are going

to get. That will be a long process and we all have to learn to be very patient in that regard.

So these reductions in resources will be ones that we will want to explore with this Minister over the next number of days and possibly weeks, particularly in the face of the Government's and Minister's assertions that they were doing more in rural areas. I will be endeavouring to ensure that these contradictions are explained to Manitobans, not only to Members of this House but to Manitobans generally, so that they can have a clearer picture of why this Minister states that he is going to be doing more in rural development and economic development and tourism development in this province.

**Mr. Chairman:** I would remind Members of the committee that debate on the Minister's Salary is deferred until all other items in the Estimates of this department are passed. At this time I would invite the Minister's staff to take their places in the Chamber. I will ask the Minister to introduce his staff.

**Mr. Ernst:** If I can, Mr. Chairman, take the opportunity to introduce Members of the committee to the staff people who are here today. Firstly, the Deputy Minister of Industry, Trade and Tourism, Mr. Hugh Eliasson, to my first left here; next to him, Mr. Neil Allison from the Strategic Planning Branch; coming around the table we have Mr. Bill Kinnear, Director of Finance and Administration; and, of course, we have Sophie Zylch, who is the Director of Personnel for the department. They will be assisting me for the first part of these Estimates.

**Mr. Chairman:** 1.(b) Administration and Finance, Executive Support: Provides for the operation of the offices of the Minister and Deputy Minister. (1) Salaries.

**Mr. Angus:** Mr. Chairman, if I may. What book are you working from? What document are you going from?

**Mr. Chairman:** It is the Main Estimates. We will be following in order as presented in the Main Estimates of Expenditure.

**Mr. Angus:** What page are you on?

**Mr. Chairman:** That is page 112.

**Mr. Angus:** Thank you.

**Mr. Chairman:** Questions from the Official Opposition—the Member for St. Norbert (Mr. Angus).

**Mr. Angus:** What is this all about? Perhaps the Minister can give us an overview, Mr. Chairman, as to the breakdown, the number of employees and just a quick précis of their function, their charges, what they are supposed to be doing, things of that nature?

**Mr. Ernst:** Mr. Chairman, firstly, the office of Minister is me, and for however long that happens. The Executive Support people dealing with the Minister's office now—Members can appreciate as well this is a new experience

for me as well as them, so I think we will all bear with one another—and I think perhaps in the long-term we will have that information put on the table.

In case of Executive Support, it includes the Deputy Minister, Mr. Eliasson, an administrative secretary in my office, an administrative secretary in the Deputy Minister's office, an Executive and Special Assistant in my office, and two additional secretaries within my office as well. So I have three secretaries, two assistants in my office, plus the Deputy Minister and his secretary in their office. The total number of SYs is seven.

**Mr. Angus:** That is all of the Executive Support, and maybe you can just run through their primary responsibilities that were in a book here that I think was provided to me. I am just not as familiar as perhaps I would like to be. I would like to get a clear understanding of what their responsibilities are, if I could.

**Mr. Ernst:** The obvious responsibility of the Deputy Minister is that of the senior manager in the department. It is his job to run the department from top to bottom, and he is ultimately responsible, next to the Minister.

In terms of the secretarial support staff, they are there to carry out those functions. The assistants, executive and special, deal with my ministerial portfolio, and are assistants to me. My Special Assistant, Mr. Birdsell, has the primary responsibility for dealing with issues relating to the departments; and my Executive Assistant, Mrs. Moore, has the job of primarily dealing with my constituency problems and matters relating to the carrying out of my duties as a Member of the Legislature. That is the common practice amongst ministerial offices across the Government, has been for some time, and has been the accepted practice for some years.

**Mr. Angus:** Is this down, the Executive Support staff? It appears to me that it was nine under the former regime, and now it is down to seven. Is that accurate?

**Mr. Ernst:** Yes.

**Mr. Angus:** It is. With the advent, or the addition of a whole new department, I am wondering how the Minister decided who he was going to keep to look after tourism, or how he determined who he needed and who he did not need; who he is going to keep and who he is not going to keep; how did he go about streamlining the procedure, and have we got people that—I guess the root of the question is, do we have people in the department who are primarily Industry, Trade and Technology, or do we have people who are primarily Tourism and Business Development, or have you been able to mesh that together successfully?

\* (1540)

**Mr. Ernst:** We have, in fact—the two SYs missing in the Executive Support are the former Deputy Minister of Business Development and Tourism and his secretary, so that when combining the two departments, the determination had to be made which Deputy Minister

do you keep, and which one you do not. It was my choice, ultimately, and the choice of the Premier (Mr. Filmon) to keep the Deputy Minister of Industry, Trade and Technology.

From there on down, there are not, whether a number of changes in people, a number of changes in—because I have indicated previously there were some 34 positions eliminated as a result of the combination of the department. A number of people had to be reslotted within the department, within the new administrative divisions of the department. By and large, those people who were in managerial capacities in the past remained there in those managerial capacities.

In terms of the Department of Tourism, or the division of Tourism within the department, that department is by and large intact, and there were some administrative people that had to be let go as a result of the departmental amalgamation and restreamlining, but by and large, it is intact and the same managers are there that were always there.

**Mr. Angus:** The Deputy House Leader has just advised me that what we are going to be doing is altering back and forth unless I am on a sort of specific role of trying to get information back and forth.

Again, as we feel our way through this, I would like to indicate now for the benefit of the Minister's staff that I will be looking at reductions of up to 2 percent in relation to departments and asking them to prioritize where they can eliminate expenditures to help reduce the budget down to what might be a better investment or saving of money. I will be asking the Minister if he would undertake to ask his staff to advise him of how they might be able to reduce the budget by up to 2 percent and what items they might be prepared to look at reductions and how they might look at trimming this so that we can reduce the Expenditures in this department.

**Mr. Ernst:** In a word, the answer is, no, and I do not make that statement lightly. We have gone over the past two-and-a-half months through an enormous reorganization process with this department. We have scrutinized who does what. We have analyzed an enormous amount of time—I cannot stress enough how much time has gone into this department.

As I indicated, there are some 34 people who have been let go, had their positions terminated as a result of that scrutiny. If this had been an old line department and been around for a hundred years and had never been changed, or this had been a City Council Budget instead of the provincial Government's Budget, that application the Member for St. Norbert (Mr. Angus) proposes might well have been an appropriate procedure.

Under this, what we have gone through over the past couple of months, it is an inappropriate procedure. We have had a total reduction in consolidation of almost 10 percent in this department. We have to apply certain priorities, and in those priorities with respect to the Tourism section, we have Tourism Marketing and the Tourism Agreement where we have applied increased

expenditures—some \$1.4 million under the Tourism Agreement and \$1 million of new money for marketing within Tourism. So that, as well, we have the other new initiative within our department which is the question of an Ottawa office. Whether you agree or do not agree whether there should be an Ottawa office, the fact of the matter is we propose to put one in Ottawa for a couple of reasons.

Firstly, Government procurement. While it is all fine, well and good to have Ministers of the Crown, either provincially or federally, lobbying for Government procurement contracts, let me say this, that to be there with the other bureaucrats on a day-by-day-by-day basis, where you may see a CF-18 contract or something of that magnitude surface, you do not see the hundreds and thousands of other little contracts that go out every day for pencils and erasers and desks and any number of other activities with which Manitoba business can supply them. We think that having a staff in Ottawa to deal with the federal mandarins on the basis of that day-by-day-by-day contract is going to make it better for Manitoba businesses to be able to get a piece of the action.

We have impressed upon our colleagues in the federal Government that Government procurement has not come to western Canada as it should. We want to see that increased and we are going to help them increase it by having somebody in Ottawa to be there day after day after day, so that office can ensure that all of those many nitty-gritty contracts that come out of Government procurement will be available to Manitoba business.

In addition to that, that office can have a tourism function as well. Mr. Chairman, as you may know, there are any number of national organizations whose head offices are in Ottawa. All of those national organizations have conventions. The staff from that Ottawa office can call upon these people on a regular basis, not once every couple of years or when somebody from an organization in Manitoba decides, hey, maybe it is our turn to have a convention.

We can now put forward our facilities, our attractions, what we can do for the convention business in this country, promote our convention centre, and do those kinds of things from that Ottawa office as well. We see a couple of major advantages in that. From that Ottawa office, there will be other spinoffs, but those are the principal focuses of that office.

Mr. Chairman, I do not want to be facetious with the Member for St. Norbert (Mr. Angus) but let me say this. We have gone up, down, sideways through this department and I am not prepared at this point to accede to his request.

**Mr. Angus:** I appreciate that the Honourable Minister is making a sincere effort and that his department and the administration has worked very hard to put together a budget under his direction that will give us some advantage in job creation and in stimulating the events under his jurisdiction.

I suspect that the Honourable Minister will recognize that there is a considerable amount of money being spent for what I would call Other Expenditures. I guess

in my mind on behalf of the people, the taxpaying people in this province, I want to be assured that all of those expenditures are absolutely necessary. I want to be assured that those investments this Minister is suggesting that he make are absolutely justified.

I would like to know from him, I would like to find out from him and from his department if possible, through him, what areas could be cut back if we were of a mind to trim this budget? Because I think it is very important that we just do not willy-nilly cut out something that may be more important than something else in the Minister's mind.

If this side of the House collectively agrees that we wish to redirect several hundreds of thousands of dollars from his department, I would like to give him the benefit of saying, if something has to go, then this is what would have to go.

Now, I appreciate that they have brought together a budget that they are going to try and work on, that they are presenting, that they are working within the scheme of a global picture, but I will remind them that they do not have sufficient numbers to be able to pass a whole budget of this nature, that this budget can be amended, that concurrence is required, and that if we are of a mind to reduce this budget to save portions of money or to reinvest portions of money, we would like to know what areas he would consider changing.

That is the basis and the substance of the question. Getting back to the specifics of the book, I would like the Minister to explain to myself and to my colleagues who are interested, how he gets a 10 percent reduction in the expenditures of the department when I see in this book that we are working from, on page 110, expenditures of less than a couple of hundred thousand dollar reduction.

Now, he talks in terms of getting additional revenues from Ottawa. He talks in terms of eliminating 34 people from his department and yet on this particular page it does not seem to indicate that, so perhaps he can just give me some explanation on that. Then I can get back into the salaries of the individuals and set the tone for the discussions.

**Mr. Ernst:** The Member for St. Norbert (Mr. Angus) is quite correct. If he and the New Democratic Party want to alter the budget, want to change the expenditures, want to do anything they want, if they collectively get together they are entitled to do that. But let me say this, that having spent the time that I have spent and the time that the staff has spent going through this from top to bottom, I do not think that is a wise choice.

We have on a daily basis heard the Members opposite from the Opposition look at increasing expenditures, not cutting them. Day after day after day their Leader (Mrs. Carstairs) 21 times called for an increase in expenditures or a decrease in revenue during her Budget speech. The day after the Budget, every single Member of the Opposition stood up and asked for an increase in expenditures or a decrease in revenue, every single one.

\* (1550)

I appreciate the Member for St. Norbert's interest and, to some extent, the Member for St. Norbert's bravado. The fact of the matter is we have gone through this thing with a fine-tooth comb and if the Members, collectively, of the Opposition want to play games in terms of adjusting the expenditures in the Department, want to play with people's careers, people's lives, then let them do that.

