



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

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

37 Elizabeth II

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



**VOL. XXXVII No. 28 - 1:30 p.m., THURSDAY, SEPTEMBER 1, 1988.**



**MANITOBA LEGISLATIVE ASSEMBLY  
Thirty-Fourth Legislature**

**Members, Constituencies and Political Affiliation**

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

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, September 1, 1988.

The House met at 1:30 p.m.

### PRAYERS

### ROUTINE PROCEEDINGS

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**Hon. Jim Ernst (Minister of Sport):** I have a ministerial statement.

Earlier today, as the Minister of Sport for Manitoba, I had the honour of hosting a luncheon for Manitoba's Olympic athletes, as well as the support of people associated with the Olympic Athlete Trials which will take place in Seoul, Korea, later this month.

Manitoba will be well-represented at the Summer Games in Seoul, Korea, later this month and in October.

Today, we have with us eight athletes, coaches and officials who are going to Seoul for the Summer Olympics, beginning on September 17 and ending October 2. Thirty-two sports will be contested.

In addition, we have 17 others present who will actively be involved with the Para Olympics, also being held in Seoul, Korea, on October 15-24. This is a quadrennial event for the disabled.

To achieve this goal has meant sacrifice and dedication on the part of the athletes, coaches, managers, officials, volunteers and parents. The hours of training and commitment toward their goals of excellence in sport is only part of the story. Not only are they representing Canada and Manitoba, but everybody involved in amateur sport throughout the province, and as role models for the future of our youth in this province.

It will be a memorable and rewarding experience for all those involved with the games.

On behalf of the Government of Manitoba, we wish those with us today, and those who are already away in training, the best of luck at both games. Thank you.

**Mrs. Sharon Carstairs (Leader of the Opposition):** I would like to join with the Minister of Sport (Mr. Ernst), and I am sure the Premier (Mr. Filmon) and all Members of his Government, as well as all Members of the Official Opposition, in congratulating the individuals who have been chosen to represent Canada at the Olympic Games in Seoul.

It is indeed an honour, and it is a particular honour for those individuals who have had to struggle with a physical handicap. Those individuals are among the finest athletes that we have produced in this country and in this province.

They take with them, as do all athletes, the very best wishes of all of us for a successful competition—success

not in the medals that they will bring back to us, but success in playing the game; success in showing sportsmanlike qualities, which we know our Manitobans will show to the very best of their abilities; and success in representing Canada in the spirit of true Canadians, which is that we have an openness and a warmth for all people within this nation of ours.

\* (1335)

**Mr. Gary Doer (Leader of the Second Opposition):** I also would like to add our caucus's words and support to the team representing Canada, and indeed Manitoba, in the Olympics at Seoul—both the Olympic Games itself and the Para Olympics.

We certainly wish all athletes of Canada, and indeed Manitoba, the best of success and experience at the Olympic Games. We certainly congratulate the parents and the volunteers who have spent many long hours working at the athletic endeavours of our participants.

I would also like to say that, in addition to the Seoul Olympics, September is Special Olympics Month in Manitoba as well, and of course, we have another fine tradition of volunteers and community activists working in those very important events. I wish all of them all the best of success. Thank you.

### READING AND RECEIVING PETITIONS

**Mr. John Plohman (Dauphin):** I would ask leave of the House to revert to presenting petitions, if I could, please, with leave?

**Mr. Speaker:** Does the Honourable Member for Dauphin have leave to revert back to Reading and Receiving Petitions? (Agreed)

I have reviewed the petition and it conforms with the privileges and practices of the House and complies with the Rules. Is it the will of the House to have the petition read? (Dispense) (Dauphin General Hospital Foundation)

### INTRODUCTION OF BILLS

**Hon. James McCrae (Attorney-General)** introduced, by leave, Bill No. 23, The Regulations Validation Statutes Amendment Act.

### INTRODUCTION OF GUESTS

**Mr. Speaker:** Prior to oral questions, I would like to direct all Honourable Members' attention to the translation booth, and also to the Speaker's Gallery, where we have with us here this afternoon the Olympians who will be attending the Summer Olympics in Seoul, Korea. They are:

The Canadian Olympic Association Youth Camp Leaders: Mr. Geoff McIntyre and Sue Boreskie.

Track and Field: Andre Smith, who will be competing in the 400 metre relay; his manager, Dave Lyon.

Mission Staff: Dr. Peter Porritt, field hockey; Malcolm Hogarth, gymnastics.

Medical Staff: Dr. Bert DePape, D'Arcy Bain.

Exhibition Sport: 10-pin bowling, coach Sid Allan.

Disabled Shooters: Glenn Marish, Adam Salamandyk and Bernard Gehring.

Track: Doug Grant.

Basketball: Dianne Hrychuk and her coach, Gilles Bouley.

Swimming: Krystan Topham, Colin Farnan, Joanne Mucz, Michelle Arnold and Tim Mclsaac. Senior Coach: Wilf Strom.

Coach and Technical Director: Audrey Strom.

Cathy Arnold, Swimming "Tapper" for the Blind.

Blind Track: Eugene Sigea.

Blind Marathon: Shepp Shell, and Guides Greg Brodsky and Fred Shane.

On behalf of all Honourable Members, we would like to welcome you here this afternoon.

\* (1340)

## ORAL QUESTION PERIOD

### Free Trade Agreement Western Diversification Fund

**Mrs. Sharon Carstairs (Leader of the Opposition):**

The First Minister (Mr. Filmon) of our province has repeatedly assured this House about the wonders of the Canada-U.S. free trade deal. Indeed, he has expressed absolutely no reservations whatsoever despite the frequent reservations that have been made reference to from this side of the House. And yet, within hours, just before the free trade deal was passed in the House of Commons yesterday, a spokesperson for the Western Diversification Fund has said that all projects are being examined with respect to the free trade deal.

Will the First Minister please tell this House: When did he first learn of this examination?

**Hon. Gary Filmon (Premier):** Just because I anticipated that the Leader of the Opposition (Mrs. Carstairs) might ask that question—that being in today's newspapers—I was sent from Ottawa, this morning, a fax of a news release that was issued this morning in Ottawa.

It is datelined Ottawa, Ontario, September 1, 1988, and it says, "Recent press reports quoting me as saying that the Free Trade Agreement will adversely affect regional development assistance available in western Canada are not true," said Bruce Rawson, Deputy Minister of the Department of Western Economic Diversification. "Moreover, I did not say that free trade will impede, restrict, limit, violate, or put at risk regional development assistance." Next question.

**Mrs. Carstairs:** I am delighted with the fax ability of the First Minister. However, one wonders what happened to that particular Minister overnight—the Deputy Minister.

### Free Trade Agreement Impact Commodity Subsidies

**Mrs. Sharon Carstairs (Leader of the Opposition):**

Can the First Minister (Mr. Filmon) tell this House if any examination has been made in his department of the omnibus Trade Bill and the limitations on subsidies placed as a result of that trade deal?

**Hon. Gary Filmon (Premier):** Mr. Speaker, of course, that has been done. It has been done not only provincially by our department, but it has been done federally, and as the news release goes on to say, "He also noted . . ."—speaking of Mr. Rawson, the Deputy Minister who presumably is the origin of this inaccurate quote upon which the Leader of the Opposition (Mrs. Carstairs) bases her conclusion—"He also noted that there had been a thorough discussion of this point,"—meaning the point of whether or not regional economic development initiatives would violate the Free Trade Agreement. There had been thorough discussion of this point during the public committee hearings on Bill C-113—that is the Free Trade Bill—the legislation establishing the Department of Western Economic Diversification.

A senior External Affairs official testified before the committee that it has been a long-standing practice to review significant assistance proposals to determine any impacts they might have in the international trade environment.

The point at issue is that the subsidies being provided to the red meat industry in Alberta, those being provided both directly to producers and those being given to companies such as Fletchers, such as Cargill, such as Gainers, will be countervailable, in all likelihood, under GATT. GATT is the existing international trade legislation under which we operate in Canada today.

There is a concern that the Western Diversification initiative ought not to be putting money into those kinds of initiatives that are countervailable under GATT, and that is the issue that Mr. Rawson was speaking about, and that is the issue that was spoken about under the discussions at committee in Ottawa. Her colleague, Lloyd Axworthy, knew that and yet chooses to try and distort this issue into saying that it was the Free Trade Agreement.

\* (1345)

### Free Trade Agreement Compensatory Funding

**Mrs. Sharon Carstairs (Leader of the Opposition):**

Mr. Speaker, the information that the First Minister (Mr. Filmon) has provided is very important because one of the issues that must be addressed is compensatory funding for industries that will have difficulty in meeting the challenge of any kind of free trade relationship with the United States.

Can the First Minister inform the House if the whole issue of compensatory funding has been discussed with the First Minister of Canada, and what kinds of

compensatory funding will be available to the Province of Manitoba, and will it be countervailable?

