

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 19 May, 1987.

Time — 1:30 p.m.

the draft legal documents, that are presented to that meeting after they are received by the province.

**OPENING PRAYER** by Madam Speaker.

**MADAM SPEAKER:** The Honourable First Minister.

**MADAM SPEAKER, Hon. M. Phillips:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

**HON. H. PAWLEY:** Madam Speaker, I would not be in a position to do that unless there was a withdrawal of any caveat on the part of the Federal Government in regard to the proposal that they had presented to the 10 provinces. So I'd have to accept that question as one of notice, because I believe there is a caveat.

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MADAM SPEAKER:** The Honourable Attorney-General.

#### Meech Lake - raise matter of caveat

**HON. R. PENNER:** Yes, Madam Speaker, I beg leave to table and distribute to the House, Supplementary Information for the Legislative Review of the 1987-88 Estimates, for the Department of the Attorney-General.

**MR. G. FILMON:** I wonder, Madam Speaker, if the Premier would agree to raise the matter of the caveat at the meeting, have it raised so that after the meeting whatever is agreed to by the participants could be released publicly.

**MADAM SPEAKER:** The Honourable Minister of Education.

**HON. H. PAWLEY:** Madam Speaker, I'll take that under consideration.

**HON. J. STORIE:** Madam Speaker, on behalf of the Minister of Environment, Workplace Safety and Health, I'd like to table the Supplementary Estimates Review Information for the year 1987-88.

**MR. G. FILMON:** Madam Speaker, is the Premier then indicating, as a result of this caveat, that nothing will be allowed to be made public until such a time as the legal agreements have been agreed upon by the various provinces and the Federal Government; that, in fact, we'll know nothing publicly until everything has been agreed to by the 10 provinces and the Federal Government?

**MADAM SPEAKER:** The Honourable Minister of Municipal Affairs.

**HON. J. BUCKLASCHUK:** Thank you, Madam Speaker. I beg leave to distribute the Supplementary Information for Legislative Review, 1987-88 Estimates, for the Department of Municipal Affairs.

**HON. H. PAWLEY:** I want to relieve any reservation that the Leader of the Opposition might have insofar as positions being made public. From my point of view, I believe that positions should be made public, including the federal proposals, so that there can be full and proper discussion. I believe our Legislature may be the only one, outside of the Quebec, which will have indeed public input at some point in regard to the constitutional changes. But, yes, I believe that the proposal should be made public.

**MADAM SPEAKER:** Notices of Motion . . .

### INTRODUCTION OF BILLS

**HON. A. MACKLING** introduced, by leave, Bill No. 36, An Act to amend The Religious Societies' Lands Act; Loi modifiant la Loi sur les biens-fonds des communautés religieuses.

#### Public Trustee - taxing estates of mentally incompetent and elderly

**HON. R. PENNER** introduced, by leave, Bill No. 37, An Act to amend The Liquor Control Act; Loi modifiant la Loi sur la réglementation des alcools.

**MADAM SPEAKER:** The Honourable Member for St. Norbert.

### ORAL QUESTIONS

#### Meech Lake - tabling of legal documents

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Madam Speaker. My question is for the First Minister.

**MR. G. MERCIER:** Thank you, Madam Speaker.

On Wednesday, the officials of the 10 provinces and the Federal Government will be meeting to put together the legal form of the agreement in principle on the Constitution that was arrived at at Meech Lake. I wonder if the Premier would agree to table the legal documents,

Last week, the Attorney-General tabled the Report of the Public Trustee, which shows revenue of almost \$2.3 million and expenditures of \$1.69 million, showing a profit of some \$600,000.00. Inasmuch as the Public Trustee looks after the estates of mentally incompetent and elderly people, would the Attorney-General explain to the House the reason for this policy of taxing the estates of mentally incompetent and elderly people by some \$600,000.00?

**MADAM SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** Yes, Madam Speaker, that certainly is not our policy. The position taken by the Public Trustee - and one which we support - is that he seeks to assess the minimum charges necessary to maintain the operation.

It may be that in any given year there might be a slight surplus and in the following year there might be a slight deficit, but when we're looking at the management of an estate portfolio of \$70 million and growing, it's not always possible to fine-tune it to that extent. But I can assure the member and the House that it is not our policy to attempt to make, as he put it, a profit on the management of those estates - not at all.

**MR. G. MERCIER:** Madam Speaker, inasmuch as it was not until this government assumed office, and in 1984-85 the Public Trustee's Office showed a profit of \$250,000; and in '85-86, \$600,000; and in this year's Estimates they show expenditures of \$1.9 million, with revenue of \$2.5 million, I'd like some clarification of the Minister's statement that these figures are up and down. Revenues were always lower than expenditures, up until two or three years ago under this government. They're now showing, for the second year in a row, a profit of \$600,000.00. How does the Minister and the government justify taxing the estates of mentally incompetent people and elderly people by this amount?

**HON. R. PENNER:** I've already said but I have no hesitation in repeating it, it is not our policy to seek to make a profit or to get into a surplus position, to be more accurate, in the management of these estates.

I want to say, again for the record, that it is the Public Trustee who sets the amount that is charged for the services. We do not, either by legislation or by Order-in-Council or by direction from this Minister, tell the Public Trustee what should be charged. The fact that for two years in a row there's been a relatively small - and in the government scale of things it is relatively small - surplus position, does not in itself argue that is the policy. I simply say again, that is not the policy.

Further to that, the member of course is free to, and no doubt will, raise these questions during Estimates and, if required, I can make sure that the Public Trustee is available for any further questions.

### **Public Trustee - request to lower fees on estates of mentally incompetent and elderly**

**MR. G. MERCIER:** In view of the fact that the Public Trustee's Office under this government made a profit of \$250,000 on the estates of mentally incompetent and elderly people in 1984-85, \$600,000 last year, and their Estimates of Expenditures and Revenue show another \$600,000 profit this year, will the Attorney-General direct the trustee to lower his fees so that the estates of mentally incompetent and elderly people are not taxed at such a large amount, Madam Speaker?

**HON. R. PENNER:** The member's concerns will be certainly discussed with the Public Trustee and, I reiterate, any further detailed examination of the Public Trustee's estimates can be made during Estimates,

which may begin as early as Wednesday of this week. When we get to that point in the Estimates, either towards the end of this week or the beginning of next week, the Public Trustee can be made available.

### **Sugar beet industry - compliance with Clean Environment Commission**

**MADAM SPEAKER:** The Honourable Member for Fort Garry.

**MR. C. BIRT:** Thank you, Madam Speaker. My question is directed to the Acting Minister responsible for the Environment.

Several weeks ago I spoke to the Minister of the Environment about the odours emanating from the sugar plant in Fort Garry. He had indicated at that time that there was going to be a review as to whether or not the sugar plant was in compliance with its licence. Could the Minister in question determine whether or not there has been, in fact, compliance with the order issued by the Clean Environment Commission?

**MADAM SPEAKER:** The Honourable Minister of Co-op Development.

**HON. J. COWAN:** Thank you, Madam Speaker.

I would be pleased to take that question as notice and have the Minister answer the question upon his return to the House or shortly thereafter.

### **Sugar beet industry - reconsideration of Clean Environment Comm. standard**

**MR. C. BIRT:** Then perhaps the Minister could also take this question as notice: If the plant is in compliance with the order issued by the Clean Environment Commission, would the Minister then consider having the Clean Environment Commission review its order, in light of the recent odours emanating from the plant and being complained of by the residents in the area?

**HON. J. COWAN:** There are certainly procedures available to the Minister, as well as to the general public, in respect to initiating reviews and bringing concerns forward of that matter, and I'm certain that, when the Minister returns to the House, he'll be pleased to answer that question and provide further advice as to what might be undertaken in respect to the concerns that are being expressed.

### **Water Services Board - conclusion of agreement**

**MADAM SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Thank you, Madam Speaker.

Madam Speaker, I direct a question to the First Minister in his capacity as the Minister responsible for federal-provincial relations.

Madam Speaker, his Minister of Agriculture and the Water Services Board has some \$60 million worth of applications from various communities across Manitoba

for improvements to their sewer and water projects in their communities. In private discussion with the Minister he indicates that, if a successful conclusion of a developmental agreement with Ottawa can be completed, that would assist considerably in the moving forward of these projects.

My question to the First Minister: Are there any difficulties or reasons that he is aware of that this agreement cannot be concluded with Ottawa? My understanding is that Saskatchewan has successfully concluded just this kind of an agreement and is proceeding, you know, at a considerably more rapid pace with these kind of projects.

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, that is indeed one of the items that have been under active discussion with the Federal Government, is Community Water Agreement.

In fact, during the Prime Minister's visit, one of the items that we discussed briefly was such an agreement. The Minister is continuing his work in order to attempt to bring about a successful completion of discussions relating to a province-wide Community Water Agreement.

**MR. H. ENNS:** Madam Speaker, I thank the First Minister for that response. I know that I can offer the assistance of my leader, indeed our whole group, in expediting those negotiations if that help is asked for, Madam Speaker.

But can the Minister give me some indication? Is a conclusion of that agreement imminent or is there a difficulty in coming to a conclusion of that agreement?

Many communities in Manitoba are awaiting some speed-up of their work that they have applied for, in some cases for several years now.

**HON. H. PAWLEY:** Madam Speaker, all that I think would be appropriate for me to indicate at this time is that two parties are discussing such an agreement. I would be hesitant to say it's imminent or soon, until we ensure that we can say that with some sense of certainty, that one is going to be completed, except to say that certainly the Province of Manitoba is committed to further those discussions.

### **Provincial parks - situations on long weekend**

**MADAM SPEAKER:** The Honourable Member for Emerson.

**MR. A. DRIEDGER:** This is to the Minister of Natural Resources.

Based on the activities, unfortunate situations, that developed on the long weekend in some of our provincial parks, which included drunkenness, fighting, rowdiness, with as many as 100 people having to be evicted from one of the parks, can the Minister indicate whether the reason for the activities is lack of staffing, or is it lack of regulations that is creating this kind of a situation?

**MADAM SPEAKER:** The Honourable Minister of Natural Resources.

**HON. L. HARAPIAK:** Thank you, Madam Speaker.

I would want to point out, at the outset, that what happened at Falcon Lake was not typical of what was going on in our parks over the weekend. We have indication that there was very little in the way of difficulty in all of our other parks. In this one location, there was a problem.

Now the member asks whether it was due to a shortage in staffing or some other matters. Indications to us are that it was not any of those matters related to the operation of the department. It appears it was excessive use of alcohol in a group of young adults who chose, in this case, to gather as a group at Falcon Lake.

### **Provincial parks - action re rowdiness**

**MR. A. DRIEDGER:** Another question to the same Minister, Madam Speaker.

Can the Minister indicate what kind of action he is contemplating for the future, so that families with children, when they get out to provincial parks, can enjoy them without this kind of a situation developing?

**HON. L. HARAPIAK:** Again, Madam Speaker, I would want to point out that every communication that has emanated from the Department of Natural Resources indicates clearly that we want in our parks to have an atmosphere wherein families can find enjoyment, individuals can find enjoyment. We do not seek to have an atmosphere in which any particular group would impose themselves on visitors to the parks.

I've asked for a review of the situation, Madam Speaker, to see what can indeed be done to minimize the incidents of this nature. We are concerned, we want to have, as has been indicated, an atmosphere in the parks wherein all people will find it comfortable and enjoyable.

### **Core Area Initiative Program - training programs to involve core area unemployed**

**MADAM SPEAKER:** The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker. My question is to the Minister of Urban Affairs.

As a partner in the Core Area Initiative Program, we know that part of that initiative is to involve those in the core who have, for long periods of time, been unemployed. Can the Minister inform the House if any follow-up and evaluations are done on the training programs by his department or if they're made available by the overall initiative to his department?

**MADAM SPEAKER:** The Honourable Minister of Urban Affairs.

**HON. G. DOER:** Thank you, Madam Speaker.

The Core Area office has evaluated the training program in the first five-year or first-core program, and that is a public document that I could make available to the honourable member.

## **Gerontology Community Worker Program - wasted due to lack of employment**

**MRS. S. CARSTAIRS:** A supplementary question to the same Minister.

Can the Minister tell the House today if much of the training program has been wasted in that, for example, in the Gerontology Community Worker Program, 17 were trained at a cost of thousands and thousands of dollars, and only three have in fact found employment in that area?

**HON. G. DOER:** Madam Speaker, the member is correct in terms of the Gerontology Program, and that's been made public. In fact, I met with a number of the gerontology students a period of time ago and I was also at the graduation.

Madam Speaker, there were about 150 graduates at the Core Area Training Program just recently, and the majority of them, a great number of them, had jobs already in place before they had completed the training program. Horticulture graduates, graduates in the criminal law enforcement program had jobs. There are students now working in bank training programs that have jobs. So I'm surprised the Member for River Heights would pick the one negative one - and we had publicly admitted it - to highlight the Core Area Training Program.

The Core Area Training Program is a very, very successful part of the Core Area Agreement, and no other urban renewal program deals with both the social priorities of retraining and the physical priorities of retraining as this core area program has dealt with.

## **Evaluation programs - consideration of long-term jobs**

**MRS. S. CARSTAIRS:** A final supplementary to the same Minister.

In the evaluation programs that follow the training period, does the evaluation consider long-term jobs as well as those jobs funded by Jobs Fund and other government agencies?

**HON. G. DOER:** Madam Speaker, it's a little difficult to consider long-term jobs if a training program is only three to four years old, with the greatest of respect.

It's obviously the goal to give people skills and abilities to carry on in careers that weren't formerly available to them. I could provide the evaluation program, Madam Speaker, but we are committed. In fact, we had to fight other representatives from other governments to keep the training program up to \$12 million in the second core program, in fact, higher than the first core program. We'll continue that priority, Madam Speaker, because we believe it's sound for the core area to have physical renewal and also the training and social renewal that's so necessary in that area.

## **Manitoba School Tax Assistance Program - details of program**

**MADAM SPEAKER:** The Honourable Member for Virden.

**MR. G. FINDLAY:** Thank you, Madam Speaker. My question is to the Minister of Municipal Affairs.

Madam Speaker, it is now two months since the Budget was introduced for 1987, wherein the Manitoba School Tax Assistance Program was announced for farmers. I'd like to ask the Minister if he's now prepared to announce the details of that program?

**MADAM SPEAKER:** The Honourable Minister of Municipal Affairs.

**HON. J. BUCKLASCHUK:** Thank you, Madam Speaker.

Discussions have been under way for some time between the Departments of Agriculture and Municipal Affairs, and the Union of Manitoba Municipalities. Agreement has been reached as to how the monies will be paid out, and I'm sure that my colleague, the Minister of Agriculture, who's the lead Minister on this, will be making an announcement in due course.

## **Manitoba School Tax Assistance Program - R.M. councils to administer**

**MR. G. FINDLAY:** I'd like to ask the Minister if the R.M. councils are being charged the responsibility of administering this program?

**HON. J. BUCKLASCHUK:** As I indicated, Madam Speaker, discussions have been held between government departments and the Union of Manitoba Municipalities. The involvement of the individual municipalities, as far as the delivery of the benefits, will be part of the Minister's announcement over the delivery of the program.

**MR. G. FINDLAY:** I'm glad that the Minister is now prepared to make that announcement in due course, but will it be in place in time for when farmers pay their 1987 land taxes?

**HON. J. BUCKLASCHUK:** The answer simply put is, yes, and probably before that.

## **Consolidated Professor Mines - contamination to Winnipeg water**

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Madam Speaker. My question is for the Minister of the Environment.

I note that a mining company, Consolidated Professor Mines, is planning to set up a gold mining operation on Stephens and Cameron Island in Shoal Lake, the source of the City of Winnipeg's water supply.

My question to the Minister is: Has his department investigated the proposals to see whether or not there will be any contamination to Winnipeg's water supply as a result of this proposed gold mining operation?

**MADAM SPEAKER:** The Honourable Minister of the Environment.

**HON. G. LECUYER:** Thank you, Madam Speaker.

This particular mining operation isn't a mining operation at this point, yet, and I don't know if it will ever be. There is exploratory work that is going on, on one of the islands in that area. It's been part of the discussions, when I referred earlier on a question dealing with the issue of Shoal Lake. It was part of the answer when I said that there are ongoing discussions annually between my department and the equivalent department of Ontario, and there is a Memorandum of Understanding whereby we will meet to discuss issues of mutual concerns that are transboundary of nature. That is one of the issues that we've discussed with Ontario in past years, including the last time last fall.

And, at this point in time, I cannot say, Madam Speaker, whether there will eventually be mining operations and, if there are, they will be as a result of discussions that will have to take place with Manitoba. At this point in time, there's no mining operation even contemplated or proposed at this point. Exploratory work of course, if it proves successful, will eventually lead to that kind of proposal.

### **Mining operation - contaminants to water supply**

**MR. G. FILMON:** Well, Madam Speaker, given that the company has apparently already invested \$12 million in exploration on those islands, there is evidence that they're serious about developing a mining operation.

In view of the fact that the by-products of a gold mining operation, and indeed the heavy-industrial activities that would occur as a result of setting up a fullfledged mine, would have the potential to introduce a great many contaminants into the Shoal Lake water supply, what assurances do we have that there is no danger to Winnipeg's water supply as a result of the setting up of a mining operation?

**HON. G. LECUYER:** Well, Madam Speaker, should there be - and we're talking about Consolidated, I presume, Professor Mines operation. Should there be eventually a consideration of developing a mine there, that then would have to be a proposal, which would have to be studied in terms of the impact. It's not at this stage yet, and perhaps this is one of the issues that may be on the table for consideration the next time we meet with our counterparts in Ontario. Should that ever be a proposal which is under active consideration, in terms of environmental impact, we would want also the Federal Government to be part of that impact study, as we are talking about transboundary water issues.

### **Consolidated Professor Mines - environmental impact study**

**MR. G. FILMON:** Well, Madam Speaker, will the Minister assure that there will be an environmental impact study prior to the approval of any mining operation on these islands by Consolidated Professor in this particular instance?

**HON. G. LECUYER:** Madam Speaker, it certainly would be our wish that such a study be undertaken, and certainly we would hope that the Province of Ontario

would also comply with that wish, and so would the Federal Government. Because, as I said, Madam Speaker, we are talking about a transboundary water issue which does come under the purview of the Federal Government and should be under their responsibility in terms of assessment, with of course our participation and that of Ontario. And I hope, Madam Speaker, that if it leads to potential development considerations, indeed there would be that type of assessment.

**MR. G. FILMON:** The Minister is indicating his hope. Can he give assurances to the people of Winnipeg that there will be an environmental impact assessment before any mining operation is allowed to proceed?

**HON. G. LECUYER:** Madam Speaker, all I can say at this point in time, even the Province of Ontario, wherein this is taking place, has received no application for start-up operations. They have indicated that they will be prepared to hold hearings. Of course, that is not the assessment process per se but, should there be a proposal to start up, what I have said is it would be ours to see environmental impact assessment take place. The responsibility for ensuring that it does take place will be the Federal Government's, and that's where we'll have to make our pressures felt, unless we go into Ontario, carry out our own impact assessment, which is not the process generally used, Madam Speaker, when it is not our jurisdiction.

### **Delta Beach - debris from diversion, prevention of**

**MADAM SPEAKER:** The Honourable Member for Portage la Prairie.

**MR. E. CONNERY:** Thank you, Madam Speaker. My question is to the Minister of National Resources.

First of all, Madam Speaker, I must say the Department of Water Resources were very quick and efficient in cleaning up the mess at Delta Beach. But since the diversion has been in place, it's been almost an annual event that there's debris comes down the diversion and the beach at Delta is inundated with debris, logs and everything else.

What is the Minister planning on doing in the future to prevent this sort of recurrence?

**MADAM SPEAKER:** The Honourable Minister of National Resources.

**HON. L. HARAPIAK:** Madam Speaker, despite our best intentions, I don't know that we in the Department of Natural Resources could ever ensure that debris would not flow to Delta Beach. We will certainly be looking at what the causes are.

There's some indication from some of the members opposite that perhaps some of the activity along the waterways has contributed to that. We will investigate those matters. We did move, as the Member for Portage said, very quickly to clean up the debris, but we cannot ensure that in the future debris will not flow on the waters of that particular waterway.

**MR. E. CONNERY:** To the same Minister, it's been admitted by an employee of the department that the

boom that prevents a lot of debris going down the diversion is one that breaks, and breaks continuously. Can the Minister not ensure us that they can put up some sort of a boom structure that this won't be recurring every year?

**HON. L. HARAPIAK:** If the member is prepared to give the specific information that he has and if there's some technical shortcoming in the structure that is in place, we'd be quite prepared to review it.

### Salary of Deputy Attorney-General

**MADAM SPEAKER:** The Honourable Minister of Finance.

**HON. E. KOSTYRA:** Thank you, Madam Speaker.

I had taken, along with the Attorney-General, some questions as notice on May 7 with regard to Deputy Ministers' salaries, and I have that information to report to the House.

There are three pay levels for Deputy Ministers. Each contain six pay points at each level. A Senior Officer 5, which is \$59,632 - \$71,585; Level 6, which is \$61,883 - \$74,309, and Level 7 which is \$66,479 - \$80,120.00.

The last time there was a change in the scale was when there was a general salary increase in October 1986. The same formula was put in place to those salaries as was the case for the general Civil Service group, which the general increase was on average 4.5 percent. However, the yield for the Senior Officer level was considerably less than that at about the 3 percent range.

There was a further question asking for the salary level of the Deputy Attorney-General. That individual is at the maximum rate of the Senior Officer 7, which I already indicated was the scale of \$66,479 to \$80,210.00. The last change in that salary was the general increase that was given to all within those categories.

### Landlord and Tenant Review Report - duties of Tenant and Landlord Adviser

**MADAM SPEAKER:** The Honourable Member for Assiniboia.

**MR. R. NORDMAN:** Madam Speaker, through you to the Minister of Housing. Dealing with the Landlord and Tenant Review Report which the Minister advised that we'll be implementing in the near future, Madam Speaker, can the Minister explain what the duties or functions of the Tenant and Landlord Adviser will be?

**MADAM SPEAKER:** The Honourable Minister of Housing.

**HON. M. HEMPHILL:** Madam Speaker, in terms of the recommendations from the committee, I believe there are something in the order of 139 recommendations that are presently being studied.

It's going to take us some time over the summer to look at those recommendations and decide what will, and when they will, be implemented in legislation that

we're expecting to take place in the next Session. So it's very difficult at this point to go into details of any one of the recommendations, until we've had a chance to fully consider them.

**MR. R. NORDMAN:** Madam Speaker, this individual that we're looking at, from what I can understand, probably will act as an advocate. I mean, along with the Minister, we're studying it too, and this is the first opportunity that I've had to ask any questions on it.

We just want to know if this person is going to be a lobbyist for the public assuring fairness to both tenant and landlord.

**HON. M. HEMPHILL:** Madam Speaker, one of the principles, one of the main principles that was undertaken with the review was to make sure that a system that we had in place, the landlord and tenant existing regulations, which we felt was already a fair process for landlords and tenants, was made even fairer for both sides. In other words, what we were trying to accomplish is that any problems related to either landlords, abuses with landlords, abuses with tenants, were corrected because we want to make sure that those don't exist and that the system is fair to both sides.

So that all of the recommendations that are in place, and a large number of them have consensus by the representatives of the landlords and the representatives of the tenants, the basic principle thereafter is a fair system for both parties, both sides.

**MR. R. NORDMAN:** Madam Speaker, is the Minister indicating at all that the agency is not presently providing proper advice to the public, or is there an indication that there is a lack of faith in any of our employees?

**HON. M. HEMPHILL:** No, Madam Speaker, I don't think it's indicating that at all.

What we do know though is that this is one of the most complex areas where there is a great amount of information that has to be given out, and we want to make sure that the information doesn't just come to those people who know where to go to get it. There are large numbers of people in our city and in our province who don't know what their rights are, in fact, what their responsibilities are, and they don't know where to go to receive that information.

So we have been examining the system to see where those deficiencies may lie, and what we want to do is improve our ability to get information out to those target groups that we feel presently don't have access.

### Highway 352 - maintenance of

**MADAM SPEAKER:** The Honourable Member for Ste. Rose.

**MR. G. CUMMINGS:** Madam Speaker, my question is for the Minister of Highways.

In an ongoing attempt to help him improve the maintenance of the P.R. roads in this province, I would like to ask if he is prepared to personally intervene in the maintenance on Highway 352, which has three narrow and unsafe crossings on it at this point?

**MADAM SPEAKER:** The Honourable Minister of Highways.

**HON. J. PLOHMAN:** Madam Speaker, I'll be pleased to check into that situation.

### Railings on narrow approaches

**MR. G. CUMMINGS:** Madam Speaker, I wonder also if the Minister would review the reason why railings were put on very narrow approaches that do not have enough width for gravel trucks and vehicles to pass, rather than spending the same amount of money and replacing the structures with large culverts.

**HON. J. PLOHMAN:** Madam Speaker, I can take that as notice, as well.

As I explained during the Estimates, there are certain criteria that are applied when these concrete culverts are used, as opposed to structures, and it may be that in this situation they weren't warranted, but I will check into that.

**MR. G. CUMMINGS:** To the same Minister, culverts were used to replace a fourth structure on this same road. I would like to ask if the Minister would also review the fact that at least one of these structures is on a nearly blind curve which has caused several near accidents, and there is by no means adequate maintenance on this road to service the volume of commercial traffic and the domestic traffic, including many school buses that travel this road?

**HON. J. PLOHMAN:** Again, I'll have to take that question as notice.

### Deputy Attorney-General - last salary increase

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, my question is directed to the Minister of Finance, and it follows from the answers given a few moments ago, for which I thank him, respecting Deputy Ministers' salaries in the public service.

The Minister did answer several of the questions raised, but I believe there was one that he did not. I would ask him, if he has the information before him, could he tell us when was the last increase in the salary of the Deputy Attorney-General? If it was October of 1986, that's fine, but could he tell us from what figure to the top figure of \$80,120 that salary increased?

**MADAM SPEAKER:** The Honourable Minister of Finance.

**HON. E. KOSTYRA:** I had already answered that question. The last increase was the general one that went in place for all staff at October 1986. I don't have the specific figures, but the member can work it out. The increase at that level was part of the overall 4.5 percent increase for all staff, but because of the split manner in which it was put in place, the increase for that level, for that individual, would be 2.94 percent.

### Deputy Attorney-General - governed by contract between Attorney-General and gov't

**MR. J. McCRAE:** Is the employment of the Deputy Attorney-General with the Attorney-General's Department governed by a contract between the Deputy Attorney-General and the government?

