

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 2 July, 1985.

Time — 8:00 p.m.

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY - COMMUNITY SERVICES

**MR. CHAIRMAN, C. Santos:** Committee, please come to order. Just like drawing a circle, we end up where we started.

4.(b)(1) Child and Family Support: Salaries; 4.(b)(2) Other Expenditures; 4.(b)(3) Maintenance of Children; 4.(b)(4) External Agencies - the Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, under Maintenance of Children, and if I understand the Minister correctly, then the caseloads have been growing. Yet we notice that there is an expenditure of almost \$1.5 million less in that particular area. I wonder if the Minister can explain why the Maintenance of Children would be going down when everything else seems to be increasing.

**MR. CHAIRMAN:** The Honourable Minister.

**HON. M. SMITH:** The numbers of children in care are actually going down, and the form of service from the rather expensive institutional type care in staffed group homes is shifting to more use of foster homes and support services in families. That is why you'll notice, if you compare Item 3 and Item 4, that it's down on the Maintenance of Children, which refers to their maintenance in group homes, but it is up on the External Agencies which provide the direct service to families and foster families.

**MR. A. BROWN:** Have we been cutting back on Maintenance of Children? In other words, are we providing the same type of care that we were providing previously, or have we been cutting back on the type of care that we were giving?

**HON. M. SMITH:** The type of care given has changed from taking so many children out of their families and putting them in group homes, which are staffed three shifts around the clock, larger numbers of youngsters. We have shifted more to either putting someone into a home to help the family parent better, learn how to work with a particular child or day care or some relief for the family, or placing the child in foster care. It's because the per diem charge when they are in a group home would come under the maintenance figure; whereas the other types of care are allocated through what we call the External Agencies, the children's aid systems, that it appears to be a decrease in maintenance.

But the comparable increase on the other side, if you take them together, there is more money being spent on the children, but it's being spent in a different way. It's because when we evaluated the success we were having with children in the group home setting,

although it did still seem to be fairly appropriate for older teenagers, it seemed to be less than effective for the younger children.

So we've been gradually reducing the number of group situations for under-12s and then more gradually reducing or bringing into a slightly different balance the group home care for the older youngsters. But I think if you combine those (3) and (4) together, you'll see that there's not a reduction in resources.

**MR. A. BROWN:** My concern, Mr. Chairman, would be, especially in cases of child abuse, for instance, where I believe it was the former policy of Children's Aid Society that you didn't fool around too long. If there were evidence of child abuse, the child was removed until such a time as they were certain that the problem had been solved and that the child would have been looked after. In other words, child care and child protection was of the utmost importance. Are we now trying to keep them in a home and resolve the problem while they're still at home, or are we still awarding them the protection we were giving them previously?

**HON. M. SMITH:** There's no reduction of protection for abused children. I should just say that the Maintenance of Children figure is an open-ended figure. It's an estimate of what our caseload will be, should more children come into care and require care during the year that figure would go up. In other words, it's a guesstimate at this stage.

On the child abuse side, we are still removing children where we think it's in their best interest. So again, there's many kinds of abuse, it depends how you define it. If it's neglect, sometimes you can move in and by helping the parents, enable them to overcome that problem. Sometimes it's necessary to really remove them. The serious removal cases are when you're getting over, physical or sexual abuse, and certainly there's no backward move in that regard, there's willingness to move them out if that's indicated.

**MR. CHAIRMAN:** The Member for St. Norbert.

**MR. G. MERCIER:** Can the Minister tell us what the increase in funding is to the Child Protection Centre?

**HON. M. SMITH:** There's no increase to the Child Protection Centre.

**MR. G. MERCIER:** What is the existing level of service?

**HON. M. SMITH:** \$449,400.00.

**MR. G. MERCIER:** And what was it the year before?

**HON. M. SMITH:** Same, remember that that's just one component of the Child Abuse Program.

**MR. G. MERCIER:** Is there any provision in the Budget for dealing with third party child abuse?

**HON. M. SMITH:** The agencies are the responsible bodies to deal with that.

**MR. G. MERCIER:** Did the Minister advise that the Child Protection Centre received a grant which they had requested, probably at least a year old now, through the Core Area Initiative, but would have been dealt with by her department in making a recommendation?

**HON. M. SMITH:** We confirmed support for the centre and the core area has told us that their decision did not hinge on whether we supported the approach or not.

**MR. G. MERCIER:** How does a Minister justify no increase in funding for the Child Protection Centre?

**HON. M. SMITH:** The number of cases is levelling off but we also have been training people throughout the system to deal with, not only the emergency need, but the follow-up treatment.

We've developed protocols for nurses and doctors throughout the province to help them identify and deal with the emergency situation, and then we've been holding training and added some staff to the total child and family service system, to develop a capacity for follow-up treatment.

The emergency treatment in the medical setting is just one component in the overall Child Abuse Program.

**MR. G. MERCIER:** Mr. Chairman, that seems to be a consistent argument of the Minister whenever a problem is raised in this particular field.

The evidence is clear that the number of child abuse cases are increasing significantly and are having to be dealt with. The Minister finds it quite easy to increase money spent in administration by very significant amounts, for increases in salaries or in communications, but when we have a fundamental problem of child abuse, and we have a Child Protection Centre with people in it, particularly the doctors, McRae and Ferguson, who are renowned throughout Canada for their expertise in dealing with this particular problem, they received no increase in funding. We're told by the Minister that, along with the thousand and one other problems that the workers have to deal with, they're going to have to deal with this problem too.

The priorities of the Minister in this department seem to be out of step with reality and with the real problems that children, in particular, are facing. I find it very hard to accept the increases in administration, in communications, and in other areas that are more politically orientated than dealing with the real problem of children, for example in this particular area, with child abuse.

Now it's my understanding that this centre is the only agency or organization that deals with problems of third-party abuse. The Minister suggested that other agencies are dealing with that particular problem. That's certainly not correct according to representations that were made by, I believe it was, Dr. Ferguson, when I saw a program he was on during the winter on CBC, on 24 Hours.

**HON. M. SMITH:** The main increase in the incidence of abuse are occurring in rural areas and the Indian

agencies where we are developing the child protection programs. To put all the money into a Winnipeg medical emergency service wouldn't be putting the money where the need is most emerging.

In developing, we had a long discussion the other night about the child abuse programs. I have a long listing of the elements of it and the different groups of disciplines that are involved which I would probably be quicker to hand out rather than to read out. But to put all of one's resources into one central location when the emergency case, the need for medical treatment and examination, is occurring right across the province really isn't the best way to go. Early on, when we met with people from the Health Science Centre, they too said that they felt that a lot of their expertise would be better used out teaching other doctors and other workers how to learn from the very great expertise that they had acquired.

We have been using the Child Abuse Centre as a training place also for doctors from the rest of the province. Either they come in or there is an outreach by that expertise. Because, overall, I guess it is the way we found almost all of these emerging problems are that you can't just throw a lot of staff and a lot of money on emergency care. You have to develop the preventive, the early identification, the support for the legal process, the support for the medical examination and then the follow-up treatment of the child and the abuser and the family. It is that type of system approach that we have been working with.

**MR. G. MERCIER:** Is it not the Minister's policy to return abused children to families in which they have been abused?

**HON. M. SMITH:** The policy of the government is to have a multi-disciplinary group look at each case and each situation and get a court determination as to the appropriate handling of a child. In some cases, a child can be returned to the home. In some cases, a person can be put into monitor what goes on. In others, it would be quite dangerous to return a child to the family and sometimes there's permanent separation. What we do is put together a multidisciplinary group to examine each situation and make the most appropriate determination for that child in that family.

**MR. G. MERCIER:** Can the Minister answer this question; has there not been a change in policy under this Minister or this government, to return more children who have been abused to the family in which they have been abused?

**HON. M. SMITH:** No. The policy of this government is to make available, in a flexible form, resources to the workers in the field so that they can make the most appropriate determination in the case of the individual child; the goal being for protection for the child in the short run; appropriate emergency treatment in finding of evidence if it's going to be required later; and then proceeding to the court case, if that is indicated and at the same time, to the longer-term treatment of first to the child and then of the family unit. And only where there seems to be a very good indication of a secure return to the family is it practised, but those situations are monitored.

We've been helped a great deal in developing these policies and getting them to work well in the field by the very expertise developed at the Health Science Protection Centre where they've had a long enough experience that they're beginning to identify more readily the types of families which seem to respond well to intervention and help, and the ones that are really difficult. So we have a little bit more, I suppose you could say, diagnostic wisdom, but again the government is primarily interested in protecting the child, then treating and preventing, and wherever it makes sense to have the family reunited; and where it doesn't, to proceed with the separation.

**MR. G. MERCIER:** Where these families have been reunited, how many subsequent instances of child abuse have occurred?

**HON. M. SMITH:** One reason we've instituted a child abuse registry and a systematic approach is that we will acquire the ability to monitor and follow. We're doing the best we can with the kind of data and monitoring systems we have now; but the only way for it to be as successful as a human institution can be is to build up that registry and central monitoring because people are mobile. All repeat cases, should they occur, are charged as criminal cases, so there's quite a heavy response.

We talked a bit about the registry the other day where we register the child that seems to be at risk and we only enter the name of the adult, where evidence is firm. Again, the goal at all times is to provide maximum protection to the child.

**MR. G. MERCIER:** Is the Minister saying she has no statistical evidence of the number of cases where children have been reabused after being reunited with the family under their government policy, say in the last two or three years?

**HON. M. SMITH:** We are building the data; we have the different types of abuse collected over the years. The areas where they come, we have guidelines which require that, say, where there is a repeat there must be a criminal charge, so that there is the involvement of the heavier penalty, as it were, the greater seriousness of the case is looked at.

The guidelines have been developed in consultation with all the multidisciplinary professionals in the field to arrive at the most workable approach to it. Now the data are being developed, but I think we have said all along in the field of Child and Family Services that the failure of the previous 10 years, I guess you could say, of a systematic approach in Child and Family Services has meant that we are having to build the data from a somewhat inadequate base. We are moving along to where we will have more complete information, but it's in a developmental stage.

**MR. G. MERCIER:** How many criminal charges have been laid in the past three years?

**HON. M. SMITH:** 22 percent have proceeded to Criminal Court proceedings; that's a total of 155 this year, in 1984, which is the last year for which we have

the complete data, compared to 102 in 1983, and 73 in 1982.

**MR. G. MERCIER:** Was the Minister implying in her previous answer that it is only in cases of where child abuse occurs for the second or more times that criminal charges are laid?

**HON. M. SMITH:** No, it's that it is an automatic charge if there is a second incident. The multidisciplinary team makes the decision in the first instance, and where there is sexual abuse the police are involved, on both kinds of abuse, so that the determination is made by that group.

**MR. G. MERCIER:** Could the Minister indicate out of those numbers of charges then how many were sort of second time child abuse offenders where the charges went forward automatically, and not the first time cases?

**HON. M. SMITH:** We don't have that breakdown. It would be obtainable from a manual search. Again, the procedural guidelines for an automatic charge, if there is a second case, in a sense we have provided the procedure to deal seriously with a second one before we know precisely the incidence. As the system matures, we will get a more accurate breakdown, but we don't have all of that breakdown as yet.

**MR. G. MERCIER:** Mr. Chairman, does the Minister not think it important enough to examine those cases to determine the number of instances where abuse has occurred after the child has been returned to a family, after the first circumstances of child abuse, so that the whole policy of how and when children who have been abused are reunited with their family can be looked at carefully and some careful set of criteria can be used?

**HON. M. SMITH:** At the moment, we have already dealt with it procedurally. The director would review such a case, and a charge would be made if there were a second incident. Again, the counting can be pulled out manually, but we don't have it to hand at the moment.

I just want to say that I think it's partly true that when we are able to see, when we are dealing with repeat cases, it would be very important to know; but, in terms of the success of the program, we are still in the phase of public awareness and public reporting where we are still getting increased numbers being reported, particularly on the sexual side. The other, the physical, seems to be stabilizing, and we don't yet know whether we are seeing more occurring or whether we are just getting more being reported.

**MR. CHAIRMAN:** The Member for Kirkfield Park.

**MRS. G. HAMMOND:** Mr. Chairman, is there any program that removes the abuser from the home, rather than the child?

**HON. M. SMITH:** It is in the new act that is at committee stage.

**MRS. G. HAMMOND:** Then, just to carry this a little bit further, what I'm hearing is that the department and

the Minister have embarked on a new type of program where you try not to apprehend and you give services in the home or to the family, yet what you are hearing from people who are working with families and who are in the Family Care Services, and no one is saying it up front because that is just not the thing to do, is that they are not apprehending, and there are kids left there in crisis position because no one is apprehending. When I say no one, I mean that is an absolute last resort that is happening.

So a lot of people out in the Child and Family Services are feeling very concerned about some of the services because they are just not sure what they are leading these kids into.

I guess the question I want to ask the Minister is, if you put a homemaker in a home, how long does a homemaker stay in the home, and are they there 24 hours a day, and would there be one year, could they be there longer, what happens in a homemaker situation?

**HON. M. SMITH:** The protocols for child abuse have been toughened, rather than relaxed. They have been developed, and they are strong protocols, so that there is strong guidance and protection for professionals in the field who report suspected abuse. There are more alternatives available to families for the social worker to use in the field. There has never at any time, from my office or any other, been a direction that apprehension is not to be used. What the social worker in the field has been given is more alternatives. If they use a homemaker or a parent aide, there must be a three-month review on the placement, and there is a limit at one year. If the family has not been able to come around and manage the child, or overcome any dangerous tendencies, then another level of intervention is indicated.

**MRS. G. HAMMOND:** Mr. Chairman, the apprehension may not be right out, but as far as people who are out delivering care and also social workers, without doubt, are very nervous about apprehending today. Whether that was the meaning, and I think it is, I think the whole idea is to keep the family together.

In this case, what we have in the system are children at risk. It seems to make no sense at all to me to find the Minister coming to Estimates and not having any stats at all on children who are maybe abused a second or possibly a third time. Just because the courts automatically do something about it doesn't mean it hasn't happened.

I think that there has got to be some, I would say, immediate statistics brought forward so that we can be assured, not just that there is protocol in place. Protocol is darn cold comfort, and I would like to see something far more - well, I'd like to see some facts in front of us to say that this isn't happening a second and a third time. I don't care that somebody is automatically charged a second time. I would hope that they are charged the first time; I don't think that is good enough. I think that it is incumbent on the Minister and her department to have those figures at hand so that we can know what is happening because this is a whole new system that, Mr. Chairman, the Minister has brought into place, and it's just not good enough when we are talking about kids.

You can talk about caring, and you can talk about anything you like, and how much extra support there is, but I would like to have some facts that this is happening, that these kids aren't in jeopardy because of the system that maybe sounds good but maybe isn't that great in practice. I would like to see some facts here.

**HON. M. SMITH:** One of the uncomfortable facts is that there was no investment in statistics gathering years ago. We have put \$365,000 into this year's budget in a very difficult year in order to increase our capacity but, rather than wait for precise numbers, we do know enough about the situation to put in the procedures to follow. I submit that we would be more subject to criticism if we delayed in putting protocols. Protocols can be improved on, but not to have them there at all on how to deal with the more serious cases, I think, we might be remiss. What we said is put the protocols in that lean towards protecting the child and then gather your more precise statistics.

I agree, throughout these programs, that more statistics and more analytical capacity so that we can carefully evaluate what we're doing would be a help. But there are judgments that can be made in the field where you can act prior to having all the precise information.

If a professional in the field is operating from the basis that it's either all apprehension or no apprehension, then to me they haven't absorbed the basics of their professional training, which is to use judgment. What we have done is given them more varieties of option so that they're not just left with doing nothing or apprehending. They have a range of resources and remedies to call on and it's up to them to make that professional judgment. There is no artificial limit on the budget. If they chose to put more children into care, that maintenance budget can go up, the same as it would if more people had to go on social assistance. So there is nothing in the budgeting that is artificially pushing it one way.

What we have done though is give them more of a range of tools because you may remove a child and get a short-term solution, but you may be setting yourself up for an even more complex, long-term solution.