**Mr. Angus:** If I could just get an explanation then as to why the Minister tells me that this budget is down ten percent from last and yet the book only indicates a decrease of a couple hundred thousands dollars. Maybe if I ask specific questions, Mr. Chairman, I will get less rhetoric and more specific answers and we'll get to the bottom of this department.

**Mr. Ernst:** Yes, Mr. Chairman, we had a 10 percent reduction in the overall Expenditures of the department. We directed some of that money to the priorities with which we now see the department function, so while there is not—cross it off at the bottom line—a 10 percent reduction, the fact of the matter is, if you look at the individual line items through the thing you will see there has been a significant reduction is the overall Expenditures of the department reapplied to programming; programming in terms of tourism, programming in terms of other initiatives within the health care strategy and the Urban Bus Agreement and a number of others, which we will get to as we go through individual line-by-line departments.

Might I suggest, Mr. Chairman, that as we go through the process of dealing with each individual section of the budget, many of the questions and concerns that the Member for St. Norbert (Mr. Angus) has asked, will in fact, be answered. If at the end of that period of time and we have gone through all of those sections, he still has further questions, then I would be happy to, in general terms, deal with the matter once again. But rather than try and anticipate many of the areas where he would have questions or concerns or whatever, that if we deal with it in a normal process, that is going through each individual section, I would be more than pleased to respond with any specific he wishes in each individual section. But it makes it difficult for me, first of all, in terms of the available material, and secondly, with respect to the available staff.

You will see from time to time as we go through the budget process that the people sitting at this table will change. They will change because their specific jobs relate to specific departments and they will be here to answer all of those specific questions or provide me with the information to answer all those specific questions during the process of Estimates. As I said, it is a feeling process for both of us and I understand that, and perhaps if we do follow that procedure, it might be better for everyone.

**Mr. Angus:** I appreciate what the Honourable Member has suggested. I want to throw my net wide enough to be able to get all of the information that I require to do an analytical review of this budget, to justify in my mind, to assure myself that these investments are being made in a wise and judicious fashion. I do not

want, through my ignorance, through my lack of understanding of the procedure of this House, to be eliminated from moving any motions to reduce any Member, any portion of this budget.

So while I respect what the Minister has suggested, and I applaud that because that will perhaps service in a global fashion the opportunity of going through this and having a better understanding, at the same time, I do not want to be prohibited from coming back and saying as a result of what you have said in the liaison of the department or the enforcing of regulations in a department, that I will be prohibited from removing an administrative support staff from his department or suggesting that that be done. I find myself in a sort of a give-and-take, push-and-pull. I would like to find out what he is talking about and where we are going, but I do not want to be restricted from trying to do my job to the best of my ability.

In relation to the 10 percent reductions, I have a better understanding now, and would appreciate him as we go through, showing me where he has changed those from people requirements to advertising or promotional requirements or expenditures. I accept that, but at the same time I am not sure, I do not want to leave this go and pass it until we have had an opportunity to get into some of the programs that these people are supposed to be supporting.

**Mr. Ernst:** These people are not supporting the programs. These people are supporting my office.

**Mr. Angus:** Therein lies the problem.

**Mr. Ernst:** There are three secretaries who work for me and there are two assistants that work for me in my office and they do things that are necessary to to ensure the functioning of the office of the Minister of Industry, Trade and Tourism. That is it; they have no program function outside of my office. They are simply support staff to the Minister, period, with the exception of the Deputy Minister, who is the chief administrator of the department, and his secretary. The Deputy Minister runs the department.

**Mr. Angus:** Is he designated as the manager on page 21 of this Estimates Book that we have?

**Mr. Ernst:** Yes.

**Mr. Angus:** He is?

**Mr. Ernst:** Yes.

**Mr. Angus:** Okay. Mr. Chairman, if I may, just before I let my honourable friend from Brandon pick up the ball on this, I had made a request to the Minister's office, to his Deputy Minister, to provide us with a breakdown of the information that was public information in this book, indicating that it was the preliminary actuals were reported by the Minister of Finance (Mr. Manness) in Industry, Trade and Tourism—they gave a lump sum figure—and I had asked if it was possible, because they must have accumulated these figures from somewhere, to give us a breakdown

so that I could compare what the former Government actually spent in all of those areas versus what you are budgeting for and versus what last year's budget had called for.

The reason I wanted that is to do a direct comparison as to why it was necessary for them to be spending that sort of money which you may or may not be able to give the answer to, but you may be able to get from the administration, that I assume was there under their regime, answers as to why the \$37 million versus what was budgeted for last year.

I did not get that, Mr. Chairman. I was hoping that it might be able to be available. I appreciate—while the Minister is collecting his thoughts on this—that we have all been put under a fairly horrendous time schedule in terms of getting this information and making it available so that we can do a legitimate question and answer process. I appreciate the draft copies of the Supplementary Information that they provided to us and to allow us to get started in asking some of these questions, but I was hoping they might be able to at least send that information over so that for future questions I could have that information available.

**Mr. Ernst:** If that information is available, I am prepared to table it at committee.

**Mr. Angus:** Thank you.

**Mr. Ernst:** We will have to get some copies made.

**Mr. Evans:** My honourable friend from St. Norbert (Mr. Angus) raised a number of interesting questions and he comes at it rather fresh, which is interesting because he comes at it new, which is good, and asking a lot of questions with sincerity. Maybe my problem is I have been Minister of this department at one time—eight years and whatever—maybe longer than anyone living or dead. I do not know whether to boast with pride or hang my head in shame or whatever, but some of these areas are different to me, some look as though they have been around for some time.

Most specifically, the Member for St. Norbert (Mr. Angus) raised an interesting question about the possibility of cutting spending. I do not know whether we would agree at this point or not, but whatever, the Minister responds by saying we are playing with people's lives and jobs and so on.

\* (1600)

I just want to remind the Minister and the Member for St. Norbert, if you really want to cut some money, there is one area where there is a huge increase, which is 5B. We are not discussing this now and I am not discussing it, but 5B shows an increase from—I am rounding this off—3.2 million to 4.3 million, which is an increase of over \$1 million. If you want to look at any cuts, I would suspect that is tourism advertising, I suspect—I'm not sure—probably McKim Advertising. If you want to save the taxpayers some money, I would suggest maybe that is an area to look at. However, we are not on that yet.

But, Mr. Chairman, the Minister started to talk about the Ottawa office and the merits of it and so on. I am

a little confused. Is he suggesting that the Ottawa office expenditures are under this item? If they are not under this item, could he tell us where they are in the Estimates lines here?

**Mr. Ernst:** No, they are not under this item. What happened was the Member for St. Norbert (Mr. Angus) had broadened his perspective a little bit beyond the individual item we were dealing with. So it is not included in here, obviously. It is contained in the Trade Branch, and we will deal with it when we get to that item in the Estimates.

**Mr. Evans:** Specifically, in the Supplementary Information provided by the Minister on this item, there is a breakdown showing the change between last year and this year. The reduction is in what is called Administrative Support from 6 SYs to 4 SYs. I am a little puzzled because I understood from the Minister's earlier remarks that he has one less Deputy Minister, obviously. Is he suggesting that this is the line, this is the area, where a DM is covered? I would have thought it would have been under Managerial because the Managerial shows no change—1 SY to 1 SY. Yet what you have is a reduction in Administrative Support from 6 SYs to 4 SYs. So could he explain that to the committee? Why would it be there? Why not, under, say, Managerial?

**Mr. Ernst:** I advise the Member for Brandon East (Mr. Evans) that first of all there may, not in this case necessarily, but there may be some glitches in the overall comparisons between what had existed before the amalgamation and what exists at the present time, because not all comparisons are able to be made on a direct basis. Having said that, contained within the department will be the new position of an Assistant Deputy Minister responsible for Tourism only. That position, that SY has been transferred into that category for the job of the new Assistant Deputy Minister of Tourism.

Mr. Chairman, the Member for Brandon East had asked why the reduction in the Managerial area, or why there was no reduction in the Managerial area. That is as a result of transferring a position which had been the Deputy Minister per se now to an Assistant Deputy's position as an SY, not necessarily as the same amount of money or anything else, but simply as an SY contained within the department hierarchy.

**Mr. Evans:** Under item 2, there is reference to Professional and Technical staff. Does this cover the Minister's EA and SA? Could he explain? Does this cover his Executive Assistant and Special Assistant? Also, could he indicate what salaries he is now paying those two positions, if this is the case?

**Mr. Ernst:** Yes, it is, Mr. Chairman. I can advise that my Executive Assistant gets \$28,800 and my Special Assistant gets \$32,700.00.

**Mr. Evans:** Does the Minister's Special Assistant have any background in the area of industrial development or tourism or tourism promotion or any relevant experience or training?

**Mr. Ernst:** I am very pleased with the work that my Special Assistant has been able to do. He has a Master's Degree in Transportation Planning. He is a Professional Engineer. He has been involved in the business community for about five or six years now, and has a great understanding of business applications and is a great asset to me in my function as a Minister.

**Mr. Evans:** I do not have any further questions on the line 1.(b)(1) Salaries. I have one on 1.(b)(2), unless my colleague has some further questions.

**Mr. Angus:** Mr. Chairman, I do thank my colleague from Brandon for making me more aware of them. I, too, agree with him that if you have two Deputy Ministers and two separate departments and you amalgamate the departments, that perhaps should have shown up as two. It would have made your record look a little better, but I am sure it is just bookkeeping.

I have a question in relation to the difference between \$71,500 last year and \$62,500 this year for the two SYs, you know, the same number of people getting paid less.

**Mr. Ernst:** The EA and SA of the former Ministers were at their maximum in the salary range. I appreciate, Mr. Chairman, that there is a salary range category much the same as the Member for St. Norbert (Mr. Angus) will recollect from his days at the City Hall. They were at their maximum end of the range. I started my people at a much lower range.

**Mr. Angus:** Is it customary to have new people brought in at this or were these people just let go? Just a nod will do. They are political staff, are they?

**Mr. Ernst:** They are exactly political staff. They are at the whim of the Government, and when the previous Government was let out of office, they discharged their political staff, as is the case that would happen at some point in the future many, many years from now when we may choose to do the same thing.

**Mr. Angus:** Just on that, there is a reduction of staff here and people have been let go. Has there been any severance pay cost or termination pay cost or relocation or retraining costs that are associated that may show up in some other section of the Minister's budget? I am not aware.

**Mr. Ernst:** Mr. Chairman, I gather, within the department, there had been three assistant positions previously. Under our administration there are two. So that one additional position has not been filled and has been eliminated. It was vacant, obviously, at the time the Government changed. So that position has not been filled and has been eliminated. The other SY will be redeployed within the department and there is no cost.

**Mr. Angus:** The question in relation to severance pay and/or termination pay, it oftentimes costs companies monies. I am sure Governments and Government departments are no different. Does this cost just come out of some sort of general bookkeeping revenue as

part of doing Government or is it attributable to the Government, to this Minister's budget, and where does it show up?

**Mr. Ernst:** There is no cost, no severance pay, no additional expense.

**Mr. Angus:** Thank you. I have no further questions.

**Mr. Evans:** I have no further questions. I was going to suggest we go on to 1.(b)(2) Other Expenditures.

**Mr. Chairman:** Are there any questions relating to item 1.(b)(2)?

\* (1610)

**Mr. Angus:** Yes, Mr. Chairman, now that we recognized that the Minister has all of this qualified staff to help him and they are secure in their positions, we will be able to get some specific answers on the programs.