**Hon. Gary Filmon (Premier):** Mr. Speaker, firstly, compensatory funding is an issue that has been actively pursued by all of the First Ministers, and as a result of the identification of the fact that, for instance, the grape growers would be adversely affected by the Free Trade Agreement, compensatory funding resulted in the buy-out of the interests of the grape growers in British Columbia, a major compensation for the elimination of their production so that they could move into another field of production. That kind of funding will be available and has been referred to by the Prime Minister and the First Ministers upon identification of areas that could be adversely affected.

To begin with, the red meat industry is seen as one of the areas that will be a major benefactor under the Free Trade Agreement. They will have increased markets, increased demand for their products and they will be one of the areas that will be a major benefactor of the Free Trade Agreement.

She tried to make an issue a month or so ago about the potato growers, only to be told by the potato growers themselves, which she should have known, that they are currently selling potatoes into the United States because they have a competitive advantage, and have had for some time, and will do nothing but have a continuing opportunity to sell under the Free Trade Agreement.

### **Free Trade Agreement Impact Textile Industry**

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, can the First Minister tell this House today what kind of compensatory programming he is investigating with regard to the textile industry in this province, which has some 8,000 employees and who will be, in many of its aspects, adversely affected by this deal?

**Hon. Gary Filmon (Premier):** Mr. Speaker, concurrent with the Free Trade Agreement, there is a reduction of tariffs on the importation of fabric, which is a major benefit to the textile industry in Manitoba. The garment manufacturing industries will now be able to get their raw material, in effect, their cloth, their textiles, at a lower rate because of the reduction of tariffs. That goes hand-in-glove with the Free Trade Agreement and allows them to continue to be competitive.

In fact, Manitoba industries, because of the removal and reduction of those tariffs, Manitoba garment manufacturers will benefit immensely by that and they are satisfied that the Free Trade Agreement continues to allow them major benefits through access to the American market.

### **Western Diversification Fund ABI Biotechnology Inc.**

**Mrs. Sharon Carstairs (Leader of the Opposition):** With a final question to the First Minister (Mr. Filmon).

The blood products lab has requested \$10 million from the Western Diversification Fund to make Canada self-sufficient in synthetic blood products.

Can the First Minister tell this House if that project has been recommended by his Government, and will they be receiving funding from the Western Diversification Fund?

\* (1350)

**Hon. Donald Orchard (Minister of Health):** Mr. Speaker, I presume the Leader of the Opposition (Mrs. Carstairs) is referring to ABI Biotechnology in terms of their application before the Western Diversification Fund.

That project is viewed by this Government as being leading-edge technology, is supported by this Government, has tremendous employment, investment and export opportunities from the Province of Manitoba to our sister provinces, and is very highly supported by this Government.

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

### **Health Sciences Centre Bed Closures**

**Mr. Gary Doer (Leader of the Second Opposition):** My question is to the First Minister (Mr. Filmon).

A week ago, the First Minister in this House reiterated that the policy of no permanent bed closures would be made prior to a comprehensive health review and would indeed be the policy of the Government. Later, Mr. Speaker, the Minister of Health (Mr. Orchard), in a public statement, contradicted the First Minister in saying that the election promise was badly worded.

My question is to the First Minister: Does the election promise stand today?

**Hon. Gary Filmon (Premier):** Yes, Mr. Speaker.

### **Health Sciences Centre Bed Closures**

**Mr. Gary Doer (Leader of the Second Opposition):** Can the First Minister (Mr. Filmon) please explain to this side of the House, and indeed Manitobans, why then the 22 beds that we raised last week have been permanently closed?

**Hon. Donald Orchard (Minister of Health):** This issue came up in an effort by the Leader of the New Democratic Party (Mr. Doer) 10 days, two weeks ago, to indicate that beds were permanently closed at the Health Sciences Centre. The Health Sciences Centre has asked, in the review of their program, for permission to close those beds. No permission for permanent closure has been given.

**Mr. Doer:** The Minister of Health (Mr. Orchard) may want to be cute about the Premier's (Mr. Filmon) election promise, and he may want to be cute in this House,

but those beds were open at this time last year. They are closed right now. All the employees have been redeployed and the space is now being made into offices.

Could the Minister of Health please tell us what is the policy of his Government in terms of these 22 beds?

**Mr. Orchard:** My honourable friend should be aware that those beds were not scheduled for reopening, I believe, until September 6.

**Mr. Doer:** Mr. Speaker, could the Minister of Health (Mr. Orchard) please inform Manitobans and this side of the House why, then, after he toured this site himself, the Health Sciences Centre has told all their employees that it is indeed approved by the Government to be permanently closed and they are now having people in there in offices?

**Mr. Orchard:** My honourable friend could help in the enlightenment of this House and the people of Manitoba by indicating who in the Health Sciences Centre has indicated to him that permission has been given by myself and Manitoba Health Services Commission for permanent closure. I would be delighted to know who has made that accusation to him.

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

**Mr. Speaker:** Order, please; order, please. The Honourable Member for Concordia.

**Mr. Doer:** All of the employees, some of which have 20 years experience, who have been redeployed and told it is on a permanent basis: nurses, hospital orderlies, aides and all the people who walk through the doctors' offices that have replaced the beds the Minister has said have not been permanently closed.

\* (1355)

### Assiniboine Street Closure

**Mr. James Carr (Fort Rouge):** On August 12, the Minister of Highways and Transportation (Mr. Driedger) gave assurances to this House that there would be no closure of Assiniboine Avenue before complete and full consultation with the residents and the shopkeepers who live in the area. Just yesterday, Mr. Speaker, I received a copy of an invitation for proposals initiated by the Urban Affairs Department to redevelop Louis Riel Park. Incredibly, the scope of the project includes the possible closure of Assiniboine Avenue, and the deadline for receipt of proposals is September 19.

Given the fact that the temporary closure of that street has produced an outcry from residents and from business people who are concerned about response time for emergency vehicles and also about safety in their own neighbourhood, my question for the Minister of Urban Affairs (Mr. Ducharme) is this: Who are the people, who live in this area, to believe: the Minister of Highways and Transportation (Mr. Driedger,) who promises consultation; or his own department which

is asking architects to spend thousands of dollars finding creative ways to close the street?

**Hon. Gerald Ducharme (Minister of Urban Affairs):** We will have full consultation with the Highways Minister (Mr. Driedger) and myself and the people in the area exactly as has been explained in our proposal.

### Assiniboine Street Closure

**Mr. James Carr (Fort Rouge):** With a supplementary question to the Minister of Highways and Transportation (Mr. Driedger), just to give a little substance to the assertion by the Minister.

Given the fact that crime is on the rise in the neighbourhood, given the fact that rowdiness and disorderly behaviour has moved from behind this building into the residential area where people live, can the Minister tell me what kind of feedback he has received from people and what sort of consultation has taken place to date?

**Hon. Albert Driedger (Minister of Highways and Transportation):** I would like to once again repeat the statements I made in this House a little while ago. The fact is that the street has been closed on a temporary basis to gather information on the effect it would have on traffic.

I also indicated to the Members of this House, some time ago, that as of September 7, the street will be open, going west to east, and again we will be doing surveys to find out what impact the traffic will have. Before anything further will be done in terms of proposals, we will be consulting with all the people involved. We will be dealing with it. This is not something that is going to be done on a short-term basis.

Mr. Speaker, I also indicated that there has been no intention to try and harm the community or the businesses involved. As we move along with this process, as we have outlined a few times already, we will be doing the consultation in a very adequate way with the people involved.

**Mr. Carr:** With a supplementary to the same Minister.

He says that the street will move in the other direction on September 7. September 19 is the deadline for proposals, and, within the proposals, street information is going to be given to the architects. It looks like it is going to be a pretty quick piece of business.

Will the Minister assure this House that he will honour his Party's commitment to open Government and honour his own promise of community consultation by immediately soliciting the views of people who live in the Assiniboine-Broadway area before the Minister of Urban Affairs (Mr. Ducharme) digs a hole so deep they will never get out of it?

**Mr. Albert Driedger:** First of all, the call for proposals is not a commitment to do anything at this stage of the game. I want to restate that. The other thing that I would like to address, the Member has made allegations that we have affected the safety factor in

terms of the time that it is accessible. We are addressing that by opening the street on September 7, going west to east, to address exactly that aspect of it.

Once again, I do not know how often I have to confirm in this House to the Member that there will be consultation. That commitment has been made and I will keep that commitment.

### Free Trade Agreement Impact Garment Industry

**Mr. John Angus (St. Norbert):** My question is to the First Minister (Mr. Filmon), and it concerns free trade.

Given what the official position of the apparel industry is—"The free trade deal, as it applies to the apparel industry, is not a good deal."—due to the fact that they are looking at duty remission schemes, due to the fact that we have 8,000 people directly employed in Winnipeg in this particular industry, do we have a player at the table negotiating on behalf of Manitoban textile workers for our share of the money that is going to be provided to assist this industry?