We also have to deal with the courts. It's a balance of rights between the individual child and the family. The courts traditionally have put very heavy demands on to any child and family system when they want to recommend permanent separation. We've done the best we can with a more precise law so that the courts get very clear direction to the extent that good legislation can give them clear guidance. We've made the resources available in a flexible way. But we are going to require good professional judgment from workers in the field.

I think again, if any individual case comes to light to the member that they know about and feel that there is some serious problem, then I think the onus is on them to report it and we'll certainly look into it.

But these agencies do have professional staff. They are working in teams. They do have many lines of communication where they can raise those issues. There certainly have been no directives from our end that

they must go only one way and not the other. They must use judgment in the field based on knowledge of the individual and the family and the situation.

**MR. CHAIRMAN:** 4.(b)(1) - the Member for Rhineland.

**MR. A. BROWN:** Thank you, Mr. Chairman.

I too must express my concern over this particular area of child abuse and the amount of money that we are spending. We did not receive a figure as to how much we were spending on the Child Protection Centre. Do we have that figure?

**HON. M. SMITH:** Yes, I gave you one.

**MR. A. BROWN:** Did we receive the figure? Okay, I'm sorry. Then I missed that.

Now when we take into consideration wife abuse, child abuse, I think this is an area where, as far as field service certainly is concerned about that and direct services to the abused spouse or to the abused child, that we're not doing nearly enough in order to look after the care of either one of these. There is no doubt about it that the advertising that has been done and so on has brought forth a lot of cases which hitherto before had not been brought forward, but they are coming forward now and we find that we really have very little money to follow up on these cases.

I hope the Minister is going to take that under consideration and possibly try to find some extra funding in that particular area because, once you start a program such as that, once a wife comes forward and declares that she has been abused, and we do not have the funding or the staff available or the facility available to look after her, then all that has happened is by her coming forward it has resulted in the situation getting much worse than if she never would have come forward in the first place. So, Mr. Chairman, we have to spend more money in this particular area.

**MR. CHAIRMAN:** I'm afraid the member is talking about 4.(e), Family Dispute Services.

**MR. A. BROWN:** Mr. Chairman, we are talking about programs - and I know that this runs from one area into a number of areas - but the Children's Aid Societys is involved in here and there are child care institutions and you have your program support, all this really is involved in this particular item. If we're not going to ask the questions here, we're going to ask them later on and I'll make those comments.

**HON. M. SMITH:** That's okay. We don't object to the questions.

**MR. A. BROWN:** So it really doesn't matter all that much.

But what I would like to express concern about at the present time is that the former Member for Wolseley used to be very concerned about all the group homes which were in that particular riding — (Interjection) — That's right. He used to refer to them as all the tree swingers that were moved into his area, which probably was not a kind remark.

But what I would like to know, is the Minister doing anything, because the Minister is in charge of many

many group homes, mentally retarded, Children's Aid and so forth? With the decision by the City of Winnipeg of licensing of group homes that they have to be a certain distance apart, one from the other, what has the Minister done in regard to selection of group home locations?

**HON. M. SMITH:** In our licensing capacity, we have been undertaking to try and spread the group homes around. One of the difficulties is that many group homes are initiated by various groups of volunteers, and they have tended in the past to initiate their programs in the areas where there are larger older homes that aren't too expensive. However, we agree that that haphazard development of social housing or group homes is not the best, and we have undertaken to look at geographical distribution of these homes in our licensing process.

**MR. CHAIRMAN:** The Honourable Member for Fort Garry.

**MR. C. BIRT:** Is there any correlation between wife abuse and child abuse in the sense that if you are finding one in a family you can almost be guaranteed that the other is going to be there?

**HON. M. SMITH:** There is a big overlap but it's not always a coincident.

**MR. C. BIRT:** Does the government have any monitoring agency or any policy or procedure in place that where one occurs they start investigating to see if the other is also there?

**HON. M. SMITH:** The programs on the wife abuse side are at an earlier stage of development, in a way, than the child abuse. In the child abuse side, we do have protocols where, when we deal with the child, we try to look at the total family situation. On the wife abuse side, of course, the shelters and so on that are provided for women and children usually will uncover a common situation, but you are dependent on the reporting system. In a sense, you can't live in the family and know where you are going to find it; you are dependent on adults or interested neighbours or teachers or so on to report. So we have set up a family dispute unit - that's under Section 4.(e) - it has both the marriage conciliation under the Unified Family Court and the - well, we are calling it Spousal Violence Program. There are occasional instances where the male is the victim, although they are not frequent. We have hired a co-ordinator and will be, here again, doing a lot of training of the network of people out in the system so that they are better able to identify and deal with this particular social program.

But you often find that both wife abuse and child abuse, you may have seen that person for some other reason, and now that people know how to dig a little deeper and get at the underlying issues, they often come to this sort of common cause of distress.

**MR. C. BIRT:** I don't think the Minister has said this, but is it the intention to put in a co-ordinated check system? You know, you have a registry, I think, for child

abuse, and the new Child and Family Act calls for a Central Registry, is it the government's intention to get to that point so that you are not perhaps picking something up on a way-out peripheral referral thing, and it may take some time before you can pick up the other concerns, whether it be the wife or the children involved?

**HON. M. SMITH:** Yes, actually I think that would be a fine idea and we could build in the same notifications and so on so that people won't find themselves - you know, we have to again balance when you are keeping registry and records, the rights of people to privacy and some protection for their individual rights. That's, of course, one of the great advantages if we get the centralized computer system, that we could use it that way. Again, it would need careful design to balance the need for confidentiality and protection of individual rights.

**MR. C. BIRT:** Mr. Chairman, referring now to some of the information given to me about the Legacy Fund and the motion that was provided to me, a series of motions. As I read the fiscal statement for the year ending March 31, 1984, there is some \$600,000 in the Legacy Fund. There is a General Trust Fund, but concentrate primarily on the Legacy Fund. First of all, I am making the assumption that the fund is about the same size at the end of this year as it was last year. Am I correct?

**HON. M. SMITH:** About the same.

**MR. C. BIRT:** Thank you. Now I am also advised that the series of motions provided to the Minister, or at least to the department today, by the Interim Board of the old CAS of Winnipeg, deals with certain motions. I would like to deal with the merits of some of these motions. It's really a plan of action on how to disburse the money.

Is the Minister in any position to talk on the merits of it, because I have a series of questions on it? If not, maybe tomorrow or the next day might be more appropriate.

**HON. M. SMITH:** We are supportive of the general approach. We have again just received these motions and want some time to look at them in detail, but we would appreciate hearing any questions or concerns. When we originally identified the fund, of course, it was realized that it belonged to the CAS Board and, as the Interim Board that we had appointed was increased throughout the year with people named from all the regional agencies, it has become quite a representative board and, therefore, we feel that that collective group and the recommendations they would make, we would certainly predispose to accept them.

**MR. C. BIRT:** The money that is being administered by the board, the board is acting as a trustee or trustees for that money, and the thrust of the resolution seems to be in one aspect, to give a specific sum of money to the Ma-Mow-We-Tak Organization of some \$100,000 and then there is a motion to set up a children's foundation and then the balance is to be distributed

in a certain manner. Firstly, why is not all of this money being turned over to a children's foundation?

**HON. M. SMITH:** Well, I presume that the group looked at a variety of ways of settling it and as you know the breakup of the one large and two small agencies, into six more equal size, there are some things which need to be worked out by the group in a way that they all accept. They seem to feel that if they divided it up this way, each group would feel that it had in a sense, ownership of a proportional amount - proportional based on the caseload - and that they would then be free to put it back into the foundation with themselves in a sense having some legal control over it. So it looks like they're intending to achieve that without going in quite such a straight line.

Now again, I don't know whether they would in turn put it in with some criteria as to how they wish to use it or whether that would be worked out in whatever decision-making set up they have, but I guess they found that this was something that they all considered fair.

**MR. C. BIRT:** The concern I have is that it's not their money; someone else dictated how that money was to be used and the people who are administering are merely trustees of that fund, so really no ownership falls to the board as to how they see fit to do it. So I'm having a little trouble here because, is the Minister saying that if this money is distributed to the six agencies, then the government will pass an Order-in-Council compelling it then to be recircled back into the children's foundation which is to be established?

**HON. M. SMITH:** I understand that most of these monies, all of these monies really, we're given to Children's Aid to manage on behalf of children, not with specific instructions that when there's a legacy with specific instructions, people are more likely to give it to the Winnipeg Foundation. So that again the legal successor, in a sense, to the Children's Aid are these groups. The existing board prior to its dissolution, is recommending this disposition and as I understand their legal right, they do have that.

**MR. C. BIRT:** Well, as I read these motions, they can siphon off this money for their own use and some of them may give some money to a children's foundation. So out of \$600,000 approximately, there's at least \$10,000 to create the foundation and then after that it depends on voluntary donations. The question I ask of the Minister is, will it be part of the Order-in-Council passed by the government that will compel each of these agencies to turn over all of the money received from this trust account to this new children's foundation?

**HON. M. SMITH:** The expectation is that they will turn it over to the central group; but whether they do or run it separately, they'll still have the same legal obligation that the previous board had. If it was restricted, then it will be restricted. If it was general for whoever's the legal body entitled to run Children's Aid Services, then it will be that group. The new agencies are the legal bodies and they have the same rights and responsibilities.

**MR. C. BIRT:** But the motions of this unified board or this community-based board, plus the appointees of the government says to the Ma-Mow-We-Tak group, you can have a \$100,000, that's it, there's nothing tied to it. Then we'll allocate \$10,000 to create the children's foundation and then maybe some money will be handed over and there's nothing in here that puts any control on them on how they're to handle it. There's nothing to say that they can't mix this into their funds. As the Minister indicated, her department is only providing 95 percent of the funding and they can use alternate sources of revenue.

Now this money was set up in a trust for one specific purpose. If the method of delivery of service is to be changed, fine; but if the whole question of trust monies for children is to be breached, then I have some concern. There's nothing in these resolutions that says these monies will be carried out in the same way, in the same manner, as they were before and in fact, it would appear that they can use it any way they want.

**HON. M. SMITH:** Well, the Ma-Mow-We-Tak group are an integral part of the service delivery to children. These funds were left for the well-being of children; over 60 percent of the children in the system are Native children and it's been one of the reasons why the Ma-Mow-We-Tak centre has been developed, to try to get more involvement by the Native community in delivery of service by Native people to Native people in a culturally appropriate and acceptable way, because it's believed that they're going to be able to do part of the job as well, or better.

If the group that has the legal responsibility for terminating the old CAS in a sense passing on, there has to be something done with the fund. If they've agreed with this, and they have legal advice, again I don't think I want to get a legal review of it too, because just to assure myself. It seems to pass the test but I want to study it and again, if what the member is saying is, have they looked at this other way of doing it? I suppose they have. I'm more concerned about the legality. If they recommend this use of, what in a sense is their joint legacy, I'm predisposed to accept it unless my legal advisors tell me there's some impediment.

**MR. C. BIRT:** My concern is not necessarily whether they can legally do it or not, it's a matter of public policies and anyone can do anything they want.

In the previous operation of this, the funds created under this legacy fund were kept separate and a separate accounting was kept of them. In fact, at one time the same accounting firm had recommended that the trust monies be included as part of the asset base of the Children's Aid Society to secure their loan. Quite properly, I think the boards of the day said, those were not funds that belonged to the agency for their purposes. They were there being held as trust monies for the use of the children.

So the concern I have is that it would appear that there's a fair amount of skimming of money for whatever purpose necessary that could be used to buy furniture; it could be used to buy cars. It is not necessarily a guarantee that it will be used or should be used in the direct manner that the trust fund was planned for.

If these funds were received on behalf of Native children for a specific purpose, then it should be carried

out that way. I'm afraid that, yes, legally they can pass all these motions and probably, legally, they can allocate these funds to be responsible for the six areas but, once this money is gone, it can't be replaced.

So I am merely indicating to the Minister that, quite frankly, I don't care if they can legally do it, it is more of a moral and a social issue here, and a policy issue, that one should protect these funds for these children. Because, for whatever reason, why did they get it; what's it to be used for? Quite frankly, I'd be surprised if the Minister found that you would just fritter it away.

I like the concept of a children's foundation because it is there, obviously, under control and to be used for specific purposes. I have no quarrel with that type of an approach with this thing considering there is going to be a change in distribution. But I do, as I say, get concerned about the lack of accountability and the ability to really, in effect, do with the money as they see fit. I don't think that is what the purpose of the whole program was for.

So I would hope that the Minister would look beyond the legal aspect of it and look at the broader policy implications. As she will be bringing the Order-in-Council to Cabinet approving this, I would hope that she would look at the whole broad issue of the support for children that this fund was created for.

**HON. M. SMITH:** I welcome the suggestion, we will certainly look at setting them up as a Legacy Fund which has a formal accounting process tied in with it.

**MR. C. BIRT:** There are in the same motion, three, maybe four, three group homes are to be turned over to this corporation, and we discussed that earlier this afternoon. I note in the financial statement on the trust funds that there were sale proceeds of group homes, and those sales were included in the trust funds. Are the group homes that are being turned over to this corporate shell - and I'm referring now to 254 Bannerman, 273 Oakwood and 212 Lipton - do they belong, and/or are they part of the assets of the Legacy Fund now?

**HON. M. SMITH:** They are to be looked at as straight assets of CAS Winnipeg and will be turned over to the corporation we discussed earlier to do some of the windup detail and to handle the receiving function for a maximum of three years, pending a resolution of how that function is to be developed.

**MR. C. BIRT:** The point that I am raising, and I know the Minister hasn't answered it, is that are these three homes currently the asset base of the Legacy Fund of the old Children's Aid Society of Winnipeg. It would appear to be that they did own some of the group homes, and they have sold them during the year of 1984.

**HON. M. SMITH:** Apparently they were purchased from Legacy Fund money, and what we'll have to check into is what was the term of that decision. Was it money that was handed over, in a sense, for the purchase and then the CAS Winnipeg owned them and did with them what they would; or was there some retention of ownership by the Legacy Fund? We'll have to look into

that before we determine our reaction to Motion 8. It may be that is a complexity that is a little different, that would mean that we couldn't do just as they've recommended. But they are good points, and we'll undertake to review them in our analysis.

**MR. C. BIRT:** Thank you.

**MR. G. MERCIER:** Mr. Chairman, while we are dealing with the old Children's Aid Society and the interim board that the government appointed, I want to raise the Pitzel case, the case in which the less than a quorum of the interim board appointed by the NDP made a decision to take away a three-and-a-half year old child from the Pitzels with whom she had been since she was eight days old. Contrary to the opinions of every Children's Aid worker and expert involved in the case, the Minister persisted in allowing that situation to go on and on. The case went to court a number of times - I believe the Pitzel's lawyer obtained an injunction against the Children's Aid Society. Then, at the last moment, finally taking some advice from an expert involved in this situation, in this case legal advice, the Pitzels were allowed to keep the child.

It was, in my mind, Mr. Chairman, an unbelievable experience for a set of parents to go through, particularly when nobody but two members of the five-member board were of the view that that child should be taken away. Nobody in the child-care system supported that decision.

As a result of that case, I believe it was reported publicly, the Pitzels received a legal bill of over \$7,000.00. Every other lawyer in that case was funded by a public agency, except the couple who were looking after this child, who looked after her since she was eight days old.

My question to the Minister is, in view of those circumstances, how can she justify not providing some financial assistance to that set of parents, the Pitzels, who were the only party to that legal action and had to pay their own bill? Everybody else was funded out of the public purse, a completely wrong decision, simply unsupportable by the interim board appointed by the government. How can the Minister justify not compensating the Pitzels for the legal expenses that they incurred? They can't compensate them for the trauma that they went through and the publicity they went through, and everything else they had to go through as a result of this wrong-headed decision by the interim board, but at least they could be compensated for their financial expenses they had to incur to keep the child they'd looked after since she was eight days old. How can the Minister not justify compensating them?

**HON. M. SMITH:** The case that the member is referring to was a difficult case. It caught the system, as it were, with child welfare legislation that didn't deal maybe in as full a way as one would hope, and of course one reason we are moving to better legislation and better guidelines is that we can have better guidance for people in the field to prevent that type of a conflict situation. In fact, the case was eventually settled outside of court by Judge Hamilton where he, I think, got the conflicting parties to negotiate and come to a reasonable agreement.