I wonder if he might just be prepared to give me a two-line overview on Transportation, Communication, Supply and Services, Rental and Other Expenditures as it relates to this area. I am not even sure what to challenge. I can challenge him individually and say, okay, what is the scoop on transportation? But maybe if he takes five minutes, he can just explain what the different investments are for. Is that reasonable?

**Mr. Ernst:** First of all, the Minister and the Deputy Minister each have an automobile provided for their use, so that expense is included in this section. It should also be pointed out that the Department of Industry, Trade and Tourism is one that looks outside the boundaries of Manitoba to a great extent for business, for contacts. The department maintains, as we will deal with later in the budget, an office in Hong Kong and an office in Rotterdam. In addition to that, a wide variety of activities are involved back and forth across the country in terms of ministerial conferences, and the jurisdictions that relate to my department are significant.

First of all, there are Ministers of External Trade, there are Ministers of Internal Trade. They meet separately and differently. There are Ministers of Science and Technology which meet separately and differently. There are Ministers of Tourism, Ministers of Sport, Ministers of a variety of other activities. They are contained sort of within the global impact of my department, and so the cost of travelling to those ministerial meetings are also included in this budget.

In addition to that, the Deputy Minister has an involvement right across the country as well, and in terms of seeking out—well, first of all, attending conferences and things of that nature, support provided to me at those conferences in terms of additional assistance and so on. So those costs are significant, but it is necessary to incur them to meet the obligations of the office of Minister regardless of who occupies it.

**Mr. Angus:** Just a nod will do in this. You said you maintain offices in Hong Kong and in Rotterdam, and these are going to be in conjunction or in addition to

the offices we are going to be having in Ottawa and Chicago, as I understand it?

**Mr. Ernst:** I perhaps should not have brought it up, I do not want to keep flipping from department to department, but just as an indication of what kind of expenses are incurred from time to time. We maintain an office in Hong Kong, set up by the previous Government. We have an employee and a secretary in that office and their job is to market Manitoba and business opportunities here. In Rotterdam, we have an agent who operates out of Rotterdam for northern Europe. We do not have an office in Chicago, and we are planning on putting one in Ottawa.

**Mr. Angus:** Pretty soon we will have embassies all over the world.

The question is going to take on some significant relevance when we see the massive reduction, and I am not in between \$63,000 for Supply and Services and \$22,000 in Communication. They are substantial drops in those two departments between last year and this year and I still haven't got the actual expenditures. I am waiting for the—oh, I have that, I am sorry, I apologize.

I have not had a chance to really look at the figures, but I was hoping that he might be able to go through all four of these departments and give me a rough overview. If we are just dealing with Transportation, may I ask are the cars leased? Are they owned? Does this include the cellular phones that I see in all of the cars that certainly the Cabinet Ministers seem to have? How do you break this down? How do you determine who gets what, if it is just transportation?

**Mr. Ernst:** Just let me say with respect to the question of Supplies and Services, from \$63,000 and dropping to \$13,000.00, the previous Government had employed a gentleman by the name of Mr. Jerry Fullerton. That Special Assistant's contract was paid out of this account. Mr. Fullerton, as the Member from St. Norbert (Mr. Angus) is aware, is no longer in the employ of the Government, having retired of his own volition. I might add that there is no question about anything else. He decided to pursue other activities and as a result terminated his contract. That contract, including his expenses, were paid out of this account. That is the cost up to, I think the end of July 25.

**Mr. Angus:** That is fine—I appreciate that—because you can appreciate that last year they needed \$63,000, this year they need \$13,000.00. How come? What was different between then and now? That is a reasonable explanation and I applaud the initiatives of Mr. Fullerton. I know him very well and I applaud the contribution that he made to the department and to the City of Winnipeg.

In relation to Transportation, it has dropped by \$5,000.00. Is this somebody's car lobbed off, or is this one car, two cars, or is it—I guess just the Minister has a car and the Deputy Minister has a car and the rest of it is expenditures for gas and for travel to conferences? Is that right? Is there a list of the



conferences that they go to? Is there any set of public accounts of where they invest their time and money, and where do we get that information from, Mr. Chairman?

**Mr. Ernst:** Mr. Chairman, first, let me say that the reduction is the reduction of one automobile; that is the automobile for the Deputy Minister of Tourism. The question of expenses relating to travel costs and so on, annually, has produced the Public Accounts statement. There is a Public Accounts Committee of the Legislature. All of those costs are reported in that Public Accounts book, and the Member for St. Norbert and every other Honourable Member in the House has the opportunity to appear before the Public Accounts Committee and ask questions with regard to what those expenditures were for. The last Public Accounts book is available for the Member, although it will not relate to these; it takes a year to get through the system.

**Mr. Angus:** Mr. Chairman, I can only then assume that I guess the questions come up at that committee as to whether or not the rationale for the expenditures was realistic and it can be challenged at that time. Then I suspect we will be able to come back after we have seen those Public Accounts and say, "I do not think that you need to spend that much money doing that, you know; you have wasted it."

So we are almost a year behind.- (Interjection)- It is a year behind? All right.

On good faith, we will go with the first line, Transportation. Communication—there is a 75 percent drop. Although the percentage is high, the dollars and cents are only \$15,000, but that seems to be a significant amount down from last year. What did they want to do last year in Communication that they do not want to do this year?

**Mr. Ernst:** By and large, Mr. Chairman, it is a reduction in an expenditure that we do not think is necessary.

**Mr. Angus:** Perhaps the Honourable Member would give consideration to enlightening the rest of the Members here so that we can all share in the enthusiasm of his decision.

**Mr. Ernst:** I am sure that all of the people of Manitoba would like to share the enthusiasm of once, all of a sudden, seeing good Government in Manitoba, but let me say this. There was a discretionary expenditure in the Department for advertising and promotion. We do not think it is necessary; we cut it out.

**Mr. Angus:** I agree, Mr. Chairman, that individual and personal advertising is perhaps not in the best interests of good Government and especially when it is done at that level. I would hope that any advertising that this Minister decides to do will be aired in a public fashion so that we can see the return of an investment of his expenditures.

Let us move to Supply and Services, Mr. Chairman—\$63,000 down to \$13,000.00. You have identified Mr. Fullerton's salary. Does that account for all of the—

do not want to get into disclosing what he makes—but are there any other cuts in that area? I notice that it includes rentals, and I would suspect that rentals such as rentals of display booths and/or transportation kits and things of that nature would have been included. I wonder if they are cutting things like that.

\* (1620)

**Mr. Ernst:** Again remembering, Mr. Chairman, that this is the executive branch of the operation of the department now, not the line branches, so that line branches would deal with things like display booths and all that sort of thing. This is the executive branch of the department. There are no cuts. It is simply Mr. Fullerton's expense.

**Mr. Angus:** What are Other Operating Expenses? What is that Other Operating Expenses in your department, Mr. Minister? Is this your sauna? -(Interjection)- Yes, that is right. Is it an air conditioner?

**Mr. Ernst:** Are you kidding?

**Mr. Angus:** A fridge?

**Mr. Ernst:** I only wish, Mr. Chairman, that the previous administration had bitten the bullet and put in air conditioning. I think, quite frankly, collectively, all of us agree that might have been a very wise choice.

**Mr. Angus:** Now you say that.

**Mr. Ernst:** Mr. Chairman, we will have to leave that for another budget obviously, because it is not contained in this one.

With respect to the question you are asking, the "Other Operating" costs are contained in the Glossary, page 2 of the Supplementary Estimates Book.

**Mr. Angus:** Glossary, page 2. Good.

**Mr. Ernst:** Page 5 of the book.

**Mr. Angus:** That is really going to throw me off.

**Mr. Ernst:** Rather than read out all the things that are—

**Mr. Angus:** It is in this book?

**Mr. Ernst:** Yes.

**Mr. Angus:** Okay.

**Mr. Ernst:** Page 5 near the bottom, "Other Operating" costs that are lumped into that area.

**Mr. Angus:** Is it realistic, through the Minister to his financial administrative officer, perhaps, to ask them to pull out the total Other Operating Expenditures so that we can give a correlation between the amounts of money that are being set aside for the expenditure of Other Operating, hotel, meals, loss, damage

insurance, etc., and then do we get a breakdown of those things?

I guess where I am coming from is—and, as I am sure, the Minister has asked for this type of indication himself—how much money are we actually spending on hotels and how many people are going? How much money are we spending on computer-related charges when in fact we own our own data processing service bureau, and those types of costs? Is there a more specific breakdown of that expenditure?

**Mr. Ernst:** No, there is not. There are individual costs, expenditures, related to the Public Accounts, as I indicated earlier. That is available to the Member for St. Norbert (Mr. Angus) and anyone else who is interested.

However, in terms of simplicity, I guess, in terms of word processing within my office, there are two word processing units. In addition to that, there is a typewriter; in addition to that, there is a Fax machine, and there is a photostat machine. Those kinds of costs, of course, are all lumped under this unit.

In terms of travel and who is going, who is going is either myself or the Deputy Minister and/or one of my assistants or both or whatever, as the case may be from time to time, as required. Who is travelling and who is under that account, those are the people who are travelling under that account relating to my department.

I might point out to the Member for St. Norbert (Mr. Angus) that all travel expenditures are approved ministerially so that anybody going anywhere, I get a report telling me why they are going, how much it is going to cost, how long they will be away, and any other pertinent information relating to that. I either authorize it or I do not and they either go or do not, depending on that authorization.

**Mr. Angus:** With the opening of an office in Ottawa, it would seem to me that the Minister would be requesting to invest more money in Other Operating Expenditures as opposed to less.

**Mr. Ernst:** That is in a different department, not in here.

**Mr. Angus:** Perhaps he can just explain that then. I am not sure I understand that.

**Mr. Ernst:** I already explained it a couple of times. The Ottawa office is contained in the Trade Branch Estimates. We will deal with the Trade Branch Estimates in due course under the appropriate section. I indicated that to the Members of the committee, I think twice already. So it is not contained under this. This section deals only with basically my office.

**Mr. Angus:** For my own edification, and I am sure that the Minister will permit me and indulge me in trying to identify these questions, is he suggesting that he has another budget for the travel to Ottawa that would pay for him and his Deputy Minister to be able to go to the Ottawa branch in another area so that when we

come to that, we can scrutinize that, or is he suggesting that he and his staff in this particular line are not going to be travelling to the Ottawa office?

**Mr. Ernst:** Let me say this, that travel on ministerial business is contained in this account. Whether I go to Ottawa to visit the Ottawa office, if I go to Ottawa to visit federal counterparts, if I go to Ottawa for a ministerial conference, whatever, those are the kinds of things that are included in this account. There is not an account that deals with specific travel to a specific thing. The Ottawa office, the operation of that office, as I indicated, is to be operated under the Trade Branch and it is to be operated under their budget.

**Mr. Angus:** I appreciate that, Mr. Chairman, and I appreciate the explanation. The question again was asked in innocence, because the Minister had indicated to us that all of his expenditures for the Ottawa branch would be coming from someplace else.

The question is relevant again. If he is reducing this by \$5,000, what is different now? Is he just going to be travelling less? Is he going to be spending less money on hotels and meals? What is the explanation? Perhaps he would just be able to tell us what he has in mind for where he is going to be going.