**Hon. Gary Filmon (Premier):** I can tell my honourable friend that not only some of my colleagues but I personally have spent countless hours with most of the leaders in the garment industry throughout the consultations and discussions. I personally intervened right to the office of the Prime Minister when the discussions were at a stage—and this happened to be during the election campaign. I took the time to talk with people about the duty remission, about the tariff removal and all of those issues. I spoke in a conference call setting with the president of the Garment Industry Association, Mr. Silver, with Mr. Nygaard, with Mr. Steinmann, with many of the major players in the industry throughout the course of those sensitive negotiations.

Duty remission was only one part of what they were looking for. There was a prospect of getting the tariff removal and that was of more value to the industry than duty remission itself and was the better long-term answer. In the end, they got a partial duty remission and a partial removal of tariff. The combination of the two has made it viable for not only the industry across the country, the garment manufacturing industry, but particularly garment manufacturers here in Manitoba.

Garment manufacturers in Manitoba, to my knowledge, continue to be supportive of free trade with the United States. They just want a level playing field, and that is what has been established for them.

\* (1400)

### Free Trade Agreement Impact Canola Industry

**Mr. John Angus (St. Norbert):** Is the First Minister (Mr. Filmon) prepared to set up the same type of conference call, Mr. Speaker, through you, in relation to the granola growers—canola growers, I am sorry.—(Interjection)— Well, it may be humorous but there is a

whole industry, two crushing plants in Manitoba, that are losing some \$20 million in subsidies while tariffs are being removed over a seven-year period. Are you going to offer them any sort of tariff remission program, any sort of assistance or cooperation?

**Hon. Gary Filmon (Premier):** It is tariff removal and duty remission, not tariff remission; and it is canola, not granola, Mr. Speaker.

We are prepared, as a Government, to ensure that we do everything possible to protect our industries in this province. We want to make them healthy, we want to make them grow, and we want to see them take advantage of all the immense opportunities that are provided by the Free Trade Agreement with the United States.

We will be able to do that, and are happy to do that, to put the resources of our Government, the Ministers of our Government, together with any industry that wants our assistance in implementing the Free Trade Agreement to their advantage and, therefore, to the advantage of all Manitobans. We are committed to that and we will do that.

**Mr. Angus:** I am pleased that the First Minister (Mr. Filmon) has finally seen the light, that he is going to try and cooperate and help Manitoba industries.

### Free Trade Agreement Formation All-Party Ctte

**Mr. John Angus (St. Norbert):** A final supplementary. Will he look at forming some sort of committee, an all-Party legislative committee, that will identify those areas of the Free Trade Agreement that will have a negative impact on Manitobans, and to process and recommend a course of action to reduce and eliminate that negative impact?

**Hon. Gary Filmon (Premier):** It is the Member for St. Norbert (Mr. Angus) who needs to see the light.

He and his colleagues got together with the Chamber of Commerce in Winnipeg to try and find out about their views on the Free Trade Agreement. When they found out that the Chamber of Commerce were totally supportive of the Free Trade Agreement, then they ignored their views and went running off with the NDP, trying to find ways to pick holes in the Free Trade Agreement. They have no idea about the benefits of free trade for the producers of Manitoba, for the manufacturers of Manitoba, for the employers of Manitoba and, indeed, for all Manitobans. Now they are trying to raise red herrings about the deal because they have lost the fight with the people who are committed to create jobs and investment in Manitoba.

**Some Honourable Members:** Hear, hear!

### Land Titles Office Delay

**Mr. Harold Gilleshammer (Minnedosa):** I would like to direct a question to the Attorney-General (Mr. McCrae).

Now that the end of August has come and gone, and in view of the concerns raised by the Honourable Member for St. James (Mr. Edwards) regarding backlogs at the Winnipeg Land Titles Office, can the Minister give a report on progress since June 17, when he announced measures to reduce this backlog?

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

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

**Hon. James McCrae (Attorney-General):** Just as I am delighted, Mr. Speaker, by the enthusiasm the First Minister (Mr. Filmon) shows about issues relating to areas outside the Winnipeg district, I am pleased to see the interest shown by the Honourable Member for Minnedosa (Mr. Gilleshammer) in a matter of great interest to the people of Winnipeg.

At the end of July, the progress on the backlog at the Land Titles Office was so good, I was a little cautious about looking ahead with the kind of hopefulness that you might have expected, because I know it is a busy time. We have come out even better at the end of August, Mr. Speaker.

The target for acceptance of transfers at the end of August was 35 days backlog. That has been reduced to 30 days.

With respect to acceptance of mortgages, the target was 16 days. We have achieved an eight-day turnaround on that one.

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

**Mr. McCrae:** I would have thought, Mr. Speaker, that the Honourable Member for St. James (Mr. Edwards) might have wanted to ask that question today.

The fact is we are delighted today, on September 1, to welcome Alexandra Morton as Registrar-General for the Land Titles in Manitoba—the first woman ever to hold that position in Manitoba. We think, with the kind of leadership that Ms. Morton can provide—an associate of the Honourable Member for St. James (Mr. Edwards)—I think we can look ahead with confidence at the Land Titles Office in Winnipeg and in Manitoba.

### Free Trade Agreement Impact Cdn. Wheat Board

**Mr. John Plohman (Dauphin):** Since the First Minister (Mr. Filmon) is so confident that he can answer all of the questions on the trade deal today, even though he has not read it, much like John Crosbie assures everyone that his vacuum cleaners are excellent, even though he has not used them, I want to ask the First Minister about the trade deal and its implications on the Canadian Wheat Board.

The Canadian Wheat Board is clearly a great Canadian institution. It has served Canadian farmers well over the years, even though we do not always agree with every one of its policies particularly, as we have stated, with regard to the Port of Churchill. We, I am sure, all agree that the Wheat Board has our full

support and it is not something that we want to see jeopardized in any way.

Yet, Sections 701, 703, and 705 of the trade deal clearly indicate that the Canadian Wheat Board's pooling system, its pricing system and its import licensing systems will indeed be jeopardized. This is supported by the Canadian Federation of Agriculture, as well as the advisory board to the Canada Wheat Board and a number of other farmers' organizations such as the National Farmers Union.

Can the Premier (Mr. Filmon) indicate to this House if his Government has conducted studies to determine the implications of the trade deal on the Wheat Board; and, if so, will he table those studies in the House today?

**Hon. Gary Filmon (Premier):** Mr. Speaker, I am glad to hear the tremendous support of the Member for Dauphin (Mr. Plohman) for the Canadian Wheat Board. I will remind him, as well, that it is the Canadian Wheat Board who has been refusing to ship grain through Churchill, and the people who he has been berating are the very people now that he says are the best people to make judgments on behalf of the farmers in the way in which they market the wheat from this country.

I will further remind him that every single commodity grouping under the Keystone Agricultural Producers, who are the largest farm group in this province, support the Free Trade Agreement with the United States. Producers such as the Western Wheat Growers and all of those people whose wheat must be marketed worldwide support the Free Trade Agreement.

There have been many, many groups who have evaluated the Free Trade Agreement. They believe that it is good for our grain producers, for our canola producers, for our red meat producers, and for virtually every agricultural commodity that we produce. Therefore, we support it because it is good for the farmers and they support it.

\* (14 10)

**Mr. Plohman:** Mr. Speaker, it would be interesting to know if the First Minister (Mr. Filmon) has contacted the Wheat Board and they have told him that they are refusing to ship grain through the Port of Churchill.

**An Honourable Member:** Table that information.

**Mr. Plohman:** Have him table that information and give evidence.

In view of the fact that these troubling concerns are coming not only from Canadian sources, but also from American sources who have made no secret of the fact that they would like to replace the Canadian Wheat Board with what they call a public price-setting mechanism that is transparent to the U.S. Government, producers and processors, will the First Minister (Mr. Filmon) now meet immediately with the Prime Minister and demand that he admits that he has made a colossal mistake with regard to this trade deal and its impact



on the Wheat Board and grain, and demand that the Wheat Board be excluded from the trade deal with the United States?

**Mr. Filmon:** The Canadian Wheat Board is not part of the Free Trade Agreement. The Canadian Wheat Board can continue to exist, can continue to market wheat worldwide, on behalf of the producers of Western Canada; and, indeed, it can continue to pool grain and do all of the things that are necessary in order to sell grain worldwide for the farmers of Manitoba, and we are delighted that is the case.

**Mr. Plozman:** Mr. Speaker, all we are getting is more rhetoric and more of the Mulroney position on this very important issue.

Will the First Minister (Mr. Filmon) endeavour to find out the facts by meeting with the Pools, with Keystone Agricultural Producers, the National Farmers Union and other agricultural organizations to determine precisely what the concerns are with regard to grain and the Wheat Board and the trade deal?