**MADAM SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** No, Madam Speaker. These of course are questions more appropriate for Estimates but, since they're asked, we'll answer them.

The member may recall and, if not, he might have consulted with the Attorney-General critic sitting just in front of him, that the Deputy Attorney-General came here originally on an executive interchange from Ottawa, which was for a period of two years, prior to that period of time coming, then he opted to stay here and became a regular member of the Civil Service.

### The Labour Relations Act - opinion from law officers

**MR. J. McCRAE:** Madam Speaker, a new question for the Attorney-General.

I would hate to see the Attorney-General taken out of context once more, so I'll ask him another time, and perhaps he can give us a very clear answer about the review of The Manitoba Labour Relations Act.

The last time he spoke during this period on this subject, he clarified his previous comments to the effect that an opinion would be made available to honourable members of this House respecting a court challenge to The Manitoba Labour Relations Act with respect to Metropolitan Stores, whereas previously he had told us that the whole act was the subject of Charter of Rights scrutiny.

Will the Minister please clarify today what he means when he talks about Charter of Rights scrutiny? Is the whole act under scrutiny by the law officers of the Crown? If so, will he please make available to members of this House the legal opinion of the law officers of the Crown respecting the entire Manitoba Labour Relations Act, not just those parts that are the subject of court action.

**MADAM SPEAKER:** The last part of the honourable member's question referring to advice given to the Crown by law officers, etc., is not in order. Did the Honourable Member for Brandon West wish to rephrase his question?

The Honourable Attorney-General.

**HON. R. PENNER:** Thank you, Madam Speaker.

In fact, it was my intention to indicate to the Member for Brandon West and to all members of the House exactly what happens.

All of the statutes of the Province of Manitoba, the public statutes of the Province of Manitoba, are the subject of review for their compliance with the Charter. Having said that, it is clear that is a monumental task. So, year by year, the law officers of the Crown take

certain sections of the Charter, e.g., section 8, dealing with search and seizure, and take a group of statutes and subject them to an inquiry to make sure that they meet the provision of section 8 of the Charter with respect to reasonable search and seizure.

The members may recall that Manitoba was in the forefront in introducing amendments to our taxation statutes to make sure that Draconian features which were there were rooted out. Then we had a subsequent application of section 8 to another group of statutes. So in each year we try, either through section 8 or section 15, to subject as much as we can, given the resources we have, to scrutiny. We don't take each statute and see whether or not it's in conformity with the Charter.

We start with the presumption in law that all our legislation is constitutionally valid; we start with that assumption. It would help the member opposite if he started with that assumption. We don't start with the assumption that it's invalid. We take the resources that we have - here again leading the country in Charter compliance - and we do that. We also had an outside person, Professor Gibson, University of Manitoba, give an initial analysis in 1982, which is available to the member if he cares to look at it. If the member wants to carry out his particular vendetta against Manitoba's labour laws, let him do it on his own time.

**MR. J. McCRAE:** Before I can assume there was an answer there, Madam Speaker, I'll have to read Hansard.

The other assumption that the Minister asks me to make, I refuse to do, in view of the things that we've been seeing in this province, and the way we've been seeing workers' rights trampled on as a result of the legislation of this government.

### **The Labour Relations Act - Sec. 6(2) deprives the right of free speech**

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. J. McCRAE:** I do have a question, Madam Speaker.

Will the Minister ask the law officers of the Crown to look specifically at section 6(2), of The Manitoba Labour Relations Act, which deprives the right of free speech to Manitobans? Will he also direct the law officers to review the unfair labour practices penalties section to discover whether a \$3.2 million penalty to an 18-year-old woman is constitutional, No. 1, and moral, No. 2?

**HON. R. PENNER:** The Member for Brandon West is making an assumption as to the outcome of a case which is before the Labour Board, which is an assumption which I would not make and, with respect, he's not entitled to make. If indeed that kind of a judgment were rendered by the Manitoba Labour Board, then it would be subject to the normal processes of judicial review.

No. 1, indeed it's entirely unlikely that the Manitoba Labour Board would give a judgment of that kind because, among other things, there's been assurances from the union in question they're not really looking

for that type of penalty. But, you know, this is not the body before which to debate a case which is before a judicial or a quasi-judicial tribunal. This is not the body before which to do that; that is to distort the relationship between the legislative and the judicial arms of government, and it should not be done.

No. 2, as the member knows, because he was referred to that section in an earlier answer, there is a specific section within The Labour Relations Act guaranteeing freedom of speech.

No. 3, our labour laws are the best in the country, bar none, in terms of a fair balance between employers and employees.- (Interjection)- I'll tell you whose side we're on. We're on the side of the people of Manitoba who, because of our labour laws -(Interjection)- Quiet for a moment - because of our labour laws have had a period of industrial peace, equal to none, and that is in the best interests of the people of Manitoba, not coming in here with your special brief for the Chamber of Commerce and union-busting employers.

**MADAM SPEAKER:** Order please.

The time for Oral Questions has expired.

The Honourable Member for Thompson.

**MR. S. ASHTON:** I'd just like to ask leave to make a non-political statement, Madam Speaker.

**MADAM SPEAKER:** Does the Honourable Member for Thompson have leave to make a non-political statement? (Agreed)

### **NON-POLITICAL STATEMENTS**

**MADAM SPEAKER:** The Honourable Member for Thompson.

**MR. S. ASHTON:** Thank you, Madam Speaker.

This past weekend, Thompson held its first homecoming to mark the 25th Anniversary of R.D. Parker Collegiate. Over the weekend, past and present staff, students, parents and friends of R.D. Parker attended a number of events to mark the significant anniversary.

The weekend provided an excellent opportunity for many of us to renew friendships with former classmates who came to the homecoming from literally across the country. It was also an excellent opportunity, Madam Speaker, to reflect on the significant contribution R.D. Parker Collegiate has made over the past 25 years.

I am sure I speak for all members of the Legislature in congratulating the organizers of the homecoming weekend, and wishing R.D. Parker Collegiate all the best on the occasion of its 25th Anniversary.

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Madam Speaker, I'd like to ask leave of the House to make a non-political statement.

**MADAM SPEAKER:** Does the Honourable Minister have leave? (Agreed)

The Honourable Minister.

**HON. L. DESJARDINS:** Last week, Madam Speaker, the Opposition House Leader announced that there was a championship, Canadian National Gymnastic and Trampoline Championship here in Winnipeg and, because of the role that he played, an important role in organizing this and the many volunteers whom I'd like to congratulate, the championship event that terminated last Sunday was very successful.

The Manitoba athletes performed at an exceptionally high level of achievement throughout the four days, and they certainly deserve the congratulations for the long hours that they spent preparing for this event.

I would like to announce some of the winners. They all did well, but some of those who won medals: Suzanne Villeneuve, winner of two Silver Medals and one Bronze Medal in the Women's Open Category; Lynette Wittmeier, winner of a Bronze Medal in the Women's High Performance Category; Tom Seniuk, winner of one Gold Medal, one Silver Medal and two Bronze Medals in the Men's Tyro Category; Dave Reed, winner of a Gold Medal in the Men's Novice Trampoline Category; and finally, Bob Bonnefoy, winner of a Silver Medal and a Bronze Medal in the Men's Junior category. In addition, the Manitoba Women's Open Team won third place in the nation and they were awarded a Bronze Medal.

Madam Speaker, we are very proud of all our athletes.

**MADAM SPEAKER:** The Honourable Minister of Education.

**HON. J. STORIE:** Madam Speaker, I also would like leave to make a non-political statement.

**MADAM SPEAKER:** Does the Honourable Minister have leave? (Agreed)

The Honourable Minister.

**HON. J. STORIE:** Thank you, Madam Speaker.

In the vein established by my colleague, the Member for Thompson, in congratulating R.D. Parker on their 25th Anniversary, I would like to announce to the House and to congratulate publicly - and I know that all members will want to join me in congratulating the many participants from Manitoba in the Canada Music competitions which were held recently.

This competition is for both stage and concert bands from across Canada, and I am particularly pleased to make known to the House that a tremendous number of participants from Manitoba were successful in this competition. I would like to just outline for the House the highlights in terms of accomplishments.

In the Senior High Stage Band Class, Madam Speaker, Fort Richmond Collegiate won a Gold Medal; Silver Heights won a Gold; Tech Voc won a Gold, and Tech Voc also received the most outstanding stage performance of the festival; Steinbach School Band received a Bronze Medal.

The Junior High Stage Band Class, Westdale School received a Gold; Minnetonka, the Silver; Steinbech, Silver; Warren, Silver.

In the Junior High Concert Band class, Isaac Newton received a Gold Medal.

Madam Speaker, I understand that every band that attended the competition was recognized for some

special achievement, a phenomenal accomplishment, and I would like to extend congratulations and commendations to the band directors, to the teachers, to the students, to the parents involved in the School Band Program across Manitoba. I think the success of our students in this national competition reflects the wide array of programs and experiences that we offer to young people in Manitoba, and thanks to everyone who has made a special effort to make this kind of experience available to young people in Manitoba.

Thank you, Madam Speaker.

## COMMITTEE CHANGES

**MADAM SPEAKER:** The Honourable Member for Kildonan.

**MR. M. DOLIN:** I'd like to make a political statement, committee changes, Madam Speaker.

I move, seconded by the Member for Elmwood, that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: H. Smith for the Honourable W. Parasiuk; the Honourable G. Doer for C. Baker.

## ORDERS OF THE DAY

### ORDER FOR RETURN - NO. 11

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Would you please call the Order for Return, Madam Speaker?

**MADAM SPEAKER:** The Honourable Member for Emerson.

**MR. A. DRIEDGER:** Madam Speaker, I move, seconded by the Member for Gladstone

THAT an Order of the House do issue for return of the following information:

1. The date and times that the "Wallace Lake" and "Woodridge" forest fires were detected.
2. The "fire hazard" ratings in those areas on those dates.
3. The number, dates and times of airborne fire detection flights in the Wallace Lake and Woodridge areas since April 1, 1987.
4. The method by which the fires were detected.
5. Records of lightning strikes in the five-day period immediately prior to detection of these fires.
6. The number of Natural Resources officers (NRO's) currently engaged in fire fighting activities at Wallace Lake and Woodridge by region of origin.
7. The number of NRO's currently engaged in firefighting activities in the province.
8. The number of NRO staff days being expended in investigation of the causes of forest fires in Manitoba.
9. The number, date and times of the waterbomber flights for the Wallace Lake and Woodridge fires.

**MOTION presented.**

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Madam Speaker, we're prepared to accept the Order for Return with the proviso that, right now, the first priority of the department has to be fighting these fires and other fires that are now presently burning in the province, and that they will be working on this as time permits and providing the information to the Member for Emerson when they are able to complete their review of the questions and the answers, after they've dealt with the first priority which is fire fighting.

As well, there are a couple of matters of clarification which are required, and I would suggest that perhaps the Member for Emerson speak to the Minister of Natural Resources to define, particularly, when he suggests that "currently engaged in fire fighting," what specific dates he would require in the answer for the Order for Return, but that can be done between the two members.

**QUESTION put, MOTION carried.**

### HOUSE BUSINESS

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Yes, Madam Speaker, on a matter of House Business, just to remind members that today we will be using Monday sitting hours, as was determined last week. There will be Private Members' Hour from five o'clock to six o'clock today.

I move, Madam Speaker, seconded by the Minister of Agriculture, that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Community Services; and the Honourable Member for Lac du Bonnet in the Chair for the Department of Industry, Trade and Technology.

### CONCURRENT COMMITTEES OF SUPPLY

#### SUPPLY - INDUSTRY, TRADE AND TECHNOLOGY

**MR. CHAIRMAN, C. Baker:** The committee will please come to order.

The Honourable Minister of Industry, Trade and Technology.

**HON. V. SCHROEDER:** In the Throne Speech, His Honour the Lieutenant-Governor of Manitoba, pointed out that Manitobans are justly proud of their province's achievements in job creation and economic development. A favourable business climate in Manitoba is reflected in the fact that our net business

formation rate has been higher than the national average every year since the current government took office in 1981. As well, from the election in November 1981 until January of '87, total employment increased by 8.9 percent as compared to 6.9 percent for all of Canada. The Conference Board has forecast that Manitoba will have the fastest-growing provincial economy with a 3.5 percent increase in real gross domestic product in 1987. I am pleased that my department has played an important part in bringing these achievements about.

The 1987-88 Estimates allocation of \$8,935,900 is little changed in amount from the previous year. Once again, we have held the line on spending in keeping with this administration's commitment to responsible and balanced fiscal policy. The allocation will continue to allow a flexible and diversified range of economic development programming. As in years past, the department's overall mission will be to foster steady, stable growth and a diversified economic structure in keeping with the employment, income and human development aspirations of Manitobans.

Members have been supplied with a document containing supplementary information concerning the department and its 1987-88 Estimates. I hope that you will find the document useful. It should relieve me of the necessity to provide extensive background information in my remarks and leave more time to focus on the points which may be of the greatest interest to all of us.

In introducing the Estimates for IT and T this year, I would like to take the opportunity to outline some matters which are not readily evident in the material before you, but which are in many ways central to the achievements of this government and my ministry.

My ministry is the one principally responsible for regional economic development. This responsibility is not separately identified in the Estimates or on an organizational chart. It is a responsibility which transcends all divisions. In full perspective, it is a responsibility which transcends most of the departments and agencies of government.

Perhaps because of the diffuse and unstructured nature of the responsibility, little has been said in public statements concerning it. This is unfortunate because, when we reflect on what has been done and accomplished, our government is seen to have much to its credit. It has demonstrated considerable leadership and has been decisively constructive in its approach to intergovernmental affairs. I think it's time we said our piece.

Now while the notion of regional development seems simple enough, it has in fact proven to be a difficult concept for many in Canada to understand. Part of the difficulty has to do with semantics. For example, some feel that regional development is the development of resources or the physical and locational attributes of a region. Others feel that it is the income support through transfer payments and the like given to people in various regions to maintain a standard level of purchasing power. Still others feel that regional development has to do with the distribution of footloose opportunities in such a way that all Canadians have equal employment opportunities.

Regional development can mean all of these things. The essence, however, rests in the nature of Canada

and the fact that Canada is a federal state. Canada is not a unitary state as is England. The reality of Canada is that it is a country made up of regions.

Two governing principles of federalism are: No. 1, that regional differences are to be respected; and No. 2, that regions share in both the gathering and the distribution of national wealth so as to promote the highest possible quality of life - for all.

Basic to these principles and the workings of federalism is the concept of fairness. Premier Pawley and my other colleagues have been raising the issue of fairness in many forums. Fairness isn't a notion that we invented. Fairness is an obligation of the body politic in Canada. It is manifest in federalism; it is explicit in the Constitution which says that governments must work to reduce regional disparity. When we raise the issue of fairness, we remind others of the condition which must prevail if this country is to work well.

Paradoxically, it has been argued by a few that our insistence on fairness has slowed progress or somehow has worked against federalism. I hope to demonstrate in my remarks to follow that the opposite is the case. I will illustrate as clearly as I can the positive and constructive role which our government and ministry has played in defining the issues, and in support of the two principles of federalism - respect for differences and sharing. Manitobans can take considerable satisfaction in knowing that their province, which is at the centre of Canada, is also central to the development and resolution of major, new Canadian policy initiatives.

To provide some recent context, let me take you back to the early part of 1985. The Federal Government, to its credit, had initiated an intergovernmental consultative process involving Ministers responsible for regional development from all of the Governments of Canada. At this time, Canada did not have a coherent regional development policy. Manitoba conceived a number of principles for guiding regional development and advanced them for consideration at the first meeting of regional Ministers. This formed the basis for agreement amongst all governments on nine principles for guiding regional development.

Manitoba then joined with the Federal Government and two other provinces to elaborate on the nine principles in a joint intergovernmental position paper which, after many drafting sessions, was subsequently signed by all governments. This was a unique and historic happening. For the first time, all governments had before them mutually agreed-on principles for guiding regional development efforts in Canada. Again, it comes as no surprise that fundamental features of the nine principles dealt with respect for regional differences, sharing and fairness.

The major thrust of the regional development activity of this government and my ministry has been to further the constructive and positive application of the nine principles which we worked so hard to develop. Let me turn by way of example to just one of the nine, No. 5, which reads: "All major national policies should be judged, in part, in terms of their regional impact. And, so far as is possible, those policies should reinforce the goal of fair and balanced regional development."

The intergovernmental position paper elaborates, in part, on this principle, as follows: "Regional development must be the concern of every department and agency within both orders of government. When

a department within the Federal Government is developing a national policy, or when a specific program is being proposed to deal with a specific problem in a region of a country, the impact of that policy on all regions should be taken into account. By considering such impact, national programs can be modified to take into account differing economic circumstances in each province."

Regional Development in Action. An outstanding example of how Manitoba was able to have Principle 5 applied is afforded by the recent development of a national science and technology policy. It is difficult to overestimate the importance of science and technology for regional development. The first draft of the national policy which the provinces saw was completed by the staff of the Ministry of Science and Technology. To our surprise, the draft policy - almost in defiance of Principle 5 - was devoid of any reference to the regions.

Manitoba intervened, and I am pleased to say that Manitoba has had an important impact on the subsequent evolution of this national policy. I think we have been very effective in ensuring that the concerns of Manitobans and the best interests of our province can be served by the policy.

The approaches to science and technology development which have guided the Manitoba Government, which are evident in our policies and are demonstrated by our actions, have been incorporated into the basic principles which are at the heart of the new national policy. Now the national policy makes a clear commitment to the equitable sharing in the benefits and opportunities of science and technology among all Canadians. The policy is clear with respect to the commitment to regional, economic and social development for all Canadians. It is firm in its commitment to adequate measures for adjustment to technological change.

I would make the point that, through our efforts, we have not only advanced the interests of Manitoba. We have contributed in a major way to an amended policy which will be good for Canada at large, and for each of our regions.

The Two Sides of Regionalism. Let me make it clear that our concern for regionalism is not one-sided. On the one hand, we are insisting that the principles of federalism be observed, that national policies be sensitive to the regions, and that there must be equality of opportunity between regions. When our Minister of Finance stands up so forcefully on the subject of equalization, he is dealing with an issue which is fundamental to federalism, to regional development and to historic understandings as to how the regions and people of this country should live together. Similarly, when our Minister of Highways goes to such great lengths to ensure that national transportation policy takes due account of regional considerations, he is dealing with an issue that is absolutely vital to regional development.

On the other hand, our vision of Canada tells us that the regions must individually contribute in all ways possible to the national purpose, to the economic and political union of Canada and to the betterment of others. In this way, the quality of life in all regions is enhanced, and Canada becomes considerably greater than the sum of its parts. And we've done this.

My colleague, the Minister of Business Development and Tourism, well knows that entrepreneurship and

small business is now considered by many to be of fundamental importance, if not of prime importance, to regional economic development. Manitoba was one of the first governments in Canada - if not the first - to develop small business programming in a major way. We led the way, yet we've been generous in sharing our knowledge of this sector and our experience concerning small business initiatives with the other provinces.

Similarly, little could concern the regions more than issues affecting the environment. These issues have enormous yet sometimes unrecognized economic development implications. My colleague, the Minister of the Environment and Workplace Safety and Health is exercising a leadership role in Canada in the development of national policies concerning the environment. The benefits of this contribution to national affairs will accrue importantly to all regions, now and in the distant future.

I've given a few of many examples which make the point, often unheard, that Manitoba is contributing substantially to the interest of Canadians in all parts of Canada, at the same time that it serves the interests of its own citizens. I will occasionally return to this theme as I review specific appropriations and sub-appropriations.

First, the Technology Division. The Technology Division in my department provides science and technology advice and carries responsibilities for the delivery of technology-related programs. In addition to the negotiations that have led to the national science and technology policy which I've just referred to, they have been deeply involved in the development of our own strategy for technological development.

As we move into the new fiscal year, our plans are to focus our resources for technical support into areas that will produce tangible results most directly. It will have maximum, immediate impact on technology-based economic development in the province. One of our more challenging undertakings will be to obtain significant benefits for Manitoba from the national space program.

Departmental efforts, through the Technology Division, will emphasize the commercialization of research results and the transfer of technology. We will be building upon the very positive successes that the Technology Division has demonstrated in the operation of the Technology Commercialization Program, known as TCP.

TCP, a Jobs Fund initiative, has been very successful since its inception approximately two years ago. The program provides assistance for the start-up of innovative, new firms and for the adaptation and transfer of new technologies to established firms in the province. The program has attracted attention from a variety of places, both in Canada and abroad, and is becoming well known for its innovative and practical support for new technology-based firms and entrepreneurs.

To date, TCP has provided assistance to a total of 49 companies, and has been instrumental in creating or retaining several hundred jobs in Manitoba. Its economic and technological benefits are profound. Recently, in response to increasing interest in the initiative, we've increased staff support for the program.

Manitoba Research Council. MRC is an agency of my department, and is comprised of Manitobans

representing the industry, university, labour and government sectors. Over the years, it has consistently provided sound advice to the Manitoba Government on science and technology matters. It played an important role in developing the province's position on the national science and technology policy referred to earlier.

My department provides grant support to MRC through the Technology Division. This support, \$2,917,900 in 1987-88, contributes substantially to the costs of operating two technical centres: the ITC in Winnipeg and the Canadian Food Products Development Centre in Portage la Prairie. In addition, MRC plans to generate \$2.7 million in contract-consulting revenue, up from the '86-87 level of \$2.5 million. It is expected that contract-consulting revenues from Manitoba industry will increase 40 percent.

Other goals and objectives include developing more effective technology transfer programs for Manitoba industry, increasing cooperation and networking with other research organizations, and developing and implementing an effective industry-driven marketing program.

One of the Research Council's principle roles is technology transfer to local industry. During '86-87, the technical centres will respond to about 7,000 inquiries from local industry for technical assistance, ranging from better ways of doing things to the adaptation of advanced manufacturing technologies. About 25 percent of inquiries come from rural Manitoba. Both ITC and CFDC will be targeting their marketing efforts at specific market segments.

InfoTech. The Information Technology Program has completed its first full year of operation. This industry-government initiative has received, in its short life, positive reviews, locally and internationally, as an effective vehicle to advance the understanding and use of information technology. It has two main objectives: to promote the development of an information technology industry; and to promote the understanding of information technologies by business and education sectors.

Over the past year, the program was instrumental in establishing the Information Technology Industry Association. It completed business development projects leading to the establishment of 32 high-tech jobs. Over 40 software companies have been provided with marketing support which helped realize over \$1.2 million in export sales.

In 1987-88, InfoTech is expected to implement a cost-recovery program to offset a significant part of its operational costs.

InfoTech has had an impact that goes beyond the borders of Manitoba and which reinforces Manitoba's role as a constructive contributor to the national scene. In our efforts to respond to changes in the structure of the provincial economy and to meet new needs, we are endeavouring to be "good economic citizens" of Canada.

The Health Industry Development Initiative, or HIDI. Another good example of this approach is our strategy as contained in HIDI. During the Throne Speech Debate, I told the House about the solid success we are having in developing jobs for Manitobans in the health sector. The way we are approaching this strategic initiative is not just to meet Manitoba's own parochial interests,

but to contribute as well to the state of the health service system in Canada. To this end, we are seeking to do things here that will not take away from other activities in other regions in Canada. We are seeking to do things that will displace imports and build exportable Canadian capabilities and products. There is no way that a modern industrial nation like Canada should be importing 90 percent of the health products that it consumes. We are seeking selectively to do things that build on our own special strengths. In particular, we want to build on our unique technological capabilities and potential.

We are seeking to provide products and services that contribute to emerging Canadian health needs with plenty of growth ahead. We are seeking to do things that get "more mileage" out of the high levels of public spending in health care. We are seeking maximum cooperation with the Federal Government and have been working positively and constructively with Federal Ministers and officials over the past two years.

Sometimes, the impression is created that the Federal and Provincial Governments are opponents rather than partners. This is sad in that both levels of government serve the same people. Citizens of Canada, in every region, want to build and improve the human condition in this great country of ours. It is the responsibility of both levels of government to work together to help in achieving these aspirations. This is what we're attempting with the Health Industry Development Initiative. We're trying to enable Manitobans to make a greater contribution to the national economy and the national well-being.

To this end, we are actively discussing with the Canadian Government ways to implement exciting new initiatives to build in Manitoba a new and vital part of Canada's health industry. To the extent that we are successful, each level of government and Canadians across Canada will benefit.

**Industrial Development.** In addition to developing the new, we are continuing with the old, those initiatives which have been working well and providing results which are both substantial and cost effective.

Four development agreements were negotiated by the Industry Branch, and financed through the Jobs Fund in '86-87. This generated \$85 million in investment, and created or preserved over 1,000 jobs in Manitoba. Since the inception of the Development Agreement Program, 12 development agreements have been negotiated, generating \$122 million in investment and close to 2,000 jobs. The provincial cost is equivalent to \$4,230 per job. This compares favourably with a similar type of program in Saskatchewan where the cost per job was calculated to be about \$7,500.00.

The department's Hong Kong office has produced positive results and, as a result, the Estimates reflect a new commitment for three years in expanded space leased from Richardson-Greenshields. Investment from Hong Kong last year totalled \$4.5 million and resulted in 100 new jobs from business immigration. The Hong Kong office is currently working on projects entailing \$9.4 million in investment and approximately 200 jobs.

We are continuing the special initiatives mentioned last year to attract U.S. investment to Manitoba. The priority areas for industrial development activities are the Cities of Minneapolis, Chicago, Denver and the State of California in general. Special attention is being paid

to high-technology and to the health care, transportation, machinery and food-processing sectors.

The branch has an important role with respect to existing industry in the province which, in fact, accounts for the largest part of its effort. Considerable attention is given to both the continued well-being and expansion of existing firms. This often involves the branch in a wide range of issues and opportunities, many of which are difficult to anticipate.

In total, including development agreements, the Industry Branch directly assisted in the creation or preservation of over 2,900 jobs and \$100 million in capital investment in '86-87. It expects to surpass this performance in '87-88.

**Trade.** Support for export development continues to be a priority for the department. The Manitoba economy is characterized by a large number of small businesses. Its immediate market is characterized as a small regional one, remotely located to major markets in Eastern Canada and the Midwest U.S. Exporting is essential to the continued survival and growth of business in this province.

The objective of the Trade Branch is the delivery of a cost-effective Export Development Program, comprising group trade show exhibits, missions, seminars and cost-shared assistance to Manitoba exporters. It seeks to motivate and assist companies to secure and expand their markets outside Manitoba.