One of the underlying issues had to do with Native people feeling very distraught at having seen a lot of their children separated from them for reasons that were perhaps good and sufficient in their day, but maybe in retrospect according to the Kimelman studies, questionable public policy; and we were in the process of trying to change our procedures and law and services so that we could have a healthier process in the future. In a sense, this case came both before the guidelines and the new legislation were in place.

Now as public policy, we didn't have an obligation to pay legal fees for foster parents. I guess when you look at whether you should or you shouldn't, there is always a desire to help people who have got into a particular difficulty. On the other hand, if you set the precedent of paying legal fees for one set of foster parents, you're running into it again and again. There is a Legal Aid system there to help people if they need legal help and can't afford it and it's a generic service that's available because we felt that, given all the different factors that entered this case, the court system is there to help resolve difficult issues where the law is not perfectly clear or the guidelines don't help people work out the case at the ground level. There are situations where we, as a government, have to let that process take its course and live with the result and learn from it what we can.

I think what we now have, which are the guidelines in the new legislation, that such a situation should be dealt with very early on and negotiated, not be allowed to get to the point where you have such strong conflict of values.

**MR. G. MERCIER:** Mr. Chairman, is the Minister suggesting that the Pitzels (phonetic) were in any way responsible for what happened?

**HON. M. SMITH:** As so often happens, they were caught in a situation where social values were in conflict. There are complex issues out there, and their case came up at a time when neither the law nor the procedures were fully able to deal with it in a timely way.

What we think we have in place now with the new guidelines and with the new legislation is a system that should help those kinds of cases get worked through in a humane and mutually satisfying way earlier on and close to the ground, as it were. There still will be the odd case that doesn't get resolved that way and will need to go to court.

In this case, they went under a different law than The Child Welfare Act. So as you know, as a lawyer, some of our laws are not all co-ordinated and that's part of the legal system we live in. But we've done the best we can to develop a co-ordinated and as wise a set of laws and guidelines as we were able to come up with at this point in time.

**MR. G. MERCIER:** Mr. Chairman, I believe this is one of the most heartless and cruel decisions I've ever heard anyone in government make. To allow this kind of a situation to go on where everybody in the child care system said the decision by two members of the five-member board - and it was only made by two out of five, not even a quorum - to put this couple through

this traumatic experience, combatting lawyers all paid by the public purse and, thereby, incurring their own personal legal expenses of over \$7,000 to be paid out of their own income, I find this just unbelievable, just absolutely unbelievable.

I don't think there is any danger, I certainly hope, that this would be a precedent, because I would hope that it should never ever occur again in the child care system in Manitoba. I find it unbelievable that the Minister and the government would not provide some compensation to this couple for having the expenses they were put to in combatting this silly decision by their interim board.

I would ask the Minister to explain how the standard for adoption of Native children differs from the standard applied to all other people in Manitoba?

**HON. M. SMITH:** The only way there would be any difference to an ordinary adoption would be that, where a Native child comes up for adoption, the guidelines outline a series of choices which the worker is to explore, favouring first of all placement in the extended family; failing that, if they are status, in the band of origin; failing that, in the council region or in the broader Native community again, as one factor among all the factors. It's not the only factor, but there must be a conscientious search to find a culturally appropriate placement.

**MR. G. MERCIER:** Is the standard of home and care of the child not different?

**HON. M. SMITH:** The requirement is for a safe home and an emotionally nurturing home. There might be, depending on whether one was thinking of whether there was indoor water or flush toilets or something of that sort, more willingness to look at community standards. But the basic health and safety issues would have to meet a minimum standard, and attention would be paid to the nurturing capacity of the parents.

**MR. G. MERCIER:** What follow-up has there been on children placed for adoption in Native homes on reserves?

**HON. M. SMITH:** Hold-up?

**MR. G. MERCIER:** What follow-up?

**HON. M. SMITH:** Follow-up. It's the same practice as elsewhere. There is follow-up in the first six months, supervision. Then the court would finalize, so they would have to have evidence that things had worked out all right.

**MR. G. MERCIER:** Mr. Chairman, is the Minister denying that, in a number of instances, Native people on reserves have not allowed child care workers to come on the reserve to investigate concerns about the care of the children?

**HON. M. SMITH:** The Native agencies are responsible for the supervision and, in the sense that they have their supervisors on the reserve, they don't require people coming from off-reserve once they get their mandated authority. If the member has specific

instances where he thinks proper procedures haven't been followed, he should bring them forward to us so we can look into them.

**MR. G. MERCIER:** Is the Minister denying that her office and the Premier's office have on occasion been contacted by Native organizations who want to prevent child care workers coming on the reserve to inquire into the care of certain children?

**HON. M. SMITH:** We're not aware of any such case. If the member again has specifics that we are not aware of, if he would bring them to our attention.

**MR. G. MERCIER:** Mr. Chairman, the Minister has said that, once you form these Native child caring agencies on the reserve, they are responsible. Does not the Director of Child Welfare retain ultimate responsibility?

**HON. M. SMITH:** Well, it works the same way as with any other agency. The supervision powers are delegated to the agency, particularly under the new guidelines. If there is any dispute, if any party feels that correct procedures aren't being followed, they have the right to raise the issue to the director. Those are the safeguards, I guess, we have built into it. But the agencies are required to evaluate their program and, in a sense, meet standards of care and management. There is a lot of training going on and, in a sense, I suppose anyone on the . . .

**MR. G. MERCIER:** Well, has the Director of Child Welfare or the people working with him been at any time prevented from evaluating the program or inquiring into specific cases of abuse of children who come under ostensibly the supervision of these Native child-caring agencies?

**HON. M. SMITH:** We don't know of one.

**MR. G. MERCIER:** What evaluation has been done of the adoptions of Native children handled through these Native child-caring agencies on reserves? Are they successful? In what way are they comparable to adoptions off-reserve?

**HON. M. SMITH:** At a little more than two years, it's early to get an adoption breakdown, if we can judge by what occurs under the standard population. The Dakota-Ojibway Child and Family Service has undergone a formal evaluation process. We're going through a tripartite evaluation as we move into the renewal of those agreements. The court does an evaluation at the point of adoption, if there are any breakdowns of adoption, we are advised.

So there is monitoring, or at least one can move in, and there is monitoring of individual cases, not frequent on all, but there are certain cases that we do. There is quite extensive monitoring for the first six months.

**MR. G. MERCIER:** How many breakdowns have there been?

**HON. M. SMITH:** We will have that kind of data coming to us regularly as the new information system gets up

and running, but it is certainly not a chronic problem, because we are not aware of it sort of popping up frequently. The figures at the moment are in there, but they haven't been spotted as anything untoward.

**MR. G. MERCIER:** Well how many have there been? You said they were reported if they were breakdowns. How many have there been?

**HON. M. SMITH:** The report goes into the individual file at the moment. As I say, in time, we will have the statistical summaries coming to us regularly. The information could be unearthed, but we don't have it quickly accessible.

**MR. G. MERCIER:** Mr. Chairman, I find that difficult to believe. The government instituted a particular policy almost three years ago now, yes three years ago. I believe it was in April or May of 1982 that the former Minister brought this in. The Minister is now saying they don't have any statistics available, any evidence of the Director of Child Welfare monitoring this whole new policy so that the Minister could at least come to this committee and try to justify what the government has done.

**HON. M. SMITH:** We can get you a figure by tomorrow. Again, our experience is, if we get adoption breakdowns, it generally occurs during the teen years. It hasn't come forward with such frequency that it's been starred as a major problem. We can draw that number for you by tomorrow. We don't have it tonight.

**MR. G. MERCIER:** What is the ratio of adoption breakdown in other than Native adoptions?

**HON. M. SMITH:** I think the issue here is how do we get appropriate and effective evaluation. We have resources allocated to improve our ability there. Again, when you're doing a comparison, you have to look at matched groups and so on, you have to set it up in a fairly careful way. But, as I say, that's the type of analytical information that will increasingly help us fine tune our program in future.

When you don't have precise stats, what you do is go by the experience of people in the field, and try to draw the best policy conclusion out of it and then, as you progress, you can fine tune it. We certainly hope to be in a position to do that kind of finer evaluation, but it's a mistake to think that we've had that capacity province-wide in the past. The system hasn't been developed to that point at this level. There may be a lot of that data at the local level, but it's never been aggregated to where we had province-wide stats.

**MR. G. MERCIER:** Mr. Chairman, I appreciate that, and I don't believe there has been any type of post-adoption evaluation that has gone on in the past. Is the Minister and this department committed to a program of post-adoption evaluation in order to develop some criteria, some principles and some policies that might be followed? I frankly am not aware of it being done anywhere in Canada. It's something that I believe certainly should have been done, and should be done in the future. Is the department committed to doing that type of evaluation from here on in?

**HON. M. SMITH:** Again, I think the issue raised is one that's probably had a longer history than I'm aware of. The principle behind adoption has been that there is attention paid to preparing parents, selecting child and parent for the best possible match, and doing the six-month intensive review prior to a court finalization. But once the court finalization has occurred - I'm not sure what the legal term is - then that family has all the rights and privileges and obligations of an ordinary family. If they were having difficulties or whatever, or there was abuse and neglect, they would come under the same regime as an ordinary family. There hasn't been a desire to impose on them either anything more rigorous or, in a sense, anything more supportive, I guess you could say, than exists for the general community.

Now if it's time for a great leap forward and some new concepts there, I think they would be worth discussing. It's probably the type of study that we need a lot more of. We need more research into what's going on in other provinces; has that been done elsewhere; what's been learnt about it; what are the things to look for?

I guess we're all too painfully aware that there can be post-adoption problems. It's certainly one of the issues that the Native community have been very concerned about with regard to the adoptions down to the United States. I think, from the past, we've just never had the kind of data that would enable us to know whether those adoptions broke more often than others or whatever. I think we have to develop more sophistication in that regard.

I would be interested in the member's views, whether he thinks we should move to an ongoing supervision of adopted parents. How long should it last? What form should it take? When does an adoptive family become a real family? I don't know the answer to that.

Most of our evaluation works rather like, in a sense, the legal system where you try to evaluate court decisions and you find that there is very little mapping of trends or tendencies. It isn't aggregated, what you get is the unusual case. A lot has been that way in Child and Family Services where evaluation is on a case-by-case basis, not the overall statistical type of analysis. We would like to get to where we have that type of information. I guess, to date, it's tended to reside in the judgment of people experienced in the field and their personal review as professionals. But I think in future the more fine tuning, the more testing of some of our ideas we can do with research and evaluation, the better.

**MR. G. MERCIER:** Mr. Chairman, I'd like to raise a matter I asked the Minister about during question period with respect to her new act. Has she had that act reviewed in the light of the decision in Ontario regarding their child welfare legislation, in view of the concerns that have been expressed about discrimination?

I think I saw the head of the Children's Aid Society in Ontario the other night on a national program saying - I believe it was The Journal - that as far as he was concerned, the test will remain in Ontario the best interests of the children. He would recommend to the government that, if necessary, they opt out of the Charter of Rights in order to ensure that principle is maintained.

**HON. M. SMITH:** We have had some discussion around it. Again, I guess issues around the Charter are not going to be finally decided in our lifetime, and there may be some that are going to require legal definition. It's, I think, our opinion that we had an era of non-discrimination in Child and Family Services, and much was accomplished as people became more accepting of different racial-cultural groupings, but there also were difficulties. I'm certainly not Solomon who can say in every instance it's right to go one way or the other.

I think what we do know though is that racial-cultural factors, maybe cultural linguistic even more than racial but racial is one factor, are of more significance to an individual's emotional health as they're acquiring self-concept and learning to find an identity than we used to think. I think that's about all I would care to say. I don't think there are absolutes in this field.

I think we're saying, in an intimate relationship like a family, that other things being equal it's wise to look at cultural, linguistic factors. I think probably the best argument for upholding that has been not so much that adoptions haven't worked out where a child's been placed in a different racial family, although there are always some that break down, but the patterned experience of the Native community where, often for reasons of poverty and social problems that they were encountering that would be amenable to some help, very large proportions of their children were moved out of their families and communities. I think it's been that whole social problem that, through Kimelman and so on and his studies, we have been trying to address and work our way through.

Certainly at the moment, I think we'll beg to differ with the Ontario position, recognizing that those kinds of issues may take many years to work through the courts. We may end up just agreeing to differ. What the legal disposition will be, I don't know. But I think, until that gets resolved, our preference is to go along with the act as we've developed it.

**MR. CHAIRMAN:** The Member for Kirkfield Park.

**MRS. G. HAMMOND:** Mr. Chairman, what percentage of adolescent girls are keeping their babies?

**HON. M. SMITH:** We don't have the exact stats but for ballpark figures - and some of these would be married - they would be, 18 and under, around 2,000 births a year, of whom 600 receive service from our agencies. Of those 600, there are about 120 youngsters that are put up for placement. So that would mean 480 are keeping. Then I guess all the rest of that, another 1,200 to 1,400, are either in a married situation, they're keeping as a single parent, or perhaps in a family setting, the parents.

**MRS. G. HAMMOND:** I'm specifically asking about certainly the under 18's and the unmarried. I'm wondering what percentage are around the 15 and 16 age who are keeping their babies.

**HON. M. SMITH:** We're dealing roughly with the two groupings, the 16 and under and the 17 and 18. In all cases, to keep the child, there has to be a plan that meets some basic standard. Usually, the younger ones

meet those standards by living with the extended family. The older girls, 17 to 18, again must demonstrate some capability of parenting and have some kind of plan of how they're going to manage.

**MRS. G. HAMMOND:** Could the Minister explain what kind of plan and what kind of help is given to young moms who are on their own?

**HON. M. SMITH:** They would have to either have a way of earning their living, or have acquired social assistance. They would have to accept counselling where they could get some insight into their situation and their choices and could be required to attend parenting groups. Again, it's an area of work that needs further development. It's not something that we feel is fully developed.

The resource centre model out of the Child and Family Service groups is sort of a good way to start meeting some of those problems in a neighbourhood way where they can be identified and helped.

**MRS. G. HAMMOND:** Mr. Chairman, a lot of these kids, I understand, that are keeping babies have a lot of problems themselves. It's like babies keeping babies. They want something that is their own and something to love. But in a lot of cases, and the Minister would know probably from having children, as any of us do, that even with the support in a home with two parents, that it is very difficult when we have a young baby who constantly cries and just doesn't sit there and look pretty. How much abuse goes on, and how much abuse is found with young adolescents keeping their babies?

**HON. M. SMITH:** I guess young women are like older women, only less so or more so; it is very hard to generalize. I guess everyone sees children partly as something to love and feels a bit possessive about their children. I know of my own memories of my feelings with my four, and I was into my 20's. I certainly had those feelings.

Again, the rights of the young women are respected, but they are balanced out with the requirement of some kind of plan and indication and maturity. What we do know is that of the total abusers, of whom we have almost 700 cases a year, around one-sixth of them are under 20.

Now, we don't have the breakdown by sex of the age categories. We do know that overall, of 693 cases of abuse, we were able to identify a male abuser in 493, a female in 209, and uncertain - not meaning uncertain sex - but uncertain which had caused the abuse in 47. We don't have the breakdown by age though.

**MRS. G. HAMMOND:** Mr. Chairman, is there any counselling to these young mothers that the best thing for the baby might be to give it up?

**HON. M. SMITH:** There is mandatory involvement with the agencies by the young parents or the parent, as the case may be. I guess the understanding of counselling can vary. Some groups traditionally thought that older, wiser people told young people what to do and then how to do it. Another school of counselling

is that you help the young person think through their situation and look at what is available, the pros and cons, try to think forward to the possible consequences, and then to try to assess their own strengths and weaknesses on the basis that that is, if you do that, rather than just a crisis situation, over a somewhat extended period of time. But then the young person is best able to make a decision.

There is, what we call, a service that is called Birth Resolution, that is, making a decision about how to handle the birth. It is mandatory, the complaints we tend to receive are that the workers are too biased to removing the babies. These things go a bit by - I wouldn't say fads - change of attitude. I think the truth is, there is no easy answer. Many of our grandparents or great-grandparents probably married and had large families starting at a tender age. Now it is more common to think of people being in their late teens and early 20's and older.