If he will not do that, when will he get his head out of the sand, quit defending Mulroney and John Crosbie on this trade deal, read the trade deal, face the facts and stand up for the farmers of Manitoba?

**Mr. Filmon:** Mr. Speaker, it is better to have admitted not to have read every word, every line of the thousands of pages of the Free Trade Agreement and understand the principles of the agreement and understand the analysis of the agreement provided for us by experts than to have read the agreement, as he claims to have, and not to understand it.

### Manitoba Intercultural Council Review

**Mr. Mark Minenko (Seven Oaks):** Mr. Speaker, on August 4 of this year, the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson) advised us that people from the ethnic communities had approached her with respect to some of their concerns about the Manitoba Intercultural Council. She also further advised us that day that she had requested a review of the council to be conducted by the Provincial Auditor, and that she would have the results of that review by the end of August.

My question is to the Minister of Culture, Heritage and Recreation (Mrs. Mitchelson). Can the Minister advise us of the status of this review and when she will table it in the House?

**Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation):** I thank the Member for that question.

I have been in touch with the Provincial Auditor's Office this week, and they have indicated to me that they will be ready to meet with me the beginning of next week. We will be meeting with the Provincial Auditor to get the results of their reports in the first part of next week.

What I want to indicate to the Member was that my first commitment, after receiving that report, was to

go to the multicultural community and to MIC to discuss the results of that audit with them before it is tabled in the House for the Opposition and the media.

**Mr. Minenko:** No multiculturalism policy was heard from the other side during the last election. There were certainly no directions in the Throne Speech with respect to the multiculturalism policy in general or specifics.

When will we learn of the fate and future of multiculturalism in this province and, more specifically, the Manitoba Intercultural Council? The ethnic communities are indeed waiting for this response from the Government.

**Mrs. Mitchelson:** Sometimes actions speak louder than words. I have been meeting with the multicultural community. I have great concern for what has been happening and what will happen in the future. When we get the results of the audit, together with the task force report, we will be discussing ways and means of developing a policy, in consultation and coordination with the multicultural community, so that we, as a Government, can meet their needs.

### Intervention Sally Espineli Deportation

**Mr. Mark Minenko (Seven Oaks):** With my final supplemental, directed to the First Minister (Mr. Filmon).

Manitoba is indeed a multicultural province with people coming to Manitoba from many different countries. As the person perhaps best able to do so, has the First Minister intervened on behalf of Sally Espineli, who has been deported; and, if not, will he call the federal Minister of Immigration today and intervene on her behalf?

**Hon. Gary Filmon (Premier):** I have not been requested by anybody to intervene on behalf of Sally Espineli. I take it from the Member that it is a case that has been ruled upon by the Immigration Appeal Board. I am not familiar with the details and, subject to becoming familiar and discussing it with relevant parties, I may choose to do that.

### Department Ministers Clerical Staff Intimidation

**Mr. Steve Ashton (Thompson):** My question is to the First Minister (Mr. Filmon).

On August 12, the Leader of the New Democratic Party (Mr. Doer) raised some very serious concerns about comments that have been made by the Minister of Labour (Mr. Connery) in regard to long-time employees in that department—comments related to pink slips and other totally unacceptable comments.

I would like to ask the First Minister, since he indicated at the time that he would be raising this issue with the Minister of Labour, what action he, as First Minister, has taken in regard to those totally unacceptable comments.

**Hon. Gary Filmon (Premier):** Since the Member for Thompson (Mr. Ashton) is acting on behalf of his Leader, the Member for Concordia (Mr. Doer), I might say that I have been shocked with his attitude toward civil servants when he called the Deputy Minister a second-rate Deputy Minister, the Minister of Labour (Mr. Connery).

I can tell the Member for Thompson that my Minister of Labour (Mr. Connery) was as concerned as I was that no misunderstanding be taken, whether it be for political purposes or whether it be for the purposes of trying to create an issue here in the Legislature, and so I spoke directly with the president of the MGEA. I called him into my office and we had a meeting at that time.— (Interjection)— Sorry, I apologize. I do not want to imply that in any way I could order or request the president of the MGEA to see me. I requested that he come and visit me and have a meeting so we could discuss it openly, face to face. We did. We had such a meeting and it was a productive meeting.

At that time, I found out that he was concerned about the possible misinterpretation of the remarks that have been made by the Minister of Labour (Mr. Connery). We agreed, therefore, that the Minister of Labour would issue a letter of clarification and apology to all members of MGEA to ensure that there was no misunderstanding taken of his remarks, and that was done.

**Mr. Ashton:** Since the First Minister (Mr. Filmon) has obviously taken a direct interest in regard to this case, and seems to feel the matter is settled, could he please indicate whether he raised with the Minister why senior departmental officials, including the Deputy Minister, subsequently harassed employees in that department, asking them who talked to the Leader of the New Democratic Party (Mr. Doer), who talked to the union?

Can he also indicate why long-time employees, clerical employees in that department, have subsequently been transferred to dead-end jobs, jobs that have been redundant for years?

Can the First Minister indicate why, given the fact that the Minister of Labour (Mr. Connery) supposedly has apologized for this incident, there is continuing harassment of long-time public servants in the province?

**Mr. Filmon:** The only harassment that is going on in this House is by Members of the New Democratic Party putting forth false information and false allegations and their Leader (Mr. Doer) who called the Deputy Minister a second-rate Deputy Minister.

**Mr. Ashton:** A point of order, Mr. Speaker.

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

**Mr. Ashton:** I believe the comments of the Minister are totally out of order. He has indicated that there is some suggestion those are false. I can indicate, as a Member of this House, I have undertaken to substantiate every item that I raised just previously, including talking to some of the employees in that

department, which perhaps the First Minister should do before he throws out those kinds of spurious and unparliamentary claims.

**Mr. Speaker:** Order, please; order, please. The Honourable Member does not have a point of order. A dispute over the facts—

**Mr. Filmon:** Mr. Speaker, the Member for Thompson (Mr. Ashton) knows that prior to anything going on in this Legislature, or in this Government, any discussion of this issue, there was a reorganization of those two departments going on under one Deputy Minister with the subsequent and consequent combinations of staff.

One of the reasons why that was put forward was to save on bureaucracy, save on support positions, save one Deputy Minister and some senior department official positions, doing, as the Leader of the Opposition had said, cutting bureaucracy, not services, to people. That is precisely what we are going upon and that is why there are fewer clerical positions in that area.

That has absolutely nothing to do with any statements made in this House or any allegations, however false they may be, raised in this House by either the Leader of the New Democratic Party (Mr. Doer) or the Member for Thompson (Mr. Ashton).

**Mr. Gary Doer (Leader of the Second Opposition):** Point of order, Mr. Speaker.

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

**Mr. Doer:** When I first raised this issue in this House, the Minister of Labour (Mr. Connery) denied it, and three times today the Premier (Mr. Filmon) has put into question my integrity.

When I made the statement in the House, the Minister of Labour went outside of this House and admitted that he had misled the public in this Chamber, and I am sick and tired of these integrity questions from the Premier. My word was straight and was verified by the Minister of Labour and the Premier knows that.

**Mr. Speaker:** Order, please. A dispute over the facts is not a point of order.

The Honourable Member for Thompson.

**Mr. Ashton:** Mr. Speaker, we are talking about people here. We are not talking about cutting bureaucracy. We are talking about people that have been harassed or been told that they had better cough up as to who talked—

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

**Mr. Ashton:** —to the Leader of the New Democratic Party (Mr. Doer) and who talked to the union, which is their democratic right.

So my question to the First Minister (Mr. Filmon) is—

**Mr. Speaker:** Order, please. The Honourable Member for Thompson.

**Mr. Ashton:** So my question to the First Minister is since he took direct responsibility by talking to the Minister of Labour, and since those facts I mentioned on the record are true, will he now raise once again with the Minister of Labour actions which are seriously jeopardizing the relationship of this Government with the Civil Service of this province?

\* (1420)

**Mr. Filmon:** We, as a new Government, are doing our utmost to establish a good working relationship with our employees. We are doing our utmost to conduct ourselves in a very professional manner.

When the Member for Thompson (Mr. Ashton) comes forth with allegations that he is not prepared to put in writing or to put names to the allegations and specific incidents to, I cannot do anything about it. I do not know who to talk to. I do not know who to follow up with. If he would put forth a specific allegation with information, I will be happy to follow it up and do my responsibility as Leader of this Government and Leader of the Cabinet. I will do my responsibility and investigate it. But if it is going to come in the form of an unsubstantiated allegation made here in the Legislature, nothing will be done about it.

**Mr. Speaker:** The time for oral questions has expired.

**Mr. Ashton:** On a point of order. I once again would indicate that I realize it is a Member's duty to ascertain the facts before bringing them to the House. I have done that, I am quite willing to discuss the allegations with the Premier (Mr. Filmon), and I would just hope that he would accept them for what they are, which are true statements, and will act on them.