Plans for '87-88 are to maintain the previous level of promotion activity with some shift in efforts. The agricultural equipment and components sector will continue to play a prominent role in Trade Branch programming. However, recognition has been given to other sectors that have emerged with increasing interest and capabilities to pursue new expanded market horizons in Eastern Canada and the Midwest U.S., for example, building materials, hardware and food products.

Increased emphasis will be given to the promotion of our specialized engineering services and technology capabilities via international development agencies. Canada, the U.S., Europe and Asia are markets where we will continue to be active in support of our diverse manufacturing and service sectors. Efforts will continue to be made to maximize federal trade program support to Manitoba exporters.

The Strategic Planning Division in the department has been assigned lead responsibility for coordinating and developing international trade policy within the Manitoba Government. A key part of this mandate involves research and policy development relating to the current Canada/U.S. bilateral trade negotiations, but this responsibility also includes coordination of issues related to the multilateral trade negotiations and trade irritants between Canada and the U.S.

The Strategic Planning Division works in close cooperation with others in pursuing this mandate. The division is also responsible for representing the Government of Manitoba on the Federal-Provincial Continuing Committee on Trade Negotiations. Our contribution to national as well as regional purpose is evident once again in this forum.

Working with other departments, three discussion papers on the Canada-U.S. bilateral negotiations have been prepared and released. These have provided a base for extensive consultations on the trade issue with

Manitobans and with many non-governmental groups throughout the province.

Over the forthcoming months, especially as more detail on various components of the proposed Canada-U.S. Trade Agreement come available, we will be continuing this series of consultations.

When and if the current Canada-U.S. trade negotiations draw to a conclusion, and at such time as a draft agreement is produced, we want to ensure that there will be adequate time in the process to allow Manitobans and Canadians the opportunity to understand and fully debate the proposed agreement before the agreement is signed and before Parliament and the provinces are asked to approve its implementation. We will be continuing to press the Federal Government for adequate assurances on this matter.

Our government is firmly of the view that current attempts to secure a trade agreement with the U.S. should not detract from our efforts to enhance our economic union within Canada.

One absolutely crucial component in sustaining and enhancing that economic union is our constitutional commitment in Canada to balanced regional economic development. The Strategic Planning Division has the lead responsibility for working with other provinces on this important area. Through the Strategic Planning Division, Manitoba has also assumed a leading role in intergovernmental efforts to review and rationalize interprovincial trade barriers.

Both of these initiatives on regional development programming in Canada and on interprovincial trade barriers are being undertaken as follow-up to the nine regional development principles previously referred to. I am hopeful that intergovernmental efforts on these two fronts will come to fruition within the next several months and that I will be able to participate with my colleagues in announcing some significant progress to promote regional development and reduce barriers within the Canadian economic union.

Overall, the Strategic Planning Division has the challenge of monitoring and stimulating the effective and efficient use of human and financial resources for the purposes of fostering economic development and employment creation in the province. This includes ongoing efforts to improve project appraisal and program evaluation methods, as well as a review of different economic development instruments and different approaches to economic development. With fiscal constraints expected to continue for the foreseeable future, efforts to increase the cost-effectiveness of economic development measures will assume even more importance than they have in the past.

In my opening remarks, I sought to inform you as to the constructive relationships which we have forged with other governments across Canada and the contributions we have made to the development of national policy in key areas of economic importance to all Canadians, to all regions. These are undertakings which transcend departments and often escape notice during Estimates review.

These are unsettled times. The challenges ahead are great. The resources to meet them with are limited as indicated by this year's Estimates. If we are to do more, we must learn cooperation. We must learn to do new

things and to do the old things better. I trust that you will agree with me that the department's activities and its Estimates for the 1987-88 period appropriately reflect these circumstances.

**MR. CHAIRMAN:** Thank you, Mr. Minister.  
The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Thank you, Mr. Chairman.

Mr. Chairman, I could almost read the remarks I made at the opening of these Estimates last year, and following the remarks of the Minister's opening statement, I would suggest that his remarks basically show an indication that he is either trying to cover up or he is trying to detract from the fact that the department that he represents has not been doing the job that they're supposed to do in the Province of Manitoba.

When I use the word "cover-up," I refer to his continued remarks about regional opportunities, regional fairness, what the Federal Government should do, what reports they have presented to other governments to make things happen within Canada. Those are the parts of the department or jobs of the department that have been going on continually for many, many years. It hasn't really changed all that much and, quite frankly, the attitude of the government that says that we don't seem to be able to do anything in Manitoba on our own unless we have the agreement of the Federal Government and all the other provinces on regional development is, in my mind, an admission of defeat as far as your job is concerned in this province.

I've been heard to say many times that you know we're in Manitoba, we're not in Ontario or Saskatchewan or any other province - I guess I have to admit that I go overboard on that - and we do know that we have to work with other provinces and we work within Canada. But I can tell you that, if we don't work within ourselves to do the best for Manitoba without having to rely or bank or use as an excuse that the regional development policy of the Federal Government isn't right and the regional development policies of all the other provinces aren't right, is something that is not a good situation for this province.

I take a look at this piece of paper that dates back a long time. It says we're interested in the electronics industry; we drew little circles as a matter of fact. It was regarded as a program that the province would be involved in: food products, health care products, machinery, aerospace, transportation. Those policies obviously haven't changed, but the thing that has changed is that we are going backwards in Manitoba as far as manufacturing investment is concerned and manufacturing jobs are concerned.

As I said last year, and I have it in front of me, and I've said it in previous years, the basis of the economy of the province is to have the resource jobs that the Minister refers to in his statement, and he says some believe it should be accepted. It also means that we have to find the places that the industries are suitably located for Manitoba.

I refer to the Minister of Finance's statement last year in these Estimates, when we were discussing them, and he said, "The view expressed to me was that we'd probably get the bigger bang out of our buck working on geographical basis and looking not on the basis

necessarily of individual sectors, or industrial sectors, but looking at any industry that might be of significant benefit to itself of settling here, which could, at the same time, provide us with the benefits that we are looking for."

I kind of like that statement when we take a look at the fact that we are looking for any industry that will come here. We certainly hope that they will be geographically beneficial to them. Well, that's really motherhood. They won't come if it's not.

We do have a situation where we are in the centre of the country and we have to ship long distances to our markets, and those things have to be considered; but the manufacturing sector of this province, the jobs of manufacturing have declined steadily since 1981, fluctuated, but declined. In May of 1982, we had 66,000 people working in the manufacturing industry in the Province of Manitoba, and today we have 55,000 people working in the manufacturing industry as of the end of March 1987 - pardon me, March 1986. Those are Statistics Canada - oh, pardon me again, Mr. Chairman, it is March 1987.

So we have a steady decline in the manufacturing industry, and it's right here again - I'm repeating myself again - this is the job of this department, and all I hear is that we are doing studies. We are working with the strategy of the regions, with regions and other provinces in Canada, which has been going on for many years, but at the same time I see a decrease in the manufacturing jobs in the Province of Manitoba.

I have a list of the companies that have either closed in Manitoba or laid off many many people and it's rather depressing in the particular industries that are of benefit to this province.

You know, Mr. Chairman, if you don't have your manufacturing base, which is the support of your small business which is the reason for insurance agents and grocery stores and what-have-you that is the base of your economy, you will only have an economy which this government has created. They are the manufacturer; they are the public money which is in Limestone, Jobs Fund, Core Area. The investment in this province as far as housing is concerned is strictly related to the interest rates that the Federal Government have been providing. So this government becomes the manufacturer or the spender of the money and manufactures the money by taxing the people of this province and taxing the industry of this province, and they expect to have people come here and invest.

The Minister said, well, the 3 percent does not have any effect in Quebec, their payroll tax. You want to compare us with Quebec, that's on a seaboard, with their population, etc.? You want to compare us to Quebec when Manitoba has to bring its resources from the north down south and ship them both ways? You see, the comparisons that the Minister conveniently uses and his colleagues conveniently use are ones that they seem to think people will buy, but anybody with any common sense realizes that they're not valid for this province. So we end up with a socialist state, close to a lot of other things that I could mention, that is without any doubt the government providing the manufacturing base by taxing the people.

And you know, I once had a member of the government say to me: What are you bawling me out for? That's what we want to do; that's our policy; that's

the socialist way of doing things. We don't necessarily want the great big industries that will create problems for us; we'll be the big industry. And that's what's happening in this province.

The Minister of Industry and, I know, the Minister of Finance was quite happy with the Royal Bank report. He shouldn't be. He thought there was something good in the Investment Dealers' Report. There wasn't. He mentions the Conference Board results, but certainly this was written before the Conference Board came out last week: "Growth predicted for Manitoba has dropped drastically," by the Conference Board. This must have been written before that reassessment of Manitoba was done. We have the Royal Bank saying, in my opinion, you're going to hit a brick wall.

Tell me what is being done in this province to make sure that, when the public money is all spent or starts to go down, what is going to happen in this province? Are you going to replace it with public money that you haven't got? The debt of the province is so high right now it's unreasonable. Are you going to build more power stations with no place to sell power? It probably won't happen or can't happen or shouldn't happen.

So where are we going when we hit the brick wall? When the investment dealers say that the economy is strictly buoyant because of government spending - which is the government taxing people to get the money to do so - and borrowing money and putting our young people in debt and having every baby who's born in this province, either now or one minute from now or one year from now, \$9,000 or better in debt when they're born. Is that the way we're going to operate this province? That's the way we're operating it.

Where are we going to go when the public spending is no longer there? And that's what your investment dealers are saying to you; that's what they're saying, your debt is too high, get it down. You had the biggest tax grab in history and you've only lowered the debt by about \$70 million.

Does that really attract business when they say we're coming to Manitoba to pay off this big debt? Does anybody in their right mind believe that business says that I'm going to invest large amounts - and I repeat, large amounts because that's where the payroll tax really hits - a large amount in a province that has a 2.25 payroll tax and the one next door doesn't? That's on the west side. On the east side, they have the other taxes but they have also a booming economy where they can have a return. What's Manitoba's booming economy? Government spending, and that is all that we have.

The Minister, and the Minister of Finance is here at the present time, just sit casually by saying, everything is wonderful. I think there's a song, "Everything is Beautiful." They must be walking down some melody lane, thinking that everything will come together while they sit and do nothing with their philosophy.

I haven't seen anything come out of the Strategic Planning Department in this government for three years, and I don't see it coming much further. As a matter of fact, I can refer backwards and forwards as to what the Strategic Planning Department does versus the department that goes out and tries to get business. I wonder why the Strategic Planning Department is there when the attitude is, we'll take whatever we can get, which I quoted from in the previous Estimates.

We have the technology-transfer business. Where is it? I don't see an awful lot of it. Of course we just have the Minister of Finance, I believe - maybe they've got a joke among themselves, but it's no joke out there with the people of Manitoba. It's no joke that they're getting taxed the way they are to pay for the government to go into spending to create jobs.

We have some commitments here on jobs. There's one here especially. I hope I can find it, \$100 million worth of investment, I believe it said. I will tell you, I want to know how much of that is federal money.

**HON. V. SCHROEDER:** You caught us red-handed.

**MR. F. JOHNSTON:** Well, maybe I have and maybe I haven't - and the Minister is now being a smart alec again - but I could really ask that question.

But the thing is that most of the incentives that are being done and, I might say, will be done in the next six months, will probably have been initiated by the Federal Government and you'd be requested to work on it. I'll be quite glad to sit around six months from now and have that discussion with you, and I think you'll find that I'm probably right.

Technology, the Research Centre that we have spoken of before, I know there are five in there now, possibly six. I believe that it will be full by the end of the year, or there'll be 20 or so that will be there. Strangely enough, the Minister last year or the previous Minister said the Technology Centre that's over on Lagimodiere Boulevard was going to move in. I wonder if that's happened, or is it going to happen? Are we going to have a very fine technology centre in the Province of Manitoba with the Canadian National Research Group and we are not going to be involved with them, especially if we've been invited to be?

Here again, we have this government talking about cooperation all the time but, unless it's their way - or let me say this. If the Federal Government policies happen to change slightly, there is no ability whatsoever of this government to be able to adjust to work with anybody. Their favourite saying is, well back 15 years ago, so and so wrote this agreement or somebody said this five years ago or somebody sent a telegram, which means they haven't got the ability to adjust. They haven't got the ability to put Manitoba into the mainstream with the rest of the country, because they don't know how to adjust with the rest of the country. They just sit and complain all the time that something has changed.

So, Mr. Chairman, these Estimates are there. As I said last year, it's a very small department now. The department being this small, you would think the Minister would have policies coming out our ears to advance this province to where it should be. Instead, we have high taxes, which are agreed to by this Minister without any complaint. We have labour legislation that he thinks is marvellous that is causing problems in the province. We have a Minister who put the first section of the payroll tax in, 1.5, and defends greatly the increase in it.

Really, I don't know we can go forward but I can understand how, because of this, manufacturing goes down, employment goes down. I can understand how investment in this province has started to drop, and

I can understand how the Investment Dealers' Association says that, because of the attitude of this government, we're running into trouble. I can understand why the Royal Bank says that, because of the attitude of this government and the policies of the government, in the future it will run into trouble. I can understand why the Conference Board has revised their estimates of the Province of Manitoba because of the policies of this government.

The people of Manitoba are the only ones who are going to suffer because, as I said, this government does the manufacturing, is the big one in the province, is the big investor, and where do they get their money? By taxing the people of Manitoba.

Isn't that marvellous? You don't have to go out and compete. You don't have to say, I'm going to be the same price, which you're always proud to say that you're better than anybody else. You don't have to show that you can do a good job in order to get money. You just sit on your thrones because you're the government, and pass legislation to get your money from the people of Manitoba, continually putting them in debt and continually having policies that are such that will not advance this proud province. Isn't that sweet that you can sit there and do that without going into a market to compete with anybody or anything? You just sit there and tax the people.

Thank you, Mr. Chairman.

**HON. V. SCHROEDER:** Mr. Chairman, I had hoped we would be able to stay in the realm of fact rather than fantasy with these Estimates. I started off with an overview that was kind and gentle and based on an overview of what the department is doing, but clearly the critic insists on going back and into his gloom and doom mode, into the notion that somehow everything is wrong in this province and in this economy, that we're doing nothing, that we're sitting back, we're waiting for somebody to do things for us, when in fact all of the evidence is that it was his government, when he was in office, that things didn't work. It was when he was in office that we had just a mass exodus of Manitobans, people voting with their feet. It was when he was in office that we had fewer people left after his term than before they started.

That's not the case now. We have an increase in population, a healthy increase of somewhere in the range of 50,000 people in Manitoba since we took office, as opposed to a decrease during the period when they were in office. We have an increase in employment.

One looks around - and he's been mentioning other provinces. British Columbia in 1981 had a workforce of 1.27 million. In 1986, they're up to 1.274 million, 4,000 more people on 1.2 million. How about Manitoba? From 461,000, we've moved to 493,000 for 1986 full year, tremendous difference between us and B.C. or Alberta. Take us from when the Saskatchewan Government changed in 1982. They had 426,000 people; they're up to 457,000. We were at 454,000, moved to 493,000, again a much larger increase in people, in the workforce, in people employed and so on.

And yet, if one were to listen to this Opposition critic, it sounds as though nothing has happened here. It sounds as though everything is wonderful elsewhere, and he refers to Saskatchewan as a province without

tax, without the health and education levy and then he talks about us increasing debt, when he knows full well that the deficit for last year in Saskatchewan on a per capita basis was more than three times the deficit in Manitoba. He makes no reference to that fact, makes no reference to the fact that somehow that is going to have to be put back into perspective in Saskatchewan, doesn't want to talk about that.

He and others in his party suggest that every set of Estimates including this one, although he didn't say so directly, somehow we're not spending enough on this particular department. There should be more here. There should be more for social services, more for health, more for highways, more for agriculture. Every department should have more money, but we should eliminate the health and education levy. Are they saying tax alcohol more? No. This member has been saying we're taxing it too much. Tobacco? Well, he hasn't said one way or another. Income tax? I think he's been saying that maybe we're too high.

It seems to me that it is time that the Opposition would show the people of Manitoba an alternative Budget, complete, so we know what kind of a deficit they would have, so we know where they would put their money, so we would know where the taxes are, where the economic development money is and so on, instead of at every instance being the party party, the party that just has a wonderful time saying, we'll spend more and we'll tax less and we'll have a lower deficit.

Every single set of Estimates we go through, we hear the same song and dance, the same ignoring of what's happening in the province, the same always looking for a particular statistic that may be down at a particular time. It's true that investment and manufacturing, we're hoping to strengthen that but it is also true that, as I pointed out, total employment in the province is stronger than it is in most other provinces. It is also true that the - and the member is correct when he says that I was referring to a previous Conference Board Report and should have had my remarks updated, and I apologize for that. But on the other hand, having said that, that same forecasting body is saying we're going to do better than anybody except for Quebec and Ontario, except for the two provinces that are getting the money, getting the investment from the Federal Government which he so conveniently ignores, getting a complete change, and we're hoping to change that. I believe that we will change that. Over the next year, I believe that we will see more regional development expenditures in Manitoba, but we haven't had our fair shares in the recent past.

Under the Liberals, we were told it was bad and, under the Conservatives, procurement dropped even more in the province as a proportion of national procurement. It's not because we weren't competitive. It's not because of some tax or other. It's because sometimes we were ignored because of political considerations, and the member well knows that. He well knows that the Conservatives - and he makes reference to we're not supposed to talk about the Federal Government. Yet, when the Conservatives were in Opposition in Ottawa, they were onside with us when it came to a cut in equalization, when it came to a cut in the program for health and education. And yet, we're not supposed to talk about those kinds of things.

He says, somehow our labour legislation is bad. Well, quite frankly, I'm quite proud of our labour legislation

which has provided us with the best labour-relations record in this country of any really industrialized province, the best bar none over the period of our term in office. What is there to be ashamed of with that kind of a record?

So, Mr. Chairman, one would hope that we could start talking about the strong future Manitoba will have instead of niggling over minor areas where they can possibly find something wrong. The member refers to a list he has of closings. Maybe he should start referring to a list of openings, and he should start thinking about all those companies that have opened. They don't get the same kind of press as a closing.

We had two or three weeks of reporting on what would have affected 75 workers at the sugar plant and would have affected a part of the incomes of a number of farmers who could have gone to other crops with some of the best agricultural land in the province, week after week of reporting on that. We had one story in the business section of the Free Press - and at least we appreciate they had that one story - on an announcement of a new operation which hopes to have up to 300 people working there in a high-technology, health-related area by 1990, 300 people and basically nothing in terms of press in this province and nothing in terms of Opposition questions in the Legislature following that kind of an announcement. But there are all kinds of those kinds of positive things that the member totally ignores, and he knows they're there because he knows employment growth is there.

**MR. CHAIRMAN:** Mr. Minister, do you have some staff that you want to introduce and bring up?

We'll be starting with Administration and Finance, Executive Support: 1.(a)(1) Salaries - the Member for Sturgeon Creek.

1.(a)(2), I guess, as the Minister's Salary should be included in the first bunch, 1.(b)(1).

**MR. F. JOHNSTON:** Mr. Chairman, on the Supplementary Information that was so kindly provided to us, it says it ". . . provides planning support, policy development, project appraisal and related economic services to the department . . . provides professional support to ensure that departmental policies and programs are made known to investors and clients."

Mr. Chairman, on that particular basis, although I can't answer the Minister after the ministerial statements, under this particular section, it obviously is the executive it says right here that is involved with the policies and the direction of the department generally.

The Minister carries on about the fact that he never gets any compliments about the numbers of places that have opened up. I was rather proud to continually publish publicly the lists of places that were opened up during our term of office. He talks about how the people left this province during our term of office. Well, maybe, I should read this just briefly into the record. It's from Don Vernon, who was the Deputy to Mr. Leonard Evans in 1977.

He said: "Please find attached two Task Force reports prepared at my request by the staff of the department. The first report entitled 'Manitoba's Manufacturing Sector, Past, Present, Future Trends',

indicating the following" - I read this into the record, Mr. Chairman, because I'm talking about manufacturing a lot of the time.

"The rate of growth and manufacturing employment over the 15 years has been approximately 1.8 percent annually. Increased employment in manufacturing during 1970 through 1974 averaged 1,400 additional jobs per year. During 1975, there was no increase and, during 1976 there was a decrease of 1,300 jobs in the manufacturing sector. Had the 1970-74 trend continued, the number of jobs in the manufacturing sector would have increased by 2,800 during 1975 and '76, instead because of no growth in '75 and a decline of 1,300 jobs in '76, the manufacturing sector theoretically lost 4,100 jobs.

"A recent study which is presently in the hands of the Red Secretariat" - can you imagine that? - "established that a job in manufacturing was worth \$27,000 per year to the provincial economy, hence a decline of 4,100 jobs as a cost to the economy of \$110 million per year over 1.5 GPP. The rate of growth in manufacturing investment during the period of '52 to '72 has been approximately 4.3; the rate of capital investment fell by 25 percent between '75 and '76. Following a 27 percent decline between 1974 and '75 the annual investment needs of 1976 amounted to \$180 million. The actual investment intentions for '76 amounted to \$61 million, hence a shortfall of \$119 million existed in '76. Prospects for '77 are not any better than the past three years."

Yes, we took over from a mess and we started to move it upwards. I know all the statistics that were brought forward said that Manitoba was behind the rest or running last. But you know, when we were running last, we were moving up from this mess we were in.

So, Mr. Chairman, I'll be very happy if the Minister would be glad to publish a little brochure like that telling us what's happened and how many investments we have. We'll see if it comes up to what's in this brochure here.

**HON. V. SCHROEDER:** Mr. Chairman, I think to be fair the member ought to consider the considerable changes that have taken place in our manufacturing sector, not only in Manitoba but across the Western World over the last decade.

As we increase employment, very often those increases don't show up in the traditional manufacturing sector. Just a couple of examples that would come to mind is our, say, ABI technology. That doesn't show up in manufacturing, or Comcheq, software services, it doesn't show up in manufacturing - very important jobs - exporting services outside of the province.

Great-West Life had some significant increases in employment since 1981. It doesn't show up either in manufacturing or in our export numbers. So that sometimes some of those things, in terms of what we export, they simply don't show up. Those are just a few small examples of what's been taking place, and forget about even talking about the overall change in the structure with services increasing in emphasis and so on. There's just a whole host of jobs that are out there, that are just not seen as part of manufacturing, are not counted as part of manufacturing for the

purpose of the numbers. That's why I emphasize that you're probably far better off looking at the overall numbers, as opposed to picking one particular area and saying, well because this area, the traditional smokestacks aren't doing as well - as the member knows, they're not doing as well in any part of Western Canada. They've been down, and one of the reasons that we all know about is the fact that our largest manufacturing sector was agricultural machinery.

If there's one area where we have an awful problem - we had, what, 1,700 people working at Versatile a few years ago, at the top of the cycle; we've got maybe 100 or 200 people back there now. That's not because of Manitoba. Nobody else is producing more tractors. What we're having is simply a problem in that industry. You can go through one after another of the farm implement operations, and we're down. We're down considerably in what we're producing, not because Manitoba farmers aren't buying because they're a very, very small portion of the market, but because North American farmers aren't buying.

**MR. F. JOHNSTON:** Mr. Chairman, let's take the numbers out of one and put them in other, and maybe when we take them out it will go down. He wants to take a look at the overall figures, that's all very fine. He mentions the manufacturing, he mentions the farm machinery. The Investment Dealers' Report, strangely enough or not strangely enough, said the exporting in farm machinery will be up in Manitoba in the next year, and the employment will certainly be up in it, but for only one reason, because the Federal Government saved Versatile, not the Provincial Government. That's why you will have a favourable situation there.

We talked about the taxing and the costs of operation when people have to come to Manitoba, or companies come to Manitoba. The Minister makes a big thing about the fact that we don't talk, and that we're always saying increase spending. But if he reads Hansard closer, he knows that's wrong and that's one of the government's little games that they're playing. Every time somebody mentions something, they say, well if you want more, where will the money come from and this type of thing.

What does an investor say when he looks at a province that had a Civil Service employment, according to Stats Canada, of 14,371 in December of '81 and, in June '86 - Heavens knows what it could be now! - it's 20,558. He has to pay taxes to support an increase of civil servants by 2,000 per year, in this economy in a province of a million?

Mr. Chairman, the Minister wants to dwell on figures and what-have-you. We have many figures available to us, too. But the point is that the large investor coming to the Province of Manitoba is now in the position of having a cost that you can't justify compared to other provinces. If you want to compare to other provinces, go ahead. But he can't justify compared to other provinces because they're going to other provinces. The one that's associated with the aerospace parts, they're going probably to Nova Scotia where Pratt-Whitney went, I think they're associated - the companies - United or something, will not be coming here, and we need some very large investors to replace the only large investor there is in this province at the present time, and that's the government.

Have you really thought about when \$70 million a month in this province dries up? You're at the top of your spending on the Hydro right now at approximately \$70 million a month. Do any of you realize what \$70 million a month means to this province and what you will do when it's gone? I really have trouble with the policy makers of this, and the Minister can say that I'm not going about these Estimates in a nice way, if he wants to infer that. If he wants to infer and he says we are trying to present to you and working very hard, that there is something beneficial coming to the province, or we're going to be doing something beneficial for the province.

I think that we would have been presented in this presentation - a real glowing presentation - of saying this is what's happening, this is what's coming, this is what we're negotiating, look what we've done, and you'd be putting your hands up and bragging about it, but you don't have anything to present to us.

**HON. V. SCHROEDER:** Now, Mr. Chairman, I'm not going to respond to all of it, but you mention Versatile, and you mentioned the fact that we're going to have an increase in sales of agricultural implements - exports, yes - and you, of course, conveniently forget the background to the Versatile sale, which is that the U.S. Government, that wonderful free-enterprise group that says so much about free trade and free investment, stopped the sale of Versatile in June of 1986 from Versatile to John Deere, stopped it dead cold, just like they did a few months ago with Fairchild Computer to a Japanese company, dead cold, because of their own interests. And, of course, when things come the other way, we're supposed to be completely open and let anything happen, anything whatsoever. Of course, we weren't able, as a Federal Government, as a country to counter that, and the Federal Government came along and assisted another company, who I think will be good corporate citizens. Staff has met on a number of occasions with them during negotiations, and I've met with them after.