The mandatory involvement with the agencies has been the one method we found to try to bring some realism and maturity, but I don't know of any jurisdiction that would just move in and say, unless you are of age, you can't keep the child.

I don't think the courts would back us up if we did say that. It is like a lot of human problems. Probably we have to get back to a lot of family life education, and access to family planning information and services, and healthy development of young people. There are no easy answers in this field.

**MRS. G. HAMMOND:** Could the Minister indicate what increase in grants was given to the Pregnancy Distress?

**HON. M. SMITH:** The Pregnancy Distress Service that I am familiar with is funded under Health. Some of the people involved in it did develop a Young Parenting Program and got funding under Core. They came to us, sort of at the end of our budgeting year when they thought they weren't going to get a renewal at Core, to see if we could pick it up. Since that is the type of programming we anticipate the agencies purchasing, and since we were running a pretty tight budget line ourselves, we didn't agree to move in right away with the program, but wanted to talk to them for next year. We urged them to go and see if they could get bridge funding from somewhere else, but we are still talking. It is very hard to add on a lot of these services when we are trying to maintain what we have. At the same time, we acknowledge that it is a needed service and a desirable one.

**MRS. G. HAMMOND:** Mr. Chairman, the whole emphasis certainly seems to be prevention, and yet when an agency or a service like the Pregnancy Distress comes along and needs money for exactly this type of help is needed, the money isn't there.

I can't help but wonder about when we have a young mom - and I am talking about the 16 and under, I won't even talk about the 17- and 18-year-olds - but the 16 and under, these are just kids themselves, and I am wondering what the balance is when they go in and when they go to a young mom who is going to have a baby or has just had her baby and they tell all the supports there are because you can go on social

assistance. I imagine that they can get a homemaker if need be; there's all sorts of assistance for them to keep the child. But where is the balance? These kids aren't able to look after themselves, let alone a baby at that age.

Maybe you can't arbitrarily go in and take a child. I certainly don't get the feeling that there is any area where you have people that are stressing, and if as the Minister says, the workers are biased in removing, I imagine that they are biased about removing children and want to remove them because they have seen these kids with kids of their own and how hard it is to cope. How long can you keep a homemaker? How long do you keep the support services up? Is one year enough when you have a 15-year-old? Probably not.

Very few young kids, I would imagine, are good mothers because today isn't like years ago when our grandparents, as you say, had children young. That was the pattern - families all around them - but today this isn't the pattern. Their friends are out having a good time, everybody is doing all sorts of things, and they are stuck at home with a baby.

I am wondering what kind of help these kids are getting to steer them in such a way that they will give up these babies.

**MR. DEPUTY CHAIRMAN, D. Scott:** Madam Minister.

**HON. M. SMITH:** There are no easy answers. We do require a good plan which doesn't automatically give them homemaker help and so on. So I think anyone who has known a young woman who is raising a child on social assistance on their own would know that it's not an easy road. I think the counselling tries to be very realistic, but to arbitrarily say that it's always right or always wrong is one solution. Biology doesn't seem to respect the age that we think education and maturity and employment are all there. Many people mature as their children grow and I am sure I count myself as one of those. I don't think it's ever going to be an area of public policy where there is an absolute answer.

I agree that the more networking we can do so that if that is the path a young woman has chosen that she can do it with some dignity; and emotional support is important. At the same time I think to have young women also able to give up a child, and there are certainly adoptive parents around who are eager to have them, is also a worthy decision for some. I think counselling that tries to help a young woman be realistic is very important.

I think anything we can do to create better neighbourhoods and community connections, the more likely a young woman will be to make a choice that she can live with rather than one where she is just feeling terribly lonely and neglected and sees the baby as a doll or a toy or a warm puppy. I mean those are very sad cases but it's part of the human experience to be very devoted to your own offspring for whatever reasons, and I don't think we can just move in too heavy handedly.

I think the current practice does require a fairly specific thought-through plan, and most young women I know are eager to get out and get some training and get some work and often manage quite well but it's not easy. I don't think there are any easy answers in this field.

**MRS. G. HAMMOND:** Mr. Chairman, that brings up an altogether other point because how long do you keep the supports for these young moms if they choose to keep their babies, their children, and then they want to get training and get jobs because if they're 16 they won't have had much schooling, what day care is available for them then? What support is available for their children? There is nothing - when I say nothing literally nothing for children under two - so how long then do you support these young moms? How long do they keep that system up?

**HON. M. SMITH:** There is not enough of any of these services, but there are some services and there are training programs that provide some support for family needs and many of them are able to make formal or informal arrangements for their youngsters. The day care program is an essential part of the total scene. But even when we plan ahead for day care and to meet that need, there is still a substantial proportion of people who are able to make their own arrangements and some of these young women, even when they are quite young, are still pretty resourceful. So again I don't think we should look for simple answers or the same answer for everyone. Most of the ones that I run across have a fair desire to get out and get some training but not all of them, certainly.

**MRS. G. HAMMOND:** I would like to just go back to the - I guess it's the Young Parents Community Centre project that was preventative programs for young mothers. Back in 1983, Mr. Leskiw was the program director at the Core Area Initiative, and Mr. Alcock had written saying that: "Community-based, inter-agency preventative programs for young mothers and pre-school children such as this one are entirely consistent with the overall reorganizations of Child and Family Services in the City of Winnipeg."

Then we go on to March of 1984, and another letter to Mr. Leskiw concerning the same community centre. It says: "Further to your request, I would like to advise that my department will look at the appropriate funding when the Core Area Initiative grant terminates in two years."

Then we come to 1985, and the Minister is writing to the chairman of the Young Parents Community, and says: "I regret to advise that this funding is not available, and I would encourage your committee to explore other funding options."

Now the department has been aware of this coming along for the past two years in any case. To say that it's come at the end of a fiscal year, I don't think, is accurate or is the case at all, because the correspondence certainly started in '83, and well aware that they were going to be approached for this type of funding. I think that if the Minister and if the department is sincere at looking at prevention this is an area that certainly should have been encouraged because, as the Member for St. Norbert indicated, there seems to be all sorts of resources for highly paid staff, but there are not the resources right down at the street level where you need it.

**HON. M. SMITH:** Core had planned to be in it for two years, and only stayed in it for one. We have got it as

one of the things we hope we can do next year. But one of the problems with the whole social service network up to now has been that a group comes and they get funding, and what you have are very spotty systems where you get a little package of service here and not over there. What we're trying to do is develop a system that has more capacity to provide a network of services. The money for this type of program is what we are seeing flowing through the Child and Family Service agencies.

It's a marvellous type of resource centre program, just the kind we've envisioned and would like to see occurring. We are still talking with them, and there is a rate that we could pay where there are wards of the department using the centre. But there are unmet needs throughout the community service area, and the rate at which we can expand the need has a lot to do with the overall, fiscal capacity of the province. There just is not perfect elasticity to meet all the need.

I agree that it's a good preventive program and a good developmental program. There are a lot of other needs out there, too, and we have to arrive at some system where the prioritization and the planning is done.

**MRS. G. HAMMOND:** Mr. Chairman, I guess I just have to say on this area that it's true, as the member is saying, that your department has encouraged them to come back for funding. But I would just think that, even though I know that the idea is to have an overall service but, at the moment until that's in place, there are going to be certain community services that will arise.

If the Minister had felt that this was a deserving program, I think then that it possibly could have gone to Treasury Board to get some of that advertising money, because 30,000 out of that budget is just a drop in the bucket. I think that this is a far more useful program than some of the advertising that's been going on. It seems a shame that something like this isn't funded in favour of all the advertising that's been going on.

**HON. M. SMITH:** There is a lot of need out there, and it's very difficult to prioritize. Part of the role of advertising in this department is public education, prevention and awareness. We think it's an essential component of a total system.

Committee rise?

**MR. DEPUTY CHAIRMAN:** Is it the will of the committee, committee rise? (Agreed)

Committee rise.

#### SUPPLY - MANITOBA JOBS FUND

**MR. CHAIRMAN, P. Eyler:** Committee, come to order. We are considering the Estimates of the Manitoba Jobs Fund.

Item 1.(a)(1) - the Member for La Verendrye.

**MR. R. BANMAN:** Thank you, Mr. Chairman.

I wonder if the Minister could tell us how many companies - and provide us with a list of the companies - that have received grants, and also tell us the amounts that the businesses have received.

**MR. CHAIRMAN:** The Minister of Culture.

**HON. E. KOSTYRA:** Well, I'm not certain which program the member is referring to. If he is referring to all aspects of the Jobs Fund, I don't have that information because it would include all of the various programs which include Jobs in Training Program, Careerstart. If it's all of the areas, I don't have that detailed information. If it's reference to development agreements, I have that information. Is that what the member wanted?

The development agreements that we have signed to date are; one with Toro, which has been announced, which is a \$625,000 five-year industry loan; Gravure Graphics Ltd., which was also announced already, a \$500,000 conditional forgivable loan and \$637,000 interest-bearing repayable loan and \$1.3 million bank and mortgage guarantee; Westeel-Rosco was \$820,000 interest-free forgivable loan and \$180,000 grant; and Vicon was up to \$400,000 conditional forgivable loan, which was equal to the Federal Government assistance, and then a further \$600,000 conditional forgivable loan.

Those are the four development agreements that have been signed to date.

**MR. R. BANMAN:** Since we are dealing with Estimates, I wonder if the Minister could tell us what he anticipates will be the amount of money that he will be spending this year on the development agreements.

**HON. E. KOSTYRA:** The total amount of money that is budgeted for potential development agreements, loan and budgetary, is \$18.3 million.

**MR. R. BANMAN:** What does the Minister anticipate spending on agreements such as the Westeel, the Vicon, Toro and the Graphics Company? In other words, what are you anticipating in spending on either attracting or saving businesses here in the province?

**HON. E. KOSTYRA:** I wasn't sure of the question. The amounts with respect to Toro is, as I presented, we expect to have that amount this year.

**MR. R. BANMAN:** I'm wondering if the Minister could inform us what he is anticipating the Jobs Fund will be spending on companies either for trying to attract them to the province or to maintain their operations in a similar fashion than he did with the four that he just mentioned.

**HON. E. KOSTYRA:** Well, there would be approximately \$15 million, because the rest of it has already been committed; that is what is budgeted. These kinds of areas, obviously you can't say for certain how many will be finally concluded, but that is the amount we have budgeted. If possible, we'll spend less than that.

**MR. R. BANMAN:** A further two questions, the Minister in dealing in applications from these companies, could he outline briefly how one goes about applying for this type of assistance, for this development assistance? No. 2, are there any guidelines established, in other words, size of business? Are you basing the grant on a per-job basis? What kind of criteria are you using, No. 1, for entertaining applications; and No. 2, in the granting of these monies?

**HON. E. KOSTYRA:** The development agreement in concept is open to any business that's looking at either

any form of significant expansion in the Province of Manitoba, or new investment in the Province of Manitoba; that is, companies that don't presently have operations in the province but are looking at expanding are eligible for assistance.

The basic approach to the development agreements is one, first of all, that we attempt to maximize whatever other assistance is available and is needed for a specific project. The basic position we take is that projects, hopefully, can proceed without any kind of assistance but, if there is assistance, particularly as it relates to what may exist in other provinces or other areas in terms of inducements or incentives, then we will look at the assistance through the development agreement process. However, we do encourage and ensure that there is the full advantage taken of other programs, such as the DRIE programs or the WTID or any other Federal Government assistance programs that are available.

In terms of the specifics of a development agreement, once those conditions have been met, we look at what are the actual needs in terms of the particular investment, and then negotiate some level of assistance based on what the needs of the company might be and what benefits will occur to the province. The initial attempt is to look at a loan, rather than any outright grant assistance, the bottom line being that there has to be a net economic benefit to the Province of Manitoba through direct tax revenue to at least equal the cost of the assistance that is granted either in actual grant or in interest write-down or interest forgiveness.

**MR. R. BANMAN:** I wonder if the Minister could inform the committee as to whether he believes that this type of program is absolutely necessary in light of the general overall economic activity within the province and throughout Canada. In other words, does he really feel that the \$15 million that he has set aside for this type of program, the development agreement as well as the \$4 million is something that was done in the best interests of the taxpayers, and that is the type of program that governments in the future will have to continue to use to attract business and maintain businesses here?

**HON. E. KOSTYRA:** Well, I think if we're dealing with an ideal society, then we wouldn't necessarily need these kinds of programs. However, unfortunately, there is a great deal of competition by governments in this area. It was in response to the pressures that we felt from other areas that we're competing with, offers of assistance for business to locate in provinces or even states within the United States. We felt the need to have some ability to be able to have Manitoba compete with some of those other areas.

It was as a result of that the development agreement concept was put in place two years ago. It's different than what exists with respect to most other jurisdictions, because there are specific commitments that have to be entered into by the company in the form of agreement to tie into job performance, to investment levels, to other factors such as affirmative action or Manitoba sourcing to ensure that there is net benefit to the province in terms of the level of assistance that's being provided.

I think, given the natural gravitation that tends to pull some economic activity to centres like Toronto and Montreal, there is a need to ensure that there is some development in areas of our country like Manitoba; there is a need for a comprehensive federal strategy. Unfortunately, the federal economic, regional development strategy tends to give benefits to most provinces in Canada and doesn't actually do what I think it was initially intended to. So there is the need for provinces like Manitoba to have the ability to attract some of those companies where the level of assistance may help bring that investment decision to the province.

So if we're dealing with an ideal situation, then I would say that there would be no need. But given that we are dealing in a competitive environment, we felt it important that Manitoba be competitive in that area in a way that we felt would provide the benefits for Manitobans and the protections in terms of having some clearly defined targets in the agreement to ensure that there is benefit to Manitoba as a result of those agreements.

**MR. R. BANMAN:** So to sum up the Minister's remarks, it would be fair to say - and correct me if I'm wrong - that since provincial governments are competing with each other for the establishment of business within their jurisdictions, under the circumstances it is necessary and is advisable to give grants to large business to either maintain their operations here or to attract them and have them locate here.

**HON. E. KOSTYRA:** Well, that's not quite what I said. I indicated that Manitoba was dealing in a competitive environment, and that was one of the reasons we saw the need to have this kind of vehicle available. The emphasis of it has been on expansion rather than strictly, as the member describes, maintenance. The idea behind it is to bring about new economic activity and new job creation.

The example that the member is well aware of in his own community is a new operation that was not previously in the province, in fact, it was not in any substantial way in Canada. They were looking at expanding their operations into Canada and looked at a number of sites. With, among other factors, development agreement assistance, they chose Manitoba. I think that has turned out to be a good investment for Manitoba, one that is already paying significant dividends in terms of the costs that are attached to that development agreement.

**MR. R. BANMAN:** Mr. Chairman, just to get it, the Minister is saying that, in order to attract large businesses and try and have local businesses expand, it is necessary now, in light of the competitive marketplace with our sister provinces, to provide business with grants for them to either locate or expand their facilities there. Is that really the policy of the government now?

**HON. E. KOSTYRA:** The policy of the government is to think about greater economic development in the province. That is done through a number of vehicles, most of which are contained in the Jobs Fund. One of those components is the development agreement which

is there to help businesses expand or locate in the province. The member seems to want to put his interpretation on my remarks, and I'm giving him my interpretation and our government's position. I have already stated that in terms of what their purpose is and what we are trying to accomplish.

If we look at another example of a small Manitoba-based company that, as a result of a development agreement, has been able to acquire the plant and assets and keep the work force operating of a company that was owned by non-Manitoban interests and was in the process of being closed. As a result of the development agreement, it helped to give the Manitoba-based company the necessary assistance in order to purchase that plant, expand their own plant and continue to provide increased economic benefits for Manitobans; that was a Manitoba-based, Manitoba-owned company.

**MR. R. BANMAN:** Mr. Chairman, all I am trying to do is understand the government's policy and the government's policy direction. All I'm asking the Minister - he has now given a number of grants to large corporations, and they are looking at larger corporations with the intent of creating more jobs in this province. Now is it then fair to say that, in order to create more jobs and employment in the Province of Manitoba, the government says that they have to provide grants to large corporations, and that is their policy?