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

The Honourable Member for Assiniboia.

**Mr. Ed Mandrake (Assiniboia):** Question Period, is it expired?

**Mr. Speaker:** The time for oral questions has expired.

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

### SPEAKER'S RULING

**Mr. Speaker:** Order, please; order, please. I have a ruling for the House.

On August 30, the Honourable Member for Churchill (Mr. Cowan) rose on a matter of privilege respecting discrepancies between the account of my ruling of August 26 as it appeared in the Votes and Proceedings and in Hansard for that day.

For the information of all Honourable Members, parliamentary privilege is defined as the sum of the rights enjoyed by a Legislature collectively and by its Members individually, which are absolutely necessary for the due execution of its powers. Improper

interference with the rights of Members individually or with the rights of a Legislature collectively may constitute a breach of privilege. A bona fide question of privilege is a most serious matter and should therefore be taken seriously by the House.

There is no question that the matter raised by the Honourable Member for Churchill (Mr. Cowan) arises from a serious error which should not have been allowed to occur.

I have studied the Honourable Member's motion and his remarks on the matter with care. There is no doubt that a deliberate falsification of the official records of a Legislature would constitute a breach of privilege. However, the Honourable Member, in his remarks and in his motion, has referred only to the existence of "a serious discrepancy," the addition of "a substantive issue" and the fact that the Votes "do not accurately reflect your ruling." The Honourable Member, in his motion and in his remarks, also has claimed the inaccuracy in the Votes and Proceedings referred to is a breach of the privileges of all Members of the House. In my opinion, however, the Honourable Member has failed to substantiate that claim.

For both of the aforementioned reasons, I must rule that the Honourable Member has failed to establish a prima facie case that a breach of privilege has occurred.

His motion is therefore out of order as a matter of privilege.

**Mr. Jay Cowan (Churchill):** Mr. Speaker, with all due respect, I must challenge your ruling.

**Mr. Speaker:** The ruling of the Chair has been challenged. Shall the ruling of the Chair be sustained? All those in favour, please say Yea. All those opposed, please say Nay. In my opinion, the Yeas have it.

**Mr. Cowan:** Yeas and Nays, Mr. Speaker.

**Mr. Speaker:** Call in the Members.

The question before the House is, "Shall the ruling of the Chair be sustained?"

\* (1510)

**A STANDING VOTE** was taken, the result being as follows:

### YEAS

Alcock, Angus, Burrell, Carr, Carstairs, Charles, Cheema, Chornopyski, Cummings, Downey, Driedger (Emerson), Driedger (Niakwa), Ducharme, Edwards, Enns, Ernst, Evans (Fort Garry), Filmon, Findlay, Gaudry, Gilleshammer, Gray, Hammond, Helwer, Kozak, Lamoureux, Mandrake, Manness, McCrae, Minenko, Mitchelson, Neufeld, Oleson, Orchard, Pankratz, Patterson, Penner, Praznik, Roch, Rose, Taylor.

**NAYS**

Cowan, Doer, Evans (Brandon East), Harapiak, Harper, Hemphill, Maloway, Plohman, Storie, Uruski, Wasylycia-Leis.

**Mr. Clerk, William Remnant:** Yeas 41; Nays 11.

**Mr. Speaker:** The ruling of the Chair has been sustained.

**SPEAKER'S STATEMENT**

**Mr. Speaker:** I have a statement for the House at this time.

I would also like to take this opportunity to advise the House that I have personally inquired into the events brought to the attention of the House by the Honourable Member for Churchill (Mr. Cowan), and have established that this very serious error occurred entirely because of a bona fide mistake.

Consequently, I have ensured that satisfactory safeguards were put in place at once to protect the House against recurrences of this kind.

I have also instructed the Clerk of the House, following House of Commons precedents, to issue an erratum to correct the error in the Votes and Proceedings of August 26.

I trust that this concludes the matter to the satisfaction of all Honourable Members.

**ORDERS OF THE DAY**

**Hon. James McCrae (Government House Leader):** Mr. Speaker, before Orders of the Day, I would like to advise Honourable Members and staff of this place that the House Leaders have—

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

**Mr. McCrae:** I would like to advise all Honourable Members that the House Leaders have agreed that the House shall observe Monday as a holiday, and that Tuesday shall be treated as a Tuesday.

Be it moved, seconded by the Honourable Member for Lac du Bonnet (Mr. Praznik), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty, with the Honourable Member for Minnedosa (Mr. Gilleshammer) in the Chair for the Department of Community Services; and the Honourable Member for Seven Oaks (Mr. Minenko) in the Chair for the Department of Industry, Trade and Tourism.

\* (1520)

**CONCURRENT COMMITTEES OF SUPPLY  
SUPPLY—COMMUNITY SERVICES**

**Mr. Chairman, Harold Gilleshammer:** The committee will come to order. This section of the committee will be dealing with the Department of Community Services. We are at Administration and Finance, item (c)(1), Salaries, \$752,000.00. Shall the item pass?

**Ms. Avis Gray (Ellice):** A couple of questions before proceeding to this appropriation. I was wondering if we could ask the Minister of Community Services (Mrs. Oleson), in the Supplementary Estimates, on page 55, reference number 13, External Agencies, and page 57, reference number 14, and page 66 under Child and Family Services, we have an indication of the '87-88 dollars which were allotted to External Agencies and a number of other agencies.

Would it be possible to get a list tabled of what exactly the amounts will be for the '88-89 fiscal year?

**Hon. Charlotte Oleson (Minister of Community Services):** Mr. Chairman, we will provide those lists when we get to those lines.

**Ms. Gray:** Could I ask: Would it be possible to get the lists ahead of time if they are prepared?

**Mrs. Oleson:** I am sure, if we happen to take a long time getting to those lines, then I can provide it beforehand but I have not got it today.

**Ms. Gray:** Could you possibly have it by some time next week even if we are not to those appropriations, those lines yet?

**Mrs. Oleson:** Yes, we could provide those a little earlier.

**Ms. Gray:** Mr. Chairperson, in reading through the questions that were asked on the Research and Planning, I had noted that the Member for St. Johns (Ms. Wasylycia-Leis) had asked a few questions in regard to any new legislation or revisions, and she had specifically mentioned The Social Services Administration Act. Reading through the information, I was a little bit unclear as to exactly what the Minister's response was.

Could we get some clarification from the Minister as to whether that particular Act is being reviewed, amended?

**Mrs. Oleson:** It is being reviewed to make sure that it is appropriate to new services that are being developed. I have not authorized any amendments at this time.

**Ms. Gray:** Could the Minister elaborate on what specifically is being reviewed or what is the intent of the review of this particular Act?

**Mrs. Oleson:** Over the years, there has been new funding given to various agencies and programs, and we want to be sure that the Act covers and allows those

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things to flow. In other words, we want to be sure that we are dealing with this properly.

**Ms. Gray:** Has the Minister's staff identified to her or has she been made aware through other avenues of any particular difficulties or problems associated with this particular Act?

**Mrs. Oleson:** I have just seen some preliminary material on it. I have not seen anything in a final draft.

**Ms. Gray:** Could the Minister tell us what the nature of that preliminary information was?

\* (1530)

**Mrs. Oleson:** That, for the Member, is to do with the contracting of services and the appropriate ways in which we fund agencies.

**Ms. Gray:** Is there any other area of concern to the Minister or her department under the regulations or any part of the Act?

**Mrs. Oleson:** We are looking at all of those matters just to be sure that we are on track. I cannot give you anything specific at this time, but all these matters are being reviewed.

**Ms. Gray:** Could the Minister tell us if the review is currently under way? If I understand what she is saying correctly that there is a review on the way with this particular Act. Is there a time frame under which this review of this Act would be completed?

**Mrs. Oleson:** One of the things, of course, that is holding us up is the Estimates process; then we will have to be looking at next year's Budget. We will be getting to it and working on it as soon as possible.

**Ms. Gray:** Could the Minister tell us if in fact the review of this particular Act is a priority with her department?

**Mrs. Oleson:** It is one of the priorities.

**Ms. Gray:** Can we expect a review, even a preliminary review, to be completed say within the next two or three months?

**Mrs. Oleson:** Probably, we would be able to it. If you allow us time to do it properly, we would need until the end of the fiscal year.

**Ms. Gray:** Just again to clarify, my understanding is that it has been mentioned that in fact there will be a review. One of the concerns in this particular Act is the contracting out of services.

**Mrs. Oleson:** Yes.

**Ms. Gray:** And to this point, the Minister is not aware of any other particular concern that follows to the jurisdiction of that particular Act?

**Mrs. Oleson:** As I said before, we are in preliminary stages. I have not completely reviewed all the materials,

so it would be difficult for me to say that yes or no, that there was not anything else that concerned me. I will be looking at all—I will be making sure that it is appropriate and that it answers any concerns that come to us.