There will be continuing meetings with Ford-New Holland. We expect that their procurement policies will be such as to be basically quite pleasing for Manitoba and so on. But the member refers to some notion - I keep hearing this from the Opposition - that somehow we should have put a pile of money up for this particular set of negotiations. Somehow they're preening themselves and they're saying this is so wonderful and it has nothing to do with the Government of Manitoba and it was only because of the Government of Canada that Ford-New Holland is in Manitoba. Now you know that's not accurate.

If you followed those negotiations at all you'd know, first of all, that my department was involved intimately until the last several weeks of that negotiation. If you got any information on it at all, you know as well that we had previously offered, if it was necessary, some funds for that purchase, or for the purchase of Versatile, if we could be assured that was what was the difference between having a deal and not having a deal. Why else would you put up money? I ask why else would you put up money? Because after the deal was consummated - and this is in no way a criticism of Ford-New Holland - they pointed out that they probably

would have bought the place whether the Federal Government was in or not. But they're not stupid. They're a good corporation, and they've been offered some money and they took it. But that wasn't necessarily what made that deal tick.

Now the Federal Government, I think far more importantly, was involved in encouraging them to come here, and the Provincial Government was involved with that as well. I don't believe, personally, that it was so much the money as the fact that they were out there working very hard to bring them in, and that's exactly what the president of Ford-New Holland said after the deal was closed. So I don't think that's a terribly strong point for the members of the Opposition.

But if you want some specific new investments, SherrGold, as an example, at Fox Lake, a new gold mine, \$30 million investment, 160 jobs; Behlen Industries over in Brandon, an expansion and modernization of a polyethylene pipe operation for 20 jobs; Portage Place in Winnipeg, a retail shopping mall, \$72 million. Of course, as the member knows there's federal-provincial-municipal money in getting the thing going. North American Lumber in Selkirk have a new office building; ABI Bio-Technology in Winnipeg here, genetic-engineered products, \$3 million, 20 jobs; the Bucyrus Blades of Canada in Steinbach, a new operation, scraper blades and parts for 17 jobs and \$1 million; Span Cable Products, hospital-patient monitoring, \$180,000 and four jobs in that. I believe that's the company that was involved with Chemfets. No, I'm sorry, it wasn't. That's an individual one.

Carte Electric, Winnipeg, an expansion, 20 jobs, over \$5 million expansion; the New Flyer Industries which saved 250 jobs; Bonar Rosedale Western, Winnipeg, plastic products, an expansion, 23 new jobs; Burroughs Canada, the modernization and the hospital information systems in the range of 400 jobs plus the 50 jobs, which will be coming to Winnipeg with their centre for software development for the health care systems; Westfield Industries in Rosenort, not many jobs, but 10 for that place is a nice one, grain augers; Western Glove Works in Winnipeg, garments, over \$7 million, 226 jobs; Manitoba Rolling Mills in Selkirk, 125 jobs, an \$18-million expansion; Simon-Day, an expansion, grain cleaning equipment, over \$5 million, 45 jobs; Daco Labs in Portage, feed pre-mix for seven jobs; Palliser Furniture, an expansion on their furniture operations, over \$14 million, about 400 jobs; Ecolaire Canada at The Pas, custom-engineered products, \$2 million and 80 jobs; the I.D. Group in Winnipeg with their new head office and 20 jobs; Westman Steel Industries in Winnipeg, an expansion of steel-building components, \$2 million, 20 jobs; Melrose Coffee, 30 jobs, \$3-million head office, plant and distribution centre; Pioneer Metals, another gold mine, \$30 million, 113 jobs; Guertin Brothers in Winnipeg, an expansion of coatings and sealants, over \$3 million, 71 jobs; Park City Products Ltd., a smaller expansion for their pet foods, \$133,000 and four jobs; Triman Industries out at Morden, cabinets for \$1 million and some six jobs; Prosperity Knitwear, an expansion on a plant that we brought here from Hong Kong - they produce sweaters - a \$3 million expansion, 20 new jobs, in addition to the jobs that were already there.

One can go on; there are a number of other examples. The example of Chemfet on Friday is one, again a very

encouraging new response to our Health Industry Development Initiative.

Also, as they said at the opening, they were very encouraged by the words of the Federal Minister of Health who had suggested that he was going to do whatever he could to ensure that the Centre for Disease Control for Canada comes to Winnipeg. And on that, the American centre is not sort of in the heart of all the population. It was centred out at Atlanta, Georgia. There's no good reason why it couldn't be in Winnipeg. There have been a lot of discussions indicating that we don't need a lot of expansion in the capital area of the country.

It's time that we put action to our words with respect to regional economic development. We are moving ahead with that health industry thrust, and this is certainly an area where the Federal Government, without a cost to them because they've already budgeted the \$93 million for that new operation, could greatly enhance our Health Industry Initiative. Certainly, we're encouraging Mr. Epp and members of the Federal Government to go ahead with that and make the announcement soon.

**MR. CHAIRMAN:** The Member for Portage la Prairie.

**MR. E. CONNERY:** Once again, in the Auditor's Report, Mr. Chairman, he says: ". . . but little progress was achieved with the department in their joint administration with Business Development and Tourism." There was supposed to be a plan of action implemented by April 1986, but it wasn't again. What has been achieved for 1987? Are we going to see the same thing in the Auditor's Report in 1987?

**HON. V. SCHROEDER:** That's a good question. I guess it's true to say that we were having problems last year. There have been several changes which have taken place within the branch.

It had become apparent that there was no distinct delegation of duties with respect to the branch's unique situation in reporting to the two line departments being, as the member knows, IT and T, and BD and T. Second, voucher processing seemed to be a problem which made it impossible to clear the branch of a backlog of vouchers in process. Thirdly, the financial reporting system to the Department of Finance with respect to cash flow statements, estimates and final estimates was less than adequate. Fourth, the personnel function was essentially being ignored. The only areas being addressed were situations of crisis, and so there were several full-branch meetings and a number of smaller ones, and there were discussions with the Department of Finance and with the Provincial Auditor's Office, and a new branch organizational chart was drawn up.

Some areas are now working well; some will need some additional fine tuning in the new year in order to facilitate a better flow of information. We had an individual become responsible for all IT and T reporting to the Department of Finance, and we had another person become responsible for the reporting from Business Development and Tourism to the Department of Finance.

On the voucher issue, we added a second voucher-processing person and we found we were catching up

with the backlog. In fact, we're now caught up and appear to be in control of that issue. Financial reporting, on that issue, we've had many discussions with Treasury Board staff - and when I say "we," I'm referring to the staff of our department with the staff of Department of Finance. Slowly, it appears that the quality of the work submitted is rounding into shape and, in most cases, on time.

We, in fact, have been receiving favourable comments with respect to submissions as of late. I'm told that this is the first year in several where final estimates were actually prepared. As openings become available, we've been arranging for Finance and Administration supervisory staff to attend the orientation sessions of the Financial and Management Systems Branch, Department of Finance, relative to the publication, "Management Practices Guide."

The personnel function was addressed, and a secondment of a very senior staff member of the Civil Service Commission was arranged to join our branch as Director of Personnel in February. Unfortunately, just when this important function appeared to be in good hands and many old, outstanding issues resolved, our seconded Director of Personnel decided to retire early during May of 1987. This was a serious setback to our long-range plans but, nevertheless, we're looking at alternatives. We've requested a replacement secondment from the Civil Service Commission. At this time, it does not appear that they will be able to provide one. If they can't, we'll probably have to bulletin the position.

Since October of '86, we've also had to replace both our payroll employees. In discussions with the Department of Finance, we discovered that our new employees were still not performing at an acceptable level. That seems to be coming along as well, and one can understand that these things take some time with new employment.

We've still not engaged an internal auditor, although we've had discussions with the Provincial Auditor's Office in connection with this subject. We believe we need some time to put the branch in shape before that is formally set up. We anticipate expanding on several internal audit examinations in the future in conjunction with the Provincial Auditor's office, and eventually we'll fill the position.

In conclusion, it's the view of our department that we've gained some ground in some of the areas and believe, with a concentrated team approach, we'll be able to report that we've rectified many more problem areas.

**MR. E. CONNERY:** The Minister mentioned earlier about the sugar beets and that they could grow some other crop. Obviously, the Minister doesn't really understand agriculture too well but, Mr. Chairman, you do, because there isn't any other crop that these people can grow at this point that is going to give them the income that they have. Because of this Minister who influenced the Minister of Agriculture and the First Minister, the sugar beet growers are already three weeks late in planting and, with the dry weather, we don't know how long it's going to take for them to germinate.

The Minister should know that already the farmers have lost more this year than the total subsidy that

they're going to be putting out in the total of the extra, over and above the \$300,000.00. So the Minister makes really irresponsible statements when he says that there's an alternative for that productive land, 28,000 of some of the best land in Manitoba.

But, Mr. Chairman, my question to the Minister, he mentioned the number of people leaving Manitoba or coming into Manitoba. What were the figures for 1986 and '87, the net migration figures?

**HON. V. SCHROEDER:** I'll take that question as notice. I can probably do that in question period some day. But I can clearly tell the member that, at the end of each of those years, there were more people in Manitoba than at the beginning of those years, not like under the Tory years when, in addition to migration, there were in total, after births, deaths and migration, fewer people in Manitoba under the Tory years.

When he refers to the sugar beet farmers and any delays that were caused, let me say first of all that I probably know as much about sugar beets as the member does. I grew up on a sugar beet farm. I know that on every acre on any sugar beet farm in this province, practically every crop could be grown that could be grown on any other farm in this province.

To suggest that - and the Member for Sturgeon Creek first raised the issue obliquely when he referred to a telegram. That telegram was what triggered our payment of \$3 million, not \$300,000, \$3 million in 1985, the telegram being a fairly important one, one saying that the Government of Manitoba would not be required to pay for sugar beets after the 1985 crop year. This wasn't just a casual telegram saying, hi, how's your grandmother. This was a statement saying that, if we agreed to pay the \$3 million, we would never be asked to come back again to pay more money. Within two years, that same Federal Government which had said that they would never come back to us were back to us and asking for more money, notwithstanding their commitment to us in 1985.

The cavalier suggestion by a member of the Manitoba Legislature, who should be looking after the interests of Manitoba, that was a meaningless document, that Tories can lie all they want, that Tories can say whatever they want to get the money, and then afterwards say, give me more, I didn't mean it, I believe that is terrible misconduct. I believe that, if members of the Legislature would have been as angry about the Federal Government coming back to us as they should have been and as we were, we would have had the sugar beets in the ground when the weather permitted. The Federal Government would have been looking after the program as they had since John Diefenbaker. But no, this bunch of irresponsible people said, we'll just attack the Provincial Government.

You know, if the City of Winnipeg stops cleaning the streets, are you going to attack the school board? If the school board stops educating kids, are you going to attack the City of Winnipeg? Yet, that's what they were doing. The sugar beet industry had been looked after by the Federal Government since John Diefenbaker. When they turned around and offloaded the sugar beet industry onto the Provincial Government, whom do the provincial Tories attack? The Provincial Government. Then they come in here and have the

unmitigated gall to say that we should ignore telegrams and ignore agreements that the Federal Government signed with us.

**MR. E. CONNERY:** What the Minister says and the real facts seldom appear on the same paper. The Minister last year knew that there was a net outflow from Manitoba of provincial migration for '85 of 1,000 people. He conveniently doesn't know this year, but I'm told that it is something like 3,000 leaving Manitoba more than are coming in, and 4,000 for 1987. So we see that net outmigration increasing. So the Minister, if he's going to make statements should, at least, have the facts available. I don't think he has those facts or isn't prepared to use them.

**HON. V. SCHROEDER:** Mr. Chairman, in conjunction with presenting those facts to the member, I will provide the outmigration during the Lyon years, because that's the comparison one wants to make. One wants to make not only the comparison of in and outmigration, which is a completely different issue from population growth. That's what these people - they know full well that they had outmigration for their full four years. They had a population growth once in a while, but their net population was a decrease.

In our case in government, we've had a number of years where, in every year since 1981, we've had an increase in the population in the Province of Manitoba in every single year. In some years, we've had a net increase, a net positive in terms of population flow; in some years we've had a net negative in population flow. But in every single year, we have had an increase in population, not like under the Lyon years when you had less people left in this province when you left office than when you took office.

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

**MR. F. JOHNSTON:** I just want to move along.

Just on the births, we did have a couple of times where there was population growth, and we did certainly have out-migration when we were government, but I'd only refer to Mr. Evans' statement in 1975, and I have it in my office. It says: "A decrease in population doesn't really mean anything to the economy. In fact, it doesn't hurt it whatsoever." So we'll just rely on his statement at the present time.

On the sugar beets, I think I said, but you want to keep relying on old policies. Yes, you got a telegram that said you wouldn't have to pay any more when the - and I said this in the House and I'm not going to dwell on it - saying you wouldn't have to pay any more. But you also had somebody come to you and say, the industry is still in trouble. We have a problem. We would like you to be part of a tripartite agreement to overcome it.

The Minister will say, yes, we were willing to put whatever we can, but they didn't have the ability to adjust to changing times without fighting and blaming the Federal Government. Secondly, they ended up signing an agreement that was no better in the long run than was originally presented to them, and that's factual. So quite frankly, as the Member for Inkster indicated to me across the House or across the table

when he asked me to explain, my explanation is, you don't have the ability to adjust, and I said that earlier.

**HON. V. SCHROEDER:** Mr. Chairman, that's the kind of nonsensical statement that one would expect from the Member for Sturgeon Creek. It's the kind of gutter politics that one becomes accustomed to. One hears this sort of statement frequently under your breath, not very often in your microphones. At least you've had the guts to say it in the microphone today.

But quite frankly, we have done quite well before we were in government and we'll do quite well when we're out of government, not because of the Member for Sturgeon Creek, not despite the Member for Sturgeon Creek, we can do quite well on our own. We don't need his help in any of that sort of thing.

The Member for Sturgeon Creek keeps suggesting that somehow we have the same kind of an agreement that we would have had, had we not negotiated with the Federal Government. Now that is patently ridiculous - absolutely, totally ridiculous. Does he not realize that agreement has tightened up payments in a number of ways? No. 1, I don't know why we're into sugar beets but he started it. No. 1 . . . .

**MR. F. JOHNSTON:** You started it.

**HON. V. SCHROEDER:** No, I did not. The Member for Sturgeon Creek started off with his reference to us and the telegram. So we're into it and I don't mind.

No. 1, the original agreement did not tie the sugar beet company into it, didn't tie them in at all. You will recall that in 1985 we were stubborn; we were not going to pay until several things happened. No. 1, the sugar beet company was tied into the agreement. No. 2, we were promised that we would never again have to get into this. We got both of those commitments fulfilled for 1985. Of course, the Federal Government renege on it just as soon as they got the money.

But on the other part of it, the Alberta Government simply signed the blank cheque and what did they get? They got a sugar beet company that insisted on a greater proportion of the overall payments than they got in Manitoba. In Manitoba, we had a crop in 1985 and in Alberta they did not. In Alberta they did not, because the farmers were the ones who were getting shafted out of that arrangement. So keep that in mind. We changed this agreement to put the sugar beet company on the hook. We also changed the agreement in terms of payouts and the way in which those payouts would be made to make sure that they were based on reality and not some notion that someone specifically connected with the industry had prepared as to the real costs. There's quite a change there.

No. 3, most important in terms of this agreement is the fact that we have a completely different proportion of the deficit covered by the province than we would have under the old agreement. Both the Federal and the Provincial Governments and the World Food Organization are suggesting that the prices of sugar are to go up after about five years. We're at our trough right now and, at the trough period, we're paying the least proportion of it.

No. 4, we have a right of renewal after 10 years which flips the deficit down to 20 years from now and, given

all of those changes, for the member to suggest that we have a document that is as loosely worded as it was in the beginning is pure pap. If you were to talk to Charlie Mayer or Jake Epp, they would tell him so. They would tell him that unquestionably the fact that the province brought those things to the Federal Government's attention was something that made sense and they were prepared as soon as they'd examined what we were saying to them about the loose wording of that first agreement. They were agreeing to make those changes and they made those changes and that will benefit both the Federal and Provincial Government.

**MR. F. JOHNSTON:** Pass.

Excuse me, Mr. Chairman, if I may just, any time the Minister wants me to say something publicly to him, just ask and I'll be happy to.

**MR. CHAIRMAN:** When you say pass, what area do you want to pass? 1.(b)(1)—pass, 1.(b)(2)—pass.

1.(c)(1) Strategic Planning - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** The Strategic Planning is involved in the free trade negotiations. Am I correct?

**HON. V. SCHROEDER:** Yes.

**MR. F. JOHNSTON:** Although we have much discussion in the Minister's Statement, what is the Manitoba Government's policy on the free trade negotiations?

**HON. V. SCHROEDER:** We're still in a hold pattern, Mr. Chairman. We're attending - that is, our people from the Trade Branch are attending the meetings for information. We're asking questions. We're getting information on how the negotiations are proceeding. We're basically of the view that we would like to see the agreement, the draft agreement, before we take strong positions on the overall. We've said clearly that there are certain areas that we would like to see excluded from the agreement. We've raised concerns about food processing, because it appears that things, such as for example, the orderly marketing of agricultural products will remain on both sides of the border. Given that occasionally that does change the pricing structure to the processor, we believe that there has to be some protection remaining for the food-processing industry.

As the member knows, we've got some concerns in the area of culture, we've got some concerns just in general on a number of areas. Overall, we support the idea of the reduction and elimination of tariffs, but I guess the bottom line for us still is we'd like to see the agreement first. I think anyone in this room could prepare an agreement that would be very satisfactory to all of us, and we'd love to sign. On the other hand, you could conceivably have an agreement that could be in the interests of the U.S. and not in the interests of Canada. We are simply adopting a wait-and-see attitude on the overall.

**MR. DEPUTY CHAIRMAN, D. Scott:** The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, in the wait-and-see attitude that the Minister is referring to, the indications

are that the two governments, the United States and Canada, their negotiators are moving closer all the time. I understand that the provinces - and I imagine that means Manitoba too - has somebody observing on all of those meetings. Now under those circumstances, the Minister is saying that you do agree with the reduction of tariffs. Basically, you're saying the same as the other Provincial Governments and Federal Governments are saying that our culture has to be protected. Certainly, there's nothing wrong with taking a look at the food business in the province, and I want to ask if the Minister's talking about the food business or food-processing business or food-production business, agriculture, but that you're observing those two points and you want to see it? I'm not trying to put words in your mouth, but I interpret your statement is that you are for lower tariffs and some agreement on trade.

**HON. V. SCHROEDER:** Mr. Chairman, we've taken the position all along that we would be supportive in general for the reduction of tariff barriers and eventual elimination of tariff barriers. On that, if one gets specific, I believe our position has been that we believe that probably Canada requires a bit of a longer period for adjustment than the U.S., because we have a much larger proportion of our economy in that trade sector than the U.S. does. It has a much larger impact on us.

There are a number of things that I had left out in terms of what we would like to see in an agreement. I should say, we don't have a person in the room, we don't see the negotiations. What we have is the negotiators meet and then usually, a day or two after Reisman and Murphy meet, the provincial officials have a bit of a telephone conference and then, sometime later, there is a meeting of the provincial people with Reisman at which there's a debriefing and all of it is on a confidential basis, and that's the way the system works.

There's a number of other things we would like out of an agreement, and I don't think there would be any disagreements on these things. A dispute resolution mechanism is pretty crucial for us, and Mr. Reisman's been referring to that; an end to the use of technical and health standards as ad hoc trade barriers to agriculture products; again the elimination of tariffs on many manufactured products. I was referring to food processing as opposed to food manufacturing on the farms.

We're assuming that nothing is going to happen in terms of things like dairy policy or broilers or that sort of thing. So what we're saying is that, if Campbell Soup has to pay more for their inputs because of our system, then Campbell Soup has to be protected in some way in terms of its price in the country for its final product given that the inputs were more expensive than what they could get inputs in the U.S. for.

So we're saying that there has to be some consideration of that area. Otherwise it's pointless to say that we're going to continue on with some kind of product management as in, say, broilers or eggs or what have you, but then turn around and allow the U.S. processors, who have access to cheaper eggs or cheaper whatever input, to compete directly with the Canadians who don't have that access because of government policy.

One other just general area, and that is that we do have some obvious concern with respect to the continuing right of the Federal Government to use its economic clout for regional economic development, for procurement, health policies, those sorts of things, social policies, which the Federal Government has indicated are not on the table, and we're somewhat concerned about investment policy. We do not believe that investment should be on the table. We see that as a different issue from trade.

**MR. DEPUTY CHAIRMAN:** The Member for Portage la Prairie.

**MR. E. CONNERY:** What strategic studies have been performed in the past year and would they be available to the committee?

**HON. V. SCHROEDER:** Mr. Chairman, there were three separate contract studies to investigate possible impact and implications of the proposed Canada-U.S. Bilateral Trade Agreement. Those I believe can be made available to the member. There's strategy related to automated mapping. I believe this is also a public document; we can make that available - I'm sorry, this one is confidential.

There's a study of entrepreneurial women, a study of data and literature on women and programming presently available in Manitoba to support women wishing to become entrepreneurs. The purpose of the study was to provide input into the ongoing evolution of policy and programming with regard to entrepreneurial women in the province. That one is available - I'm sorry, it will be available through the Women's Directorate.

The next one is a federal-provincial study on telecommunications. This is joint with other provinces and the Federal Government and would be available once all of the parties agree. We expect that it should be available.

The last one is a survey of - I'm sorry, there's more - scientific activities, jointly funded between the province and the Federal Government. This enables us to compare scientific studies and activities in the public sector in Manitoba with seven other provinces, which are also contracting StatsCan for this service. That will be made available.

There are three more; these are confidential. One is a project evaluation methodology, a study to compile and analyze data on provincial expenditures on health and education in order to improve estimates of the impact of industrial projects on provincial health and education expenditures. The study will result in an improved method of estimating the costs and benefits of individual, industrial investments in the province and improve the efficiency of economic development programming.

The next one is Health Industry Development. This was a transfer from the Strategic Planning appropriation to the Health Industry Development Initiative to assist the initiative with funding and studies, to develop the long-term potential of the health industry in Manitoba.

Finally, strategic information, two contracted studies to assist the division in fulfilling its mandate for monitoring changing socio-economic conditions in

Manitoba and elsewhere, as part of the department's and the government's strategic planning efforts.

**MR. E. CONNERY:** Are there programs under way or being developed, studies this year? Are there new studies being developed, and what would they be for? Would they be done by contracting out or by staff within the department?

**HON. V. SCHROEDER:** Mr. Chairman, they will generally be contracted out. There will be some studies in the general area of trade. The budget is for \$202,000 for an expected 10 studies plus ongoing contracts for strategic information.

**MR. E. CONNERY:** One last question, in the staffing, is there really a drop in the overall staffing for that department or is that an error?

**HON. V. SCHROEDER:** Is the Member for Portage referring to page 19?

**MR. E. CONNERY:** Yes. I shouldn't say a decrease. It shows an increase of from 14 to 15, where in Hansard last year you show '86-87 as 16 and two TAPS and earlier in the supplement it shows 17. So you show a decrease of one or two staff, with an increase of 17, or 10 percent salary increases.

**HON. V. SCHROEDER:** Mr. Chairman, last year in '86-87, there were 16 staff years. This shows adjusted 14, and we're now at 15. The two staff years that are gone - that we adjusted out were transferred from Strategic Planning over to Crown Investments. They had actually - my recollection is they had been seconded to Crown Investments for two years; they show up in Crown Investments now. Then there was a one-person increase for the trade business.

**MR. E. CONNERY:** Page 10 has an error then. It shows the adjusted vote as 17, but that's not serious.

**HON. V. SCHROEDER:** Mr. Chairman, the member is correct.

**MR. DEPUTY CHAIRMAN:** 1.(c)(1)—pass.  
1.(c)(2) - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Other Expenditures in this department \$304,100.00. When I look at the Other Expenditures in the Financial Administration, which you would think there would be expenses and everything all running through there. What is the reason for this one being close to double the Financial Administration?

**HON. V. SCHROEDER:** Two things - one is the strategic studies, which are about 200,000 and, secondly, the travel budget for this group, because of the numerous meetings across the country, is larger. I shouldn't say necessarily across the country. Usually, they're in Toronto or Ottawa.

**MR. DEPUTY CHAIRMAN:** 1.(c)(1)—pass; 1.(c)(2)—pass.  
1.(d)(1) Communications.

**MR. F. JOHNSTON:** Can we have presented to us sometime in the next couple of days, even if these Estimates are completed, we have Advertising listed here on page 20, and we have printed literature (brochures, reports, program pamphlets) etc. I could have missed them but I haven't seen any program pamphlets to speak of from this department. I have from Small Business or are we referring to programs and brochures that refer to the Jobs Fund, because up above it says it provides public information on promotional requirements regarding the Manitoba Jobs Fund?

**HON. V. SCHROEDER:** Mr. Chairman, I'd be pleased to provide the member with our brochures. They are Industry, Trade and Technology and as well there's a VHS cassette, which I could provide to the member as well. I know that there is some advertising that isn't included in this kit and we'll try to locate that. We've occasionally advertised in trade magazines, usually outside of the province and that's why the member wouldn't have seen it.-(Interjection)- Yes, we've got two kits.

**MR. DEPUTY CHAIRMAN:** 1.(d)(1)—pass; 1.(d)(2)—pass.

1.(e)(1) Financial and Administrative Services—pass;  
1.(e)(2)—pass.

Resolution -(Interjection)- Oh, that's right, we'll hold that resolution until we've passed Minister's Salary.

Item No. 2. Industry and Trade Division, (a) Administration.

**MR. F. JOHNSTON:** Pass.

**MR. DEPUTY CHAIRMAN:** 2.(a)(1)—Pass; 2.(a)(2)—Pass.

2.(b)(1) - Industry - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Well, Mr. Chairman, here's where we get into areas that we were speaking of earlier when the Minister gave us a list of companies that they have worked with. The rundown or the representation on this particular department is, in the Estimates, is one that is supposed to be the department in this government that increases the investment and jobs and in the larger industries.

The Minister can speak very much about overall employment if he likes, but when he does that and when he says that there's manufacturing employment that aren't taken into the statistics, I think that he should take into consideration that the Department of Business Development and Tourism, is responsible for a large number of the jobs that would seem this department may be taking credit for.

This section, if I'm not mistaken, works with companies of a specific size. Can the Minister outline that?

**HON. V. SCHROEDER:** Mr. Chairman, we work with all companies that are owned outside of the province and with all Manitoba companies with more than 50 employees.