**HON. E. KOSTYRA:** Again, I have already answered that question and provided the member with the details, and to somehow paraphrase that it is really grants to large corporations is not what I said, Mr. Chairman.

You heard what I said; that there is a vehicle available as part of the Jobs Fund, as part of a comprehensive package of economic-based activities that we do have a concept called the development agreements. It is a vehicle to provide a possible range of assistance for companies, some of which are Manitoba based, Manitoba owned, some rather small, some rather large companies, to give us the necessary vehicle to deal with those companies in a competitive way to, on one hand, assist those Manitoba companies that may need that little bit of assistance in order to expand in Manitoba and to employ more Manitobans; or in the case where we are competing with other jurisdictions like Alberta, like British Columbia, like Ontario, to have a vehicle that we can compete in a way that ensures that Manitobans do get benefits. That's what I said, Mr. Chairman.

**MR. R. BANMAN:** Mr. Chairman, let's go through it one by one. I wonder if the Minister could tell us why they decided to give money to Toro in Steinbach.

**HON. E. KOSTYRA:** The reason we had to compete with the Province of Ontario was that the Province of Ontario was offering possible incentives for the company to locate there. In order to be competitive we had to provide some level of assistance to ensure that that project did come to Manitoba.

The member wants to focus in on that project and, as I already indicated, we have seen the situation where that company has now doubled its employment from

what was originally committed under the development agreement, which I suggest is a good deal for Manitobans and for the people of his own area. I don't know if he is suggesting that we should allow that company to go to Ontario. I would think that people in his area may well be concerned if that is his suggestion.

But I also point out that, while we are focusing in on one component of the \$210 million Jobs Fund, that most of the projects, in fact, the vast majority of funds under the Jobs Fund, go to assist small Manitoba businesses. We are dealing in this particular area right now with some \$18 million of a \$210 million fund. The majority of the rest of the funds go to help small Manitoba businesses expand and increase their economic activity in the Province of Manitoba.

So if he is suggesting, by focusing in on a couple of the projects of the Jobs Fund is directed to large business, that's not the case. The Jobs Fund is a comprehensive, co-ordinated program that provides assistance in some cases for larger companies in order to make positive investment decisions with respect to Manitoba, but in the majority of cases it's direct assistance to small business in the Province of Manitoba.

**MR. R. BANMAN:** Mr. Chairman, the reason that the government did give Toro a grant was that it put us over the top and then with that assistance they located here instead of in Ontario. So we had to be competitive with Ontario, we had to provide this company with the grant. I think that's fairly accurate.

I wonder if the Minister could tell us what the rationale was for giving Westeel-Rosco a grant.

**HON. E. KOSTYRA:** Again, Westeel-Rosco was looking at rationalizing and expanding their operations and were looking at two locations - Ontario and Saskatchewan - and as a result of our assistance, coupled with the company's capital investment, they are expanding in Manitoba and moving some operations that were previously done elsewhere, such as a roof line, into Manitoba.

**MR. R. BANMAN:** I would ask the Minister, under the circumstances that he has just described, does he feel that the Manitoba taxpayers' money has been well spent in giving these companies grants to locate and maintain their operations here?

**HON. E. KOSTYRA:** Yes, I've already indicated given the circumstances of these agreements and given the competitive nature that we find ourselves in, in the Province of Manitoba, I think that we've served the best interests of Manitobans ensuring that we do have economic expansion and job creation for Manitobans and I think that has been money well spent. As I indicated in the case of one of them, it's been a good investment because it's already shown to be better than what was originally negotiated.

**MR. R. BANMAN:** So the Minister is saying, that really if there is a business that is to locate here and will create jobs and we can manage to attract that business by providing them with a grant, that it is taxpayer money well spent?

**HON. E. KOSTYRA:** Well, the member is trying to put his interpretation on what I'm saying. I will go through it again. The government believes that it is important to ensure that there is a comprehensive co-ordinated vehicle like the Jobs Fund that provides assistance in a variety of ways to help economic development in the province, majority of its assistance going to small business, the most important sector of our economy and that which provides the greatest degree of job creation.

We also believe it's important to have a vehicle that allows us to compete with other provinces in the area of major expansions. It's also important in terms of the concept development agreement to have a vehicle in place that helps a Manitoba company become competitive in the world-class environment and that's certainly been the case with Gravure Graphics as a result of that development agreement and their expansion, that they now are going to be a world-class operation. So I think under those circumstances, that it is a good investment for Manitobans.

**MR. R. BANMAN:** I appreciate the Minister not wanting to come forward with a policy statement on it because I know the difficulties he's having in grappling with this issue knowing the stand that his party has taken over the years with regard to giving grants and giving aid to business as a whole.

I wonder if the Minister can tell me with regard to the granting structure now, whether or not the MDC is only involved in guarantees, or if they are also involved in what he refers to as the administration of the forgivable loans aspect of it.

**HON. E. KOSTYRA:** I thought I'd answered that question previously to the member, that the Manitoba Development Corporation is the administrative body to provide the loans and that's the mechanism we're using to disburse the loans; also to ensure that the conditions, repayment, that had been adhered to.

**MR. R. BANMAN:** I think, if my memory serves me right, it's done under Part 2 of the Act, which I believe makes the Cabinet responsible, not the MDC board responsible, for the advancement of the loans and the administration - well, not the administration - but the Cabinet is taking responsibility for the advancement of the funds and thereby it is not a decision that the board is making.

I wonder if the Minister could tell me whether or not they have set a sort of a guideline when entertaining application forms. In other words, are you looking at businesses that will create 10, 15, 20, 25 jobs, or are smaller businesses also asked to apply under this program?

**HON. E. KOSTYRA:** The nature of the program is to look at substantial job creation that is normally or usually in excess of 25 jobs, but the program is flexible depending on the nature of the need and the request.

**MR. R. BANMAN:** Mr. Chairman, I appreciate the Minister wasn't here from 1977 to 1981, but these questions which I have been posing here this evening are tremendously interesting because all one would

have to do is go back and read Hansard from a few years ago when there was a small business development program, which gave, I think - what was it? - a maximum of \$20,000 or \$30,000 to small business for the expansion and job creation in this province and it was the members in the New Democratic Party, of course. I think the program was about a .5 million program at that time and in terms of this program that we are looking at right now, it was peanuts a members opposite berated the Government of the Day for having a give-away program in place.

Mr. Chairman, all I can say, and I guess to sum it up properly, is welcome to the world of reality. That's what we were trying to say all along. What's happened, Mr. Chairman, we have a government now, a government who, in opposition, criticized every dollar that was spent with regards to trying to help create a new job.

Mr. Chairman, it is a very interesting exercise, and the members opposite know it. They know it. What has happened here is that all we have to do is read back a few speeches, and I would then say that any impartial observer would have to brand members opposite - a word which I will not use because it's been deemed as being unparliamentary, so I won't use it - but, Mr. Chairman, that's right.

In a matter of a week we have seen really two dramatic conversions; No. 1, this same Minister admitted that the government can't run Flyer Industry, which we told them all the way along, and we have now seen them embarking on this year allocating \$15 million to give away to business.

Now, Mr. Chairman, I for one want to tell members opposite, that was a reality back in 1977 to 1981. We had to, to attract business, to try and maintain business, we had to provide some grants. — (Interjection) — That's right, absolutely right. The only difference was, Mr. Chairman, at that time, it was the members opposite who berated the Government of the Day for providing any funds. Now it is exactly the same people who then went ahead and criticized the previous administration for doing it, the New Democratic Party who said, "Oh, look at all the giveaways. They're giving everything away." They're giving money to small business because those small businesses are creating a few jobs and we know there will be failures.

But the fact of the matter is that the other provinces are doing it, and that is why you were in the poker game along with Nova Scotia on the big one the Pratt and Whitney one. I would imagine you were into the game for \$40 or \$50 million of Manitoba taxpayers' money to try and get them here.

Mr. Chairman, I would like the Minister of the Jobs Fund then to tell us how much they had offered Pratt and Whitney? How much money did you offer Pratt and Whitney? Because the fact of the matter is that all the other provinces are doing it, and you have found out that in order for you to attract or maintain some of the businesses here, you had to get into the same game. So the purest from across the way, who did not want to see any grants go to any businesses are now engaged in a system where this year they have set \$15 million aside to help business develop in Manitoba. That's what they've done.

So, Mr. Chairman, the government has supported a program which will see large business, business over

25 employees, receiving taxpayers' money to locate here. Mr. Chairman, I suggest to you that the people out there are going to look at this very interestingly because it has always been the New Democratic Party's platform for years. I mean, how long did we listen to that corporate welfare jargon that we heard from federally and then from members opposite?

Mr. Chairman, I speak of someone who has sat in this Legislature and listened to that type of policy from members opposite for years, because actually I think they really believed it. Now given the opportunity to govern and deal with these matters, they suddenly have put that policy behind them, and they are now involved and bidding for businesses like every other Conservative Government and provincial government in Canada. That's what has happened and they have forsaken one of their main ideological policies.

Mr. Chairman, I have to tell you that while it hurt politically to see members opposite taking that stand - because I have no hesitation in saying that a lot of people are pretty uptight about giving grants to large corporations - I'll tell you, that small businessman who has under 25 and sees a large company getting a grant is very unhappy - very unhappy - because in many instances they say, "Why can't I get in on it?" I think all we have to do is every time the government makes an announcement like this, all you have to do is pick up your telephone and you have somebody who is employing 10 or 15 people giving you a call and say how can I get in on the program, and you have to tell them, "I'm sorry, it is not for you, it is just for the the big boys."

So, Mr. Chairman, I realize the dilemma that the government is in, but it's a dilemma of their own making because they believed throughout the years that government and the taxpayer should not be funding the corporate welfare bums. Now we have seen a total reverse on that situation.

That, this week, coupled with the revelations at Flyer, Mr. Chairman, really must lead a lot of the New Democratic supporters to wonder really where these people are philosophically because two major planks within their policies and ideological beliefs have really been pulled out from under them, and they have forsaken them. They have. The Minister smiles and I appreciate it. He wasn't here listening to the tirades from members opposite when we were dealing with that. The Minister of Energy, he knows what we are talking about; members opposite knew what they were talking about. That is why the people of Manitoba will not send this New Democratic Government back to office, and that's a fact.

Mr. Chairman, the members opposite can laugh, but I will tell you, once you start changing your basic principles, and your basic principles were that government could control and operate business in the public sector as well as in the private sector, and we found out that doesn't work. Mr. Chairman, you have admitted it in the Flyer case. You have. Listen, Mr. Chairman, I mean the Minister of Mines who has this plant within his jurisdiction, within his riding, is part of a government that now says by September they want to be out of it. Now, Mr. Chairman, that squared off to what he would have said five years ago had our government announced that.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. R. BANMAN:** Oh, Mr. Chairman, I haven't taken the time to go through all the Hansards, but I will tell you there is some pretty juicy stuff there.

So here you are a government, Mr. Chairman, who has really in the last week here done a very interesting thing, and that has really forsaken the two pretty significant policies which they had in place all the time.

I am glad to see the Minister today announce that they do have money, \$15 million set aside, and they will be reviewing from time to time applications that come in from companies that employ over 25 people or more. They will then, if they deem — (Interjection) — right, and I would imagine the Cabinet which makes the final decision after some of the departmental staff have gone through it, but they will then decide who will get the money, the \$15 million, and it will be handed out to companies larger than 25, which I would say in this province of ours is probably - what have we got? - about 80 percent of the businesses employ 25 people or less. So what we are targeting this money at is large businesses and, Mr. Chairman, the government realizes for them to be in competition with our sister provinces, they have to do this.

So it's an interesting revelation and, Mr. Chairman, I look forward to seeing some more of these changes as we get closer to an election because I believe that we are seeing a government now which is compromising all their principles to try and make sure that they can try and get re-elected.

I say to you that the minute the taxpayers and the people of Manitoba see what's happening, and they see what's happening now, is that the chances for re-election as every day goes by becomes slimmer and slimmer. So I would say to the Premier that maybe the best thing for him to do now before he steps on any other land mines is probably just to quickly call an election and get this over with so that we can put him out of his misery and get on with doing the business of the province.

**HON. E. KOSTYRA:** Let me begin where the member trailed off with his last comments. I think that what is happening out there, Mr. Chairman, is as more time passes on and people see the impact of this government, particularly in the economic area, particularly in the area of job creation, the prospects of this government's re-election are growing rather than diminishing. They know that, and I think that is why we are seeing the kind of reactions that we have been seeing in the last few weeks from members opposite because they get the same or feel the same pulse, see the same kind of information that we see. So I think that we are seeing some of that reaction from the increased popularity of this government as more and more people see that this government has had a significant impact on the economy, a positive impact on the economy of the province.

For the member to suggest that these programs and these kinds of things are the same as the previous government is simply not correct. These programs are fundamentally different than what was in place before. These programs require specific commitments from companies in terms of job creation levels, in terms of investment, require such things as affirmative action and other — (Interjections) — factors that . . .

**MR. CHAIRMAN:** Order please, order please. I am having some trouble hearing the Minister. I hope that other people would like to hear as well.

Mr. Minister.

**HON. E. KOSTYRA:** Thank you, Mr. Chairman. I think sometimes they don't want to hear this kind of news.

The situation also as to somehow suggest that this party in government has somehow abandoned its principles is simply not true. The government and the party has taken a position in terms of mixed economy and in terms of the role of government in economic development which is actually quite opposite from the role of conservative-minded people, conservative-minded politicians and governments where they believe that the less role the government has in the economy the better it is for the economy, and that hasn't proven to be all that effective in those parts of Canada where that has been the undermining - and I say undermining - philosophy of government.

But we have consistently said that there is a mixed economy in this country and one that our party does support. We have also said that if there is need for vehicles for co-operation with the private sector, that too can be used, provided there are specific job levels contained in those agreements, job performance, that there are other benefits that are accrued to society.

That's not a new revelation as the member suggests; that is something that's been on the policy books of this party for some time. If the member is interested in doing some political history research, I would be glad to provide him with that information so that he can research it himself and to see that there is no contradiction in this party's position in government. So to somehow suggest that these programs are a contradiction of the underlying philosophy of this party in government is simply not dealing with reality.

In regard to the comments of Crown corporations, this government has not changed its view in terms of Crown corporations. We believe that there is a need for Crown corporations and in specific areas of the economy, and that's something that we are not shying away from, for we also recognize, and in the case of Flyer where there is a Crown that wasn't developed in that way but was something that governments over a period of time backed into because of the situations at the time, that we recognize that that isn't an area for Crown corporation activity, and one, given the present circumstances, that we have to look at some other resolve to it. To somehow say that that is a contradiction of our philosophy in terms of the mixed economy and role of government and role of Crown corporations again is not bearing any relationship to the truth.

I think what really is grinding the member is not the fact that this program, our treatment of Flyer; it is the fact that the policies of this government are having a significant impact on the economy of the Province of Manitoba, that these policies and these programs of this government are having an impact on job creation in the Province of Manitoba and that is what's grinding members opposite, Mr. Chairman.

**MR. R. BANMAN:** I wonder if the Minister would be prepared to tell us this evening what amount of

Manitoba taxpayers' money was offered to Pratt and Whitney for them to locate here.

**HON. E. KOSTYRA:** That's hypothetical. The potential agreement was being discussed with them did not come to an end, so I don't believe it would be appropriate to deal with what might have happened because we were negotiating and are negotiating with other companies. I don't think it would serve the taxpayers' interest in terms of allowing that kind of information to be made public.

**MR. R. BANMAN:** Mr. Chairman, I guess one of the dilemmas we then face whether or not if the Minister isn't going to provide us with the information of what they laid on the table with regard to Pratt and Whitney to try and attract them here, it's pretty hard for the opposition then, or anybody else, to make a judgment whether or not the government tried hard enough to do it. Was it something else? Were we in the ballpark when it came to the number of dollars that were advanced by the province? Did we offer Pratt and Whitney in the excess of \$30 million if they would locate here?

**HON. E. KOSTYRA:** The situation with respect to those negotiations and others that we've been involved in is that we dealt, and put on the table, the best proposition we felt was within the financial and other capabilities of the province, to ensure that there was a net return from the province. If that's not acceptable and if someone else is prepared to offer more, or do more, then I'm sorry but that is as far as we were prepared to go into that situation.