**Mr. Ernst:** First of all, the Member for St. Norbert (Mr. Angus) recognizes that there was an election period that took place where no expenditures were made in terms of travel by Ministers. In the normal course of events, nothing happened in that period of time that would relate to this specific budget. In addition to that, from the time we were sworn in and dealing with the budget, not much travel was contemplated, I might say. Generally, overall expenditures for this year are anticipated to be less.

**Mr. Angus:** Good. I appreciate that, Mr. Chairman. My honourable friend will recognize that coming from 12 years of city business, we scrutinized and watched those members who used to enjoy travelling to all parts of the world and to all parts of the country at taxpayers' expense.

I thank the Minister, too, for bringing it to my attention, page 5 of "Glossary Page 2," it is called, where it says "Other Operating" expenses. In there, I noticed it says "membership fees."

Could the Member perhaps just tell us what membership fees he is having paid for him and what this alludes to or suggests?

**Mr. Ernst:** There are none for me. The Deputy Minister has a membership in the Winnipeg Chamber of Commerce which is paid from that account.

**Mr. Angus:** I have no other questions at this time in relation to this particular portion of his budget.

**Mr. Chairman:** Are there any other questions?

The Member for Churchill.

**Mr. Cowan:** I would assume that the Minister, in his role as Minister responsible for Tourism (Mr. Ernst),

would want to utilize the resources in this area to travel to northern Manitoba to acquaint himself with some of the tourism issues there.

Would that be an appropriate place or would this be an appropriate place to discuss perhaps some of those issues?

**Mr. Ernst:** Mr. Chairman, how appropriate that question is, considering the plight of Churchill in recent times and the plight of the Minister on Sunday morning when he was standing at the Dauphin Airport awaiting a pickup to take me to Churchill to meet the new tour boat and to discuss tourism issues with a variety of people in Churchill. When the electrical storm that was prevalent over Dauphin at the time prevented me from getting on the plane, I was extremely disappointed. I had hoped to be in Churchill. I had hoped to be able to welcome, as Minister of Tourism, the cruise ship and to discuss tourism issues with the people in Churchill, because it is very important as an alternate means of income and an alternate means of economic development in that community. I fully recognize that.

It is my intention, if the Member for Churchill (Mr. Cowan) would care to give me a pair—I am being facetious—but, by and large, it is my intention to visit Churchill in the not too distant future in order to do exactly those kinds of things.

\* (1630)

**Mr. Cowan:** Having already agreed to appear for another Member of the Cabinet to travel to Churchill, I have established a record in that regard and would be pleased to work with the caucus to determine if a pair would be granted if the Minister requests it at any time. I am certain we would want to cooperate with them.

While the issue of Churchill and the travel to and from Churchill is an important one, I had another issue in mind under this particular item. Just to mention that while the Minister was waiting in Dauphin for the plane, I was travelling from Gillam via Highway No. 6, and can confirm that there was a bad storm and it would have kept any plane on the ground at that time, no matter how badly the Minister wanted to get to Churchill. So we appreciate that and the people of Churchill appreciate the fact that sometimes weather does affect travel plans for them and for us and for anyone who travels back and forth on a regular basis.

That was not the issue that I wanted to bring forward and there was no criticism implied or intended, and I certainly hope none was taken in respect to his inability to get there because of the storm. Those things happen.

The issue I wanted to address today—and there are other issues around tourism and travel in the North that I will address when we get to the specific area—but the issue that I wanted to address today dealt with the Northern Flood Agreement and tourism activities that are going on in the area.

As the Minister may be aware, Article 15 of the Northern Flood Agreement requires that when commercial operations are being contemplated, such

as tourism operations in the Northern Flood Agreement area or in the resource areas for the different bands, the five bands that come under the Northern Flood Agreement, there should be consultation with the bands, discussions with the bands to ensure that, No. 1, they are fully aware of any activities of that nature which may, over a period of time, alienate the land which is being held for them under the proposed hold areas or areas being held for them until those proposed hold areas are confirmed.

There was a concern by the Chief of Split Lake, which was just brought to my attention today actually, that there are a number of individuals on behalf of Tourism, on behalf of the department, or from the department who are travelling in the area to lodges trying to promote tourism. Now certainly one wants to see tourism promoted as much as possible, but their concern, and it is an important concern, is that they are going in without consulting with the band.

That consultation in the past has meant that they would meet with the bands that are in the area—the area would be defined as those areas that fall within the resource area or the trap line zone—and discuss with them the activities that are ongoing to ensure that, No. 1, the band members are acquainted with what is happening and, No. 2, that the band members can give advice and suggestions to the tourism officials who are going in as to what impact increased tourism might have on their resource areas, as well as provide some suggestions to them as to how they might want to capitalize on any increased tourism in the area, so they have an opportunity to make the Government aware of a desire to participate in certain projects, if in fact those projects are going to go ahead and, secondly, so they offer constructive advice and suggestions.

One can also confirm that Article 15 would lay a legal requirement upon the Government to do that. It is a policy which we tried to follow as a Government, and followed successfully in most instances, and it is a policy that I would like to see continued.

So what I would ask the Minister today, is he prepared to instruct his officials that when they are travelling into areas that are within the Northern Flood Agreement area to promote tourism and to meet with lodge owners, would they first meet with the bands that occupy those areas and are affected by any tourism activities under the provisions of Article 15 of the Northern Flood Agreement?

**Mr. Ernst:** Let me assure the Member for Churchill (Mr. Cowan) that any time a tourism project is contemplated in an area, regardless of whether it is under the Northern Flood Agreement or not, consultation should take place with the people of that area. That is only common sense, and I think that is something that we would want to do.

Now on the specific of the current person or persons from the department doing whatever they are doing here, I am not specifically familiar with what they are doing, other than perhaps—and I will undertake to get the information and find out exactly what they are doing—from time to time the department sends quality

assurance officers through the North to the lodges. Their job is to go in there and inspect the lodge to see that (a) they are operating a clean and proper facility and so on, and check it out for star rating, etc., so there are a lot of those kinds of things. That may be the circumstance, and I do not know whether that is construed as promoting tourism or not.

But with respect to this specific, I will undertake to get that information. We do not, unfortunately, have the staff here today because of what we are dealing with, so that I will undertake to find the specific and get back to the Member for Churchill (Mr. Cowan) on exactly that. He has my assurance that consultation certainly will take place.

**Mr. Cowan:** I appreciate that assurance, and just so that we are clear on the record, firstly, it may be someone who is going on the behalf of Tourism, perhaps, from the association itself. But my understanding, and I am informed only by a telephone call and have not had an opportunity to confirm all the details, is that they are going into the area, meeting with lodge owners, trying to promote further tourism. Certainly there is no objection to the promotion of tourism anywhere in the province.

However, what the band would like and what they have coming to them legally under the Northern Flood Agreement and what was policy with the previous administration is that when officers do go in in that capacity or representatives of the Government go in in that capacity, they first meet with the band, consult with them to ensure that their concerns are being dealt with, and to ensure that their suggestions are being given full consideration and, finally, to ensure that all the legal provisions of the Northern Flood Agreement are being followed.

If the Minister is saying that might not have happened in this particular instance but he will ensure that before any further activity is ongoing in the area, those directives are passed on to his staff, then I could relay that information to the band. I am certain they would appreciate it, and be awaiting a phone call in the very near future.

**Mr. Ernst:** I do not want it left in the record that I said anything with regard to it may not have happened or that we may have broken the terms of the agreement or anything else. I said to the Member, I am not sure what happened and I will investigate and I will report back. But make it clear in the record that under no case did I admit before this committee that we have broken any agreement or anything else of that nature. I think it is a little unfair for the Member for Churchill (Mr. Cowan) to try and put that on the record in an attempt at some future point to perhaps—

**Mr. Cowan:** Having sat through a number of hours of Estimates in that chair myself on occasion, I would just provide some friendly advice to the Minister. That is not to try to see a plot behind every time someone stands up and asks a question in the House. I think he is being a bit too sensitive on this particular issue. I am not imputing motives certainly. I am not implying that the agreement was in fact broken.

I am saying there is a situation that was brought to my attention that requires more than the Minister going back and checking and providing a report. It requires some action on the part of the Minister immediately, and that is a directive to his staff that if in fact they are in the area, and I think, if he rereads my words, he will find that I very carefully phrased them so as not to indicate that they were in the area, that we knew without a doubt they were in the area. I indicated to him that I received a phone call that suggested they might be in the area and if they are in the area, that he would give them a directive immediately. There is some time urgency to this, that they immediately consult with the band before they undertake any further activity.

That is the important part and that consultation would be predicated upon them attempting to, No. 1, seek advice from the band as to their own activities; No. 2, seek suggestions from the band as to how they might undertake the activities of that nature in the trapline zone area; No. 3, indicate to the band that they are prepared to discuss with the band tourism opportunities, as they are discussing with other people in the area tourism opportunities, and give them an opportunity to participate in that economic activity in their own general resource area; and, No. 4, ensure that all the provisions of the Northern Flood Agreement are being followed.

If he can indicate to me that directive will be provided to his staff, then I think the issue is resolved as best it can be at this particular time and there is no blame being cast or aspersions being cast by anyone. It is just a situation we would like to see corrected.

\* (1640)

**Mr. Ernst:** Maybe I am being too sensitive but having had a couple of years experience I have learned to be sensitive to things that sometimes occur and come back to haunt you in the Estimates. So if I am a little too sensitive, let me mellow with a little bit of time, but for the moment, I want to assure the Member for Churchill (Mr. Cowan) that all provisions of the Northern Flood Agreement will be lived up to. I will instruct my staff to ensure that they are fully aware of those requirements and that they do meet all of them as required.

**Mr. Angus:** If I may, Mr. Chairman. Thank you for recognizing me and giving me the floor.

Is this the space that we start discussing agreements that affect this Minister's department? Because I was clearly under the impression that we were going to be discussing these things at other times. I have a number of questions not only about that agreement, but about other agreements and it seems to me that we are not—you know, I was I guess trying to find out the process. I thought we were restricting our discussions to the specifics of the Minister's department.

Perhaps the Minister can give me some direction, and I do not want the process to degenerate to what may be a better question asked in Question Period if that is what the Honourable Member for Churchill (Mr. Cowan) is attempting to do. If we are going to discuss

the actual financial implications and the investment of money, then that is what we should be discussing.

**Mr. Ernst:** Mr. Chairman, I did not know the substance of the Member for Churchill's (Mr. Cowan) question when he asked it. He asked it because of an emergent nature, I assume, and wished to have the matter dealt with. It is not the appropriate place to be dealing with it; no, it is not. It should be dealt with under Tourism, but we may not get to that until tomorrow or the next day or next week or next month. So he has an emergent question and took an opportunity to bring it to my attention and I have responded.

**Mr. Cowan:** On the point of order, perhaps I can, by relating a bit of history, help the Member for St. Norbert (Mr. Angus). First, on a general note, he will find over time that you can discuss almost anything at any time in this Chamber if you phrase it in the proper fashion. I believe I did phrase it within the proper fashion to ensure that it fit within the rules, so that in fact can be done at any time.

But on the more important issue, in the past there has been an agreement by the critics. In the past it was the critic, in most instances, and the Minister at the beginning of Estimates as to just how the Estimates would flow. Oftentimes—as a matter of fact I would suggest in at least if not more than 90 percent of the times—it was agreed that the debate would be rather free-flowing, that you could discuss almost any issue at any given time. There was a reason for that.