**Ms. Gray:** The Research and Planning area also includes some contracting to other agencies. It mentions the Social Planning Council.

Has Research and Planning, within the last fiscal year, contracted to the Social Planning Council for any kind of research or evaluation?

**Mrs. Oleson:** During '87-88, we had contracts with that agency for three studies. We were studying overcrowding at the Remand Centre. Of course, that is no longer in the purview of this department so that anything to do with that will be sent directly, I would imagine, to the Attorney-General. We were doing an evaluation of in-home services and an analysis of base-line Welcome Home data.

**Ms. Gray:** I understand in my question before about the Welcome Home review that we agreed to discuss that further on in the reference numbers and appropriations, and that is fine.

Could the Minister explain to me what in-home services is?

**Mrs. Oleson:** It is homemaker services that go in to help people in their own homes.

**Ms. Gray:** What was the purpose and the scope or the intent of this particular review, and has it been completed?

**Mrs. Oleson:** The study was done to see whether there are any policy overlaps to make sure that it was properly coordinated and it has not been finalized?

**Ms. Gray:** With regard to homemakers, what types of services do homemakers provide in Community Services?

**Mrs. Oleson:** They provide services to children through the child welfare.

**Ms. Gray:** Was part of this review or study or research to look at client satisfaction of homemakers and homemaker services?

**Mrs. Oleson:** No, it was not. This study was initiated before I came on the scene, so I am not terribly familiar with it, and I am hoping to get the results of that survey soon, but, no, that was not the case.

**Ms. Gray:** Do I understand then that the results of the survey or research or study have been completed and perhaps we can know?

**Mrs. Oleson:** The results are in the process of being finalized.

**Ms. Gray:** Does this particular in-home study have any ramifications which spill over to the Department of

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Health since those departments have direct service workers?

**Mrs. Oleson:** Yes, it may do, and of course, not having seen the final results of the study, I cannot be that clear on it, but it may have because some of it could be perhaps home care.

**Ms. Gray:** When Research and Planning contracts out studies or research to third parties such as the Social Planning Council or, I might assume, other agencies, what criteria is used to determine what types of Government information would be released to the agencies?

**Mrs. Oleson:** That matter would depend on the terms of reference of the study as to what information they were given. It would certainly depend on how much information they needed in order to do the study.

**Ms. Gray:** Is there a specific kind of Government information that in fact can be released to third parties, or is there a policy regarding what cannot be released to third parties?

**Mrs. Oleson:** The confidentiality with regard to individuals would be maintained unless they had the permission of the individual to have information used. In other words, confidentiality would be maintained; that would be one of the criteria of the study.

**Ms. Gray:** Am I clear then in understanding that before any type of information can be released to third parties that the permission of the client or the individual must be sought?

**Mrs. Oleson:** If they are protected by confidentiality, that will be the case.

**Ms. Gray:** Would the Minister clarify for us who would be protected by confidentiality and who would not be?

**Mrs. Oleson:** One example will be families receiving Child and Family Services.

**Ms. Gray:** Is there a written policy statement about confidentiality guidelines and release of information within this department?

**Mrs. Oleson:** The Child and Family Services Act, which would be the legislation that would govern in this department.

\* (1540)

**Ms. Gray:** Other than Child and Family Services, the other components of the department where Child and Family Services would have no jurisdiction, is there a policy statement and/or guidelines regarding the release of information and confidentiality for the rest of the department?

**Mrs. Oleson:** Yes, there are statements but we do not have them with us today. I could not give you the policy because I do not have it with me today.

**Ms. Gray:** Could the Minister confer with her staff and at least give us an indication of what the nature of those guidelines are? Would she be prepared to table that policy or guidelines with us early next week?

**Mrs. Oleson:** Mr. Chairman, yes, I can provide the Member with that. I further would say that when The Freedom of Information Act is proclaimed, then all those things would be available through that.

**Ms. Gray:** Is this policy statement and guideline something that has been communicated with all staff at all levels within the department?

**Mrs. Oleson:** Yes, it is my understanding it has.

**Ms. Gray:** So I can assume then that it is not left to the discretion of individual regions or branches of the department to develop their own guidelines and policy regarding release of information?

**Mrs. Oleson:** No, definitely not. Policies would be given to the staff and they would be instructed to abide by them.

**Ms. Gray:** Could the Minister tell us if the foster parents were notified and asked permission if their names and addresses could be released to a third party?

**Mrs. Oleson:** Under my request, the names were given to me by the agencies and, under the Act, that is allowed. You can use that sort of information for surveys and reviews. The Member is referring to the foster parents survey. The only information that was there were names, addresses and phone numbers. There was no other information given.

**Ms. Gray:** Could the Minister assist me and tell me where in The Child and Family Services Act that provision is there regarding the release of names, addresses, etc.?

**Mrs. Oleson:** What the Member would be referring to would be Clause 76(3)(d) of The Child and Family Services Act.

**Ms. Gray:** Could you explain that for us, please, because I do not happen to have the Act with me?

**Mrs. Oleson:** Clause 76(3)(d) of the legislation allows for retaining or consulting a person to conduct reviews or surveys. This practice is used often for external reviews.

**Ms. Gray:** So the clause refers to consulting a person. Does that mean that those persons then would also include clients?

**Mrs. Oleson:** Foster parents are not clients. They provide a service to the department.

**Ms. Gray:** Yes, I understand that the foster parents are not, in the true sense of the word, I suppose, how a social worker would define a client as a client. But when the clause refers to "person," how does one know

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whether those persons are the clients or are people such as foster parents who are providing a service.

**Mrs. Oleson:** We have a legal opinion that advises us that foster home files are included under Section 76 of the Act concerning confidentiality. In this case the Member wants to discuss, no files were given to the survey company. No information was given from files. The only people that have that information is the Child and Family Services Agencies.

**Ms. Gray:** Is it clear to the Child and Family Services Agencies that in fact information of this nature, under the Child and Family Services Act, as interpreted by the department, can in fact be given to third parties at will?

**Mrs. Oleson:** I am sure that they understand the Act. I am going to be meeting with the president of the Child and Family Services Agencies next week at which time we will probably be discussing that.

**Ms. Gray:** Does the Minister of Community Services feel that perhaps this particular clause of The Child and Family Services Act, that there needs to be some clarification or changes given the expressed concern of foster parents across Manitoba about the fact that their names and phone numbers that were given out to a third party and that they were called and asked all of these questions with some implications that some of the foster parents interpreted as being very negative?

**Mrs. Oleson:** I think, perhaps, for the Member's edification, maybe I should comment on some of the rumours and so forth that are going around about that survey. I was very concerned when it came to my attention, through media and otherwise, that people thought they would be asked questions of matters that were confidential, so I had this looked into. The survey company that did the survey identified themselves as phoning on behalf of the Government. They asked a series of questions.

What happened, we did not realize, that at the same time that survey was being done, the Child and Family Services Agencies were also phoning some of the foster parents to make inquiries about placements in case of a moratorium and that sort of thing. They were getting information which is their duty to do. We believe that is what happened. Some of the people were phoned by the survey, others were phoned by the Child and Family Services Agencies and that is why there is confusion and mixup. Naturally, the Child and Family Services Agencies had this sort of information.

We are legitimately asking—and had the information about whether or not how many children they had and so forth. Legitimately, if they were asking someone that they knew by the file was on social assistance, they were asking them legitimately whether or not it would be suitable for them to take more children in the case of moratoriums. I firmly believe that is the mixup that occurred.

There were no personal questions asked. There was no information given to the survey company that would

cause them to ask anything in the nature of the feedback that we have been getting, for instance, of how many foster children or whether or not they were on social assistance. That appears to be what happened. It was very unfortunate that there was a great of misunderstanding over this whole matter.

**Ms. Gray:** Could the Minister explain to us why her Government department would not be aware of what the Child and Family Services agencies were doing in preparation of a possible moratorium in regard to the agencies making contingency plans such as phoning foster parents to get an indication? Why would there not be that communication between the agencies and the department on this crucial issue?

**Mrs. Oleson:** There was a great deal of communication back and forth between the agencies and the department. The agencies had been instructed to prepare for a contingency plan and they were doing their job. We found it to be necessary to have a survey done to give us some quick information so that we would be able to see what position we were in. Unfortunately, this happened at the same time.

\* (1550)

**Ms. Gray:** Is the Minister then saying that the department had no knowledge at all as to what the Child and Family Services Agencies were doing in regard to checking out with their particular foster parents for contingency plans?

**Mrs. Oleson:** Yes, I said that we knew that these Child and Family Services Agencies were working on the contingency plans. We did not know that they were specifically phoning at that time, and that, I believe, is how the problem occurred. We were seeking information; they were seeking a different type of information.