**MR. F. JOHNSTON:** All Manitoba's companies with 150 employees or more?

**HON. V. SCHROEDER:** No, with 50.

**MR. F. JOHNSTON:** Fifty?

**HON. V. SCHROEDER:** Yes.

**MR. F. JOHNSTON:** Do you still have the department broken down into the different areas of industry within the province and do you have specific members of the government or the department working on specific industries?

**HON. V. SCHROEDER:** Yes. I think it's the same as it's been over the last number of years since when the member was Minister.

**MR. F. JOHNSTON:** What was the - and I know it was done last year. Has the group in the industry group that were involved with Health, moved specifically to another department, the health industry department we see down below . . . specifically - have they moved from one to the other?

**HON. V. SCHROEDER:** Mr. Chairman, we've established them as a separate group within the department.

**MR. F. JOHNSTON:** But we have an increase of two people in this department. You say they came from the Department of Highways.

**HON. V. SCHROEDER:** Mr. Chairman, one . . .

**MR. F. JOHNSTON:** Where would the decrease be if they went to the health, this other section?

**HON. V. SCHROEDER:** Mr. Chairman, I believe the change was done more than a year ago. We brought in Dr. Rey from Highways into that urban transportation area and we did create one new position which we have not filled, not yet filled for food agri consultant, who would be working with Mike Wallace in the food-processing area.

**MR. F. JOHNSTON:** . . . doctor, you have taken over the transportation part of the Department of Highways?

**HON. V. SCHROEDER:** Dr. Rey has simply come to work on the urban bus agreement.

**MR. F. JOHNSTON:** I didn't follow that, Mr. Chairman.

**HON. V. SCHROEDER:** Mr. Chairman, there's an ERDA Agreement which is a number of years old with the Federal Government dealing with urban bus industrial development and I believe it's in the range of \$50 million, so it's a large amount of money and so Dr. Rey is working in that area of seeing how that can be best utilized to develop the industry in Manitoba.

**MR. DEPUTY CHAIRMAN:** The Member for Portage la Prairie.

**MR. E. CONNERY:** In the Supplement, it says negotiates development agreements, Jobs Fund

supported program. Can the Minister tell us how much money from the Jobs Fund is spent in here and what are the projects? And could the Minister also tell us how many new development agreements have taken place? I think there were, I recall Estimates last year, there was 10 and there was one that you didn't have finalized. Could the Minister fill us in?

**HON. V. SCHROEDER:** Mr. Chairman, on that last, I'm not sure I understood the first part of it. On the last one, there were four developmental agreements entered into in the last year, including SherrGold, which isn't really ours, it's Department of Energy and Mines.

**MR. DEPUTY CHAIRMAN:** The Member for Portage la Prairie, any further questions?

**MR. E. CONNERY:** Wasn't SherrGold already in place last year? I'm trying to find in my last year's Estimates where it was. SherrGold was already in place last year and he said there were 11 agreements and one not finalized, so he couldn't do it. The total assistance in that point had been almost nine million. Can he fill us in on any new ones?

**HON. V. SCHROEDER:** The SherrGold, that was done, you're probably right, it was done on January 22 of 1986. I think you'd be aware of all of these: Carnation Foods at \$1.5 million; Guertin, at \$450,000; and Palliser Furniture, at \$2 million.

**MR. E. CONNERY:** Was Palliser an out-and-out grant, or is it a repayable interest-free loan?

**HON. V. SCHROEDER:** It was a repayable loan.

**MR. E. CONNERY:** What was the federal part of Palliser? Was it a repayable loan or a grant?

**HON. V. SCHROEDER:** That was a grant.

**MR. E. CONNERY:** Okay, so we don't have any other agreements than that. So that's the total of the Jobs Fund money in this sector?

**HON. V. SCHROEDER:** That's for 1986-87, yes.

**MR. E. CONNERY:** Of 1986-87?

**HON. V. SCHROEDER:** That's right.

**MR. E. CONNERY:** Okay.

**MR. CHAIRMAN:** The Member for Portage la Prairie, a further question?

**MR. E. CONNERY:** What is the success of the firms assisted through this program in the Jobs Fund? Are they all still solvent and progressing as scheduled, with the job creation that was forecast?

**HON. V. SCHROEDER:** They're all still solvent. Generally, they're performing in line with the agreements. There's one particular company I wouldn't want to identify, where we're taking a good, close look.

We believe in the long term it will work out, but there seem to be some problems right now.

**MR. E. CONNERY:** In the Annual Report, you've got a list of incentive grants. I would assume that this would be the sector we would discuss those, because it would be part of the Industry to assist industry.

**HON. V. SCHROEDER:** Yes.

**MR. E. CONNERY:** Is there a program, or what is the program where these incentive grants where people can apply to obtain incentive grants? Is there a formal program?

**HON. V. SCHROEDER:** Mr. Chairman, what we're dealing with there is generally these are cost-shared studies where we're trying to encourage a Manitoba company to expand, or a company from outside of Manitoba who are looking at expanding, to look at Manitoba. And as part of the package, we agree to provide some assistance for a study to look at how Manitoba would suit the particular company.

They are basically allowed to choose an independent consultant who can do the work and that's part of our sales pitch.

**MR. E. CONNERY:** Is the Minister referring to pages 39 and 40 of the Annual Report? Are those the ones, because I understood he said they were out-of-province or out-of-country firms, but these are mostly Manitoba firms.

**HON. V. SCHROEDER:** Mr. Chairman, the studies I referred to can be for both Manitoba firms and for out-of-province firms, but in addition to that, if you're referring to page 39, that also includes a number of Manitoba companies whom we've provided assistance for to go to trade shows and the various trade missions that we have taken firms on, so we cost-share part of their costs of attendance.

**MR. E. CONNERY:** What is the criteria? What type of firms are eligible for this? Is it strictly manufacturing, processing? Are there any retail firms involved?

**HON. V. SCHROEDER:** Mr. Chairman, it would be basically manufacturing and exportable services and would be geared to what particularly might be taking place. There might be an agricultural implement show, which would obviously mean that it would be agricultural implement people, or furniture shows, in which case we look to see people in that area who might be interested in going.

**MR. E. CONNERY:** Would it be shows outside of the province, exclusively?

**HON. V. SCHROEDER:** Yes.

**MR. E. CONNERY:** I look at one like Naleway Foods and I don't know of them being interprovincial sellers, that they're a Winnipeg firm. I would wonder how they would become involved.

But also, we look at a couple of the grants that kind of startle me, and we look at the Manitoba Light Aircraft

Project, at \$23,000, almost \$24,000.00. Could you tell us what that particular one was, to run up that sort of a bill?

**HON. V. SCHROEDER:** Mr. Chairman, this is a jointly funded program between ourselves, the Federal Government and three companies which we're not able to provide any details on at the moment. But it's not money that we're simply paying to a company. There's a project ongoing.

**MR. E. CONNERY:** Is this anything to do with the light aircraft that was up at Churchill last year that we worked in another department, I think it was Community Economics Development Fund or something? Is this the same? This is a different project?

**HON. V. SCHROEDER:** No, Mr. Chairman.

Naleway Foods do sell their product outside of the province, and we certainly encourage them to do that.

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

**MR. F. JOHNSTON:** This is where your Hong Kong office is, or in this part of the Estimates, according to page 26?

**HON. V. SCHROEDER:** Yes.

**MR. F. JOHNSTON:** Last year, we were given a list of 1 through to 183 names and some of them have file numbers. Some of them have proposed - well, they all have the proposed business and the estimated investments, and of course some completed. I wonder if we could have indicated to us what has been completed since June 1986 - this was June 1986, this one, this printout. How many more are we dealing with or has the 183 increased or are we still working on this particular group?

**HON. V. SCHROEDER:** Mr. Chairman, I know what the member is referring to. I saw that thing last year and, in fact, handed it out. I don't have a similar document here now, but maybe I can just give a brief update.

As I think I indicated, we've relocated the office in Hong Kong in the same office building, at Richardson-Greenshields, to a larger space during the year. During the year, we worked with 225 prospective entrepreneurs, discussing potential investments as opposed to getting potential investments of close to \$16 million.

In 1986, the actual investment from Hong Kong amounted to \$4.5 million and 99 jobs. To put that in perspective overall, in the 18 months of operation since mid-1985, the Hong Kong office has worked with about 250 entrepreneurs discussing potential investments of about \$20 million. Sixty-two arrived in Manitoba during 1985 and 1986, making initial business investments of approximately \$8.4 million, with 180 jobs created. Seventy-five or more entrepreneurs are expected to finalize immigration plans in 1987, involving investment intentions of over \$9 million and approximately 200 jobs. The costs to operate the office were about \$180,000, which represents about \$1,000 per job created.

I should say that overall there was a bit of a slowdown in terms of people actually leaving Hong Kong

for the last year or two. There seems to have been - there is the view, I would say, in Hong Kong at the moment that there's a period of years during which they can stay there without any real concerns and the emigration from Hong Kong will be speeding up as you get closer to 1997, is the impression we have.

At the same time, we're using the office more than we originally expected in the area of trade, so it's not just an office that we're now using for people to come here. We're also looking at ways of utilizing that place for Manitoba business to have access to Hong Kong and as a gateway to the mainland.

**MR. F. JOHNSTON:** Do you still have one person with the department who is located over there?

**HON. V. SCHROEDER:** Yes, and Mr. Walker is in the process of hiring a secretary.

**MR. F. JOHNSTON:** But when you mention you're expanding to use it as a trade office, will there be anybody located over there in that capacity?

**HON. V. SCHROEDER:** No, Mr. Chairman, that's simply another part of the role Mr. Walker would be playing for us.

**MR. F. JOHNSTON:** The Hong Kong investors, are they leaning towards any one particular industry in the province. The food industry or clothing are two that would come to mind.

**HON. V. SCHROEDER:** I would say that's correct, clothing . . .

**MR. F. JOHNSTON:** Are they buying existing restaurants or businesses or are they starting up new businesses, in general?

**HON. V. SCHROEDER:** I would say, in general, most of the jobs have been created with new business, Prosperity Knitwear probably being the largest single employer of the new group. They would have in the range of 50 people working there now, and in fact I understand they're actually exporting sweaters to places like Hong Kong. They've got a fairly significant investment in an old building east of Main Street in the downtown area.

There are a number of the Hong Kong businesspeople who have started up new businesses. Golden Gong would be another example. They're in Inkster Park. It's not a large employer, but they have brought the machinery in to make industrial gloves and, of course, they have to bring the material in from all over the world to make them. They're very highly automated in that place, but it's new.

At the same time, I think there are a lot of restaurants, some of which were closed, that they have purchased and re-opened, and they've had some considerable success at expanding existing restaurants that they have purchased.

**MR. F. JOHNSTON:** I wonder if we could be provided with a list of the people who actually have come in and invested. This particular list that I have in front of me

just has the names of people up to 183 who, I guess, have been interviewed. When you follow it across, it doesn't really tell you whether they have made the final investment or not. Could we have a list of the investment that has been created by the office?

**HON. V. SCHROEDER:** Mr. Chairman, maybe . . .

**MR. F. JOHNSTON:** I might say that I'm not too interested in the confidential part of how much they've invested or anything of that nature, just maybe what businesses they've started or gone in to.

**HON. V. SCHROEDER:** Yes, Mr. Chairman, we can give a list of the businesses which have been started and the rough number of employees that are there.

**MR. F. JOHNSTON:** Your expected result of this department, there's 1,300 jobs obtaining \$100 million of new, private sector investment by assisting establishment of new companies, etc. It will assist Manitoba companies to obtain \$15 million to \$12 million of DRIE contributions. The branch will help Manitoba firms obtain federal offset programs that potentially offer contracts of \$10 million to \$20 million.

On the \$100 million, does that mean that you're expecting to get from the Federal Government \$15 million in contributions on the \$100 million in private sector investment?

**HON. V. SCHROEDER:** Yes, Mr. Chairman, we expect roughly 12 percent to 15 percent, on average, of DRIE, which would indicate that in some instances it would be zero because on some, under the Western Transportation Industrial Development initiative, they go as high as 17.5 percent or, under special circumstances, higher.

**MR. F. JOHNSTON:** What offsets are we speaking of that the Federal Government has presented to you? They used to come through and give us a list of offsets that might be available to us that we could present to our industry. You say here, 125 to 150 person years of employment within five years. I might say \$10 million to \$20 million does not sound that we're being involved in the electronics of the Frigate Program or something of that nature.

**HON. V. SCHROEDER:** This is specifically narrowed down. This isn't a part of federal procurement for existing or a proposed federal work, whether it's on the submarines or the space program. This is where the Federal Government becomes involved in a significant procurement of goods or whatever and, as an offset, the company agrees to provide a certain amount of work in Canada. This is what we anticipate, the department should be able to attract to Manitoba, of that work.

**MR. DEPUTY CHAIRMAN:** Excuse me. The hour now being five o'clock, I'm interrupting the proceedings for Private Members' Hour.

The committee stands adjourned until 8:00 p.m. this evening.

## SUPPLY - COMMUNITY SERVICES

**MR. CHAIRMAN, C. Santos:** Committee of Supply, please come to order.

We have been considering the Budget Estimates of the Department of Community Services. We are now on Item No. 4. Child and Family Services, 4.(a) Administration; 4.(a)(1) Salaries, 4.(a)(2) Other Expenditures.

The Honourable Member for Rhineland.

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

I have a question regarding administration. We have two SY's, I see under managerial in this particular department, and the salary last year was \$80,700 for two. We have two SY's this year, also in the same department, yet the salary has jumped from \$80,700 to \$116,700.

I wonder if the Minister can explain why we can have such a tremendous increase in salaries, when the SY's remain the same.

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

**HON. M. SMITH:** Yes, Mr. Chair.

Again I'll answer in detail this particular time, but I would like to draw the attention of the critic to the fact that this question was asked and answered last week.

The explanation is that last year there was a \$25,000 position and a regular position. During the year it was reclassified and thus accounts for the increased salary amount this year. It was the creation of an executive director position to support the work of this branch.

**MR. A. BROWN:** I find some of these increases in administration rather disturbing, Mr. Chairman, and I would like to quote from page 9 of the Child Abuse Report, under 12, Funding, and I quote, "(a) The Provincial Government contribution to Child and Family Services when measured as a percentage of total provincial budget, has decreased from 2.03 percent in 1980-81 to 1.82 percent in 1986-87."

And under (b) "Within the Child and Family Services budget, expenditures on service and administration have been steadily increasing 120 percent from 1981 to 1987. Service and administration costs have increased 48 percent since 1984-85 which reflects the breakup of agencies into the six regions."

And under (c) "The Federal Government's contributions to the Native agencies budget has risen from 1.2 percent of the total budget in 1980-81 to 14.43 percent in 1986-87."

Mr. Chairman, the Federal Government has been increasing their contributions as far as Child and Family Services is concerned. Everybody has been increasing their allotments, yet the Minister is spending most of the increases which have been allowed in administration. I wonder if she can explain why administration has to take up so much of the total of the expenditures that she has to spend under Child and Family Services.

**HON. M. SMITH:** Mr. Chair, there are a variety of factors that have led to the different budget figures. Just to pick up on a couple of items before I get to the specifics, there was a very loose budgeting style in this area. In

the early Eighties more or less an indentification of a global amount and in many cases there were surpluses at the end of the year. As we were experiencing a lot of fiscal pressure, the economic recession, depression was in full flight, government in every department made every effort to tighten up budgeting procedures so that, in fact, we would come as close as possible to projected expenditure. Some of the change resulted from that factor.

With regard to the Native agency dollars that were coming up, one could just as well interpret the fact that there was now federal money for Native Child and Family Services as the fact that there had been virtually none before. It was an addition to the total amount of dollars and everywhere else in government, where we've successfully negotiated cost-sharing with the Federal Government, we don't automatically keep the same level of provincial funding. We may tighten up in the area where we've achieved better cost-sharing and redirect it. That, in fact, is what has been happening, as we put a great deal of money into some of the prevent support services, like day care and children's special services, so that we have more preventive money out there in the community, more than just shows up in the Child and Family Services system.

With regard to some of the specific changes. Since 1980-81, when Salary and Operating was at 473.2, 473,200, and it's gone up to over \$2 million in '86-87. The first three years' increases are essentially the cost of microfilming, equipment purchase, general price increase and salary adjustments.

The actuals in '84-85 include the development of the regionalized service system and service information system development. You may recall last week we got into the question of how the department could receive timely and accurate information from the regions and the agencies, in order that their monitoring and planning could be more precise. We've been going through the buildup of that operation.

In '85-86 there was some reduction in the regionalized service system implementation, but '86-87 again showed a significant increase, representing the transfer of 20 SY's from Community Social Services, 5 new SY's associated with the new Child and Family Services Act requirements, and the purchase of hardware and software of the Service Information System. So it has been primarily the buildup of our capacity to collect and analyze and use a central information system. That should provide a better support and control of the entire system.

**MR. A. BROWN:** Under Other Expenditures, Mr. Chairman, I thought it was rather strange that the \$17,000 that we see under that particular item has not changed for the last five years. I wonder how that is possible. Are we just putting \$17,000 in whether we need or not, or what's going with our Other Expenditures? Surely it can't be the same five years in succession.

**HON. M. SMITH:** This is basically the operating and travel costs associated with the office of the Assistant Deputy Minister. Again, I think that shows that the department has been trying to contain or manage very carefully the areas where there is no justification for

change and divert the money to where there is a necessity. In fact, there's been a minor shift of dollars.

Transportation money has been up from \$3,000 to \$4,000; Communication has stayed the same at \$5,500; Supplies and Services have gone down by \$1,000, from 5.5 to 4.5; and Other Operating has stayed at \$3,000.00.

It's basically support services for the ADM's office and we have been able to contain them.

**MR. CHAIRMAN:** 4.(a)(1) Child and Family Services, Administration: Salaries—pass; 4.(a)(2) Other Expenditures—pass.

4.(b)(1) Child and Family Support: Salaries - the Member for Rhineland.

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

Last week, if I recall, we were dealing with a lot of things under the first item which we just passed. We did a good portion of, I would say, Child and Family Support, but we didn't go about it in a kind of systematic way and I was just wondering whether the Minister would have an opening statement that she would like to make on this particular area. She did not get the opportunity to do that. It's a huge expenditure - we're talking about \$56 million - and I was just wondering whether the Minister had an opening statement which she would like to make before we go into the detailed examination of this particular area.

**HON. M. SMITH:** Mr. Chair, as you know, this particular department is responsible for the administration, program support and funding for Child Welfare Services, whether they're delivered by regional offices, child care institutions, agencies, or specific mandated Child and Family Services Agencies.

The responsibility of the area has been to develop a sound legislative mandate, in cooperation with agency and departmental staff, to develop, implement, maintain and evaluate standards and service outcome indicators for each program.

We're looking at funding allocation processes and mechanisms for fiscal accountability and to provide comprehensive administrative support to provide procedures for the evaluation and audit of services, a training program for staff, board members and other community groups, and to facilitate a participative planning process for program development. We've been trying to develop this coherent system over against a past practice which was much more reactive to individual groups who have been trying to develop common standards, a clear funding mechanism, and build, through a lot of consultative work, a common thrust.

There have been some divisional highlights. In April '86, legislation providing for searches on behalf of registered adopted adults for adult members of their biological families was put into effect. This regulation governs the operation of the post-adoption registry and incorporates new provisions in The Child and Family Services Act for registration by adult biological siblings and for active searches on behalf of adopted adults.

Secondly, a permanency planning tracking system was implemented on April 1, 1986. This assures the director of Child and Family Support that planning is occurring for each permanent ward in care and that

this is done once every 12 months, again trying to bring some system and basic standard of performance into the operation. This was not something that was in place before and has been an important addition.

1986 began also with a political accord between Canada, Manitoba and the various Indian agencies to extend the master Indian child welfare agreements for an additional year. Those negotiations have been going on not without some difficulties, however; they have taken quite a bit of staff time. Our goal would be to have comprehensive social systems on reserves in addition to the Child and Family Services.

There has been a review of the implementation of Directive No. 18 concerning Native placements. This review was completed in April 1986 by the assistant director of the School of Social Work. The review recommended that what were procedures or protocols, Native child placement procedures, be regulated, and we have been involving all the agencies in the drafting of those regulations which should shortly be in place.

Ma Mawi-Wi-Chi-Itata Centre Incorporated has continued to develop and expand services to Native people living in Winnipeg. It's considered a very viable Native family service centre and has had a positive impact on the Native community.

The Manitoba Metis Federation has continued to locate resources for Metis children and has continued the development of local committees in the Parklands Region and the Thompson Region. Five Metis graduates from New Careers were hired in these offices.

The MMF has continued pressuring for more financial resources to expand its program as it wants to play an active role in helping Metis families care for Metis children.

A committee to review repatriation services for Native children was formed to provide recommendations for policy and program development. We expect its report by June 1987. We have a backlog, again - the numbers are diminishing as children reach the age of majority - not only of past policy in Manitoba Child and Family Services of placing children out of the province and out of the country, but also, as the very tragic case from the North is revealing, we have a backlog of cases where individuals were placed with no legal backup or status determination by National Health and Welfare, and in some cases DIAND, and there are many cases sitting as a backlog from that particular practice.

In early 1986, two child abuse specialist positions in staff training and development for child abuse were established in the directorate. These positions are responsible for the development, coordination and delivery of child abuse training programs to community organizations, Child and Family Services Agencies and departmental staff throughout the province.

In June 1986, the department engaged two external program consultants to review child abuse procedures and practices in Winnipeg. The final report has already made recommendations to the Minister respecting how to strengthen the ability of agencies to respond to child abuse, how we can strengthen and coordinate the multidisciplinary interagency procedures for dealing with child abuse, and other related matters.

With the completion of the implementation of The Child and Family Services Act, a major priority begun in January 1987 has been the development and distribution of a basic Service Standards Manual for

agencies and the directorate. We hope that this will have completed its consultation process and be in place by November 1987, and that will replace all the existing standards, directives, guidelines and protocols which have been the devices that the department has used to shape and monitor the service given at the local level.

**MR. A. BROWN:** Mr. Chairman, if the agencies are supposed to wait until November until they are going to get a manual on the standards, that to me seems to be an inordinately long period of time before the agencies are getting any instruction when they have been in operation for two, three years. This should have happened a long, long time ago.

I see absolutely no reason why it should have to take up to November until we have a set of standards that the agencies can go by. I think this is absolutely ridiculous that this hasn't been done a long time ago, and this certainly was one of the areas in which the final report on the external review into matters relating to the system dealing with child abuse in Winnipeg where we're so very critical of.

I would just like to remind the Minister of some of the statements which were made in that particular report. It says that we have a needlessly complex administrative system for Child and Family Services in Manitoba; the negative effects of service and increased costs - the increased costs are there because it is needlessly complex; the provincial staff devotes little time, interest or expertise in planning in central administration, and when asked for statistical or financial data, they are slow and often incorrect; the reason for concern that Manitoba is not taking advantage of federal-provincial cost-sharing as a result of inadequate administrative work on part of Community Services. So you don't even know how to put forward a proper financial statement in order for you to collect the federal cost-sharing which is available.

Adequate resources are not in place in the many regions, resulting in inequities in service. You don't have the same service, the same standards available throughout the City of Winnipeg. Child and Family Service Support Branch, in spite of the growth in staff, has not resulted in corresponding output and should be reviewed.

Now, Mr. Chairman, if we are supposed to wait until November before we're going to get any action whatsoever on any of these concerns which have been expressed over here, I would say that is just too long. Action has to be taken immediately in order to correct some of these very, very negative results that have been found in this particular report. So I hope that the Minister can see fit somewhere along the line to speed up that process. The report suggests that by the end of July, certainly, standards and all of these things ought to be in place.

I hope the Minister, with all the administrative staff which she has at her fingertips, that surely she is going to get them to work so that they can organize things so that they'll be able to do their job in an orderly fashion the way that it ought to be done.

**HON. M. SMITH:** Mr. Chair, this was an area where we had some difference of opinion from the people

doing the report. We agreed that there was a need. As a matter of fact, we welcomed the fact that the agencies were now ready to accept a more detailed set of standards with regard to the child abuse field. But the implication that there were no standards was quite simply wrong.

What there have been in place are older standards. The new legislation brought about new regulations, new protocols and guidelines. The question of standards is taking those principles, the next level of specificity down, and there was a period of time where many of the agencies thought that we were already getting too involved in the detail of their practice and that at some point the management of the agencies and the professional social workers should be in a sense recognized as having decision-making authority. It's rather like in the medical field, you don't spell out the precise tests or measures that each doctor is to take with regard to every situation. There is a point where you transfer the responsibility to the professional in the field.

Because of the complexity and the newness of dealing with child abuse, and because of the volume, I do remind the members that one of the great difficulties we've all been dealing with in the area of child abuse, in addition to there not being a lot of expertise or knowledge of what the standards should be in dealing with it, has been the enormous volume of cases that we have uncovered.

As we are developing these new more specific standards, the old ones are in place and the development of the new ones, in a sense doing it in a consultative way with the agencies, is also part of the training process, because they get a chance to review the rationale for the standards, make their suggestions and feel some commitment to the standards as they are being developed.

So the old standards and the general guidelines and the new legislation are in place, and the expectation that agencies will protect and act in the best interest of the children and that they will supervise, and that social workers in the field will make responsible decisions.

The development of these more updated specific standards, I think that the time spent consulting and working with the agencies is going to pay off.

Now that doesn't mean that there is nothing in place until they're there. There are general guidelines out there. There is a legislative expectation. Many departments never go beyond legislation and regulations. We're carrying the monitoring and supervision many stages further down into the detail. Standards are always in a sense in a process of being revised. They're in place and then, over time, as new experience, new insights come along, they get amended and revised. So we look at what is going on much more in that light with regard to data and data collection.

It is true, and we've gone into that, as to why the provincial department has not had a quick turnaround time on all the data. It's been kept in manual form over the years and fairly limited reporting.

What we've been doing is refining more precise information that we need at the centre to monitor, and also we're three years through the four-year buildup of a fully computerized system which should, in addition to providing supports and cross-referencing that will

help the work of the agencies in the field, also give us the timely information we need both to monitor and to plan ahead.

Again, you mentioned a few things like inequities in service and support grants not moving along. Inequities in service, like when we started with a lot of these issues, there was no service in some areas. As we've been building up the capacity to deal with child abuse, the capacity to put in some preventive supportive services, as well as the crisis response, we have done some prioritizing and moved in the areas where the need was greatest; but our intent is, I think with this year's budget, we will be very much closer to having equitable funding across the province, not just across the city, and the total amount of funding available for the different types of programs will increase.