The reason for that was because it allowed for the discussion, consideration and detailed review of the Estimates to be undertaken in a much more expedient and a much more effective manner. What you see before you and what you have been reading from as you ask your questions is arbitrary. It is something that was put together so that there is a structure to the way in which the books flow. But it does not always mean that is the way in which the dialogue should flow or the debate should flow. We have tried in the past to be very accommodating and to ensure that almost any question could be brought up at any time.

The difficulty with bringing up a particular question to the Member for St. Norbert (Mr. Angus) at this time where the staff are not present is that the Minister cannot provide the detailed answer. I think it is unfair to ask the Minister to provide a detailed answer when the staff who are responsible for that particular area are not in the seats in front of him or her.

The Member who asks a question runs the risk of wasting the time of the committee by asking a question for which the Minister cannot be expected and should not be expected to provide an answer. There is that consideration which must be taken into account when determining whether or not to ask a question. But I would hope that the Estimates, for the sake of all of us, including the Minister and the Members opposite, could flow in a rather free floating way so that we could ask questions that may arise out of a previous answer without being bound by the lines in the book.

If the Member for St. Norbert is suggesting that we subscribe only to that which is before us at the time

we are discussing a particular line, then I think he will be doing us a disservice. I would hope that he would agree with myself and the Minister—I see him nodding his head—that we can have that sort of free, floating discussion.

**Mr. Angus:** Not wanting to enter into wasting the committee's time in debating with my Honourable Member for Churchill (Mr. Cowan), he took the opportunity, and I might say the political opportunity, to stroll into this Chamber after we were already in and had already had that preliminary discussion, and where I had already had the assurances and indication from the Minister as to how we were going to be proceeding on this. I would like to get back to asking more specific questions on the Minister's . . .

**Mr. Cowan:** On a point of order.

**Mr. Chairman:** On a point of order, the Member for Churchill.

**Mr. Cowan:** The Member will learn a couple of things; one is, that there are two committees that are ongoing at the present time. He will find himself in the position of wanting to be in both committees from time to time or in the position of wanting to deal with a constituent problem, which is what we are here for in large part, and not being able to be in the Chamber at a time when all the debate is taking place. The Member will undoubtedly, in his own experience as a critic, want to excuse himself from one of the committees that is discussing a matter to go to another committee.

The Member would not want it to be misconstrued that when he does that he is taking political advantage by politically strolling in to the other committee. I would ask the Member to withdraw any imputation or motive that there was anything politically motivating my question or the time of my question other than that which I wanted to get a question, on behalf of a chief of a community who had contacted me several minutes ago dealt with as expeditiously as possible, and I thank the Minister for doing that. I do hope he will take the opportunity to withdraw those comments.

**Mr. Angus:** I will most certainly withdraw the comments that have caused the Member for Churchill (Mr. Cowan) to be as sensitive as we have the Minister. I would like to direct my questions more specifically to the budget and to the budget matters.

I noticed in the accountings that were provided by the department that there is a difference. The actual Expenditures of the department are \$325.6 million (sic). Now I am not sure if that is actually accurate and I would like you to verify that with your department heads, that 10(1)(b)(1) and (2) total up to the \$325,600, whereas the Adjusted Vote was \$489,00.00. Is that accurate, Mr. Minister, from your department heads? If it is, are you suggesting that you are taking 10 percent off of the total budget of your department when the actual Expenditures of your department are far, far less than what the adjusted budget was last year?

**Mr. Ernst:** I have some difficulty understanding exactly what the question is really. We are going to be

concluding in about 12 minutes. If the Member for St. Norbert wishes to meet after the conclusion of the Estimate's Debate process for today and we will try and work out exactly what he is getting at and what numbers he is referring to and to get him the appropriate answer. It is a little difficult unless, I think, if we have the opportunity of sitting down and looking at that specific question and exactly where he is coming from. So if that is acceptable, we can go on to some other questions and then I can provide that answer for the Member in due course.

**Mr. Angus:** I have no difficulty discussing with him and his department any of the information that is in here at their pleasure, if they will make themselves available. The question seems to be fairly straightforward. On the information that they have given me in this particular sheet as to the actual expenditure for the department, the amount of calculations that I have is \$325,000.00. That is the actual amount that is expended, the budgeted amount last year, or the Adjusted Vote—I guess that is the actual amount that they have requested—that was approved was \$489,000.00. Is my calculation of this correct?

**Mr. Ernst:** Mr. Chairman, what the Member is referring to, I gather, is the individual preliminary actual expenditures for each of the two departments that we provided him with earlier. I am advised by the administration that a direct comparison of those two numbers related to this budget cannot be a direct comparison.

In the amalgamation of the two departments, some items are categorized in a different area than others and there will be some glitches from time to time so that direct comparisons will not be possible. That is one of the things that we would have preferred had the Estimates process been delayed for our department, so we would have an opportunity to try and pull together more of this information and try to make those comparisons and equations back and forth between the two amalgamated departments.

\* (1650)

It is a very difficult process, Mr. Chairman, not one that is easily rationalized, because we have two separate departments doing two different things. So if we can detail some of the numbers from that report and answer those questions from the Member for St. Norbert (Mr. Angus), fine. If he wants to pursue it on a verbal basis, fine, that is up to him. I am going to accommodate him as best I can. It might be more productive, however, for everybody on the committee if we do sit down after the Estimate process is over and try and glean from that exactly what the question is and try and produce an appropriate answer which I can publicly put on the record at the next meeting of the committee.

**Mr. Angus:** Not unreasonable, Mr. Chairman, and certainly we all want to be reasonable in this particular process.

The gist of my question is that by the Public Accounts, the preliminary actuals, that, as I understand it, is not

going to differ that much from the audited statements that we are going to get at the end of the year.

I ask the Minister to give me a breakdown of those actual expenditures, but what I want to be able to see was how much money was actually spent in the departments, in the various areas, so that I could compare it to the amount that was budgeted for last year and the actual amount budgeted this year, the reason being is that the Minister has indicated that he is making massive reduction cuts and transferring monies from staff to program. If, in fact, the budget in his department, the actual expenditure was \$325,000, and he is actually only spending \$303,000 this year, I wonder how he managed to do that.

So I would be more than pleased to discuss that with him afterwards and try to let him and help his administration understand where I am coming from. I would just like to know how he is getting all of these savings. He is reducing staff and everything else. He is reducing 75 percent in one area, Special Expenditures. He is reducing two staff people who were helping him do his job, and yet is only spending \$22,000 less. I am sorry; I am at a little bit of a loss in relation to how he is making his Estimates work.

**Mr. Ernst:** I think we understand the Member's question. If he will want to wait for a minute, we will get an answer.

**Mr. Angus:** I was going to suggest my colleague, Mr. Laurie Evans, has a question that he would like to ask. Then, as we are getting very close to the hour of five o'clock, perhaps with the Minister's permission, we could adjourn this portion of it and get on to the question period. I am not sure how you do it—have the debate in Private Members.

**Mr. Ernst:** I think we have the answer. For comparison purposes, last year the actual Expenditures of the two departments, Industry, Trade and Technology and Business Development and Tourism, was \$538,900.00. You have to add the two together.

**Mr. Evans:** On the question of Transportation, as I understood the Minister in his response, this indicated this line would cover some of his travel, or does it just cover the utilization of automobiles by the executive? My question is, does it cover some of his travel expenditures? Is this where it is? Or, indeed, are the travel expenditures also possible to be itemized in other Branches in other activities? In other words, when the Minister travels to a conference, to Ottawa, New York or wherever, is it all covered under this item or can it be covered out of other items as well? Therefore this item, if that is the case, does not give you a true picture of the amount budgeted for transportation in the coming year.

**Mr. Ernst:** Mr. Chairman, the Member for Brandon East (Mr. Evans) is correct that not all of the travel Ministers do comes out of their Executive Support budget, that in part that travel comes out when it is a line responsibility function, that from time to time the travel for the line responsibility functions will come from

the department. It will be included in that department's travel expenditures. The Member for Brandon East knows full well that is exactly how it works.

**Mr. Evans:** I wonder if the Minister, therefore, because this is a budget where you plan and you decide how much money you are going to spend during the year and you have to relate it to your activities, could the Minister give the committee an outline of his travel plans for the year; the conferences he intends to go to, the visits he intends to make to the various office, etc? I know there is always a possibility of last minute changes and so on, but the Minister surely has some idea of what he is going to do during the year in order to arrive at some figures in this budget.

**Mr. Ernst:** It is difficult at this point to provide for meetings, travel for meetings. For instance, I do not know—and this is a guesstimate very often in any department as to how much travel is going to be involved. Let me say this: I have been to one ministerial meeting with respect to interprovincial trade barriers. The committee of Ministers is going to meet at least twice more before November, which was not contemplated at the time that the budget was prepared.

Again the Western Canadian Premiers—at their last meeting at Parksville—indicated that they wanted their Trade Ministers, Ministers responsible for External Trade, to meet to discuss our position before the MTM mid-term review in Montreal this fall. That may require additional meetings. I have been to one in Vancouver of Western Canadian Trade Ministers. So it is not always easy to identify. I think it is based on a ministerial average of maybe six ministerial conferences within Canada and perhaps half-a-dozen other associated travel requirements. The specifics of individual trips, I cannot advise the Member at this point.

**Mr. Evans:** Has the Minister any idea of whether he is going to engage in any promotional tours or any promotional trips in the coming year outside of Canada to the United States, Europe, Asia or whatever, by way of promoting trade or promoting industrial investment in the province?

**Mr. Ernst:** Mr. Chairman, I cannot advise the Member of any specifics because none are contemplated at the present time. However, let me say this, that given an opportunity to—with the House being over and an appropriate time, it would be my intention to try and do as much of that external promotion as I can, within the jurisdiction, within the time available, of my other duties, etc. I think it is very important.

As a salesman, you do not make sales sitting on your duff in your office. You make sales by going out and promoting. That basically is the job of the Minister of Industry, Trade and Tourism. I would hope that I will be able to get out as much as I possibly can and I will go wherever I can to ensure that we get promotional activities for Manitoba, for tourism, for business development, for trade, for any kind of activities that relate to my department.

I think it is very important that the Minister do that, that the Minister get out into the world markets to deal

with those kinds of issues. We have many, many opportunities out there for us to deal with these things and I would hope that I can spend as much time as I can in carrying out those duties.

**Mr. Angus:** Thank you very much for the explanation on the actual versus the budgeted last year.

As the hour is approaching 5 p.m., perhaps the Minister would be kind enough to try and get an explanation for tomorrow as to what the \$50,000 of actual extra expenditure in his department was last year, over and above the Adjusted Vote.—(Interjection)—Well, it goes for whatever it goes for, but somebody should be saying, how come you're spending \$50,000 last year, more than what you adjusted in the vote. That is a question that is realistic and the committee deserves to know about.

\* (1700)

**Mr. Ernst:** I will undertake to get that information, Mr. Chairman, for tomorrow and will provide the answer.

Before we rise, let me just confirm with the Members of the committee, I understand from our House Leader that the Estimates will continue tomorrow. Albeit normally we deal with Bills, I understand the House Leaders have come to some agreement that we are going to deal with Estimates tomorrow. Is that agreed?

**Mr. Chairman:** The hour being 5 p.m., it is time for Private Members' Business.

Committee rise.