**A MEMBER:** How much were you going to give them?

**MR. R. BANMAN:** Is the Minister then saying it would be his department's policy not to reveal the offers made to companies that didn't locate here? In other words, the companies that don't locate and where funds are not expended, the Minister would not be giving the opposition the amounts of money that were offered to corporations that didn't locate here.

**HON. E. KOSTYRA:** No, I don't believe it would be correct to do that in terms of ongoing negotiations that may be taking place with that company or, indeed, other companies. I don't think that would serve the taxpayers of the province well. In terms of any agreements that are formally entered into, that information is available obviously and is being released to the public and it's our intention to ensure that there is even more information provided in terms of any of the future development agreements that are entered into.

**MR. CHAIRMAN:** The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, just to add to those comments of the Member for La Verendrye, I would inform the Minister that if there are 15 people bidding for Pratt and Whitney and that was the figure that was announced, and the winner was in excess of \$36 million or just about that to get the corporation, plus some

other extras by the city and municipality, in order to be in the finals, in order to be one of the last two, I suggest you had to be very close to their offer. In fact, you had a better offer than 13 other people that were bidding on the proposition.

Mr. Chairman, the Minister discusses the philosophy of the government and it has certainly changed. At a meeting held in the Minister of Economic Development and Tourism's office with the Deputy Minister on March 11, 1982, this is an interesting statement. He said, "The Minister explained that it was the view of the new government that it had received a clear electoral mandate for more formal relationship between government and business and the mandate precluded proceeding with development assistance grants to establish business of the sort that have been approved on occasion by the previous government." That was the statement the Minister made and this is all available information for discovery, I might add.

Later on Section 4, Page 2, it says, "And since the government had received an electoral mandate to discontinue such development assistance grants that the government had a political obligation not to carry on with the grant." Now, Mr. Chairman, we now really have a situation, it's all available, and it's also in Hansard this year, that the Minister of Finance said, "Knowing what I know now, I thought entirely different of the arrangements that had been made by the previous government and I might say, Sir, that the lawyer for the other team, was very interested in that statement."

So, Mr. Chairman, the government has now and also he said that he thought that the . . . Read it carefully. I will answer the questions, gentlemen. Read it carefully.

Well, Mr. Chairman, November 17, 1981, . . . No, pardon me, I'm wrong, Sir. Mr. Chairman, the note that I read that says November 17 it said, "The previous government left government and this government was elected on November 17." I will search the document and get you the exact date of the Treasury Board announcement because it's right in here. The Treasury Board was passed before the election and it's right there.

Mr. Chairman, I don't care when the letter went out. The Treasury Board with the designation of the funds and where the funds were coming from were right there. And you're the Minister of Finance, it's right documented today. Mr. Chairman, it's all here, it's all here. And the Minister of Finance finally says, "That it wasn't a bad idea", now that he takes a second look at it. Oh, yes, go down and get the Hansard.

Mr. Chairman, I've asked the Minister of Finance to get the Hansard and have him read his own words. He even stated, he thought the Enterprise Manitoba Program had turned out to be a good program. It's got your answer. I will only suggest that the Minister of Finance read his Hansard regarding Destination Manitoba, or Enterprise Manitoba, either one.

Mr. Chairman, he said, of course, he couldn't understand some of the loans. Some of them didn't seem to him to be creating manufacturing in the rural area, or words to that effect, because he thought some of them were rather small printing, etc., but it was creating jobs and out of 321 . . .

**MR. CHAIRMAN:** Order please, order please.

**MR. F. JOHNSTON:** I only ask the Minister for the third time to read his Hansard on the subject.

So, Mr. Chairman, after approximately 321 loans, we had 90 percent success with it. That's why the Minister of Business Development and Tourism called me into the Members' Lounge one night to ask me about the program and how good he thought it was and how he was looking at doing another one the same as Ontario was doing at the present time which was a copy of our program. It is called hypocrisy, sheer hypocrisy. What's the order about, Mr. Chairman, I said it's called hypocrisy. I don't recall calling them hypocrites. I said it's called hypocrisy. So we get, Order, Order, from the Little Caesar know-it-all over there.

**MR. CHAIRMAN:** Order please, order please.

**MR. F. JOHNSTON:** Mr. Chairman, the Minister announced four projects, four industrial development agreements. My, aren't you great fellows!

We did have a DREE system in the Province of Manitoba; we were completely a DREE province. We used to use the government DREE loans the same as the government did from 1969 to 1977 continually.

I remember one day when I got up and announced that there was a new company coming to Manitoba and the First Minister, who was Leader of the Opposition at the time, got up and berated us - shouldn't even announce it probably because it was DREE money - and he just took my statement apart like he thought he was a marvellous person.

I wonder if the First Minister is going to get up and criticize the Federal Government when they put all the money into the glass plant in Selkirk, and you have been trying to get it and you have been trying to get federal money to do it. It's call hypocrisy.

And he's been fighting to have the DREE program changed because Selkirk didn't quite qualify and he worked to have it done, no less. He's changing it to get it to his constituency, fought hard against southern Manitoba to get it, changing it.

**A MEMBER:** Are you for it?

**MR. F. JOHNSTON:** No, no, I am not for it. Mr. Chairman, I was just asked if I was for the tier system. I'm not. But I'm not talking about that, I am talking about the person who talks out of both sides of his mouth. One year he criticizes, the next year he is out there with his hand out grabbing everything he can get and fighting to change the tier system so it wouldn't go to southern Manitoba. Yes, Mr. Chairman.

Let's take a look at the towns down there that have made representation to that company. — (Interjection) — Yeah.

You know, when we had a DREE system, Mr. Chairman, when we had DREE in the Province of Manitoba, they applied to DREE because they wanted to come to Manitoba, there were grants, but DREE would insist on the street they were going to build on, how big they were going to build, how many people they were going to employ. And did you know from '78 through 1980-81-82-83, that's the number of companies that came into Manitoba and advanced in Manitoba? - and you gentlemen stand up and say I've got four. What a bunch of hypocrites! Or it's called hypocrisy.

Now, Mr. Chairman, when we talk about the Jobs Fund, the Jobs Fund has all this money in it. Well, I would say the Jobs Fund has provincially \$154,000 because that's what's in the Economic Development Agreement over the years, and they have taken the agreement and they have said we will supply our money for the agreement from the Jobs Fund. On one of the classifications of loan communication the Minister says the agreements called for an investment of a total of \$21 million, the Government of Manitoba will be contributing a total of \$8 million through the Jobs Fund.

**A MEMBER:** No.

**MR. F. JOHNSTON:** Are you telling us that you would not sign the agreements if you didn't have a Jobs Fund? Are you telling us that you wouldn't have put it through the different departments as it did before? You are not telling us that; you wouldn't dare because you would have done it Jobs Fund or no Jobs Fund you would have done it.

So, Mr. Chairman, here we have Economic Development \$3 million, 150 each; Minerals Development 1480 and 90, 2470 million. There is a whole list - I am sure you have it all - it was tabled in the House. Mind you, then there is the agreement between the governments. So the government conveniently says it came from the Jobs Fund and then they advertise the tremendous job the Jobs Fund is doing about programs that they would have done anyway within the departments. The admission is right here.

The Minister mentions the Transportation Development Fund. He said that they were looking at a situation where Flyer Bus with the Transportation Development Fund that was in place, I wonder if the Minister of Transportation is going to give him any money for developing the cars we saw tonight to develop those Flyer buses.

Then we have the Urban Bus Agreement, Mr. Chairman, of \$25 million, \$50 million for each, for the development of an urban bus. Has the government spent that, too? Is it all gone? Plus \$40 million?

What is it? What is this myth of a Jobs Fund that you put out and advertised to the tune of \$3 million or \$2.5 million of the people's money to advertise it?

Oh, Mr. Chairman, housing was mentioned earlier today. — (Interjection) — You know, Mr. Chairman, I can only suggest to my colleague, when you corner a rat they squeal. Mr. Chairman, the situation that we have at the present time, you know, all you have to do is have your Minister of Housing go to his deputy - and he's an honourable man - he will tell you that we built more senior citizen and public housing in the core area of Winnipeg in four years than you did in eight. Now, don't take my word for it. I ask the Minister to go and ask his deputy; the figures are there. That's the second time I have put it on the record and nobody has argued with it.

Oh, Mr. Chairman, I would like to table this letter. I won't read it again because I read it in committee. I would like the Premier to read what Jim Gordon thought of your housing programs when you were Minister. Read it and then phone up your old friend, Jim.

Mr. Chairman, this is quite a group. They really don't know what the right hand or the left hand is doing at

any time. They don't care; they just give you any answer you want at any given time. They say to themselves, oh, people will have short memories. Manitobans have long memories, very long memories, Mr. Chairman.

**A MEMBER:** They'll remember '77 to '81.

**MR. F. JOHNSTON:** That's right, they will remember it. They will remember that we didn't spend \$2.5 million on Jobs Fund advertising. — (Interjection) — Oh yes, oh, isn't that interesting? Oh, oh, isn't that interesting? Mr. Chairman, isn't that really interesting?

Mr. Chairman, I remember the Premier sitting at the end of committee in 1981 Estimates berating me because I had a little television program on with some ads that said Manitoba was a good place to work and live, the same type of ads as are being put out right now, and he berated me for spending \$63,000.00. That's a little bit different than what we've spent now, isn't it?

He sat at the end of the table in Estimates and thought I was a terrible person for saying exactly what they are saying today, only costing them \$2.5 million. — (Interjection) — Aw, come off it! Come off it, Mr. Chairman. Those little television ads that went on, the press asked us what they cost, we told them, we were honest, and the First Minister, who was Leader of the Opposition at that time, thought that was a terrible situation to tell people in Manitoba that Manitoba was a good place to live and work, and he shot his face off like the mealy-mouthed, weak-livered person that he is, and all of a sudden we get this nonsense from him backwards.

**MR. CHAIRMAN:** Order please, order please. Order.

I believe that members know that other members in this House are always referred to as "honourable", and personal comments of that type are not necessarily in order.

The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, I will withdraw it, but if you only want me to put honourable in front of it, I'll be glad to.

Mr. Chairman, I can tell you that the First Minister has always come in and done the opposite. We never know what he is going to do. He goes out into gatherings, and he practically says, what do you want to hear? Tell me what you want to hear and I'll tell you. It's as simple as that. Mr. Chairman, I'm only sorry, and I say this with all sincerity, I'm only sorry it has to be probably the best Minister you have running this because he is taking the criticism. He doesn't have any hypocrisy in him; he sure isn't a phony, and he is straightforward, but I don't know why he has to have the benefit of that other pack around him because he really doesn't deserve it.

So, Mr. Chairman, as a matter of fact, he and I could win the contest for not smiling. I think he's pretty close to me. But you see, it only boils down to people with our expression are straightforward, and we don't beat around the bush like the Premier when he is grinning into the television set every question period. Now, if I was smiling, the only reason I would be smiling is because I saw a guy hit an NDP golf ball this weekend,

an orange and black one, and cut it all to hell, and that's what I would be smiling about.

So, Mr. Chairman, I'll tell you, the housing situation they can't argue with. They are doing exactly the same as we were doing.

Oh, Mr. Chairman, I had somebody tell me the other day the Minister of Finance was a real fun guy when he was a fireman. Now he's a lawyer, and he is a buffoon. I'll retract that, Mr. Chairman.

**A MEMBER:** Honourable buffoon.

**MR. F. JOHNSTON:** Honourable buffoon.

So, Mr. Chairman, I'll just let the Minister tell us that he isn't putting the money from the Jobs Fund, which the Jobs Fund is only the large portion, it is the federal-provincial agreement, would have been in the departments anyway, in the Estimates of the different departments. He can only tell us that he has had four. I know that when I was Minister, and Mr. Banman was Minister, the Member for La Verendrye was Minister, monthly we got reports of who we were dealing with, and we have gone through nearly four years now, surely they've got a great big long list. Where are their successes?

Mr. Chairman, I can read you some of the ones which aren't successful. I can read you the bankruptcies of Photo Lab Canada; I can read you the closure of Kimberly-Clark; I can read you Shell closure. Mr. Chairman, I can read you Cook Electric Telecommunications; I can read you CAE because of the reduced demand of the Federal Government; I can read you Terry Balkan Oldsmobile; San Antonio Gold Mines; Safeway closed some stores; Dominion Stores closed some stores; Best Pac Food Packing bankruptcy; Sterling Shoes, Miami Feedlot closure; one of the oldest clothing companies in Manitoba GWG clothing manufacturers closed; Superior Bus factory is gone; Spiroll Kipp Kelly; Bell Foundry - I do recall it ever having a head office here. Mr. Chairman, Citadel Assurance moved to Toronto; a small company up in Russell, Gabrielle Air; Canadian Steele Tank; Valdi closed; Century Flooring in receivership; Phillips Cables - of course Phillips might have had some trouble when the government decided to give those large orders to Northern Tel for reasons which I probably will have more information on later on; Ray-o-Vac closed; Manitoba Cartage; Perimeter Air layoffs - 20; Canada Cement layoffs - Canada Cement, gentleman, had 70 layoffs last February and yet when they are low in a tender in this province, they can't get it; Dominion Bridge - lack of work; PWA - 19; Eaton's - 97; Manfor - 89; Motorcoach Industries - 1,500; Bristol Aerospace.

Mr. Chairman, I'm reading the ones that have closed and there have been 1,056 bankruptcies in the last three years in this province, business bankruptcies. Mr. Chairman, I'm only asking for the government and the Minister to stand up and tell me the successes. I've been reading the ones that aren't. Prove me wrong; tell me.

**A MEMBER:** Where are the winners?

**MR. F. JOHNSTON:** Where are the big ones? Where are the small ones? Where are the small ones that

you've got that you haven't put any money into? You see, because you took the same type of attitude and policy that we did, we would analyse, the same as the Minister had analysed, the tax return to the province right down to the number of packages of cigarettes we felt would be bought, the taxes we'd earn on them, the payback on the money and how much time it would take. The money would be given out gradually over a period of time as they submitted bills and were approved between the two parties, and there would be a 20 percent holdback until they had showed us that all those jobs were in place. What's different? Mr. Chairman, all I ask is show me your successes.

Mr. Chairman, the Jobs Fund, that's why we call it a fraud fund. It is fraud because the money is in the departments, most of it anyway, and you spend people's money, the people of Manitoba's money, advertising. As the Member for La Verendrye said, we found out maybe the hard way, and every time a little lady of 55, who doesn't have any pension of any kind, she doesn't qualify for anything, a widow living alone, having a hard time getting into the work force, takes a look at that on television. She says, "Why not me? Why the advertising companies?"

Mr. Chairman, it is the old hidden agenda of this government to just — (Interjection) — I didn't mention the pension, I mentioned a person who doesn't get one at all in Manitoba, doesn't get one at all and you sit there as First Minister and spend money that you could have, advertising. Sir, that is what is called hypocrisy.

Yeah, you're darned rights! It will be heard throughout the province, absolutely.

So, Mr. Chairman, it's a "fraud fund". We have said that's what it is.

**MR. S. ASHTON:** You voted for it, Frank.

**MR. F. JOHNSTON:** Mr. Chairman, you know, we've got that young fellow from Thompson again. I wonder why we would vote against federal-provincial agreements . . . Well, we can't vote against them because it's the Jobs Fund you said you took the money from instead of the departments. That's all. Put it in the departments. We'll vote for the Estimates of the departments too.

So, Mr. Chairman, we've got a very twitchy bunch over there. We've got a government, except for the Minister of Industry and Technology, that it doesn't matter what problem they get into, it doesn't matter what, they blame somebody else. That is the clearest sign of ineptness; that is the clearest sign of not knowing what you're doing. If any one of you worked for a business for three days and blamed somebody else the way you people do, you'd be fired tomorrow. But they have to stand up and they have to say oh, I didn't do it. We blame somebody else.

Well, we have the Minister of Small Business and Tourism who tells the people in the province and he lectures businessmen on how good the payroll tax is. One businessman said to me, do you know that we have a Minister that agrees with the payroll tax? He said, after he talked to me about it, I just felt as if I'd left school. I had been lectured to.