You referred to something about support grants not going up. The total amount of money in the system has been increasing. The fact that we haven't been able to make as much of a shift to the preventive support side as we all had hoped is because, in being closer to the community in carrying out our campaign to tackle the child abuse issue, we have uncovered so many more cases that we have had to ensure that we had the emergency response and the child maintenance budgets sufficiently flexible to meet that need. That's why we haven't been able to increase on the other side as rapidly.

With the move to global funding, again, we are willing to do that as soon as the agencies are able to agree on the process for that transition. They will have more flexibility at their end and within their geographical area to respond to the need in a flexible way. Now we're currently funding them with a variety of grants. They receive service and administration grants that pay for social work staff, office costs, psychological consulting and legal services.

Then there is the Support Service Grant which pays for agency placements for child care workers in clients' own homes and in foster homes.

Then there are Community Outreach Grants which pay for a range of agency community development and preventative services and homemaker services which pay for the agency placement of homemakers and parent aids primarily in the clients' own homes.

Now each of these types of grants has to have certain parameters to it and certain dollar figures attached so that in a sense we know what we are purchasing and the agencies have some guidelines as to how they can use those monies. Over time, as the standards become more detailed and thorough and as the overall volumes level off, the agencies will then be in a better spot to handle the global budgeting and help their service to develop in a way that's best suited to their particular region.

So, again, a lot of these problem areas are part and parcel of the very thrust we are trying to make, which is to enable agencies to gradually have more preventive and support services for families, not just emergency funds when they want to take children into care, and also to develop a provincial monitoring and evaluation capacity.

It's because the department in the past has never fully developed those relationships or those roles, that we are, of necessity, in a developmental process. It's not the kind of thing where a Minister can issue a dictum

and say, "do it." They are complex areas; you have to stabilize what you have out there as you develop and phase in the new funding and policy procedures. I think that the process we've been following, where we share a great deal of information and problem-solving with the agencies in the long run, is going to retain for us a more cooperative approach.

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

**MR. G. MERCIER:** Thank you, Mr. Chairman.

Mr. Chairman, I really came in here this afternoon to listen to the critic, the Member for Rhineland, and others deal with the Minister's Estimates, but when I hear the answers she just gave, she must live in a different world. I think everybody else realizes what is happening, but she lives in a different world. She doesn't realize what is happening and what has happened.

She has the nerve to stand up in this House today and say we have a different view than the Review Committee about what standards exist. Mr. Chairman, the Review Committee, if she would look at pages 328 and 329, which set out some of the names - and pardon me, it goes on for the two previous pages, too, 326 and 327 - of the over 700 people who the review team interviewed and discussed this whole problem with.

She stands up and says to the Member for Rhineland, "We disagree with what's in the report. We disagree with the Member for Rhineland. We had standards in place," she's trying to say.

Mr. Chairman, I turned over to the review team a copy of a report that was made by professional care workers involved in child abuse that was made to the Minister in this department in the early winter or spring of 1984, before the new regionalized system was brought into place. The government had set those bodies up, and the professionals made a report to the Minister and said don't implement this system without having the proper standards in place.

The government ignored that report, ignored their advice, and brought in the change in the system. Now she has the gall to say, some three-and-a-half years later, that we are now going to work on those standards that were recommended three-and-a-half years ago, now that we've had a full review done of the whole system.

Mr. Chairman, the Minister is standing up in this House and saying to members of this House, that the over 750 people who were interviewed by the review team, including meetings with all Child and Family Services Agency teams, were wrong; and she, and whoever her unidentified, anonymous advisers are, are right.

She's saying the report is wrong. All these people are wrong, and we're right. Therein lies the problem; that's what she's been saying the last three-and-a-half years. That's why we have had the system in place that we have had for the last three-and-a-half years and why we've had to have a major review of the whole system and a major overhaul recommended of the whole system.

I was hoping, Mr. Chairman, that the Minister would conscientiously accept the recommendations and say obviously a change is needed; we're going to embark upon this change; we're going to follow the

recommendations; we're going to improve the situation; but she keeps trying to insist that what she has done was right. Mr. Chairman, that's why there's really going to be no positive change for the good until this Minister takes another position in the Cabinet and someone new comes in who is ready to start fresh.

The Minister could stay there if she would admit - have the courage to admit - that what she's been doing has been wrong and that she's prepared to admit her mistakes and change the direction. This is the direction that's told to us by over 700 people interviewed by the reviewers in the department. Unless she's prepared to make that fundamental change in attitude, Mr. Chairman, I'm afraid the improvements that all members of the House would like to see are not going to be made.

Mr. Chairman, the Minister referred to - I'd like to ask her a couple of specific questions - a number of Native children who had been, I take it, sent from their homes to other homes from Native reserves by, I believe she referred to, the Department of Indian Affairs, and that there's this whole backlog to be worked on. We're all aware, of course, of the tragic case involving the Awasis Agency a little while ago.

I'd like to know what role, if any, her department will play in those cases. Are those children to be removed *carte blanche* and repatriated? Because surely some steps are going to be taken so that we're not going to see the same type of situation occur as occurred in that most recent case involving the Awasis Agency. I'd like her to set out and assure us that that will not happen again, that her department will be able to take some action or provide some guidelines to prevent that.

Then the second specific question I would ask her because I had received some information that the Awasis Agency allegedly were not reporting abuse cases. This statistic sheet supplied for 1986 with respect to abused children shows, I think, one of the only instances where the numbers of abused children go down in the statistics was the Awasis Agency which allegedly goes down from 18 in 1984, 9 in 1985, and 7 in 1986.

I wonder if she has looked at that or will that be part of the investigation that I had asked her to undertake, and will she be reporting to the House on whether or not those are correct statistics or whether or not abuse cases under the jurisdiction of the Awasis Agency are not being reported, because they're just contrary to all of the other statistics?

I think we would be happy if they could say that they have done things to reduce the abuse cases, unlike all of the other agencies, and if that's the case, fine. All the other agencies, I'm sure, would be glad to learn from what they're doing if, in fact, they've reduced the number of cases. But I hope the Minister can indicate that will be a matter that will be reported on to this House shortly.

**HON. M. SMITH:** I'd like to make, first of all, two distinctions: one, the Child Abuse Review Report; and then the general Child and Family Services Agency area. Then I would like to, I guess, go into a bit of the history of the government relationship to child welfare agencies before getting on to the specific questions.

The history of child welfare agencies is that they operated in local communities where there was local

initiative. In other areas where they didn't exist, the government went in and started to develop child welfare services. But there was always a certain tension between the local group and their board and the government in terms of what the role and the responsibility of each was. Certainly, the desire to have funding from the government was consistent, but there was unease in terms of how the government would control or set policy parameters around the agencies.

Now, the methods by which government does it are: legislation, which then the agencies can be held accountable in the courts in the final analysis for following that legislation; regulations, which spell out in greater detail what is in the legislation, and they have a little less authority in the court, but not a lot less; then there is the next level of guidelines or protocols, and what some people argue as to whether standards mean something more detailed again, or whether they are instead of guidelines and protocols.

One of the difficulties we've had, and I think one has to have some sense of the history of these things in order to understand where we're currently at, a lot of the agencies were more concerned about their autonomy than they were about the government setting standards which they would follow. They felt that they could be held accountable through the court system, because they operated under the legislation, but that spelling out standards was actually an intrusion into their area of responsibility and into the professional decision-making of the social workers.

Notwithstanding that, governments have developed guidelines and standards. There have been some in place. There have been new directives and guidelines developed, along with new legislation and regulations. But the agency staff and the agencies themselves have not always acknowledged that they were accountable to observe these. Again, when a report is developed, you get the opinion of people - you get many different opinions of people who are at different points in the system. I think it's true that probably many workers in the field either didn't know there were standards, or didn't see it as the role of government to provide it.

We are pleased that now they want standards and acknowledge the role of government because there has been, as long as I've been around, an attempt by government to get more and more detailed in terms of how the legislation translates itself into actual practice.

We are revising the overall standards for Child and Family, with the specifics for child abuse being the ones that are perhaps having the more detailed development, because there wasn't a lot on them before; there wasn't much experience on child abuse.

So some of the comments made by the review team that there were no standards were referring to the specific area of child abuse, but there's a great range of policy framework and protocols, directives and so on, which is the way the government applies the standards to the agencies.

I think, again, the review team felt that regionalization had been a good direction. What we needed now was to keep refining the way in which the practice was carried out and the way that the provincial department could hold the agencies accountable. In past times, the legislation only gave you the power to give a mandate and, by implication, the power to remove it.

There were no halfway measures, no sanctions one could apply other than by going to court.

Now what the review team has come up with is going to be particularly useful for the whole range of Child and Family Services. It will, of course, focus in and apply specifically in the child abuse area, and that is that we work out an annual contract with the agencies where, in effect, we actually say the public is prepared to purchase services according to these standards from you for the year ahead in exchange for these amounts of monies and these are the policies and procedures that we recommend. Now, again, how specific they get, they'll go to a certain level of specificity, but then the agency, with their board and executive director, the supervisors and the line workers have to take the particular cases they're dealing with and apply those standards.

In some cases, in some of the tragedies we've had, there were standards in place already that weren't being followed, not standards that were under the title of "child abuse," but standards relating perhaps to minor parents or high-risk definition. There was not a multidisciplinary definition of risk, and that's where the tool that's come up in the report will have a broader usefulness, because it will be the same tool being used by the different disciplines.

That's the sense in which we disagree with what they were saying about child abuse. Yes, there were some specific areas where we needed to define the practice much more, but the broader issue we had of standards and how the agencies had to be accountable to them and in what way, that was a struggle, in a sense, we've been conducting with the agencies. We welcome the fact that now they are seeing that is the role of government; it's not just to have the legislation and regulations, but it is to define standards and they're to be held accountable to them. They have always been accountable, by implication, through the courts, but this provides a tighter way, if you like, to hold them accountable.

Back to the question on the Native issue. I was referring to the fact that there are upwards of 70 or 80 children so far identified by Native agencies whose children, in a sense, were taken away probably for health treatment and not returned. The parents weren't communicated with. There was no legal process of placing them in care, and adoption or whatever, and over time those families are raising the issue: Where are our children; we have never been found guilty of neglect or abuse; our error has been in living too far away from where medical treatment could be given, all of which we can understand.

We're saying that there's a group of cases like that which are going to require some resolution. Now, in terms of what policy we've been following, there's also been the clamour of the agencies whose kids were adopted out-of-province by the agencies. There's been clamour that we've put millions of dollars in and tried to seek out all the children and repatriate them. We have resisted that line. We have said - we have a person who has been working - the first year we said let's go case-by-case and be very cautious and see, with the individual circumstances, whether something needs to be done or can be done. Because I think what we recognize, is regardless of what was done in the past, the child has gone through a certain experience of life.

They have grown older; they have lived in a certain situation. In some cases, it may be working out reasonably well; in other cases, it may be a disaster and there may be a lot in the middle. The one thing we did agree to do with the American agencies was to let them know that if adoptions broke down of Native children from Manitoba, we would be willing to exchange information and explore alternate placement.

I think that was the limit of our direct involvement. Then, as cases have come along, there have been one or two - I don't have the exact numbers, I could perhaps get more of a report for you later - where the agencies themselves negotiated some return and found that the adjustment was difficult. I don't know whether any have worked out permanently, but over time the agencies are saying to us - and we feel that this is a more appropriate way to handle it instead of just assuming that in all cases the Native children and the Native families have been done wrong to, and what will solve the problem is to bring them back, is to facilitate some visiting, facilitate some contact and let that go on for a while. Then, if over time, there seems to be a mutual desire and someone is in there judging that it's wise for the youngster to consider repatriation, but a much slower approach and more attention paid to what we can do from now on in, rather than trying to undo by a simplistic view either that all should come back or that none should.

Try to avoid those rules of thumb because the cases vary so very, very much, both where the child is at and where the natural family is at. So that is the approach that we've been taking, trying to go really slow on it, not be unsympathetic to the concern, but not to have a preconceived notion as to how to resolve that issue.

With regard to Awasis and their reporting, we are in discussion with them as we are with all other agencies. They are reporting on the forms that, you know, as far as the ones they are reporting, they are following the forms that we require them to fill out.

Whether there is under-reporting there or in any other agency, quite frankly, at this point in time, it's very difficult to tell. We know until the Abuse Registry criteria in terms of who is on, how you appeal, how you get off, which categories are there, until that is clarified, agencies may be making judgment calls that certain cases are frivolous or unsubstantiated. You know, you could take an extreme position and say they aren't reporting to the full or you could take the other position and say that, because of the difficulty of proof, they are following the letter of the law and reporting the ones that are admitted or confirmed by court process.

It is because of our interest in trying to refine that and make sure that we're all operating on the same rules that we've reviewed the Child Abuse Registry procedures. That registry has been there for 16 years without any clarity of understanding as to how one could appeal, or how long one's name would stay on, or exactly who made the decision, or what the criteria were. We recognized the need for that to be refined and clarified; in fact, that's why we put together the review of that registry.

**MR. G. MERCIER:** Mr. Chairman, just a question for clarification.

I don't disagree that the approach the Minister described is the one to be used in these cases where

Native children were removed, as she says, perhaps for health reasons, and not returned, a process, I think, as she has said, would involve visits, etc., and a gradual coming together, if I can call it.

I take it this approach was in effect during the time that the latest incident involving the Awasis Agency took place, where that girl was returned to that agency. I know the courts were involved.

But can she give us some assurance that her approach, as she has described it, is agreed to by the Native authorities and is the one that will be followed in all of these cases in Manitoba, or is this just some sort of a wish on her part?

**HON. M. SMITH:** Mr. Chair, I'm reluctant to get into too much detail on that particular case because of the procedure. But, to our knowledge at the moment, the decision to return was made in the Alberta court, based on their law and, as you know, here in Manitoba we have that procedure whereby if a long-term, positive relationship has been built up with the foster parents, they would get first choice at a permanent placement.

I guess the difficult issue, and you as a lawyer would probably understand it better than I do, is that a court, if they could not find any original fault by the original, natural parents, would probably revert to the idea that the natural parents still owned or had a special right to that child. That's the sort of difficulty that we're dealing with. Remember, in the law, children until very recently were almost possessions of their families. The rights of kids in the courts have been very difficult to develop. We're hopeful that the new federal law will give us a hand in this.

These are some of the historical actions and inactions that have left us with some very complicated cases to sort.

**MR. CHAIRMAN:** The Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Mr. Chairman.

Just for the Minister's knowledge, I'm on page 58 of the detailed Estimates, so she knows where we're coming from.

In terms of this overall budget, \$30 million will go out for the maintenance of children and \$22 million for external agencies, for a grand total of \$52 million. Yet, there is still a staff of 58 in the Minister's department.

Can the Minister explain why we need all of this staff centrally if in fact the purpose of external agencies is to deliver all of the support systems through the external agencies?

**HON. M. SMITH:** Mr. Chair, this is an important question and, again, I don't know what vision people have of external service delivery, whether they think it's just a central funding group that then gives money and lets it go at that. Any funding group that I've had anything to do with, over time, starts to develop a planning and evaluating capacity. If I can tell you what the different functions are, then we could perhaps zero in on where you think they should or shouldn't be.

There's a director, a deputy director, 10 agency support coordinators, 3 placement resource coordinators, 21 administrative support, 3 agency coordinators, 12 agency secondments. They're actually

not - that would be 12 of the 58 aren't actually in our department. It's a device we've used because Winnipeg West Child and Family Services used to be a direct delivery by the department. When we regionalized, we converted it into a community board and what we did was keep the incumbents on our payroll and then seconded them to the agency. Over time, those, as the incumbents, again there was sort of succession rights and so on because there was a different union agreement and so on. What we did was give the incumbents their rights until they would retire, and then gradually those positions will disappear from our line and, in fact, the money is over with the agency. There's one program analyst and six term people.

Now again, as we develop all the different elements of the Child and Family Services, you need to have central staff to keep the information, to do the analysis and to develop the best way to fund and monitor. We're hopeful that as we get the system into - in a sense, instead of responding to each agency in an ad hoc way but get some coherent system that we won't need quite as many staff in the Centre. But you can't coordinate and set standards and monitor without some staff.

**MRS. S. CARSTAIRS:** Can the Minister tell me if the breakdown of external agency material which I requested on Thursday is available today?

**HON. M. SMITH:** I have the agency grants which I can give.

Northwest - these are the Winnipeg agencies - Northwest, \$3,363,300; Northeast, \$1,726,800; West Winnipeg, \$1,834,800; Central Winnipeg, \$3,315,600; South Winnipeg, \$1,503,800; Central Manitoba - and this is the Portage la Prairie area, \$1,688,900; Eastern Manitoba, \$2,927,000; Western Manitoba, \$2,066,300; and the Ma Mawi Centre, \$628,300.00.

In addition, there is the actual cost of children in care. They may be placed by the agency but the bill comes to the government. The actual cost of children in care in foster homes, group homes, and treatment institutions is billed directly to child maintenance for a total of \$30,865,800 for '87-88.

**MRS. S. CARSTAIRS:** When the Minister gives me those grant fundings, for example, let's just take Northwest at \$3.3 million, does that include the service admin, the support service, the outreach grants, and the homemaker service grants?

**HON. M. SMITH:** Yes.

**MRS. S. CARSTAIRS:** Can the Minister explain why those amounts seem to be so much lower than the amounts that we find in Public Accounts; for example, '85-86, and yet the overall budget seems to have gone up? Just to give you an example, if we take a look at the grants for the Children's Aid Society of Central Manitoba, they only seem to have gone, from '85-86, to 1.3 up to 1.6.

Where's all the money? There's \$58 million more in this budget.

**HON. M. SMITH:** There has been quite a growth in the Child Maintenance budget. It is now up to

\$30,865,800.00. I don't have the '85-86 but in '86-87 it was \$27,200,200.00. I think it went up considerably from the year before, and the External Agencies have gone up year-over-year by \$2 million, almost \$100,000, from \$20,750,700 to \$22,804,100.00.

So again, as the agencies are finding the youngsters and determining what kind of support they need, they can either use their own grant money if they wish to use a parent aide or homemaker, or counselling. If they need to place the child in foster care, group care or so on, they draw on the Child Maintenance budget.

**MRS. S. CARSTAIRS:** Does the Minister have any breakdown at all as to what is being spent on the variety of agencies in Winnipeg on strictly "facilities"? Not staffing, but office space, rental, telephones, that type of thing?

**HON. M. SMITH:** Those expenditures are included in the Admin Service grants. We can break out the office building costs and make them available for you this evening.

**MRS. S. CARSTAIRS:** My question, Mr. Chairman, has very much to do with the fact that when we began to break out into these agencies and deliver the service at the local level, we had a Service and Administrative grant for the Children's Aid Society of 5.6 million. We now seem to be spending almost \$12 million on Administrative and Service grants which is a 100 percent increase.

I'd like to know if the Minister feels that that kind of percentage increase is justified when it does little, if anything, to actually provide service for a child?

**HON. M. SMITH:** Mr. Chair, the Admin and Service grants, in addition to the executive directors and supervisors and so on, do provide the very direct person-to-person social work service. Now, one can argue that there's no increase over the past. In fact, there has been a fair increase in numbers as the volume has gone up.

One of the penalties or advantages of being in the regions and closer to people is that access has improved. The agencies themselves feel that the volume has gone up faster than the increased funding and that's where the workload studies that are attempting to get an agreed-on definition and workload assessment are going to be very helpful.

But also in these grant monies are support services for resource development at Ma Mawi, the homemaker services which are greatly expanded under the new regime, and Family Support Services. This is where you can actually put a parent aid into a home and help them deal with a particular situation. So, in a sense, there is also help that can be put into a foster home, so we are giving a fuller mix of service to more children and their families.

**MRS. S. CARSTAIRS:** Does the Minister have any specifics? I mean how many more social workers do we have in the field as the result of regionalized services in Winnipeg than we had under the old Children's Aid Society?

**HON. M. SMITH:** Mr. Chair, I'll have that information in a few moments if you would like to go on with the next question.

**MRS. S. CARSTAIRS:** Yes, well, I'd like to kind of give a rationale for why I would like to deal with those specifics. Because one of the concerns that the Minister herself has expressed any number of times is the tremendous increase in numbers of children whom we are now identifying as having been victims of child abuse, and there's no question about that. We have a much more open society, people are coming forward, particularly children are coming forward, teachers are coming forward, workers in boys' and girls' clubs are coming forward to identify child abuse victims. But we also seem to have a number of more specialists, social workers, in the field.

Why does this not appear to be adequate to meet the needs of these child abuse victims?

**HON. M. SMITH:** Mr. Chair, I would remind the members that we are dealing with the great range of issues that we have always dealt with as well as child abuse.

The issues that we've dealt with in the past were children in need of protection either because of neglect or some kind of active abuse in the home. The whole sexual abuse and emotional abuse issues have been added to the basic types of concerns we're dealing with.

As to why the increase, when an agency is not accessible, there is a lot of need in the community that never finds its way to the doors. The abuse is a special case in a way - especially the sexual abuse - because as a society we have only agreed in the last few years to identify and report and indeed take that seriously. So that's another whole piece on top.

But just the basic work, the traditional work of the Child and Family Services Agencies has gone up very markedly. I submit and, as I say, it gives me the odd sleepless night wondering how much is out there and how open-ended can we afford to be for the type of distress that we're finding.

But, you know, and we keep trying to identify the factors. Is it that there was a lot out there before that we didn't find; and did those young people manage, most of them, to grow up with or without intervention; and would we be better to stay away from it? Or is there a mounting problem out there that if we don't deal with it, we're going to have the continued influx into the correctional institutions and the mental health and the impoverished and the suicidal and so on?

It's those kind of questions that we are trying to get answers to. It does seem that we are tapping a great area of need that wasn't being dealt with before.

There, in addition, seems to be an increase in problems for a variety of reasons. In-migration of Native peoples from reserves; in-migration and out-migration, people who don't necessarily have job skills or ways of getting along in the city, who are used to a different life pattern and find it difficult to care for children in the situation they find themselves in the city, where there are more threats, the extended family is not as intact to help protect the children and so on.

More single parent families. Certainly not all single parent families have trouble with their children, but where there is only one parent, and often female, often employed or unemployed, but when employed, often on fairly low wage, there is the problem of poverty,

possibly inadequate housing, possibly not being able to access recreation. The whole combination of issues. More and more young people seem to be falling into troubles because of that category. Then there may be an in and out movement of a partner in the household.

There are the general issues of poverty where we tend to, because of the way we've perhaps let our cities develop, or the way we've neglected, or even the way we've handled some of the housing issues, we tend to congregate people with special personal, social, economic problems in one area, and what we get is a great escalation of difficulties and problems. When these problems appear here and there in a more subtle setting, it's usually easier to deal with them and turn them around.

So, in some sense, we're getting at the social problems of urbanization, of in- and out-migration, again, all those associated issues. As far as I can tell, we're both accessing problems that were never dealt with before; we are getting an increase in problems because of some of these other factors; and on top of that, we're tackling the abuse issue.

Looking at understanding that my budget can't keep going up and up and that there's no way, no matter how much extra money I get, that we're going to be able to deal with all of these problems, I think that the schools, the recreation people, the town planners, the housing people, everyone is going to have to see how, together, we can help create conditions that are more supportive and more preventive. I think we've got a social - I don't like to call it, I don't know what you could - disorganization, I guess, is the best word I can come at, where the normal supports for healthy development that used to be there in many cases are not. Although there's great effort being made by a variety of systems, I don't think we've found the way to pool and network and come together on it. In some respects, I think our system gets the results of the failure of other systems to deal with full employment, adequate housing, recreation, adequate support for leisure and so on.

Again, I think it's a very crucial service but I don't think we should somehow expect Child and Family Services to deal with all those associated problems. If the members opposite have ideas as to how better to network in the city, develop all the constructive activities and community activities that will help to counter what we're facing, I would welcome it. I think it's only going to be by that networking - yes, I think that's been the virtue of what a lot of those agencies have been doing out there. They haven't had a lot of money yet for community outreach or preventive work, but some of them have done a great deal to get all the different groups talking to one another.

I know when there was some vandalism down on Selkirk Avenue with some little kids under 12, it was the Child and Family Services Agency that convened a meeting of the school people, the community agencies, the recreation people, the parents and the children, and it was the friends of the child who apparently had been involved in the vandalism, who came up with some of the best ideas for how to curb the kind of activity this youngster was in.

Child and Family South have been the ones that have conducted, I think, the largest survey and investigation of community social needs of anywhere in Canada to

date. Again, not solely funded, but spearheaded by that agency, because they realize the problems they're running into are teenagers out of control.

I think some of the other agencies look and say, I wish that we could pause long enough to get into that area. In a sense, we sort of feel that they're a lesser problem than the younger children. I think Child and Family is signalling to us that all is not well with life out there for teenagers and that we'd better all put our heads together to see whether there's a particular group that, you know, could deal with more work placement, a different approach in the school, more recreational opportunity.

I mean I don't know all the answers to it but I see the agencies out there dealing with their traditional role and also trying to play a community development role as well. As I say, my hat's off to them for making as much progress given the volume and complexity of basic work that they've had to contend with.

**MRS. S. CARSTAIRS:** One of the early rationales for dividing up the agencies and making them more community based was that it should, in fact, keep the children more within their home setting. How does the Minister balance that goal with the fact that maintenance of children has climbed astronomically - 13.5 percent this year alone?

**HON. M. SMITH:** Mr. Chair, it was often critics and others who said the main goal was to keep children in their homes. The goal of the department was to have a mix of services and choices available to the workers in the field so that they wouldn't let families fall apart by default because they had no program whereby they could assist a family to learn and stay together; but it was to introduce more balance into the system and the directions we gave to the agencies were that we were not going to put an artificial or premature lid on the needy cases, on the child maintenance. In fact, after the first year of experience, we had a 75 percent increase on families who self-referred the family caseload.

Again, families that are facing difficulty before a crisis, if they can come and get some help, a certain proportion of them are going to solve their problem and not end up at the fall-apart stage.

But we also had an increase of 11 percent on the children coming into care. With the child abuse thrust, we've had quite an increase on that side, but we didn't start with any artificial notion. As I say, we often got heard and interpreted that way that, if you're not for children in care or treatment beds, you must be for keeping families together at any price. We've never said that. As a matter of fact, we have made every effort to say the opposite, that we wanted there to be more mix of services available to workers so that they wouldn't use a sledgehammer to deal with a small problem, that they wouldn't use the extreme treatment, but that they would also have some tools that would enable them to deal supportively with a family that could learn and manage.