**Ms. Gray:** Who would have been the staff people in the Child and Family Services Agency who would be doing the phoning? I am assuming staff did it, and another third party.

**Mrs. Oleson:** As far as I know, it was the agency staff. I do not know personally who made the calls.

**Ms. Gray:** If it was the agency staff, one would certainly—or at least I would assume, that in fact the staff of each particular agency are known to the foster parents since they have an ongoing relationship and would probably identify them as such when they made those phone calls.

The concern coming from the foster parents—I want to clarify the word "rumour." In fact, we have had specific information from specific foster parents who said that, in fact, when they were phoned and asked, they were told that it was someone calling on behalf of the Manitoba Government, and a number of foster parents specifically asked if they could identify who they were because there was some concern. Anybody can phone and say, I am calling on behalf of the

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Manitoba Government. In fact, they did not get any responses at all. Would the Minister like to comment on that?

**Mrs. Oleson:** There have only been two complaints that I am aware of about this. I am concerned about this misunderstanding and the problems that were caused by that, but I genuinely believe what has happened was that the people got confused between the two different phone calls. Some of them may have even been phoned twice, which would add to the confusion.

I cannot explain to the Member exactly what was said on each telephone line and I think sometimes people do get mixed up about these surveys when they get them. I know I have been surveyed and I am sure the Member has, and at the end of the phone call you do not always remember exactly what was said at the first part of the phone call.

**Ms. Gray:** The comments about surveys and it has been made by the Minister here and been made by the First Minister (Mr. Filmon) in the House, obviously about some difficulties people have with surveys. Did it not occur to the Minister and her staff that in fact if they wanted to get some good information from the foster parents in Manitoba, that if they had solicited the support of the Foster Parents Association in conducting that kind of survey, then in fact they may have gotten cooperation and some good answers from the foster parents, rather than responses which were cloaked in fear, as one foster parent put it to me? Did it not occur to the Minister and her staff that if they had gotten the cooperation of the Foster Parents Association, who would certainly be willing to help out in any kind of information gathering, and to do it that way rather than going to some third party doing a survey which all indications are from this Minister and the First Minister that in fact surveys do sometimes upset people? There is misinterpretation that there would not have been this very unfortunate reaction that had occurred because of the result of the survey.

**Mrs. Oleson:** I do not think the Member is being realistic when she says that the foster parents should have been helping with the contingency plans for a moratorium. I think that is stretching it a little bit far.

The survey questions were read from a script by professional people, a professional polling firm. I am very upset that there were people confused about it and upset about it and it is unfortunate that happened. But I have explained to the Member that a professional polling firm did this and we had very good reason for doing it. We had a great deal of concern for the children of this province and that is the ultimate concern. I think if I or my department or this Government erred on the side of helping to protect children, then I think that we were in the right.

**Ms. Gray:** Mr. Chairperson, the Minister has brought up the subject of what was discussed in the survey, and there seems to be two thoughts here. The Minister of Community Services (Mrs. Oleson) has indicated today, and indicated in the House as well, that the

purpose of the survey was to better plan for contingency planning in the event of a moratorium.

The First Minister (Mr. Filmon) in the House, as well, said that, but then a day or so later, in fact expanded and somewhat changed his mind and opinion and said, as well as contingency planning, the survey also was seeking information as to what kind of support the Foster Parents Association had from the foster parents across Manitoba.

Was then that survey more than just contingency planning, as indicated by the First Minister in the House?

**Mrs. Oleson:** All that was part of contingency planning. We needed information and we sought to get it.

**Ms. Gray:** The Minister of Community Services (Mrs. Oleson) and some of her department and/or the First Minister (Mr. Filmon), were they concerned that the Foster Parents Association were not representing the views of foster parents across Manitoba?

**Mrs. Oleson:** We wanted to assure ourselves that we could meet the needs of the children of this province. That was our primary concern; that still is our concern, that the children who need our protection and our help get that protection. That is one of my responsibilities as a Minister, and that is why all the information was needed. We needed to know exactly where we were because we were faced with a possible moratorium. Nobody wanted that moratorium but we could not just sit back and wait and see whether it happened. We had to prepare ourselves in the event that it happened.

Actually, also if I may add, at this time the Foster Parents Association are canvassing their membership to get support for this agreement that we reached, which is a very important agreement. I do not think it is very productive to be going off on these tangents, discussing things which may have the potential of jeopardizing those discussions and a good conclusion to this agreement. We want that agreement to be ratified by the foster parents of this province, and I think that the association wants that to be ratified. I know they do, or they would not have signed it.

So I do not think that any of this extraneous talk and rumour and so forth has any place and will in any way help the situation.

**Ms. Gray:** I take objection to the fact that this is considered extraneous. It was the foster parents themselves who brought the concerns forth to us and other Members in the House regarding this survey, and I think, unfortunately, and it happened, what we would want to do is ensure that this kind of survey, with these obviously negative results, do not occur in the future.

The Minister mentioned that there were two specific complaints brought to her attention. Has she pursued those two specific complaints with the survey company?

**Mrs. Oleson:** Yes, I was concerned about that, but they cannot be related to what the survey company did. I am following up on it to be sure, just to make sure, double sure, that there were no mistakes made



by that company. I am sure that there were not. They read from the script; they did their job.

**Ms. Gray:** My question to the Minister of Community Services (Mrs. Oleson) is—as hindsight is wonderful, I suppose—would the Minister again, if she had to do this over again, reconsider giving a survey to a third party and actually having that survey conducted?

**Mrs. Oleson:** I believe I said before that the care and protection of children is uppermost, and when you are faced with a subject like this, when you are faced with these sort of eventualities, you do everything you can, everything that is within your power to do, to be sure the children are safe. That is what was done.

The president of the Manitoba Foster Parents Association, who was beside me at the press conference when we announced this agreement, was asked about the survey and did indicate that she was not pleased with it. That is certainly her right to do so, but after that she said, "But some good really came of this." Certainly there was no animosity with that group when I met with them on Monday. Obviously, if there had been a great deal of animosity and unhappiness with us, we would never have signed that agreement.

**Ms. Gray:** Can we assume then, if future issues come up related to the area of foster parents as an example, that this Government has no difficulty in using third parties, pursuing information and asking telephone surveys with a group such as foster parents, who would appear not to be covered under that particular clause in The Child and Family Services Act?

\* (1600)

**Mrs. Oleson:** This is hypothetical because we do not know what situations may come up. We would treat each situation as it arises, but there are many, many, many occasions where governments and others use consulting firms, polling firms to get information. That is not unusual. It is not the first time it has ever been done. I am not the first Minister that has ever used a poll to find out information and I certainly will, no doubt, not be the last.

**Ms. Gray:** Mr. Chairperson, I am quite sure this Minister is not the first nor the last who will be using polling companies. However, I might point out to the Minister that in all instances that I am aware of within the Department of Community Services a specific release of information has always been sought from individuals before their names and addresses were given out. In fact, there have been very stringent guidelines about that.

**Mrs. Oleson:** Yes, the agencies were aware; they gave us the list. The agencies were aware we had them; they were aware we needed them for contingency plans. They were used in good faith; there was no information about individuals. You could get the same information that we had from any telephone book in this province.

**Ms. Gray:** Could the Minister assure for us here today that in the future, wherever foster parents or other

individuals who provide this service are being surveyed, that permission would be asked for ahead of time, either individually or by an association that represents them, such as the foster parents, rather than just going ahead and doing it without any consultation whatsoever?

**Mrs. Oleson:** Is the Member suggesting that I phone them up and ask them if they want to be surveyed?

**Ms. Gray:** What I am suggesting in this particular instance where the Foster Parents Association were very, very interested and willing to work with the Government, and they certainly—my indications are from them that they would have been prepared to session a survey, or assist with the survey, and they could have understood the concerns that perhaps the Government had some difficulty, or was unsure, that was this particular association in fact representing all foster parents across Manitoba. They would have been glad to assist in giving that kind of information without having the negative impacts that have occurred.

What we want to do here today is to ensure that in the future, and assure to foster parents and to other Manitobans across the province, that the Government will act responsibly in terms of—and judiciously in terms of how they use names and addresses of service providers, or clients in terms of garnering and getting information.

**Mrs. Oleson:** For the Member, the Government, this Minister did act responsibly. We were faced with a moratorium that was threatened by the very people she said should have been helping us get information for contingency. I am just a little confused about how the Member figures that works. This was the organization which was threatening us with a moratorium, so we had to get information about how we could care for the children. To ask them, who are facing us with a moratorium, to then come and solve the contingency plans, I do not quite understand what you are getting at.

**Ms. Judy Wasylycia-Leis (St. Johns):** I, too, have some questions related to the surveys, since I think this has been a new event that has unfolded since our last meeting of Estimates last Thursday, and I guess I would like to follow up with a question that I do not believe the Minister herself has actually answered, given the concerns she has expressed today with some of the problems that emerged with the actual telephoning of foster parents, and given the fact that this survey did almost jeopardize, it would seem, the reaching of a tentative agreement, and in fact put at risk the children. It raises the very matter that the Minister herself has expressed concern about.