So, Mr. Chairman, I am telling you what the person that told me said . . . you clear it. I'd be very happy to. Go to Brandon. You'll find out.

So, Mr. Chairman, the situation with this government is one of a "fraud fund". We've proven it with the federal agreements. We've proven it all through the Estimates. So, Mr. Chairman, really we know how this government operates. We know how they try to fool the people. We know how they spend \$2.5 million of the people's money doing it, and they will be reminded of it as soon as the First Minister has the courage to call an election.

**MR. CHAIRMAN:** The Minister of Business Development and Tourism.

**HON. J. STORIE:** Thank you, Mr. Chairman.

We've heard a considerable bluster from the Member for Sturgeon Creek which is not unusual, but I want to put a couple of points on the record. No. 1, the Member for Sturgeon Creek has, on a number of occasions, suggested publicly and it's on the record that I was in the business community defending the payroll tax. Mr. Chairman, I want to make two points, the first being that I was in the business community, not only in Brandon but in every region of the province, and I was discussing a lot of issues, concerns that the business community had and it was an extremely useful exercise. The issue of the payroll tax came up in almost every one of those consultation meetings.

I put in context for those people the choices that were before the government including the option of the payroll tax, explained from our perspective what the payroll tax could accomplish that other forms of taxation could not, why it was our preferred option, and said quite unequivocally that the payroll tax per se was no more in favour with this government than many other measures, but in view of the current economic situation and our options at that particular time, it was the one that we went with. To say that I was defending it has to be put in context. The Minister of Finance went out in his consultation meetings and, I know, made much the same case.

I want to point out that the . . .

**MR. CHAIRMAN:** Order please. The payroll tax certainly has to be put in place of its context. I'm wondering if the Minister can make that context appropriate to the Estimates before the House which is the Manitoba Jobs Fund.

The Minister of Small Business.

**HON. J. STORIE:** Thank you, Mr. Chairman, for allowing me that brief preamble. I want to make a point as well about the member's comments with respect to the Jobs Fund. He took considerable time in pointing out some of the areas of the Jobs Fund which he felt flew in the face of the actual benefit that was out there and was being perceived to be out there by other Manitobans, he did not talk about many of the other programs that were funded under the auspices of the Jobs Fund.

I mention in particular the Venture Capital Program which the member knows has been extremely well-received by the business community. In total at this point, some \$9 million worth of investment has been created through the Venture Capital Program and through the equity investment on the part of individuals with capital, who were prepared to get involved in risk ventures. We have created some 700 jobs through the Jobs Fund.

So, Mr. Chairman, the member ignores the many other programs. The Minister responsible for the Jobs Fund outlined that some \$18 million of the Jobs Fund was directed to small business through a number of programs, has created and maintained thousands of jobs.

Mr. Chairman, he took some pride in waving a sheet around that contained a list of businesses that were supported through the old RSEI Program. It is also true that programs such as the Interest Rate Relief Program which the member is familiar with, supported some 600 small businesses and saved thousands of jobs again. I could provide and have offered to provide the member a list, if he wants to come and discuss that.

Mr. Chairman, I'll make one other point. It relates to the payroll tax. While I was in Winkler, the largest employer in Winkler in a public meeting, after I had explained what options faced the government when the payroll tax was introduced, said publicly, well it isn't so bad. It's not the worst thing that could have happened, recognizing that governments are faced with tough decisions.

So, Mr. Chairman, it isn't fair to say that those consultation meetings didn't have their positive side effects. People recognized that we were in a difficult economic situation. They recognized that we had to make difficult choices, and we made those choices.

Mr. Chairman, I would like the Member for Sturgeon Creek to get up and continue to review the Jobs Fund, and not to continue with his particular form of tunnel vision, but to look at the broader aspects of the Jobs Fund. In fact, we have many programs which have provided support both directly and indirectly to the small business community. It's near-sighted and myopic to suggest that, because of some of the shortcomings that the member sees, that there have been no benefits. I remind all members opposite that they voted unanimously, I believe, at least certainly those members who are here, to support the Jobs Fund.

**MR. CHAIRMAN:** The Member for Lakeside.

**MR. H. ENNS:** Well, Mr. Chairman, just to explain to the last member who spoke, there was a real and legitimate reason for us voting for the Jobs Fund appropriation because it included the \$20 million they took from the Minister of Highways, who then had to go on bended knee and get \$4 million or \$5 million back. It took a good proportion of the capital budget from the Minister of Natural Resources and Water Resources that provides the necessary game improvements throughout the country, and that money got fouled up. So if some of that money was to be properly spent for legitimate government purposes, that is among the reasons, along with the continuation of community assets programs, along with the many other programs that have been part and parcel of the delivery of services to the people of Manitoba, is the reason that we delivered the Jobs Fund.

Mr. Chairman, I move to rise once more in the debate simply to indicate, to put on the record, why it is that some of my colleagues, particularly those colleagues of mine, like the Member for Sturgeon Creek, the Member for La Verendrye, feel particularly exercised with this government and this Minister about their actions.

I refer once again to the memo that has already been referred to by the Member for Sturgeon Creek. I am talking about a meeting of representatives from the Somerville Belkin Industries Limited with the Minister of Economic Development and Tourism and the Deputy Minister of March 11, 1982. I read into the record, Mr. Chairman, these following comments. The Minister explained that it was the view of the new government that it had received a clear electoral mandate for a more formal relationship between government and business, and that mandate precluded proceeding with development assistance grants to establish businesses of the sort that had been approved of, on occasion, by the previous government. The government had both a political and moral responsibility not to approve these kinds of grants. That is the kind of position that exercises my members during the course of this debate.

Now, Mr. Chairman, you'd have more respect for your opposition if they showed a bit more dedication to principle if that is truly what they believe. Perhaps the most glaring example of dereliction of principle is, of course, their recent performance with respect to the response of the Supreme Court decision on the language question. I would have had far more respect of this government, this government that stood up only a little while ago in this Chamber and said it was of absolute necessity for the preservation of the francophone rights that a certain measure be passed; not only that, but they encouraged, under the umbrella group of Manitoba 23 that the Mennonites would lose their heritage, the Jewish people would lose their heritage, and all of that. Now, Mr. Chairman, it is of no consequence, it is of no consequence to this first Minister and this government.

Mr. Chairman, I know that I am precariously close to being out of order. I am simply saying that it was this government and this Minister who sat down with business executives in March of 1982 and said: "We have to have a more formal relationship between government and business, and that the mandate precluded proceeding with development assistance grants of the kind the previous administration from time to time made, the kind of grants that this government now made to Toro at Steinbach, or to Westeel, or offered to Pratt and Whitney. When my colleague from La Verendrye says, and acknowledges, as the Premier had to acknowledge in this Chamber not so long ago when defending peculiar contract arrangements with executive officers, one that the Minister of Energy and Mines negotiated, that called for the payment of golf fees in Mount Royal, in Montreal, among other things. This Premier and this government recognizes there is a real world out there and they have to be prepared to deal with it - yes, you are dealing with it. How are you dealing with it?

You are taking big chunks of money at a time and giving it to established businesses to help create jobs. Let's be honest about it, I want to ask the Premier, I want to ask the Premier this question directly. The Premier is acknowledging that he has instructed his Minister responsible for the Jobs Fund to set aside \$15 million of taxpayers' money, to provide grant assistance to large firms who employ 25 or more employees.

Well, I see the tactician of the other group knows when to remove the Premier from the line of fire and

have him in consultation and in the country - good move. I have always recognized the fine hand of the chairman of the Treasury Board as being one of those who does, in fact, do a lot of manoeuvring and manipulating of honourable members opposite, and he just pulled off a nice little move there. I appreciate a good move when I see it, and they will be discussing how the Premier can win Selkirk in the next election, rather than answer the question that I just posed to him because that is the issue.

This government has set aside \$15 million of taxpayers' money to help large corporations, companies that are employing 25 or more, to expand their operations in Manitoba or to bring them into Manitoba. That is what this government is doing.

I'm simply asking you how to square that with the lofty position, the position that the New Democratic Party has so often put on the record, has so severely chastised and criticized Conservative Ministers when in similar situations. I'll tell you gentlemen, that kind of flip-flop is going to be very easy for us to explain.

You know, ladies and gentleman what the electorate reaction will be? You, gentlemen, are doing it, not because you want to do it, but you happen to think it is politically right to do it. We make no such lofty claim; in fact, we say we are in the real world; we have done it before, we'll do it, and we'll keep on doing it.

Then the electorate will say, well, look, if it has to be done, and you're demonstrating that it has to be done, the New Democrats are doing it, the Conservatives did it, well then, why not have somebody do it who can do it better and knows how to do it? Why not have somebody in charge who can prevent the kind of list of failures that has already been alluded to in the course of this debate.

The fact that since 1981 there have been 31 major closures, receiverships and bankruptcies, accounting for an estimated loss of 2,415 jobs. Eighteen companies have had to implement major layoffs in the last three years. This has accounted for a loss of some 4,304 jobs since 1981. As a result of various problems facing Manitoba companies, 6,719 jobs have been lost. Business bankruptcies in 1984 - 292; 1983 - 303; 1982 - 371; 1981 - 275; 1980 - 154, the last full year that we were responsible. Mr. Chairman, bankruptcies are higher, 6 percent higher, today than they were in 1981.

Mr. Chairman, in 1981, there was no Jobs Fund. The function of the Jobs Fund was being carried on in the Department of Highways, in the Department of Natural Resources, in the Department of Manpower, in the Department of Labour, in the Department of Industry and Commerce, as it was then known; functions were being carried on. We simply didn't litter the countryside with green and white signs the way you are doing, and we didn't spend the millions of dollars that you gentlemen and ladies are spending on advertising. But the shocking result is there, and it's on the record; company after company that has ceased or reduced their operations, despite what Manitobans have seldom been exposed to, this smoke and mirrors game of pulling in appropriations from all departments to create a \$200 million fund, a massive advertising program and with minimal results in terms of long-term, meaningful jobs. Those results that you have accomplished, honourable members opposite, you have accomplished by giving to an established multinational like Toro X-

number of hundreds of thousands of dollars; to Westeel, X-number of hundreds of thousands of dollars. You've tried for Pratt and Whitney with X-number millions of dollars to bring them into Manitoba, and you have received very little for it.

**HON. V. SCHROEDER:** You've got us on the ropes.

**MR. H. ENNS:** Oh yes, Mr. Chairman, we do have them on the ropes, as the Minister of Finance has said. I want to raise, while I'm on my feet, one more particular question having to do with the Jobs Fund. This arose out of our last Hydro hearing meetings. We have trouble, Mr. Chairman - and that is the difficulty, when you're playing a shell game and somebody else is moving the shells around wherever the coin or the pea is under, it's a little difficult to follow the hand manipulations of he who moves the shells around.

We're having the same difficulty in seriously addressing a legitimate examination of the Jobs Fund, because it's all over. It's already been established that we are dealing with a substantial amount of federal dollars, in terms of federal-provincial agreements. We know for a fact, from experience as previous Ministers, that substantial amounts of the money have been taken out of line departments, and the government acknowledges it. There has been a consolidation of services of other departments brought into the Jobs Fund. That's fine, but that is not what they're telling the people, Mr. Chairman. They're telling the people that there is a brand new \$200 million Jobs Fund out there to create new jobs, and the people are asking themselves, where are the jobs?

In Hydro, Mr. Chairman, we are trying to discuss the role of the Jobs Fund. We tried to discuss it the other day in question period, to what extent when it becomes government policy to avoid the traditional tender system and add substantial additional costs, because of a government decision that the social advantages in doing so, or the Manitoba content advantages of doing, so justify that additional cost.

But, Mr. Chairman, at the Standing Committee of the Public Utilities dealing with Manitoba Hydro, the executive officers of Manitoba Hydro assured us that, to the largest extent possible, they would be honouring the tendering system. Decisions not to honour the tender system would be subject to a matter of decision by the government, either through its aegis of the Manitoba Energy Authority and there would be, perhaps in some instances, the involvement of the Jobs Fund.

We know, for instance, that the Jobs Fund has involved itself. We have a fine brochure, "Limestone Generating Station: Our energy working for Manitobans now and for generations to come - Manitoba Jobs Fund." It's an attractive folder, and I'm assuming that this is the Jobs Fund that has paid for this advertising. I am assuming that it is the Jobs Fund - I'm asking some specific questions, Mr. Minister, and I would appreciate it if you would take note - that the Jobs Fund is paying for the advertising.

Let me back up, Mr. Chairman. I would like to know what portion of the advertising related to the Limestone Project, in the way of brochures such as this, in the way of communications or public relations officers - after all, one is always referred to numbers and offices

that one should call for further information - and, of course, in the major television and other media advertising, electronic, radio and television advertising, that is currently being used relative to the Limestone Project. Is that all coming out of the Jobs Fund budget?

**HON. E. KOSTYRA:** Mr. Chairman, I would like to answer that question and indeed the other points that have been raised by a couple members opposite in terms of these Estimates. I have been sitting back listening and trying to understand what is behind some of these comments and I really come up with two reasons. It seems that the comments are based on some sense of frustration of members opposite. When you look at that I find two reasons for that frustration.

One is that I think the facts of the matter, right now in the Province of Manitoba, is that Manitoba's economy is outperforming most other economies in Canada, and that's a source of great frustration to members opposite for a couple of reasons. One is that they don't like it, they don't want to see that happen while this government is in power. They would much rather have the economy in a tailspin like it was at the end of their term in government. So the fact that the economy is doing well, that unemployment is decreasing in the province and Manitoba is doing better than just about every other province in Canada is a point of great frustration to them. They would much rather have it another way because it would increase their political fortunes.

The other thing that I think really gnaws at them is the fact that the myth that they and others have created that New Democrats in government can't manage an economy, can't provide economic prosperity, economic growth and job creation, the fact that this government is busting that myth all apart causes them a great deal of frustration.

The member talked about doing it better, I think was his term. It reminded of that other term, don't stop us now. That might be a good election theme, but I think that really is what is frosting them because they and others have always subscribed to this myth that New Democrats, that socialists in government can't manage an economy. Here we have a province, which is part of a larger federation, and has all kinds of other factors that impact on economic development, here we have a province that is doing much better than most other provinces, and under an NDP Government that has put in place a comprehensive approach to economic development, not an approach to just put a few eggs in a couple of baskets and hope that they would, through major projects, bring the kind of economic prosperity that was hoped for, but rather a government that has put in place a mechanism that is providing a comprehensive, co-ordinated approach to economic development.

It's interesting that all the discussions tonight have focused on one program, one very small part of the Jobs Fund, that's been the development agreements. We have talked nothing about the programs related to small business which make up the majority of programs under the Jobs Fund. The Minister of Business Development and Tourism touched on that in dealing with the Venture Capital. We've talked nothing about the programs that are related to forestry, to technology

and energy and other programs; nothing has been mentioned of that.

But the fact is that there is a comprehensive approach to economic development, one that has been recognized by people outside of this province. There are all kinds of commentators and media outside of the province that have stated that the approach of this government is a welcome change in terms of what is taking place in governments throughout Canada. I think that is really what is behind all of this frustration we're seeing here tonight.

You know, the member talked about hypocritical actions, and mention was made of the fact that here they are tonight criticizing one portion of the Jobs Fund, yet they voted, in terms of Estimates, in favour of it. Well, in terms of the enabling bill to bring the Jobs Fund in, the amendments that were made for it, the majority of their members voted in favour of that. Now they didn't have to vote in favour of that in order to see expenditures being spent, that could have been dealt with through the normal supply motions. But the majority of them voted in favour of the Jobs Fund, so they supported it.

Now we hear some members tonight saying, well no, they don't support it and somehow our actions are hypocritical. Now, in fairness to some members, they had a bit of split in their caucus, because the majority of their caucus members supported the bill, but five of their caucus members voted against the bill. But I think that's a bit of the Conservative position so that they're for and against something at the same time. If they want to talk about hypocrisy and hypocritical actions they should look at themselves.

**A MEMBER:** Did Frank vote against it?

**HON. E. KOSTYRA:** No, the Member for Sturgeon Creek voted in favour of Bill No. 14, as did the Opposition House Leader.