Child maintenance increases are exclusively in the foster care area. This is a more enriched type of foster care that we're giving where special needs can be better met, because we're finding, in terms of effectiveness,

that the more impersonal and intense relationship that's available in a foster care placement seems to be one of the best ingredients in terms of dealing with the needs that youngsters have.

The special rate maintenance does allow agencies to treat higher need kids in more home-like settings, so we're both not using the more extreme treatment beds as often, but we have an intermediary treatment in the special foster care and then, over on the preventive-support side, we're starting to build those services.

Again, it is our desire to give that worker in the field who has to assess the needs of the child and the abilities of the family, to have a range of choices as to what they can do, rather than have some rule of thumb that comes from on high and says, "thou shalt deal with the case in this way." We don't think that's ever going to work. You have to leave some judgment call and discussion at the local level, but you have to give them the tools so they really have options.

**MRS. S. CARSTAIRS:** I am sure the Minister is aware of the proposal called the Adolescent Support Program proposed by the Winnipeg South Child and Family Services and MacDonald Youth Services in which of course they say for the 1st of April 1985 and November 1986, that they actually had an increase in care by 46 percent and the number of families receiving service increased by 152 percent.

I think this is one of the less active Child and Family Services. However, they had made a number of recommendations about a support program for adolescents which they presented to the department in May of 1986. It is now May of 1987 and, to date, they have no response. Can the Minister explain why they have not received any response and is the ministry looking favourably upon this particular proposal?

**HON. M. SMITH:** Mr. Chair, we have met with them on several occasions and have told them that we like the direction and the potential that program offers. There are some changes that we'd like them to consider. What we told them, again, because, although they have had a case increase, they're still relatively low in terms of equity concerns across the city, in total caseload and in severity, albeit they've been effective in being accessed, I think, by increasing numbers of youngsters.

We have told them that our ability to shift into new programs, particularly programs where the cost runs above the average that we normally would fund, it is not something that we can add to mid year or commit to quickly.

We see it as one of the benefits to a rapid shift to global budgeting, that Winnipeg South would then have the flexibility within their own budget to make that type of allocation. But I guess it's a question of part of the concern that was raised earlier: How do you get some equitable level of funding and service across the city? We have a concern for that. So we can't always respond quickly with an affirmative to a particular agency, but we have told them all along that we agree with the direction. We would like to see some modification, and I think we were willing to recommend a temporary support from a couple of the other funding agencies in town who specialize in short-term grants. They won't pick up on-going operating.

For example, Winnipeg Foundation enabled us to start Evolve, the family counseling in the abuse area, under Klinik, a year ahead of when we might have been able to in our annual budgeting process, because they were willing to pick up short-term bridge costs, so long as they didn't have the long-term operating costs. It's quite a complementary approach to funding, which we are making use of.

**MRS. S. CARSTAIRS:** Can the Minister explain why, when the abuse report called for emergency placement beds, the determination was made by her department that she would put the money not into beds, for which there is a desperate need, but into additional staff?

**HON. M. SMITH:** Mr. Chair, the intention of the department was to take the recommendation from the report, but we had agreed that we would consult with the executive directors and the presidents. It was their unanimous recommendation that the money go for the staff at this point in time and that we deal with the other issue in the context of negotiating the receiving resources and the global budgeting issue.

I do have the totals now for the workers in the different agencies, if you'd like them.

Northwest Winnipeg, 70.6; Northeast, 34.8; West Winnipeg, 39.1; Central Winnipeg, 70.3; South Winnipeg, 32.5; Central Manitoba, 38.6; Eastern Manitoba, 60.5, plus a seconded position to the department; and Western Manitoba, 49.6; for a total of 396.

**MRS. S. CARSTAIRS:** Does the Minister have any idea how that has increased over the last three or four years?

**HON. M. SMITH:** We could have that for tonight. What we've been using is a caseload ratio so that we could get some kind of equity, and whenever there are new allocations, we try to bring the caseload ratios closer together. Again, I did say the other day that the problem with the straight caseload measure is that now with a greater variety of services, the preventive support as well as the foster and the in-care, the old caseload ratio measures are not as reliable because one group might have a great number of the somewhat simpler family support cases and fewer on the heavy side, and another agency might be in reverse. So it's to get agreement on those definitions that the caseload study should assist us.

**MRS. S. CARSTAIRS:** Can the Minister - of that 396 workers, how many of those would actually be social workers, or is that information not available?

**HON. M. SMITH:** Again, there's an executive director, a secretary, admin. accounting, steno-clerical, and then there's one or two community development people in each. The remainder are the supervisory and direct service persons.

I will give you the pattern. In Northwest, 7.1 supervisory, 42.8 direct. Now these are in a sense, they're all the direct service persons unless they've been identified in another category, so there may be some further categorization with an agency. Northeast, 3.2 supervisory, 19 direct; West Winnipeg, 3.7 supervisory, 22 direct; Central, 7.1 -(Interjection)-supervisory. I'm sorry, am I not . . .

**MRS. S. CARSTAIRS:** I think that I'm getting very confused and it's probably because I'm trying to write these down, but I understood you gave me 39.1 for workers employed by West, and now I've got 3.7 supervisory and 22 direct. Where are the others?

**HON. M. SMITH:** One executive director, 1 executive director's secretary, 3 admin. accounting, 7.4 stenoclerical, and then the 3.7 supervisory, 22 direct and 1 community development.

That's roughly the pattern in all of them. Do you want all of the information? They do have at the agency level the ability to convert positions, hire more lower-cost staff, or whatever. The totals are what we call our equivalents in terms of funding. They have some flexibility within that, but that's roughly the pattern.

**MRS. S. CARSTAIRS:** So what the Minister is really saying is that we have about 7 or 8 people in each agency that are in fact not directly servicing clients, is that correct?

**HON. M. SMITH:** Well, Mr. Chair, they are supervisory. Again, the numbers are not at 7. Northwest, which is the largest, is 7.1; but South would only have 2.9; Northeast 3.2. So there's a fair variation. But the role of the supervisor is to do a very important thing, and I think it was identified in the Reid-Sigurdson Report. The front-line worker deals with the case but they are expected to double-check their recommendations and their findings with a supervisor.

That's one of the ways you get some coherence, develop new staff, and get some coherence throughout the agency. They recommended, very much in line with our own thinking, that probably the most important group to train and bring into some common approach on the abuse cases is the supervisory level.

Remember, these in general are more experienced workers, but they are all workers who were trained and often have carried out a lot of their work life without dealing with the abuse case. So we cannot presume that they have the full range of skills or knowledge. We must be sure that the training reaches them and there is some check to see that the team of front-line worker and supervisor works.

But that's a method of work that has developed in social work agencies over the years to try, I guess, to bring some checks and balances, the wisdom of another perspective to individual cases because they are complex and there are not simple rules of thumb when making judgments.

**MRS. S. CARSTAIRS:** Mr. Chairman, it was not the supervisory people with whom I was making reference. It was the director, the assistant director, the clerical, the accounts people - all of which seemed to make up anywhere from 7 to 10 per agency. Is that an accurate reflection? The Minister has the numbers; I don't.

**HON. M. SMITH:** The requirements of working in an organization are that there is some reporting, there is communication, there is funding, billing and so on, and if you put all that work onto the front-line worker, they're going to have less time to spend face-to-face. So, in a sense, what we tried to get in any agency, or which

they're trying to achieve, is the most efficiency. You get some people who specialize in some of these support jobs to free the trained social workers to do their job. Again, they all seem to have adopted a similar pattern which makes one think that there is some logic to it.

We're going to be reviewing again, in the context of the central information system and the standards development, to make as efficient as possible the amount of material that we require - the amount of what's usually called red tape - between different levels so that we can clarify what we require and when we require it and keep it at a minimum but make sure it's functional. That should assist with our efficiencies. It should also free up as much time as is practicable for the workers in the field and the agencies.

**MRS. S. CARSTAIRS:** My concern, Mr. Chairman, is that because we've broken it down and we have brought it into the community area, we also seem to be getting very bureaucratically top heavy, and that is that we have more and more people serving in non-delivery of service programs. That, surely, was the antithesis of what this regional based service was supposed to provide, that we were supposed to go into the community, we were supposed to access the needs of the children and the families within that group; but now we seem to have a lot of clerical people, a lot of accounts people, a lot of assistant directors, a lot of directors, who are in fact not providing that service.

What kind of auditing is done by the department to ensure that these agencies are in fact delivering a good return for the dollars given to them for Child and Family Support?

**HON. M. SMITH:** Again, back to the proportions, we in this Chamber couldn't function efficiently if there weren't support people preparing Hansard and ensuring the cleaning is done and -(Interjection)- Okay, Mr. Self-made Farmer there.

Again, I think the previous large agency had a rather complex, deep hierarchical system. I think the current agencies are somewhat flatter in their organizational structure, but they have found within that there are certain functions which have to be performed and it's not just a simple matter of everyone doing front-line work.

We have compared the sort of proportions that they are using because we're, if anything, tight with money. We look at how they use the money, and if they were getting way out of line on some of the proportions, we would question it. The ratios that are in place are very much within what's considered good practice in North America, but we believe that measuring the inputs, which in a sense is where we're at when we look at numbers and ratios, is not going to give us the answers we want.

We need to look at the outcomes and the effectiveness, and that's the thrust we're engaged in now with the agencies is to get us cooperatively to identify what we expect from these outcomes; but one of the initial measures is how many cases is each individual working with and are they meeting the expected pattern.

Whenever we have a case where there is difficulty, and I guess when we have a child's death, that's the

most difficult and painful thing we ever have to deal with, but there is a very thorough review to see whether it's the case of an individual judgment that's wrong, inadequate supervision, inadequate support, or whether our policies and procedures or standards are not adequate. I mean it's a kind of ongoing review that we do of our role and also of the agency's performance and the individual's performance.

The feedback seems to be - although, as I say, I guess the most pressing problem is the sheer volume of trouble that we're finding out there among young people, and the complexity and pain of the abuse caseload - most of the other dynamics that are going on, I think are positive, but I think the increasing volume, you know, we're asking questions like: Are we taking too many people into the system; are there problems that are better dealt with at the school level or at the family level; are we trying to intervene too much? I think those questions have to be asked.

The other is: Are we wearing out the people that are out there just because of the difficulty of them trying to deal with all the poverty and social dislocation issues that, in a sense, have other causes and substantially other remedies? I think those issues are very alive in the system. Certainly, they're ones that I run through my mind a great deal and raise with senior management.

**MRS. S. CARSTAIRS:** The Minister talks about being tight-fisted with the money, Mr. Chairman, but that certainly is not borne out by years of looking at Child and Family Services. I mean, after all, the budget in '83-84 was \$44 million - that's what we were presented with in Estimates - but the department actually spent 58. In 1984-85, something went wrong because they budgeted for 70 and they only spent 63. But in '85-86, they went back to form. They budgeted 68 and they spent 81. In '86-87, they budgeted 89 and they spent 91.2. We are now budgeting for 103.

How much are we going to spend this year? I mean are we going to spend 110, 115? What kind of controls have been placed on this department that apparently were not there in '83, '84, '85, '86 or '86-87, which are going to prevent this going so badly over budget every year?

**HON. M. SMITH:** Mr. Chair, the pattern of budgeting that did exist in this department was that people had gotten into the habit of putting a large amount and then the actual would be less. It was not a tight pattern of budgeting or planning.

In line with the increased rigour that all departments in government were going through in the difficult days, and in the days that I think will stay with us for some time - well, will stay with us in a sense - in terms of financial accountability, should stay with us - we have required much tighter budgeting, much tighter justification of dollars requested.

Now there was a year when the CAS operated under interim management. That was the relatively low year in the dollar expenditure and they were operating pretty well a hold-the-line operation. There was not much innovation or development occurring. Then when the new agencies came into effect with greater accessibility and with, I guess you would say the maturing, in a

sense, of the child abuse thrust, we started to get a great deal more pressure put on the system.

The work that the workers are doing in the field, I, you know, my personal belief is that we can still stand improvement there in terms of funding. I do think the workers are carrying a great load but I think the relief should come from two directions: a slightly tighter definition as to what Child and Family Services as a system can do; and, on the other side, as we get more focussed training, as we get more experience in the abuse areas, perhaps we can zero in with a little bit more discrimination as to the high-risk cases, medium risk, low risk, appropriate treatment and so on. But the sheer numbers and complexity of those cases that we're dealing with out there have meant that was not something that could be achieved overnight.

Now, whether the member is suggesting that we're somehow doing a bad job because the volume has gone up, I guess she's entitled to believe that. I, quite frankly, don't believe it. I think there is distress out there among children and families. I think the greater visibility, accessibility and more flexible programs that are out there are enabling many more people to access service. There are currently between 700 and 800 families on the family counselling caseload and so on at Ma Mawi. That's a service that wasn't even there before and it's a service that Native people are delivering to their own people in a way that is sensitive and promising, not easy.

But these are, like one of the reasons we moved to regionalization and broke up the old CAS, was that there was great distress. I think that's understating the mood and the feelings that were out there among the Native community as to the kind of service they were getting. Again, I don't think it was a case where those people delivering the service were to blame. They were doing the best that they could under the legislation and the type of funding and the mandate.

I think a lot has occurred to try and target the program, give greater variety of programs to meet the different needs, but we are simply finding many more children and families in distress. I'm looking very eagerly for some levelling off, because it's very difficult to build in the improvements we'd all like to see while we're still struggling with the basic volume issues.

**MRS. S. CARSTAIRS:** The Minister raised Ma Mawi. Can she explain to the committee why, in fact, Ma Mawi is the only agency which doesn't have mandated service?

**HON. M. SMITH:** In the discussions that preceded the establishment of the six regional agencies, there was a very heated debate going on. Many Native people wanted their own mandated service; and mandate, in this context, means that they would have full responsibility for all the services, the legal guardianship, the processing of adoptions and so on. Their reasoning was that they felt part of the whole self-government, part of the disillusionment was with the white society being insensitive to their needs.

At the same time as they were reporting bitterly and resentfully of children being snatched from their homes and social workers who weren't sensitive to their modes of child upbringing and interpreting poverty, often as

meaning they were bad parents, there was the parallel feel by the white social workers, the non-Native social workers, that they were only doing what the law permitted and required of them, moving in when families were at a breakdown state and they had no option because no one gave them any program or money to move in to support the family.

So out of that, in addition to the impetus for all our new legislation, which is more culturally sensitive and so on and has clear placement guidelines for Native children and tries to deal with some of those issues, it was this government's determination that we shouldn't start in the city or one geographical area providing Child and Family Services for every ethnic or aboriginal group in a separate way.

We did acknowledge, though, that at the sub-level there could be culturally specific services. So we said to the Native community that we were prepared to fund the family support preventive-type services through a Native agency, and that Native families could by choice go there. There would be no imposition on our part that if you're Native you must go there. If they ran into problems that required the so-called mandated services of adoption or guardianship, they would have to relate to the agency in their geographical region.

So we set up the regional geographically-based agencies. We urged them to hire Native people; we urged them to get Native people on their boards and make their programs more sensitive to the Native people; at the same time as on the other side, we enabled this agency to provide the support services.

Now, they weren't very happy with that. For one thing, they'd never seen supportive services. All they had seen, as Children's Aids do, was sort of come in at a critical time and remove their children. So they were very resistant. But we said, well, look, we really don't want to start in the city 99 different Children's Aid Societies, so we're going to go with this pattern and work with you over time to try and develop the kind of service you need and see how we get along, see whether we are in fact by transforming the way some of the service is delivered and some of the policies on the traditional agencies' part and also enabling you to do a lot of the preventive support, whether we can't make progress together.

That was the rationale. Some of the Native people still aspire to their mandated agency. If we ever get ongoing discussions on self-government for Native peoples, the Province of Manitoba would go along with what's worked out in that context. But it would be our recommendation that off-reserve services that we try to keep to the geographical area, and then within that, perhaps fund some of the - like a resource centre could be cultural specific and in this case the Ma Mawi Centre.

**MRS. S. CARSTAIRS:** Mr. Chairman, the Minister says that she doesn't want a whole group of ethnic agencies, all of which would have mandated services, but I think it is only appropriate that I mention that the Jewish Child and Family Services had mandated services for a great long time in the City of Winnipeg. Why, if they had mandated services, are the Native people not allowed to have an equivalent mandated service?

**HON. M. SMITH:** Mr. Chair, I have no quick or flip answer to that question. The Jewish Child and Family

Services has been operating for a long time and they've been operating very much from an ethic of helping their own community. They have, over time, I think, also delivered service to other groups.

I guess we've looked at the question of terminating, or expanding, or status quo with regard to Jewish Child and Family, and, quite frankly, we've adopted more of a status quo approach rather like the grandparenting that we've done in some other areas where we've changed social policy. I'd be interested to hear opinions from members because nothing in this area of work ever stays still forever. I'd be very interested to hear what the ideas would be of members opposite in terms of the future.

Quite frankly, in a multicultural community of the complexity of Winnipeg, we couldn't envision 40 different Child and Family Services Agencies, although we could, where need demonstrated itself, see some subcomponents because there are areas in Child and Family where you're dealing with language, culture, very sensitive patterns of life.

I think we're willing to look, and where it's functional we would consider, but it's our feeling that for a major service to the community, like Child and Family Services, we're better to have the framework of the geographical bases and then if there's some subcomponents, move in that way.

**MRS. S. CARSTAIRS:** Can the Minister tell me how many foster parents' situations we require at the present time that we don't have?

**HON. M. SMITH:** Again, I don't have an answer to a question like that. I do have this comment, that every agency is always in a process of recruiting and developing more foster placements, because it's a service that some families do for a period of time and then they retire or drop off from that service. So there's always an active recruitment.

In terms of whether there's unmet need, it's not a thing that can be readily predicted. I think with the special foster care that's now available and the development of more training for foster care, the development of things like professional parenting, that we're going to see a great growth and diversification in this type of service. But I guess I can't give you an immediate answer. Each agency might well say if we had 6 or 12 more, we could use them immediately. Some of them have a little reserve that they use on demand. Again, I don't have those aggregate figures.

**MRS. S. CARSTAIRS:** I think if the Minister phoned each of the agencies, they would tell her that there is, in fact, a critical need for foster parents within the City of Winnipeg, and probably throughout Manitoba. I haven't been in touch with the agencies outside of the City of Winnipeg.

I wonder what the Minister has in mind with regard to increasing the per diems for foster parents in order to ensure that we have the care which appears to be the very best that we can provide for many of these youngsters who are not in serious troubles, but need placement?

**HON. M. SMITH:** Mr. Chair, we understand that there are two areas that are having particular difficulty in

recruiting enough and we've been helping with approaches to recruiting, training monies, and I think the most promising area is the availability of care dollars under special rates. They're quite flexible and there's quite a broad range, depending on the particular need of the child.

That, along with the development of professional parenting, the thrust from Winnipeg South, which we like, it's more a question of how, the initial proposal was somewhat more expensive than the norms we've been using, but which we think we can, over time, work with those groups and bring it on board.

**MRS. S. CARSTAIRS:** I have to take from that that the Minister doesn't intend to increase the per diem in order to make it more attractive to foster parent in the Province of Manitoba?

**HON. M. SMITH:** Excuse me? Mr. Chair, that is not what I said. I said that we are diversifying the Foster Care Program. There is a basic foster care rate and then there is a very rapidly growing range of special care, foster care, where we've been gradually raising the foster care rates as well as this great range of special foster care rates where the bulk of the new child maintenance money is going.

The basic rate of foster care - we agree that probably the assumptions under which foster care first developed may be questionable. They were based on the same assumption that the wife at home looked after the children for free and the man was the breadwinner. Now, as we know, we're dealing with that issue in employment and pay equity areas and day care and taxation and pensions and so on because society is gradually shifting. But foster care also grew up on those sorts of assumptions, that if you took a foster child in, it was out of the goodness of your heart and what you had a right to was out-of-pocket expense really for the child.

Now, a lot of those rates, as a result, historically have been very low. They have been going through gradual improvement and setting of standards. We've been helping, through a portion of the funding, to set up a foster parents' association who have been very active advocates on their own behalf. We see that as gradually changing over time but I don't see a quantum leap. I think the phasing of the basic foster care over into specialized foster rates is where the flexibility is coming, and the flexibility there and the increase in resources has been very great, really, particularly, relative to any other area.

**MRS. S. CARSTAIRS:** I just have a couple of more questions. I don't want to specifically get into the case dealing with the Awasis Agency nor another case which has been brought to my attention, but I'd like to know a little bit more about the process.

When a child has been adopted by a white family, a Native child, and then that child, because that child has serious emotional problems, is put into the care of the Children's Aid Society, how does that child then get into the care of a Native agency without the adoptive parents being made aware of that?

**HON. M. SMITH:** Mr. Chair, the process would depend on the status of the child, whether the adopted family

had in a sense given up guardianship of the child. I'm not sure that I have the correct term there when it's an adoptive, the legal parenting role, or whether it was a temporary placement because of difficulty in the home. The procedures would be somewhat different in each case.

It's only when the Child and Family Services Agency has full guardianship that they might kick in a process of seeking alternative placement and exploring Native agency placement.

If the member, and I exhort any member, really, if they have a particular case that they wish to ask about, I would appreciate it if they would at least, Step 1, give us a chance to comment. We might be able to help sort out some of the issues and not get into too confidential information in this setting. I do respect that members have the right, if they're not satisfied with the response, to raise the issue. I would appreciate, at least, if Round 1, we could go into a case on a personal level.

**MRS. S. CARSTAIRS:** What kind of monitoring is provided for a child who moves from agency to agency? Is it just dropped from one agency to the next agency, or is there an ongoing role from one agency to another agency?

**HON. M. SMITH:** Mr. Chair, when a child is moved from one agency to another, if it is a complete transfer, then the second agency becomes the accountable body. If there is, however, a continuing involvement with a family, say, in Agency Area No. 1, and the child for some reason is transferred to Area 2, there would be regular reporting back. So it would vary a little depending on circumstances, but the legal responsibility is transferred fully from one agency to another.

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

**MR. A. BROWN:** Thank you, Mr. Chairman. I would like to get back to the issue of placements for a minute or so, if I may.

The review in the matters relating to the system of dealing with child abuse in Winnipeg was very critical in this particular area. They say that receiving resources are unable to meet the demand for emergency placements. Occupancy rates have been above rated capacity and there are waiting lists for placements.

What is the Minister going to do in order to alleviate that situation? This is where the Minister is running into so many problems, when she has expensive workers out there trying to resolve a case, and these cases cannot be resolved because there isn't placement. When is the Minister going to act on that particular issue and provide placements so that cases can be resolved?

**HON. M. SMITH:** Mr. Chair, when a youngster is in need of receiving resources, the agency has a certain flexibility in terms of what placement they want to purchase. The foster parent system and the special rate system does give them flexibility to buy the kind of service that the child needs through that. We have two coordinators - again, part of that administrative load in the centre, but two foster-parent coordinators

to help share resources and help identify appropriate resources across the boundaries. With the negotiation of global budgeting with the agencies, when that is complete, they will themselves have the flexibility to allocate their monies to that function, if for them that is the highest priority need.

**MR. A. BROWN:** Well, Mr. Chairman, at the present, there are emergency group homes in only three out of the six regions. Does that mean that the Minister is going to see to it that there are going to be group homes in each one of the regions, or how is global budgeting going to help those regions that do not have an emergency group home at the present time?

**HON. M. SMITH:** One of the issues that was not resolved prior to regionalization was the receiving home function. We established a receiving home corporation directly funded by government to buy time while the agencies in a cooperative way determined what they wanted to do with those resources.

It is our intention to devolve those resources on some prorated basis to the agencies when they can agree on a procedure. The receiving home services were available across regional lines as has Seven Oaks, but we're reviewing those. As I say, it's a carry over from the past. We're committed to resolving it in the future, but one of the methods of doing it has to be to get the agencies to agree on how and when best to do it. If you do it too abruptly and they haven't got their planning in place, no one is any happier. So we're not dragging our heels. As soon as we can facilitate a mutually agreeable resolution, we're prepared to move.

**MR. A. BROWN:** Mr. Chairman, the Minister mentions placing or using Seven Oaks as a holding facility. I would just like to read what the report has to say about Seven Oaks and using Seven Oaks as a facility, and I quote, Mr. Chairman: "Seven Oaks acts as a resource to provide emergency placement for children when other options are not found. However, Seven Oaks is a lock holding facility, supposedly, for those children who have been charged with a criminal offence. Emergency placements result in:

- (a) over-capacity use of Seven Oaks;
- (b) Human Rights concerns of locking up children who have committed no offences;
- (c) placement of children from five agencies out of six in strange neighborhoods and schools;
- (d) placement of children with no criminal activities in with children with criminal activities." And so on.

Mr. Chairman, this is just not acceptable. This practice has been going on for a number of years now. I understand that the Youth Centre on Kenaston has also been used from time to time. All of these are holding facilities for criminals and here we are going to be placing children who have committed no crime, but for some reason or other find that they are homeless and we are forced to put them in that type of facility, where they will probably have to be spending a couple of months before placement can be found.

I would like to ask the Minister how many children have been placed with Seven Oaks and how many have been placed with the Youth Centre during the past year?

**HON. M. SMITH:** Mr. Chair, I would like to ask my critic's indulgence to separate the question in two, because he has confused the Corrections' role. The Youth Centre is tied in with the Corrections system. What we are talking about are children who are abused or in need in some way on the Child and Family Services side.

The correctional facilities are not used other than for correctional purposes, so if we could leave the Youth Centre over until we get to Corrections; they are not interchangeably used.

Now, the Seven Oaks Centre, it's a historical facility that has been used in Child and Family Services where children are temporarily in - they call it a closed facility, for their own protection.

Opinions still vary in the community of social work and child welfare as to whether a closed facility is needed or not. We have agreed with the agencies to negotiate the future of Seven Oaks and we will look all the way from closing, to downsizing, to a status quo. Again, we are not pronouncing that there should never be a closed facility, but we're raising the issue as to what the agencies and the social workers who work with the individual young people, what their thinking is on the matter. Some provinces have gone to no closed facilities for young people who are in need of protection.

Again, I would be very interested to hear what members opposite think about some of those issues because I sometimes hear them raising the civil rights issue of the young person being deprived of freedom, and then I hear them raising the issue of why aren't they protected or confined and made to shape up before they're let loose in the community again.

I don't mean to caricature the situation. It is not an easy solution because it is true, sometimes young people may present a danger to themselves or to others because of their state of mind. Now this is quite apart from those who may be in a facility because of an offence against the law. That's where the Youth Centre fits in.