Call in the Speaker.

## IN SESSION

**Mr. Mark Minenko (Chairman of the Committee of the Whole House):** 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 Dauphin (Mr. Plohman), that the report of the committee be received.

**MOTION presented and carried.**

## PRIVATE MEMBERS' BUSINESS

### SECOND READING

#### BILL NO. 18—AN ACT TO INCORPORATE THE MANITOBA MOTOR LEAGUE

**Mr. Ed Helwer (Gimli)** presented Bill No. 18, An Act to Amend an Act to Incorporate the Manitoba Motor League; Loi modifiant la Loi intitulée "An Act to Incorporate the Manitoba Motor League," for second reading.

**MOTION presented.**

**Mr. Helwer:** Mr. Speaker, the Manitoba Motor League is a non-profit organization started in 1904 for the sole

purpose of serving its members. They stand ready to assist their 105,000 members in all matters pertaining to the motoring public. The goal of the Manitoba Motor League is to make your driving and travel more economical, safe and enjoyable.

The Manitoba Motor League was first incorporated in 1918 and amended in 1956. The Manitoba Motor League is operated by a board of 12 members appointed or nominated at large by its membership. The Bill, as it was amended in 1956, limited the Manitoba Motor League to a ceiling of \$250,000 of doing business. What this amendment does is remove this ceiling of \$250,000 so that the Manitoba Motor League can continue to grow and expand its membership and expand the services it provides to its members as the membership so wishes.

In Manitoba, the Manitoba Motor League started out with one branch and now has four branches in Manitoba. Some of the services that are provided by the Manitoba Motor League is the travel agency providing services such as reservation and tickets for all rail, air or ship travel, hotel reservations, a wide variety of holiday packages and tour packages. It also provides car rental reservations, a full range of travel insurance coverages such as trip cancellation, baggage, air flight, hospital and medical and travel health insurance.

The Manitoba Motor League also provides tour default protection. They will guarantee the return of every dollar paid for a vacation should the tour operator's business collapse. There is no charge for this valuable service if you buy your ticket through the Manitoba Motor League Travel Agency. American Express Travellers Cheques are available also to members without a service charge in Canadian, American or British travel, available from the Manitoba Motor League Travel Agency.

Another service provided by the Manitoba Motor League is emergency road service. This service can be provided if your vehicle becomes disabled or will not start. Booster battery service will be provided. If your vehicle cannot be started within a reasonable amount of time, usually less than 15 minutes, towing services will be provided; or if the member's vehicle cannot be driven safely, the member may have the vehicle towed to the nearest repair depot.

\* (1710)

Another service provided is lock-out service. If you happen to get locked out of your car or vehicle, the Canadian Automobile Association serviceman will attempt to gain entrance, if it is possible; and other services such as fuel delivery if you run out of fuel; tire service -(Interjection)- nice to have a membership—a wheel with a flat tire will be replaced with the member's inflated spare tire; extrication, where a vehicle will be removed from a ditch, mud or snow when conditions permit the safe use of normal equipment.

The Manitoba Motor League also has a lobby group such as a brief that they presented on Autopac to the Kopstein Commission. The Manitoba Motor League provides a very valuable service to the motoring public and is an excellent, well-run, non-profit corporation.

Thank you for the opportunity to present this Bill, and I hope all Members see fit to support it.

**Mr. Ed Mandrake (Assiniboia):** Mr. Speaker, I move, seconded by the Honourable Member for Transcona (Mr. Kozak), that the debate be adjourned on this Bill, being Bill No. 18.

**MOTION presented and carried.**

**Mr. Speaker:** Debate on second reading on the proposed motion, Bill No. 2, The Business Names Registration Amendment Act—the Honourable Attorney-General (Mr. McCrae) (Stand)

**Mr. Jerry Storie (Flin Flon):** Mr. Speaker, it is my understanding that Bill No. 3, The Corporations Amendment Act, will stand in the name of the Member for Brandon West (Mr. McCrae).

**Mr. Speaker:** That is correct.

### BILL NO. 13 THE MANITOBA HYDRO AMENDMENT ACT

**Mr. Jerrie Storie (Flin Flon)** presented Bill No. 13, The Manitoba Hydro Amendment Act; Loi Modifiant la Loi sur l'Hydro-Manitoba, for second reading.

**MOTION presented.**

**Mr. Storie:** Mr. Speaker, this amendment is precipitated, if you will, by the Free Trade Agreement which is being foisted on to the Canadian public, and in some cases the unsuspecting public, by the federal Government. It is perhaps unfortunate that a Member of the Legislature has to stand in his place and introduce an Act whose purpose is to protect the sovereignty of a provincial Crown corporation which is within the constitutional jurisdiction of the Province of Manitoba.

Unbeknownst to many Canadians, the Free Trade Agreement infringes directly and indirectly on the constitutional jurisdiction of many Canadian provinces in many areas of endeavour and in a way which is both unfortunate, unflattering, and will have long-term negative implications for those provinces.

I spoke to a group of high school students not too long ago in the City of Winnipeg, at which time I said that the Free Trade Agreement, particularly the energy provision, is going to leave future generations of Manitobans and future generations of legislators sitting on their hands. Within that audience of some 300 students, there were potential Ministers of Energy, Ministers responsible for Manitoba Hydro, who, by virtue of this Free Trade Agreement, would have to sit by and watch while policy decisions that should have been made or could have been made on behalf of Manitobans had to go by the wayside.

I believe that legal opinion available to the Province of Manitoba, Department of Energy, Manitoba Hydro, and other provinces in this country indicates quite succinctly and quite clearly that the Free Trade



Agreement jeopardizes the sovereignty of agencies such as Manitoba Hydro. The principles behind this Bill, I think are clear, that we as a province want to, and in fact need to, maintain the right to control our energy resources.

Frankly, I am surprised, if not dismayed, that other Legislatures, particularly the Legislatures of Alberta and Saskatchewan, were not doing and acting in exactly the same way to protect their sovereignty over oil and gas, to protect the sovereignty of Canada over our energy resources.

I have said on other occasions that while we all support freer trade in principle, that no other country in the world has been prepared to offer up its sovereignty over its energy resources in the way that our federal Government has supposedly done on our behalf.

Japan has bilateral trade agreements with countries. They have not given up their sovereignty, their right to establish regional development policies, to establish Government policies which act in the interests only of their own industrialists, their own business.

More germane are the examples of England joining the Common Market and the bilateral trade agreement between Mexico and the United States, in which both cases, those countries did not give up their right to determine how energy was to be used, how energy was to be priced within their own jurisdictions. England joined the Common Market without giving up one iota of its sovereignty over North Sea oil. Mexico signed a bilateral trade agreement with the United States without giving up one iota of its control over its most important natural resource, and that is its energy supplies.

What we have chosen to do for very little in return, by all accounts, is give up our security, give up our ability, our flexibility when it comes to managing our energy resources. I want to say once again that does not come as some voice in the wilderness, some left-wing socialist who is preaching gloom and doom.

I want to point out that groups such as the Bank of Nova Scotia, McLeod Young Weir, hundreds of other thinking, thoughtful Canadians have pointed out that this dilemma is real, its implications will be real and that problem alone should be sufficient reason to vote down the Free Trade Agreement.

I want to quote from the McLeod Young Weir Study—and I have done so on other occasions—when it talks about the energy agreement, and it, in its analysis evaluation of the Free Trade Agreement in terms of energy, says: "Canada wins once in the short/medium term via increased exports. The U.S. wins twice in the long term—once on access to energy supplies and again on the basis that we can no longer use cheap energy as an element of national or industrial policy." McLeod Young Weir, a reputable financial company in Canada who have done their own analysis and come to the same conclusion that I did and Members on this side did months ago. This group is not alone.

But I want to repeat that the question of sovereignty, which is fundamental to the principles of this Bill, sovereignty over Manitoba is also a question on the

larger Canadian front. What did McLeod Young Weir say about sovereignty? It said: "On balance, there are net economic benefits for Canada. However, the price of increased prosperity has increased U.S. and other foreign ownership and control of the Canadian economy and significantly reduced political independence and sovereignty in energy investment and financial services."

\* (1720)

This is not alarmist rhetoric. This is fact confirmed by an independent financial analysis, confirmed by legal opinion available to the Government, to other provincial Governments—legal opinion which has been tabled in this Legislature and others. It is a real threat. The intent of this Bill is to make sure that notwithstanding the Free Trade Agreement, we maintain the right to manage our resources.

I have a recent, all too recent, example of the current Minister responsible for Hydro's (Mr. Neufeld) attitude towards this agreement. It is much a "bury the head in your sands approach" as anything that has been submitted as evidence on behalf of the federal Government.

The Minister, in a letter to the editor, has suggested that the Free Trade Agreement is nothing to worry about because Manitoba can set export prices without concern or retaliation. The Minister responsible for Hydro continues to miss the point, that what we are concerned about in the main is the ability of Manitoba Hydro, the ability of other provinces to set energy prices which give a preference to the Province of Manitoba for businesses in Manitoba and the businesses across Canada.

Let it be very clear that the U.S. trade representative, the U.S. Senate, the U.S. Congress understand that Canada, if this agreement goes through, will not be able to establish anything like the National Energy Program. We will not be able to establish a two-price system.- (Interjection)- The Member for Lakeside (Mr. Enns) says, "Thank God." I will remind the Member for Lakeside that if the Free Trade Agreement had been in place during the years in which the National Energy Program was providing low cost energy across Canada, Canadian consumers would have been the losers to the tune of \$55 billion.

I want to conclude by reminding people that the principles behind this Bill are put in place to ensure four specific things. No. 1, we want to make clear that we have the constitutional responsibility, obligation, to direct Manitoba Hydro in the interests of Manitobans. We believe that it is our responsibility to ensure that before we export power, the needs of Manitoba consumers, Manitoba business, other Canadian provinces are looked after before the question of export, under any circumstances, emergency or otherwise, is considered. We want to know that any exporter power is surplus to our needs.

Finally, we want to know that any exporter power can be shown to be of net benefit to the Province of Manitoba, that it can be shown as a net benefit to Manitoba Hydro. We want it to be clear that Manitoba

Hydro, as a Manitoba Crown Corporation, is responsible to the people of Manitoba, that it is going to protect Manitobans and other Canadians before we concern ourselves with the interests of others.

We want, thirdly, to make it clear that this agency, that our Government is going to be able to govern its own affairs in the interests of Manitobans, and that notwithstanding some agreement which purports, that the federal Government purports, to be able to override other legislation, and in fact, if they believe they can prevent Manitoba Hydro from acting in its own best interest, override the Constitution, then we want it on record that we oppose that view of Canada, we oppose that view of energy management, and we oppose what is obvious to anyone the giveaway of our largest, single business advantage in this country, and that is an abundance of cheap energy.

On a practical level, no businessman supposedly on that side of the House, or this side of the House, or anywhere across this province would be prepared in an agreement to trade away for no benefit its largest, single business advantage. That is what we are proposing to do in this agreement.

Finally, we want to make it clear, through statute, that Manitoba Hydro can, if it so chooses, with the support of its Board of Directors and the Lieutenant-Governor-in-Council, use Manitoba Hydro as an instrument of economic development, regional development, if we so choose.

Manitoba Hydro is an agency which has the potential for helping us develop our regions, for being an instrument of encouraging industrial development, for bringing energy intensive industry into the Province of Manitoba.