I think that's really what's behind it, is this frustration of the fact that the economy in Manitoba is progressing well, is improving and is doing better than just about every other province in Canada. That is really what is getting to members opposite because they don't like to see it. I mean, politically it is not to their advantage because they know that Manitobans are recognizing that, and they know that the mood out there is changing. That's why we hear these discussions in Jobs Fund about French language and other issues, because they know in the economic issues this government is doing the job and it's perceived as doing a good job in terms of economic management. They don't like that and they also don't like the fact that that's happening under an NDP government, and that goes against the myth that exists that NDP or socialists can't manage and can't bring about economic development and prosperity. That really, from a philosophical standpoint, I think really frosts them and that's what really is causing the kind of knee-jerk reaction that we're seeing from some of them tonight.

You know, the member talked about success stories. Well we can talk a lot about success stories of companies more than what we've talked about tonight. We can talk about companies that had no directed involvement from the government in terms of any kind

of assistance under the Jobs Fund. We can talk about companies like Tupperware that have expanded in the Province of Manitoba; like St. Jude Medical and other companies that have maintained and enhanced their operations in Manitoba, have caused increase in employment. We can talk about Canada Packers; we can talk about Burns. The Member for Arthur suggested at one time, that we were the cause of that company leaving Manitoba.

Well, I can tell you, because of the involvement of some members on this side, and the work that we did with that company and with the union and the communities, that company has rationalized its operations in Manitoba and has a net increase in terms of employment.

The member raised questions about the Jobs Fund being a fraud fund. We have never at any time suggested that there was not some expenditures of funds that were in other departments previously. There was, in the initial years, an enhancement of activities related to provincial capital assets and significant increase in the amounts of monies that were spent. But now, in this year's fund, there's little that would normally fall under the departments and we've made that clear. The fact that there is increasing emphasis on the longer term job creation is another point that has to be recognized in terms of this year's fund which is even increasing over what we did last year, but we've never suggested that all of the money was totally new, but a significant and the majority of the funds were new and additional expenditures related to economic activity in the province. So that point has been made before and I'll make it again.

In terms of our involvement in the Limestone project, I think that that is a very important and legitimate role to ensure that we have the maximum spinoff from a project like Limestone to Manitoba businesses and Manitobans generally. That is why we have been doing a lot in co-operation with Manitoba Hydro and the Manitoba Energy Authority to ensure that Manitobans do know about the opportunities that present themselves through a project like that, doing work in terms of contracts and in tenders to ensure that they are able to get maximum benefit to do things like the announcement that was made by my colleague with respect to the contract with CGE, to have a significant portion and benefit of that contract accruing to Manitobans at a far greater level than has ever been the case before.

I think that that's a legitimate function and one that Manitobans would like to see their government and the Manitoba Jobs Fund involved in to ensure that there is maximum benefit to Manitobans from a project like that; maximum benefit in terms of the short term and maximum benefits in terms of long terms, so that Manitoba companies can improve their technologies to be able to compete more effectively in the world market. There's certainly no apology from members on this side with respect to the involvement from the Jobs Fund in the Limestone project.

**MR. H. ENNS:** I wonder if the Minister could answer the specific question, does the division between the advertising and public information that is being provided with respect to the Limestone project, is it the Jobs

Fund office providing the information officers, the provision of printed material? Is it also inclusive of the general advertising that's involved, or is that Manitoba Hydro's responsibility?

**MR. CHAIRMAN:** The Minister of Energy.

**HON. W. PARASIUK:** Mr. Chairman, I provided that information when we discussed my Estimates, and also when we discussed the Manitoba Energy Authority, and we did indicate that there was a Limestone Development Office that was funded out of the Jobs Fund. We indicated the number of staff that were in that office and I indicated what they were. I don't have those numbers with me right now. I can go and get them. — (Interjection) — Not at all, I did provide that information.

We also indicated that all tolled, in terms of every aspect of this, the office people - we did indicate that we were using office space in conjunction with the Department of Energy and Mines in Eaton Place, it's a type of store-front office space. When one takes into account all aspects involved that the amount, and it's just not advertising, you get into an amount that is less than \$1 million for everything that's involved. Now we think that that is a valid investment.

If you start looking at some of the numbers involved, with respect to the general civil contract, we've had remarkable success by doing all this extra effort. We've gone from about a 55 percent Manitoba content to something that is very close to 80 percent. So if you take that 25 percent on what your contracts will be, in terms of added Manitoba content, you're talking about something that starts getting in the range of \$300 million to \$400 million just directly in addition to the Manitoba economy.

If you look at the multiplier effect, and people say that there's a multiplier effect of at least one for every activity created of an additional nature, and sometimes the multiplier effect can range from one to one-and-a-half, 1.5, you're talking about an overall impact to the Manitoba economy, in terms of maximizing spinoffs and increasing those benefits, that will range in the order of \$800 million to \$1 billion. That's a tremendous return on any investment, and that's why the people have been going to all the seminars that are put on; that's why they had to have extra seminars; that's why people were complimenting us right around the province on what we were trying to do, with all the material that we've put out on the Limestone program. We believe that that's something the government should be informing people about to get the maximization of spinoffs, and we did indicate that that would be picked up by the Jobs Fund and it is being picked up by the Jobs Fund, and it amounts to less than \$1 million. Those are the categories that you raised before. I don't have the specifics on them because I thought that since they were raised before and since staff numbers were put down that it would suffice. But I do remind the member that I did provide those answers to him.

**MR. H. ENNS:** Well, I thank the Minister for that, and I acknowledge that the information was given. I am trying to determine the role of the Jobs Fund.

In addition, it is largely under the Jobs Fund's function that I understand much of the additional training in the

North, training offices have been opened up, I believe, in Thompson, some suggestion that there may be another facility opened up in Lynn Lake or elsewhere, again my direct question.

I haven't been present during the discussion of the Department of Labour. Now this would be a function years back where it might come under the Department of Labour's Manpower and Immigration services, but I am assuming that this is now being funded out of and directed out of the Jobs Fund. Is that the case? If that is the case, does the Minister have any general figures as to what kind of monies are being allocated in the coming year for that purpose?

**HON. W. PARASIUUK:** What you have is a whole set of extra efforts that are required on the part of government, and it's a matter of co-ordinating those efforts and establishing something called the Limestone Training and Employment Agency, that is funded by the Jobs Fund, but there's an interdepartmental board that directs it and I am the Minister to whom it reports.

The money involved in the course of the coming year, and we are having negotiations with the Federal Government because the Federal Government has acknowledged that it has a responsibility in this area as well, and that's still the subject of negotiations, but what we are allocating for this year is something in the order of \$4.3 million.

Again, we believe that that will indeed be a very good investment if we are able to provide the type of training, tying into the on-the-job training at the Limestone construction site whereby we will be able to, and I've said before, train significant numbers of northern people, who come from communities where there is chronic underemployment and unemployment, as well as other training programs that will be provided throughout the rest of the province. But if we can in fact provide skilled tradesmen who can stay up North and provide that type of work in their own communities, I believe that we will be saving ourselves, and I think the Federal Government in the future, probably tens of millions of dollars.

So this is a commitment that we have said we were undertaking; it is being funded by the Jobs Fund, and it is in the order of \$4.3 million.

**MR. CHAIRMAN:** The Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Chairman.

Just while we are on the Jobs Fund money that's been put into training in the North, an interesting proposition, the Town of Snow Lake has been endeavouring for some time to get a landing strip in the town area. The strip they're using now is on company property and there is not much they can do with it. It can't be recognized because it's a slag dump, a drained lake with slag that has been leveled out and it's a very short landing strip.

They have put forward a very interesting proposition on using some of the trainees that are being trained to bring the equipment in and actually work on a project that is going to be a meaningful and lasting asset to the community and to the whole northern area. They have been unable to really get anywhere with getting permission or getting their project looked at seriously

to have the people who are being trained come in there and use the machines that are going to be necessary to maybe level off gravel or something of that nature.

I understand that the training situation at Pipe Lake there, they are digging a hole and then they are filling it in and the perception of it is, it's a meaningless operation. Sure, maybe the men are getting some training in handling the levers and what not on the various machines, but while they are doing that they could be providing some meaningful and lasting asset to the community and still receive adequate training. The funds are being expended in any event.

If that proposition is still floating around in some Minister's office, I wonder if we might encourage those in charge of the Jobs Fund to take another serious look at it and possibly use some of that manpower training on a project such as that.

**HON. W. PARASIUUK:** I certainly will take that under advisement; I think that we have been looking at that. It's a matter of trying to get the training authority under way having a focal point where people know where the bulk of the training is going to take place and most of it is going to be taking place at Pipe Lake; some of it will be taking place at Lynn Lake to use some of the facilities that are already there, and we didn't have to build new facilities or reinvent the wheel.

Certainly, as that training program progresses, it will be in place for a number of years. It will be the intention to look at those types of things to see what we could do in a sense of that type of nature in addition to doing it under controlled circumstances.

I think the controlled circumstances are important, but at the same time where we might look at any type of road building or possibly the Snow Lake Airport - and again I say that in terms of the type of programs we would like to look at without committing with respect to any particular project - but that certainly is part of what the longer-term thinking of the agency is and I certainly will take the member's comments under advisement and pass them on to the people involved in the project.

**MR. D. BLAKE:** Mr. Chairman, there obviously are a number of people in that area that are going to require some additional training if they are going to receive the full benefits of the Limestone project to enable them to find employment. There is some limited degree of employment there; the town is fairly stable, and there are other finds there that look pretty encouraging. But it's still limited to a degree and there's obviously people there that are going to be looking for work, and I can highly recommend that as a project to be taking a real careful look at by the government.

**MR. CHAIRMAN:** 1.(a)(1) - the Member for Lakeside.

**MR. H. ENNS:** Well, Mr. Chairman, in the Minister's opening comments on Page 3, he referred to the fact that some 39 Venture Capital companies had been created under this program.

I wonder if the Minister could give us some indication of the kind of companies that in fact are being created under this Venture Capital Program. I won't ask him to read all 39 of them into the record, but I think

members of the committee would appreciate receiving some indication of the nature, the kind of Venture Capital Programs that are being entered into.

**MR. CHAIRMAN:** The Minister of Business Development.

**HON. J. STORIE:** Yes, Mr. Chairman, actually the Venture Capital Program has been going through a series of I guess criteria changes. When the program was first introduced there was approximately a \$1 million budget for support to four different categories. Those included research, development, manufacturing and processing.

In subsequent years, when the program was being well received, the budget allocation was increased to \$4 million and the categories were expanded to include tourism, certain types of tourism facilities, transportation sector, so it's not very simple to say what specific kinds of businesses. There is an extremely wide range of businesses that have been supported from tourism facilities to manufacturers involved in the development of plastics, containers, the manufacture of farm equipment, so it's extremely broad-ranging. And indeed some major research and development that is ongoing are utilizing the program, so there's all different kinds of companies.

I suppose, as knowledge of the program and its flexibility became more widely known, we have had increasing numbers of applications from differing sectors, and the breakdown between new and maintained jobs is something like 60-40. So I don't know whether the member wants names of companies. Nemco Resources, they're involved in mineral exploration and development.

**MR. H. ENNS:** I wonder, is there - again it's my lack of not being able to be in all committees at the same time - a public listing somewhere, either in the departmental report or somewhere, of the companies receiving this assistance under this program with some description as to the actual job creation nature of the firms that are being formed.

**HON. J. STORIE:** Mr. Chairman, I believe that the projects that have been approved under the Venture Capital Program were part of the Annual Report. I can certainly obtain a list of companies and provide them to the member if that's his wish.

**MR. CHAIRMAN:** 1.(a)(1) - the Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Chairman.

I wonder if the Minister could let us know, has the Jobs Fund been involved in any way with the training program that is going on in the North in connection with the trapping industry, the preparation of furs and various trapping methods, bringing them up-to-date on the various trapping methods to label and to handle a trapline better or to take over their own trapline. Has the Jobs Fund been involved in any of those programs?

**HON. E. KOSTYRA:** No.

**MR. CHAIRMAN:** 1.(a)(1) to 1.(c)(2) were each read and passed.

Resolution 144: Resolved that there be granted to Her Majesty a sum not exceeding \$83,160,000 for the Manitoba Jobs Fund for the fiscal year ending the 31st day of March, 1986—pass.

The hour being after 10:00, committee rise.

The Honourable Government House Leader on a point of order.

**HON. A. ANSTETT:** Yes, Mr. Chairman, since it's not a new department but something we had indicated we wanted to consider after Jobs Fund, I'm wondering if members wish to deal with the resolution respecting the Canada-Manitoba Enabling Vote, 141, Emergency Interest Rate Relief and Flood Control and Emergency Expenditures. If members are, I believe the appropriate Ministers are here in attendance this evening for those items. If not, we can delay consideration until the next time we're in Committee of Supply.

**MR. CHAIRMAN:** What is the will of the committee? The Opposition House Leader.

**MR. H. ENNS:** Mr. Chairman, we're prepared to deal with the Flood Control and Emergency Expenditures listed on Page 138. I would ask the Government House Leader to reconsider the request for the Enabling Vote which involves a number of my people who currently aren't available? - but the government is in control. Could we deal with the emergency relief flood resolution next?

**HON. A. ANSTETT:** Yes, Mr. Chairman, that's agreeable. We'll delay 141 and 142 till the next time we're in committee, and deal with Resolution 143 today.

## SUPPLY - FLOOD CONTROL AND EMERGENCY EXPENDITURES

**MR. CHAIRMAN:** The topic is, therefore, Flood Control and Emergency Expenditures.

The Member for Lakeside.

**MR. H. ENNS:** Mr. Chairman, I recognize this is a traditional expropriation that's in the Estimates every year. Fortunately, we have not been inundated with undue surplus amounts of water, so I see the kind of traditional sum of money is the same, \$1 million. It provides for the expenditures related to flooding and other natural disasters. It includes municipal flood grants, departmental flood expenditures, Manitoba Disaster Assistance Board and other related expenditures.

Is there any particular expenditure under this item that the Chamber should be made aware of? Are you spending any money in floods?

**MR. CHAIRMAN:** The Minister of Transportation.

**HON. J. PLOHMAN:** Well, just under the Disaster Assistance Board, of course, the major efforts there in the past year has been the flood damage in the City of Winnipeg and Elie where there were some rather major floods last spring. There have been some significant payouts there over the last year; all of those claims have been processed. I think they've completed

all of the work under that. That would have been derived from this particular appropriation. Most of it came through that appropriation last year.

There was also some funding for forest fires as well that occurred last year, but I'm not certain of the exact amounts that would have come out of there.

**MR. H. ENNS:** Well, I would question whether any monies came out of this appropriation for forest fire activities. However, it would be of interest to the committee, I believe - it's been some time, and I appreciate it has taken a long time to sort out the policy and indeed the claims for the heavy rains that some residences in the City of Winnipeg experienced for which compensation was paid - does the Minister have a figure of the final cost payout made under that program to basement flooding in the City of Winnipeg? I'll accept a general figure. Was that done last year?

**HON. J. PLOHMAN:** Well, Mr. Chairman, of course, the member is asking for the expenditures that were related under this particular appropriation last year. Almost all of the money that was spent would have come out of last year's budget. There is a very small number of those that were processed since April 1st this fiscal year. I don't have the exact total on it, but certainly we could get that.

There was an Order for Return that was asked as well for the total amount of expenditures for wages on inspectors and staff involved in the processing of claims.

We have that almost ready as well for the House's information. It should be ready in the near future. That will provide some additional information, but I don't have the total payout. I believe it was somewhere between \$500,000 and \$1 million for that.

**MR. CHAIRMAN:** Item 1.—pass.

Resolution No. 143: Resolved that there be granted to Her Majesty a sum not exceeding \$1 million for Flood Control and Emergency Expenditures for the fiscal year ending the 31st day of March, 1986—pass.

The Honourable Government House Leader.

**HON. A. ANSTETT:** Committee rise.

**MR. CHAIRMAN:** Committee rise.

Call in the Speaker.

## IN SESSION

**MR. DEPUTY SPEAKER, P. Eyler:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Mr. Speaker, I beg to move, seconded by the Minister of Natural Resources, that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. tomorrow (Wednesday).