If there is child abuse involved, a young person would not be in the Youth Centre unless they were an abuser. A victim would not be located in the Youth Centre. Again, that's another issue one has to look at, if there's a juvenile accused of being an abuser, and whether the Youth Centre is an appropriate location and whether they're getting the right kind of initial treatment. I think that's another issue.

I think we should keep separate, for the time being, the Child and Family issues from the Youth Corrections issues.

Again, with regard to the report that you're reading from, it is dealing with the specific group of youngsters who are caught up in the child abuse issues, but there are many other issues in Child and Family, as well as being victims of physical or sexual abuse, many other issues of neglect and so on.

So not everything that is in that report can be transferred to be equally applicable to the whole range of Child and Family Services.

Now, as I say, Seven Oaks, we are prepared to look at options for the future. At the moment it has been operating at a fairly high level. We did work with the agencies to reduce its usage so that it wasn't overcrowded and we are sitting down with them to

work out what the future options - not only the function, but the resources should be - whether we should continue to operate it directly as a resource to them or whether we should either downsize or close it and give those resources to the agencies to make use of.

**MR. A. BROWN:** If I understand correctly, Mr. Chairman, then the Minister is telling me that no child from Child and Family Services has been placed in the Seven Oaks Youth Centre to be used as a holding capacity. Is that what the Minister is telling me now?

**HON. M. SMITH:** Mr. Chair, a little geography. The Youth Centre, called the Manitoba Youth Centre, sits over on . . .

**MR. A. BROWN:** Kenaston. That's Seven Oaks.

**HON. M. SMITH:** Kenaston, yes. That's, well, Seven Oaks is that-away; the Youth Centre is that-away. The Youth Centre is in the correction system and we can talk about it when we come to Youth Corrections. The Seven Oaks Centre is way down Main Street and it is a home that has been used, historically, by the child welfare system as an initial place to take young people where it is deemed that either they need protection, or society needs protection from them - not in the sense of them committing a violent crime, but they may be emotionally disturbed in some way. So it's that function.

Now, we all agree that there needs to be some place to take young people when they're in that state of mind. And the question is where, and who has the resources to set those services up. So we agree there has to be that function, but it could be 10 special foster homes in each region. It could be something like that and the region, each agency, would have the money to fund that, or it could be a mixture of a smaller Seven Oaks and a group home.

In other words, there is a variety of ways you can meet that need and there is a certain number of resources that we're willing to talk about and change the way they're spent. Until the agreement is made as to how that should be done, we will keep operating Seven Oaks.

Now it's been operating at an average, month-by-month, in the past year, that ranges from a low of 42, almost 43 - that these averages, I take it, we've always got whole people in there - to a high of almost 57. That's been the range that it's been operating in this past year, and a slightly higher proportion, in general, of girls than boys.

**MR. A. BROWN:** Can the Minister tell me when she expects this agreement to be arrived at that she's talking about as to whether they're going to take the route of foster homes, group homes, or another Seven Oaks situation? Can the Minister tell me at what time she expects that some action will be taken in order for this situation to be alleviated?

**HON. M. SMITH:** Well, Mr. Chair, we are actively pursuing it with the agencies, but we don't come in and say you have to decide this in six months. Seven Oaks is delivering the service now; they are all accessing

it. They have their opinions about it, whether it's their preferred mode of action. We won't destabilize it until we come to an agreement, but we're willing to move.

The thing is the agencies have to identify the function and decide how they're going to deliver it. You see, the whole purpose of regionalization is that we not dictate from the top some artificial idea of how to meet a service. We're saying you people, who are in your community, and you see the types of kids and their needs, you tell us what is the best way to meet that service. If we can find a substitute for that closed facility - (Interjection)- Well, you know, there are many ways to go about it and if we wanted to dictate the whole operation we would run it ourselves.

The reason we shifted to community boards and community involvement is we believe that mode of delivery and that way of involving the community may start to provide some of the other supports and preventative actions in the community than government just running it all direct or taking the problem away.

We're trying to enable communities to wrestle with some of these social problems and approaches. I think when you go out there and see how inventive each of the agencies has become and what they've achieved, rather than the problems that are yet to be resolved, you get a pretty dynamic picture. But there are things yet to be resolved. We are devolving a system that was in place for many, many decades.

**MR. A. BROWN:** I would now like to turn to another area, if I may, and this is regarding apprehension of a child suspected of being abused. We've heard a number of complaints in this particular area. There is the St. Hilaire case, certainly, where the child was in a day care centre. It was apprehended at the day care centre. The parents had not been told that their child was going to be apprehended. The first thing they heard of it was that night when the RCMP came to see them in their home. You can, of course, very well imagine the consternation that that family faced when they found out what had happened.

I would like to turn this over to the Member from Gladstone now who has another case of concern to us as to apprehension and, indeed, the whole sordid way that his particular case had been treated. - (Interjection)- Ste. Rose, pardon me.

**MR. CHAIRMAN:** The Member for Ste. Rose.

**MR. G. CUMMINGS:** Mr. Chairman, I would like to ask the Minister how the decision is finally arrived at in the case of an apprehension of a child, or continuing to keep a child from a family where a charge of suspected child abuse is being laid, when, in fact, after the RCMP may have drawn a conclusion that there is no evidence of child abuse and the consulting physician puts forward his opinion that there's no evidence of child abuse, at that point, who and what grounds could be used for the agency to continue to keep the child in custody and keep the child away from the family?

**HON. M. SMITH:** Mr. Chair, I think the first thing for all of us to recognize is that when there is concern about child abuse, no one knows for sure whether it has occurred or whether it hasn't. So that's the first issue.

The procedures are put in place to give protection to the child while an investigation is carried out. The communication, whoever has the initial concern, reports either to the police or to the Child and Family Agency. So they get involved right away. Then a medical review is conducted.

The particular notifying of the parents, it will depend on the individual case, but part of our child abuse registry, the recommendation is to try to spell out in a little bit better detail the procedures and the rights and responsibilities. - (Interjection)- Yes, in most cases that we hear about, the parents are informed very, very quickly.

Then when the investigations have been carried out, there can be a court hearing if it's determined that there's sufficient concern. The test for evidence in a court, which a police person would have to satisfy, is slightly different than the test which a Child and Family Services worker has to satisfy, because they have, in a sense, a more extensive responsibility to protect a child against neglect or abuse. So they would be looking at the child's behaviour, what the child is saying. The police would follow their type of investigation.

The medical people, also, are developing protocols and it's one of our hopes and one of the recommendations of the review committee that many more medical people throughout the province develop a capacity in this area because, to date, a large part of the responsibility has rested on a very small number of doctors.

Again, if there is any concern about any steps along the way, say in a worst case scenario that the police and the doctor said no evidence, and the Child and Family were still concerned, they also have to in terms - they can apprehend a child, but they are under certain limits in terms of how long they can keep a child. At a certain point, they have to satisfy the court according to our legislation whether their evidence is sufficient. The court is one protection; the director of Child Welfare is another line of appeal.

We are recommending, along with the review committee, that appeal committees be located in each agency so that there can be a quick appeal to procedures by a family in the local agency.

The process to be followed is actually in The Child and Family Services Act. I'll just read the relevant section: "19(1) Where an agency receives a report or information that causes it to suspect that a child may be in need of protection, the agency shall immediately investigate and shall take such steps as are prescribed and as it considers necessary to protect the child."

Then it goes on: "Report of abuse; Communication of findings from investigation of abuse; Director to provide information re register; Application for an order not to contact child" - that's where they may actually remove the suspected abuser from the home where they think a child may be in continued danger; then there's "Notice of application" - that is notice of a hearing.

So the legislation provides some of the guidelines. Then the regulations under the legislation will go into greater detail. So it is spelled out and if the correct procedures are not followed, there is a remedy through the court.

**MR. G. CUMMINGS:** Mr. Chairman, my concern, when I asked about the procedure, the Minister didn't say

what the guidelines were and she says they're in the regulations about how long the agency can keep a child in custody before it has to appear before the courts. In fact, we all know there are legal manoeuvres that can avoid appearance in court for an extended period of time.

I think there is no one who I know of, particularly no one in this Legislature, who does not understand the concern and the utmost care that has to be taken to prevent child abuse. What I am concerned about is what seems to be either a loophole or an avoidance of the regulations that would allow the agency to continue to keep a child from its family and avoid, at the same time, going to court by asking for delay after delay. In fact, these delays can be up to four months and longer.

During the time of that delay, of course, the agency has to have a place in which to place the child. It seems to me that the agency has not taken proper steps in order to find areas where they can hold certain types of children that they may wish to apprehend. I'm particularly concerned about a young child, 12 years of age, in my constituency, who is an autistic child, in other words, cannot communicate well, or at all, who was held for at least a week in the mental home at Portage la Prairie. The family is so incensed about what happened in this process that they have no qualms at all about the confidentiality of their name. They are quite prepared to stand up and be counted on this issue and they feel totally abandoned by an agency that should have been working on their behalf. I wonder how it is that the agency could justify putting a 12-year-old child with this kind of a handicap in that kind of an institution.

Secondly, how could they apprehend and continue to hold that child in excess of four months on the basis of delay of court proceedings, first of all, saying that they didn't have their case prepared, when by that time the RCMP had prepared their case to the point that they said there were no charges upon which they could proceed. The doctor who examined the child said that there was no evidence that he could see of any child abuse. It seems that someone in the agency made the decision that they wanted this child institutionalized and out of that family setting.

Is it possible that the Minister has a department under her control where someone can make that kind of decision and flaunt the laws and flaunt the intent of this agency to the total decimation of this family? I don't think that for one moment I want to minimize the danger to the children if they are seen to be in a case of abuse; but in this case every indicator seemed to be that the child was not in a case of abuse.

Secondly, because the child was autistic and had been taught in the schools to handle her communication to some extent through sign language, why in the world did it take months before the agency contacted a recognized authority in the area of sign language to aid with the assessment of this child's situation so she could be returned to what I believe is quite a happy home family setting?

The agency has put itself I think through this process in a very untenable situation. I really wonder what responsibility the agency has. Is the agency above the law, if the family wishes to pursue some retribution for what has happened to them in this case?

**MR. CHAIRMAN:** The hour is now 5:00 p.m. I am interrupting the proceedings of the Committee of Supply for Private Members' Hour. The committee will return at 8:00 p.m.

Call in the Speaker.

## IN SESSION

### PRIVATE MEMBERS' BUSINESS

**MADAM SPEAKER:** Debate on Second Reading, Public Bill No. 17, standing in the name of the Honourable Member for Charleswood who has seven minutes remaining. (Stands)

### PROPOSED RESOLUTIONS

#### RES. NO. 12 - UNIVERSITY FUNDING

**MADAM SPEAKER:** On the Proposed Resolution No. 12, the Honourable Member for Fort Garry.

**MR. C. BIRT:** Thank you, Madam Speaker.

I move, seconded by the Member for Roblin-Russell, that

WHEREAS the universities have reached a critical point in their ability to provide quality education to Manitobans; and

WHEREAS the funding provided to the universities by the Government of Manitoba has been on an ad hoc basis, lacked any planning and, as a result, has forced the universities into a financial crisis; and

WHEREAS due to the government's neglect, the universities and students must now struggle with crowded classes, inadequate and outdated equipment, cancellation of labs, deterioration of physical plant and the reduction of instructional and support staff; and

WHEREAS the student enrolment has been increasing rapidly at the universities over the past several years; and

WHEREAS the universities held Days of Concern to explain to the public the government's poor funding of the universities and problems they are facing.

THEREFORE BE IT RESOLVED that the government be urged to meet immediately with the universities to determine their financial needs and establish and implement a financial plan to solve their present financial crisis; and

BE IT FURTHER RESOLVED that the Government of Manitoba and the universities be requested to develop a long-range financial plan to put our universities on a sound financial basis and that this plan consider the role and level the following should play in the financing of the universities:

- (a) government;
- (b) student fees;
- (c) private fund raising; and
- (d) research; and

BE IT FURTHER RESOLVED that the government be requested, in cooperation with the universities, to develop a plan for the development of centres of excellence at each university; and

BE IT FURTHER RESOLVED that the government be urged to assist the universities in developing a plan

for research and funding for same and its future role at the universities.

**MOTION presented.**

**MADAM SPEAKER:** The Honourable Member for Fort Garry.

**MR. C. BIRT:** Thank you, Madam Speaker.

The resolution rises out of a series of meetings held at the universities over the past year, Madam Speaker. Basically, they were known as "Days of Concern." Teachers, administrators, professors, students, support staff, and even those who govern the affairs of the University of Manitoba were concerned about the low level of funding and the crisis that the universities face not only from a financial point of view but also from an ability to deliver good quality education to the people in the Province of Manitoba.

They met and they held what they were hoping were public informational meetings to bring to the public the sad situation that the university affairs of Manitoba had become under the present government. There were shortages, there were concerns of their ability to deliver a good quality product and to ensure that we had a future for young Manitobans at our universities.

This whole thing was an accumulation of not one event but several years of neglect. It would appear that there are priorities that the government would rather spend its money and energy on than those at the universities.

Now granted, the universities are not the only area where one should get exclusive concentration of the government's attention and financial resources, but it at least deserves a fair amount of leadership and concern about where our universities are presently at and where they should be going as they approach the 21st Century.

**A MEMBER:** It's got a short attention span.

**MR. C. BIRT:** Some would say no attention span.

The universities are in fact in a very critical situation. They have been asked to cut to the bone over the past several years to the point now where there is nothing left to cut. The initial announcement of this year's funding levels to the universities were greeted with reasonable applause from the heads of the universities to say that it would stop the decline of the quality of the universities.

But the unfortunate thing is, as this government is want to do over this past year, it gives with one hand but takes with the other. The Minister of Education announced some five percentage point increase in the amount of funding going to the university both in capital and operating expenses. But what he failed to tell or disclose to people until budget night was at least two percentage points were going to be taken back for provincial revenues.

So the universities are now faced with, again, a shortfall in an ability to meet their objectives and needs in the university.

The funding, as I've stated, has not been one that has occurred just overnight - it's not been adequate. The Minister of Education would have you believe that

they have met the level of funding or inflation over the last several years. In fact, they've matched it and just slightly exceeded it.

Well that would have been all right if the university was a static institution; it is not. In fact, it's rather poignant that in the paper produced by the University of Manitoba, called, "The Bulletin," it shows on the front page, "Government grants add 5.2 percent to the university budget," with a picture of the Minister of Education. But again, that was the press story, the hoopla; it didn't tell you the real story.

Inside there's a comment by Dr. Henry E. Duckworth, who is a Manitoban who has given greatly to the university scene over a long period of time both as a teacher, an administrator, and head of the university. He comments, after looking at statistics going back over 10 years, and I would like to quote from his article, found on page 7. He says, "It shows that the real value of the grant has been roughly maintained," and that's what the Minister of Education has been saying throughout. He said, "thus, if the university activities had remained static, there would be little basis for complaint but," he goes on "a university that remains static soon ceases to be one."

I believe that is where the area of concern from the universities are today. They don't want to be static. In fact, they feel that they are slipping backwards and it is important to reverse that trend.

He goes on to say that, "Government operating grants to Manitoba universities have kept roughly pace with the rise in the cost of living. In my view, this practice fails to recognize both the dynamic nature of knowledge and the cost of contributing to the two and remaining abreast of the cost of education. Also, because of the recent period of high enrolment, Manitoba universities require a special injection of compensatory funds. It is not a cheap matter to maintain the universities, but society must do nothing that is more crucial to its own betterment, or even to its own survival." This comment is from a Manitoban who has played a long and important role in the education at the universities of Manitoba.

When you see what a leading educator is suggesting to the government and you compare it with what the government has been saying publicly and, unfortunately, they've also been dealing with a reduction in service because, as the various Ministers of Education have been saying, our grants to the university have been at least meeting the cost of inflation.

They've also been aware that this level of funding, this static level of funding, this status quo approach to the university problems, in effect, amounts to a curtailment or a reduction of the ability of the universities to provide service.

In fact, it amounts to a cutback of higher educational services to the Province of Manitoba. One need only look at the 1985-86 Cabinet submission made by the former Minister of Education to realize that, when the government has been setting its low priority of funding to the universities, it is aware of what that would do to the universities. I would just merely quote from some of the paragraphs contained in that Cabinet submission.

It says, "The commission believes that the level of funding in the recent years have resulted in a serious deterioration in the conditions of some of the buildings and the obsolescence of much of the teaching and

scientific equipment." Again, they recognize there is a problem out there. But what is it they do about it? Nothing.

They talk about the miscellaneous grants to the universities and it says, "The commission wishes to emphasize that funding in this category is critical as it is used to provide teaching and scientific equipment for students who, in many cases, are working with laboratory facilities that are inferior to those in the high schools and to carry out much needed repair to the university buildings."

Now, the Minister of Education seems to take great comfort in that he is going to announce, one of these days, when he can figure out what the program is all about, a \$20 million capital program for the universities of Manitoba.

All of the universities currently are on capital fund raising programs, raising somewhere between \$60 million to \$65 million of funds needed for the four universities. This program is intended to either match or enhance what they're doing.

But in past, over the last history of the universities in Manitoba, any time they took upon a private fund raising project, it was to provide enhancement of facilities and learning at the university. Unfortunately, because of the sad state of the university affairs today, they're only going to be replacing equipment, buildings, and things that the government should have been putting in place over the past few years.

So, unfortunately, the province is following a track of benign neglect to the universities, but what is needed is a long-range plan to try and solve the problems of the university.

Firstly, I think they must recognize that there is a critical financial problem with our universities. They must work with the Universities Grants Commission, they must work with the various presidents of the universities and also with the public at large to determine what type of role they want the universities to be in the 21st Century. They must look at whether or not there is duplication of service. They must also determine what functions they want the university to be providing today, as well as tomorrow.

But none of this planning is going on. There is some thought that the Universities Grants Commission should be beefed up and are looking at some of these proposals. But without defining the exact problem of the universities and then without attempting to put something in place to meet their concern, anything the Universities Grants Commission does, or the University of Manitoba attempts to do, or the government in its attempt to solve some of the problems, will be wasted.

It is important that we have a real definition of the problems, a clear, concise objective as to where we are to go and also a game plan on how we're going to meet those objectives.

The important thing is in the past, that government funding used to provide about 80 percent of the operating capital, operational fund for the universities. That has since dropped down to 75 percent.

Another interesting fact is when this government took office in 1981, 25 percent of the Department of Education budget was allocated to the universities; now it has been reduced to 23 percent of the educational budget.

The student fees have been increased slightly over that period of time, but there is no defined policy as

to the role that student fees should play in funding at the university. A mere raising of the fees of \$100 per student would produce another \$2 million or \$3 million per year for the universities. They are already paying 12 percent of the operating funds at the university.

As I had indicated, some of the universities have gone on major fund raising programs. I think it is important to define the role that private funding should provide at the universities, where those funds should be placed, and should they be an ongoing or continuous operation.

The other interesting aspect in the university funding is the amount that is allocated to research, and that's a very broad area. They are currently raising funds in this area of - about 14 percent of the operating funds of the university come from the research area.

Now, all of these together have to be defined. We have to advise and devise strategies as to the role each one of these are to play to help rebuild the stature of our universities.

It is also important that these centres of excellence that our universities used to enjoy . . .

**A MEMBER:** Used to.

**MR. C. BIRT:** . . . and to some degree do, but don't have it today as they used to have, is to ensure that we redevelop those centres of excellence, whether they be in engineering, medicine, architecture, in agriculture, or any of the other areas. We, today, have no commitment from the government, from the Universities Grants Commission, or any other area, to provide a blueprint to re-establish those centres of excellence in our universities.

The other missing link in this whole scenario . . .

**A MEMBER:** Is Vic Schroeder.

**MR. C. BIRT:** No, he's a welcome release from the Manitoba scene.

The key is the role of research and the funding of same at the university level. - (Interjection)- One might say he might be a good research project.

The key is that the Federal Government, and I believe some of the provinces, have defined a specific role for research, because research is an integral part of teaching, and right now there is nothing in this province outlining the objectives as to the role of research in the province, the employment opportunities it can create, the amount of money it can attract to the universities, or the direction in which research is going in this province.

So without meeting all of those criteria, our provinces and our universities are suffering, and it really requires leadership. The status quo approach to university funding is not sufficient. It is not accepted by the people in the province. It's not accepted by those who use or work at the universities.

What we really need is some leadership, some guidance and some good planning to get us out of the mess that this government put us into. Madam Speaker, I would urge that the House accept this motion so that we can help resolve some of the problems at the universities.

Thank you.

**MADAM SPEAKER:** The Honourable Member for Ellice.

**MR. H. SMITH:** I move, seconded by the Member for Elmwood, that the proposed motion of the Honourable Member for Fort Garry be amended by deleting all the words after the first "WHEREAS" clause, and substituting the following therefor:

WHEREAS post-secondary education is a critical element in Manitoba's development; and

WHEREAS the colleges and universities continue to face difficult decisions in their quest to provide a quality education to Manitobans; and

WHEREAS the student enrolment has increased at our colleges and universities over the past several years; and

WHEREAS the Federal Government is reducing its financial support to post-secondary education, forcing the provinces to absorb an increasing share of expenditures in this area; and

WHEREAS there is to be a National Forum on Post-Secondary Education to be held in October;

THEREFORE BE IT RESOLVED that the Government of Manitoba continue to give very high priority to funding post-secondary education, emphasizing both quality and accessibility; and

BE IT FURTHER RESOLVED that the government press the Government of Canada to live up to its obligations in financing post-secondary education; and

BE IT FURTHER RESOLVED that those attending the National Forum be urged to press for renewed commitment to post-secondary education on the part of all groups, including governments, post-secondary institutions, students, alumni, and the private sector.

**MOTION presented.**

**MADAM SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Thank you, Madam Speaker.

On a point of order, Madam Speaker, may I suggest to you that the amendment is out of order.

Beauchesne's Fifth Edition, page 154, states: "An amendment proposing a direct negative, though it may be covered up by verbiage, is out of order."

This amendment, by attempting to delete all the words after the first WHEREAS clause, directly contradicts the intent of the motion, Madam Speaker, and I would suggest that it is out of order.

**MADAM SPEAKER:** Excuse me. Could the honourable speaker please give me the citation again that he was using?

**MR. G. MERCIER:** Citation 436, page 154, of the Fifth Edition.

**HON. J. STORIE:** On a point of order, Madam Speaker.

**MADAM SPEAKER:** The Honourable Minister of Education on a point of order.

**HON. J. STORIE:** Madam Speaker, on the same point of order, there are, I believe, precedents for major

amendments being introduced. I'm sure if the records were perused, we would find examples of similar kinds of amendments being brought in by members opposite, particularly in Private Members' Hour.

I disagree, however, with the Member for St. Norbert in terms of the impact of this amendment. We are dealing with the same issue. The only additional ingredient which has been added - and I think it is appropriate - is the question of the Federal Government's role in supporting post-secondary funding.

Madam Speaker, the terminology of the amendment has been changed to make the amendment positive and permissive, but the substance of the debate that's going to be held in this Chamber is not going to be different because of the amendment.

Madam Speaker, I would certainly ask that before making a decision you peruse Hansard and practice in this Chamber to see whether if, in fact, this amendment is not consistent with practice and application in this Chamber.

**MADAM SPEAKER:** The Honourable Minister of Industry, Trade and Technology.

**HON. V. SCHROEDER:** Thank you, Madam Speaker.

On the same point of order, I don't have the specific citations here, but I recall on numerous occasions when Speaker Graham was in the Chair and I was on that side of the House, I recall we presented resolutions, and people on this side - when the Honourable Member for Lakeside was on this side - would present amendments that were absolutely and totally contradictory to what the original resolution was after. Of course, that was always ruled in order by Speaker Graham, and I believe there were other Speakers who also ruled that those kinds of amendments were in order.

So I would hope that you give his rulings which . . .

**MR. H. ENNS:** There was a Speaker who, one might say, was born to the Chair.

**HON. V. SCHROEDER:** I better not follow up on that. Just please take a look at those particular rulings of his.

**MADAM SPEAKER:** The Honourable Member for Thompson on the same point of order.

**MR. S. ASHTON:** On the same point of order, Madam Speaker, I'm wondering if the Opposition House Leader might wish to consult Beauchesne, 431, which I think is quite relevant to this particular item.

It states: "An amendment to alter the main question, by substituting a proposition with the opposite conclusion, is not an expanded negative and may be moved."

I think that has been the basic principle and rule which we have followed in this House, and that is why

similar amendments have been accepted without dispute in the past.

**MADAM SPEAKER:** With that advice, I'd also like to remind the members that Beauchesne, Citation 425, says: "The object of an amendment may be either to modify a question in such a way as to increase its acceptability or to present to the House a different proposition as an alternative to the original which must, however, be relevant to the subject of the questions."

In my opinion, that particular amendment does fall within the purview of Beauchesne, Citation 425, and is in order.

The Honourable Opposition House Leader.

**MR. G. MERCIER:** Madam Speaker, with all due respect, I would challenge your ruling.

**MADAM SPEAKER:** The ruling of the Chair has been challenged.

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

**MADAM SPEAKER:** Order please, order please.

All those in favour of sustaining the ruling of the Chair, please say aye; all those opposed, please say nay.

In my opinion, the ayes have it.

**MR. G. MERCIER:** Yeas and Nays, Madam Speaker.

**MADAM SPEAKER:** Call in the members.

The question before the House is: Shall the ruling of the Chair be sustained?

**A STANDING VOTE** was taken, the results being as follows:

### YEAS

Ashton, Baker, Bucklaschuk, Cowan, Desjardins, Doer, Dolin, Evans, Harapiak, Harper, Hemphill, Kostyra, Lecuyer, Mackling, Maloway, Parasiuk, Pawley, Penner, Plohman, Santos, Schroeder, Scott, Smith (Swan River), Smith (Osborne), Storie, Uruski, Walding, Wasylcia-Leis.

### NAYS

Birt, Blake, Brown, Connery, Cummings, Derkach, Downey, Driedger, Ducharme, Enns, Ernst, Filmon, Findlay, Hammond, Johnston, Kovnats, Manness, McCrae, Mercier, Mitchelson, Nordman, Oleson, Orchard, Pankratz, Rocan, Roch.

**MR. CLERK, W. Remnant:** Yeas, 28; Nays, 26.

**MADAM SPEAKER:** The motion is accordingly carried.

The hour being after 6:00 p.m., I'm leaving the Chair with the understanding the House will reconvene in Committee of Supply at 8:00 p.m.