We believe that the amendment that is being proposed is necessary to protect us. I find it sad, as a legislator in a small Canadian province, to be able to have to stand up and say we are protecting ourselves from an irresponsible federal Government bound on a course of action which is going to be destructive of our economic base and, in the long-term, our ability to meet the needs of our citizens from coast to coast. Mr. Speaker, it is a sad day for me to have to stand and introduce this Bill to protect our interest and the interest of our children.

\* (1730)

I have asked the Minister responsible for Manitoba Hydro (Mr. Neufeld) on more than one occasion to show me a legal opinion which says that my view of this agreement is not correct. I have had rhetoric; we have seen letters to the editor.

The Minister responsible for Manitoba Hydro knows that this agreement limits our responsibility; in fact, if you read between the lines in some of his comments, it is obvious that he knows that it limits our ability, but he seems to say that is okay; we are prepared to sacrifice anything to see this agreement go; I do not care that I am the Minister responsible for Manitoba Hydro; I am prepared to trade away my rights to manage this resource in the interests of Manitoba from some larger good.

That is an unfortunate abdication of responsibility. It is unfortunate, and generations of Manitobans will be the losers if we—I mean the Canadian people—are not able to prevent the completion of this particular endeavour of the federal Government. I can only hope that we succeed in preventing it. If we do not, I want to be on record, and I know that there are other Members in this Chamber who want to be on record as having said I believe in the Province of Manitoba; I believe in our right to self-determination as a province; I believe that our constitutional rights give us the authority, the responsibility for directing Manitoba Hydro in our own best interests.

I stood in the Legislature and I said, yes, we want to maintain that right notwithstanding what a unscrupulous federal Government chooses to do and that -(inaudible)- will help us to ensure that future generations of Manitoba enjoy the benefits of provincial ownership of our hydro resources -(inaudible)-

**Hon. Harold Neufeld (Minister of Energy and Mines):** We on this side of the House consider the Private Member's Bill No. 13, at best, redundant and unnecessary, and at worst, harmful to the citizens of Manitoba and the consumers of Manitoba Hydro electricity.

There is in existence an administrative mechanism to secure the energy if we so desire. The administrative mechanism includes the things like The Manitoba Hydro Act, The Manitoba Energy Authority Act, The Manitoba Emergency Measures Act, the National Energy Board Act and the federal Emergency Act.

Let us deal, first of all, with Manitoba Hydro's mandate. Manitoba Hydro's mandate is, first of all, to ensure a secure supply of energy for Manitobans; also to supply that energy at the lowest possible cost. That is Manitoba Hydro's mandate, and no Bill 13 will change that.

Let us deal with the sections one-by-one that the Member for Flin Flon (Mr. Storie) has introduced.

First, he says a corporation may enter into a contract only if the power to be supplied is surplus to the reasonable, foreseeable demands of Manitobans. Before we enter into any contract, we will forecast the demands of power for the term of the contract and beyond the term of the contract. We will, at all times, ensure that there is a secure source of power for Manitobans.

Why would we sell power to outsiders if we have not got enough power for ourselves? That is like legislating against stupidity and that may have been the case at one time, but it is not the case with this Government. You carry on, you carry on. First of all, the proportionality clause will not affect an agreement. The terms of an agreement will dictate, and the laws of the land have said that and the international laws have said that.

Secondly, we say that the reasonable, foreseeable demands of other purchases in Canada—now how does the Member for Flin Flon (Mr. Storie) propose to find out what the consumers of Ontario may need or what the consumers of Saskatchewan may need or, for that matter, Alberta? How does he propose to check that

out, and how do we ensure that they get a price that is better than the American price that they have given? How do we ensure that the price is better than the agreements they have already entered into? The interruptible power we are now selling to the United States is substantially less than our own consumers are paying. How do we reconcile that with that clause?

The next clause, it says: "The price to be charged by the corporation is more than the price charged to customers in Manitoba and Canada." Now we have got interruptible agreements in place that sell the power to the United States at much less than the Canadian customers are paying for it.

Let us take then the NSP sale to take effect in May 1993. If the conditions and coal prices do not change between now and 1993, the price to NSP of the United States will be 5.2 cents per kilowatt hour. It is estimated that the Manitoba price will be 5.8 cents per kilowatt hour at that time. How can we pass a Bill that in four years time or five years time will make it illegal for us to sell the power we have already contracted to sell?

We have got another—"to recover the full costs." Of course, we are going to recover the full costs. Why would we not recover the full costs? This Government, at least, or Manitoba Hydro, at least, will not enter into agreements that will not recover the full costs. Why would they? I cannot understand the Member's intent with that one.

We go on to the next one: "Notwithstanding any contract described in subsection (1), the corporation shall at all times ensure that the demand for power by Manitobans and the obligation to supply power under contract to purchasers and Canada are met before meeting its obligations to supply power to a purchaser outside of Canada." I ask again. We have entered into agreements. Now we are told, under this new Bill, we cannot meet the terms of that agreement. How can we do that? The agreement subjects us to severe penalties if we do not meet the terms of the agreement.

I want to remind the Member for Flin Flon (Mr. Storie) also that power lines and agreements run both ways, and if it were not for the friendly United States power corporations, we would be in very difficult straits today. They are supplying us with power, we are today a net importer of power, and if this Bill goes through, we endanger the good will of the corporations from the United States. What do we do then? Do they cut off the power as we wish to? What do we say if they cut off the power?

We will go into economic development. The Member for Flin Flon would have us authorize the corporation to participate in regional economic development. First of all, I do believe that this Government is committed to having Hydro act independently. Secondly, if we dictate the terms of an agreement that Hydro must enter into with a corporation wishing to locate in Manitoba, we are doing so at the expense of the other customers of Hydro. I do not think that the customers of Hydro, the residential customers of Hydro, the elderly, those incapable of paying the higher rates, should be subsidizing an industry that chooses to locate in Manitoba. That subsidy should come from the Manitoba

Government. I have no quarrel with subsidies such as that, but Manitoba Hydro should not subsidize those corporations.

The thought has come up that countervailing duties may prevail. Of course, they will. If, under GATT and under the Free Trade Agreement, the Government subsidizes an industry and that industry exports to the United States, the chances of countervailing duties are of course real. Nothing that the Free Trade Agreement says will do anything about that; that is under GATT and it will stay.

I should mention again, Mr. Speaker, that Hydro does negotiate each and every deal, each and every agreement, and that will continue. I might mention that when the co-op industry lobbied to kill the NSP sale agreement, the Manitoba Government lobbied in Ottawa against the co-lobby. The co-industry stopped their lobby at the time that the Free Trade Agreement was signed. If they felt that the Free Trade Agreement cut into their ability to lobby, then it seems to me that if we are arguing on the other side and we paid hundreds of thousands of dollars, when the Member for Flin Flon was the Minister for Energy and Mines, we paid hundreds of thousands to a law firm in Washington to lobby against the co-lobby who were lobbying against free trade, it seems to me if you are lobbying against a lobby that lobbies against free trade, you are lobbying for free trade. I wish the Member would make up his mind.

I will close, Mr. Speaker, by saying that there is nothing in the Free Trade Agreement that endangers the sovereignty of Hydro to Manitobans. I encourage the Members to vote against the Bill.

**Mr. Richard Kozak (Transcona):** I move, seconded by the Honourable Member for Fort Rouge (Mr. Carr), that debate be adjourned on this Bill, being Bill No. 13.

**MOTION presented and carried.**

## **BILL NO. 16—THE REAL PROPERTY AMENDMENT ACT**

**Mr. Jim Maloway (Elmwood)** presented Bill No. 16, The Real Property Amendment Act; Loi modifiant la Loi sur les biens réels, for second reading.

**MOTION presented.**

**Mr. Maloway:** I wanted to begin by stating that the amendments to The Real Property Act, Bill No. 16, will require the Land Titles Office to provide legal counsel to assist the homeowners in completing their own land transfers, and I wanted also to note that in all of the Land Titles districts in Manitoba, the Bill would not require a separate legal counsel for each one of these. In fact, what could be done would be that one lawyer would be assigned several districts, so there is no suggestion here that we would need a good number of these lawyers right off the bat.

The Bill comes about because of the case of Janet Switzer, who was one of the many homeowners who

have lost money because of delays at the Land Titles Office. The current system is a costly system, it is complicated, and because of that, it is not surprising that about 98 percent of all real estate transactions are in fact conducted through lawyers, resulting in fairly high fees.

I would ask people to consider how long it actually takes a working person in Manitoba to earn the \$600 or \$800, the equivalent of which they pay lawyers to do land transfers. As a matter of fact, the Land Titles Office publishes a "how to" book, and it is a fairly thick book, very little help to the average citizen. In fact, you have to be a lawyer, pretty well, to read and understand the book.

I wanted to point out that a lawyer at the Land Titles Office would be there only for those who wish to use the service—(Interjection)—Well, not necessarily so. I have suggested that the legal counsel be transferred from within the Attorney-General's (Mr. McCrae) office, which would result in no increased cost to the Government, and if the service, and I do not anticipate that there is going to be a flood—the Member for Lac du Bonnet (Mr. Praznik) suggests that we are going to have a flood of people in there to use the service.

I suggest that if that were the case, I would be even happier because then we could ask to provide more legal service there. But I think what will happen is that people will keep dealing with their own lawyers, and the demand for this service will not be anywhere near as high as has been suggested by some people. In fact, the Law Society had a rather, I thought, exaggerated and hysterical response to the idea, and I think they are feeling a little threatened, and I do not think they should be. I do not believe for one moment that their business is going to suffer that much. I think it is their right to take that view. If I were the President of the Law Society, I would be remiss if I did not take an extreme position and say, give them an inch and they are going to want more. But I think he has got to take that view that we should keep the system as it is. But I think that his response so far, has been somewhat exaggerated, and perhaps a more reasonable approach would be in order.

\* (1740)

In terms of the lawyers, and how well they do as a group, you only have to look at the Member for Lakeside's (Mr. Enns) riding, my own riding of Elmwood, to see how many lawyers that we have in our constituencies, and then look at River Heights, and look at Tuxedo, and how many lawyers live in these constituencies. So, as a group, and I certainly do not want to detract all that much from the profession, but as a group they do rather well within our system. It is certainly the case that currently a person can bypass a lawyer and can go to their MLA, as the Member for Lac du Bonnet (Mr. Praznik) has mentioned, and can go directly to the Land Titles Office and do their transaction, but in reality, most people are intimidated by the system, and in fact they get no help when they get to the Land Titles Office because there are little signs up there that indicate that the staff are not permitted in fact to be helpful or to give advice.

I believe that laws generally are created by lawyers and for lawyers. In fact, if you look at the groups that are exempted from the Free Trade Agreement, one of those groups happen to be lawyers.—(Interjection)—Yes, they wrote the agreement and they exempted themselves. There are already countless areas for the lawyers to be making money. As a matter of fact, new areas are developing every day. I do not think that enterprising lawyers will be short of funds because of one little lawyer in the Land Titles Office.

The other concern of the Law Society was the area of liability and, of course, the malpractice liability insurance can be obtained for roughly \$1,200, I believe. On the private market this should not be a big deterrent to the implementation of this idea. In terms of cost recovery, I am sure that there are citizens who would be prepared to pay some fee for this service. That could be determined at a later date.

The fact of the matter is this is probably an idea whose time has come. Perhaps some would say that it is long overdue, and I would encourage all Members of the House to support this Bill. Thank you.

**Hon. James McCrae (Attorney-General):** I move, seconded by the Honourable Minister of Community Services (Mrs. Oleson), that the debate be adjourned.

**MOTION presented and carried.**

## **RES. NO. 1—CANADA-UNITED STATES TRADE AGREEMENT**

**Mr. Speaker:** On the proposed resolution of the Honourable Member for Concordia—the Honourable Member for Concordia (Mr. Doer).

**Mr. Gary Doer (Leader of the Second Opposition):** I would move, seconded by the Member for St. Johns (Ms. Wasylcia-Leis), that

WHEREAS many Manitobans have strong reservations about the Canada-United States Trade Agreement; and

WHEREAS provisions in the agreement seriously threaten Canadian sovereignty, Canadian jobs and Canadians' ability to make free and independent decisions about our future development; and

WHEREAS grave concerns have been voiced throughout Canada about the lack of opportunity and information for a full review and discussion of the terms and conditions of this complex and wide-ranging agreement; and

WHEREAS the proposed agreement goes far beyond trade to affect foreign investment, management of energy resources and the future viability of Canadian culture industries; and

WHEREAS Canada already has the highest level of foreign economic control of any industrialized country; and

WHEREAS Canada, under this agreement, will have no powers to review the takeover of

companies with less than \$150 million in assets, while the United States not only retains all of its numerous restrictions on foreign investments intact, but is presently revising those restrictions such that they shall be much stronger than Canada's; and

WHEREAS this agreement does not provide secure access to the United States market for Canadian and Manitoba goods and services, because Canada remains fully subject to United States countervail, anti-dumping and other provisions, which will therefore continue to be used to discriminate against Canadian exporters; and

WHEREAS the agreement offers the United States increased rights of access to Canadian non-renewable and renewable energy resources, but does not prevent the United States from launching countervail, anti-dumping and other actions against exports of Manitoba's hydro-electricity; and

WHEREAS a great many Manitoba farmers stand to lose income as a result of increased imports of United States farm products; and

WHEREAS this deal will not prevent the United States Government from continuing to provide huge subsidies to United States grain farmers, a practice which has caused a loss of income for Manitoba farmers by giving an unfair advantage to the United States in Canada's traditional agricultural markets; and

WHEREAS this agreement fails completely to anticipate complex labour market adjustment needs of the very large number of Canadian and Manitoban workers who will lose jobs due to the agreement; and

WHEREAS this agreement inhibits the flexibility of Government to implement programs to address environmental, occupational, safety and health and employment standards; and

WHEREAS this agreement seriously endangers the federal Government's power to pursue regional development programs, both short and long term, that provide for some measure of balance and fairness in this country; and

WHEREAS the federal Government has entered into a massive new bilateral trade agreement without first undertaking concrete steps to remove a range of interprovincial trade barriers which have inhibited fair trade within Canada; and

WHEREAS the successful multilateral approach to trade negotiations and the gradual elimination of trade barriers such as those achieved through the General Agreement on Trade and Tariffs, are the best long-term solutions for Canada and Manitoba in gaining improved trading relations; and

WHEREAS the Manitoba Government should not bind itself to implement those aspects of the

proposed agreement falling under provincial control, but take appropriate measures to protect Manitoba from the negative impact of the agreement.

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba go on record as opposing the Canada-United States Trade Agreement; and

BE IT FURTHER RESOLVED that this Assembly urge Canada to reject legislation to implement this unacceptable agreement; and

BE IT FURTHER RESOLVED that this Assembly affirm its support for a range of bilateral and multilateral trade agreements within a framework of a fair and international economic system, leading to the gradual elimination of tariffs and the reduction of certain non-tariff barriers; and

BE IT FURTHER RESOLVED that this Assembly call upon the federal Government to strengthen its regional development efforts through a comprehensive national economic strategy, providing a more equitable sharing of resources; and

BE IT FURTHER RESOLVED that this resolution be referred to an all Party committee of the Legislature to ensure that all Members have an opportunity for thorough study and debate.

And I so move. Thank you.

**MOTION presented.**

\* (1750)

**Mr. Doer:** This is one of the most important issues facing, I believe, this country and this province, and I believe all Canadians and indeed all Manitobans are sincerely interested in this Free Trade Agreement in terms of what it really means for them, for their families, for their communities, and indeed for the nation that we all believe in so strongly.

I believe that this is an issue that goes to the very soul of this country. Every day we hear another group that looks at this Free Trade Agreement—this proposed Mulroney-Reagan trade agreement—every day another group looks at it and says: Hold it, I did not know that was in the agreement; I did not know that this was going to happen under this Free Trade Agreement; I just thought I could get cheaper California wine; I did not know that there was a provision in there that may hurt the Wheat Board; I did not know there was this provision or that provision in the agreement. Every day group after group in Canada and group after group in Manitoba is looking at this agreement and coming out opposed to the agreement.

This week, the United Church of Canada came out against this agreement. Last week, it was the Catholic Bishops. The week before it was the aboriginal people. The week before that, it was the Wheat Board Advisory Committee, the friends of the Conservative Party, the elected farmers across the Prairies that took a look at

this Free Trade Agreement and said: Hold it, our whole Wheat Board is under attack under this Free Trade Agreement; we want to be exempted; we want this agreement to go down.

Even our financial institutions have looked at it, such as the Bank of Nova Scotia. The Member for Flin Flon (Mr. Storie) just talked about the McLeod Young Weir Report and said, yes, this will provide the odd relief in tariffs, but it will give away our ace-in-the-hole in terms of energy for generations to come in terms of this Free Trade Agreement.

Every time an organization or an individual becomes more aware of the provisions of this Free Trade Agreement, it becomes more negative and more problematic, and indeed, I believe a very serious issue facing the people of Manitoba and indeed the country.

What response have we got from Members opposite? I believe they are philosophically opposed or in favour of free trade, and I believe there are groups of individuals and MLAs in this House that are philosophically in favour of free trade. What bothers me is the Premier (Mr. Filmon) has admitted to this House on two occasions he has not read the agreement. It is only 300 pages long, and I would suggest that the Premier take the time to read it because I believe that he, like a number of other groups, once they have read the details, would start to have very, very serious questions about this agreement.

I do not know why he is relying on Richard Lipsey from Queen's University, who was always in favour of the Free Trade Agreement. I remember debating Richard Lipsey three or four years ago, and he said this was the only salvation for Canada. Why he would depend on Richard Lipsey with a pre-Free Trade Agreement prediction when you look at the post-agreement and the wording of the agreement.

The Americans have read this agreement; Ronald Reagan has this agreement. He has called it a North American Economic Constitution. That is what he said, and I believe he is right. The Trade Secretary Yeutter also has read this agreement and he says, too, it is an Economic Constitution for North America. The Secretary of Energy has read the agreement and said we are going to have massive advantages in terms of the lower consumer prices in United States in terms of the energy sector in the future. The U.S. Undersecretary of Agriculture has read this agreement, and their analysis to the U.S. Congress and the U.S. Senate is that definitely many of the marketing boards that Canada has had for years, such as the Wheat Board Marketing Board, many of the other marketing boards—egg processing, poultry operations—will be available for countervail, will be available for attack under this proposed Free Trade Agreement.

Surely, we must be asking ourselves, with the protectionist mood in United States being so rampant, why is the Congress passing this resolution by 92 percent and 93 percent before a U.S. congressional election? Why are Senators after Senators standing up and unanimously approving this agreement and, quite frankly, looking like the cat that swallowed the canary when they talk about the energy sector and the

number of other sectors? No one in this House is opposed to removing the tariffs between the two countries. Nobody in this House is opposed to having a logical trade arrangement with our largest trading partner. Nobody in this House objects to getting cheaper California wine except maybe a few people in southern Ontario.

We have negotiated a terrible agreement with the U.S. in terms of the proposed Canada-U.S. Trade Agreement, an agreement that the Member for Flin Flon (Mr. Storie) has stated goes far beyond anything in the European Economic Community and even goes far beyond what Mexico was able to negotiate with the United States. Mr. Speaker, there is a reason for that.

The federal Government was looking for an issue to change Canadian public attention from the scandals that were going on in Ottawa. They had no leverage when they went to the bargaining table. I believe that Canadians are excellent negotiators. I believe under normal circumstances, Canada could have done an excellent job in terms of negotiating, but when you have a very, very wounded Prime Minister with very little leverage, he wanted a deal at all costs, and what Canada has been saddled with is a horrible, horrible deal for our children and our grandchildren.

Let us deal with some of the components of the deal. First of all, it is not free trade. Mulroney stated that we had to have a Free Trade Agreement to get away from the Omnibus Trade Bill in United States Congress and Senate—okay, fair enough. But where is the exemption in the U.S. Trade Bill? Where is the exemption in the Congressional Bill? Where is the exemption in the Senate Bill? You know something, there is none. Canada is treated the same way as any other country in terms of the regressive action available to the U.S. Congress and the U.S. Senate. If the Premier would read the fine print of the Trade Agreement, he would see that U.S. legislation overrides the Canada-U.S. Trade Agreement and it overrides our ability to get an exemption. So even to say that this is a Free Trade Agreement is not being honest with the people of Canada—it is not a Free Trade Agreement to begin with.

Secondly, the energy. Our ace in the hole is we have a beautiful country, a large country, a country with slightly larger distances than the United States and certainly a country that has, from time to time, some colder nights and colder winters. I believe that we also have much more energy whether it is non-renewable or renewable energy. We have the gas supply in Alberta, we have the energy supplies of oil supplies in some of our provinces, and I do not know why Manitoba, which is a net importer of 70 percent of its energy, would ever, ever want to agree with the Premier of Alberta, Mr. Getty, in terms of the advantages of a North American access economy for energy in terms of this Free Trade Agreement. Why in the world would we give away our ace-in-a-hole in terms of the energy that we have? Why would we not use the ability to set preferential pricing to establish industry in Canada and not run in violation to the Canada-U. S. Trade Agreement?

Indeed, Mr. Speaker, the Member from Flin Flon (Mr. Storie) has spoken quite elegantly about the need for

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separate Legislation dealing with the Manitoba Hydro and the pricing of Manitoba Hydro. Mr. Speaker, the first day of this Question Period in this new Session of the Legislature, we asked the Premier whether water was included or excluded from the trade agreement. The Premier admitted he had not read the agreement but all his advisors had told him there is no problem. Well, I would like to know these advisors. Are these the same advisors that worked for the former Premier Vander Zalm that he has now got on his staff that is in pictures and magazines the same person from the Province of British Columbia?

Mr. Crosbie has talked about again amending the Free Trade Agreement for purposes of water, but what Mr. Crosbie will not come true with the Canadian people is that the Free Trade Agreement is subservient to— or the Canadian parliamentary laws are subservient to

the Free Trade Agreement in terms of its implementation in Canada.

I agree with the Liberal Trade critic and I agree with the NDP Trade critic in terms of water, that it is not excluded under this Free Trade Agreement unless the Free Trade Agreement itself is amended to exclude water— a proposal that the Canadian Government put on the table to start with and failed to get in our negotiations with the United States. I believe I have five minutes left.

**Mr. Speaker:** Order, please. The hour being 6 p.m., I am interrupting proceedings. When this matter is again before the House, the Honourable Member will have five minutes.

This House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Wednesday).