Given that kind of situation, could she indicate to us today, if she had to do the whole thing over again, would she do it differently? Does she now believe that survey was a mistake?

**Mrs. Oleson:** The survey gave us some valuable information. We met with the foster parents the next Monday evening, we came to a really good agreement. We sat down with them, and we had a lot of

conversation. We talked about the survey, we talked about a lot of things, but we came to an excellent agreement. I think the agreement we came to is the important thing in this whole mess. We came to an agreement, we averted a moratorium. We hope that agreement will be ratified by the membership. We were making sure that children were protected. That is the responsibility of this Minister, this Government, this department, to make sure that children are protected. Children who need our protection can count on getting that protection. That is the whole crux of the matter. What I would do or would not do or might do is really immaterial to the whole discussion.

**Ms. Wasylycia-Leis:** I think all of us on the other side of the House, certainly want to indicate that we believe that it was an important development to arrive at this agreement. We believe the agreement, although tentative yet, is basically a good one and we will be anxiously awaiting the results of the membership. However, I think there are real concerns on our part about the weeks and the days leading up to that agreement, about how a tentative agreement was reached at the very last moment just about, and how fragile discussions were and how much polarization was occurring around the issue.

It would appear from all of our discussions with foster parents, with agency people, with interested citizens, that this survey threw a real ringer into the discussions. It jeopardized good-faith bargaining, and it could have caused the whole thing to blow up and lead us straight to a moratorium today. That would, of course, been the ultimate wrongdoing for children and for foster parents of this province.

Given the Minister's last words on this matter, could she indicate to us what information from that survey was useful in terms of reaching a settlement on Monday? What information was gathered? What was presented to the foster parents? How did that help in terms of actually arriving at a tentative agreement on Monday?

**Mrs. Oleson:** The important thing was that there was an agreement reached on Monday. It was not jeopardized by the survey. It was a good meeting which resulted in a good agreement, which we hope will be ratified. That is the important and overriding principle of this whole thing. I am sure the Member and I and the Liberal critic could sit here for days and argue, and we will not agree on this. I believe that a good agreement was reached. The children are protected. We do not have a moratorium on foster care today, and that is the important and overriding thing in the whole matter.

**Ms. Wasylycia-Leis:** I guess I am still not sure I have an answer. I know I do not have an answer to the question. I am still not sure what information was useful from the survey, why the survey was necessary.

I would like to know, given the Minister's comments in response to an earlier question that it was impossible to work with the Manitoba Foster Parents Association to gather the necessary information that the survey gathered, because they were the very people involved

with presenting the notion of a moratorium, could she clarify why—I guess I do not understand her answer to that question.

Could she clarify why it was not possible to work with the Manitoba Foster Parents Association as the representative official organization for foster parents in the province with a good wealth of information, why it was not possible to sit down and get the same information going that route rather than going the route over the heads of the association and directly to the members that it represents?

**Mrs. Oleson:** I did not ever say that it was impossible to work with the Foster Parents Association. Obviously, we can work with them, because we came to an agreement.

I think the Member is missing the entire point of what I said before. If someone is threatening you with a moratorium, you do not ask them to make your plans for contingency. I mean, that would be stretching it a bit.

\* (1610)

**Ms. Wasylycia-Leis:** If I could ask a few questions about that survey in specific detail, could the Minister indicate when the notion of a survey was generated and when it was decided to go ahead with the actual survey?

**Mrs. Oleson:** We had been concerned with this problem for some time. We had been discussing different ways of how we could deal this. We needed a firm and quick way to know what contingency plans we needed to go further. We had some on the go, but we needed to know how many homes we could count on and how many we would need to take care of the children. Of course, we never know exactly how many children need to be taken care of at any given moment or how many homes are available.

We needed information, and this did not happen out of the blue. We discussed it at great length, so I do not think the Member needs to be further concerned about the survey. It provided us information, an agreement was reached, and we hope that it is ratified.

**Ms. Wasylycia-Leis:** What role did her department and her Research and Planning Branch have in this matter?

**Mrs. Oleson:** The Research and Planning Branch had no role in this. We hired a private company to do the survey.

**Ms. Wasylycia-Leis:** Could the Minister indicate for us who hired the firm of Western Opinion Research?

**Mrs. Oleson:** The Government hired the firm.

**Ms. Wasylycia-Leis:** Could the Minister indicate exactly who was involved in executing the decision, who was involved in liaising with the agency, who contracted with the agency?

**Mrs. Oleson:** I gave the information to the Member that the Government had contracted with the firm.

**Ms. Wasylycia-Leis:** Who specifically in Government was responsible for this contract? Who signed the contract?

**Mrs. Oleson:** I think that is immaterial. The Government hired people to do the survey. It was done, and the agreement has been signed with the Foster Parents Association. Children are being taken care of and I think the rest of the thing is extraneous and immaterial.

**Ms. Wasylycia-Leis:** We have just spent an hour discussing the matter of the survey. The Foster Parents Association tells me that—I mean, the Minister is assuming responsibility for the issue. I would expect her to be able to answer if it is her department that was responsible for it or another department or the Premier's (Mr. Filmon) Office or what. Who in Government, what part of her Government contracted with the agency, signed the contract?

**Mrs. Oleson:** I, as Minister, am responsible for this department, but I do not take every decision by myself. I discuss it with my colleagues, I discuss it with Cabinet. We work as a team. The Member may not be particularly familiar with that sort of route in Government, but that is how this Government operates. We work as a team, we work together.

We are very happy that we came to an agreement with the Foster Parents Association, and I hope that the discussions and the extraneous material that has been brought into this does nothing to jeopardize the ratification of that agreement.

**Ms. Wasylycia-Leis:** Just to indicate to the Minister, I am quite well versed about Government and how it operates. I know that someone has to sign the contract. One Minister has final responsibility, has ultimate responsibility, has the responsibility for execution and administration. Who is responsible? Was it her department or herself? Could she be specific? Certainly I think we are all here to look for information in this very serious matter.

**Mrs. Oleson:** I do not think it makes one bit of difference who signed the contract. The department, the Government contracted to get a -(Interjection)- it may be to you. You are dragging in extraneous material. This Government contracted to have a survey done. It was done, and that is it.

**Mr. Chairman:** On Item (c)(1), Salaries, shall the item pass?

**Ms. Wasylycia-Leis:** No, I have some further questions.

I think we are still interested in getting an answer to that question so I would ask, again, if the Minister could indicate what role her responsibility had in terms of the survey and who was responsible for liaising with the agency, who worked with the agency, who is responsible for the work, and who signed the contract?

**Mrs. Oleson:** I will repeat for the Member—the Government contracted with a company to do a survey. The survey was done; the information was very useful.

An agreement was subsequently reached with the Foster Parents Association. It is the agreement that is the most important thing here; I think the Members are forgetting that.

The agreement that was reached and the moratorium that was averted is the very, very essence of this whole thing, and who signed contracts and who did not talk to who, and did not do what, is really not important.

**Ms. Wasylycia-Leis:** Mr. Chairman, okay, let me just back up for one moment. The Minister just gave a very lengthy answer to the question about why it was necessary to do the survey. She felt it was critical in terms of the whole situation. Therefore, she has taken considerable responsibility for it.

Could she please indicate if it was her department and herself, as Minister, that saw this survey through in terms of all of its stages, including the selection of the agency, the contracting with the agency, the development of questions, the compiling of information, the use of that information?

**Mrs. Oleson:** As I said before, the agreement that was reached with the Foster Parents Association, the agreement that they are at this moment seeking to have ratified, is the important and overriding thing in this whole matter. We were very, very concerned that we might be faced with a moratorium this very day. We worked for a long time and we discussed this at great length and we were working on contingency plans. Our Government is very, very concerned that people under our care get the service they need and deserve, and that is the overriding principle under which we work.

\* (1620)

We recognize that foster parents in this province do a great deal of service for this community, this province. They have been having problems with rates. They discussed for years with the Government of which that Member was a part. They have now come to an agreement which is far greater strides than they have ever been able to manage under the former NDP Government, and that to me is the most important part of this thing. We have reached an agreement that reaches into the future. We have not said to them, go away, here is a Bill of Rights, have this for dinner, and not negotiated and not planned for the future. We have planned for the future, the future rate increases for three budgets. That is something that has never happened to this group before and that is very important. That is the important, the overriding factor in this whole thing; that they have an excellent, very excellent agreement of which I can be proud, the Government can be proud, and the Members opposite should be proud. They keep being preoccupied with things that are in the past and not really relevant to the agreement. The agreement was reached with all sides sitting down.

One thing that I learned from the Foster Parents Association when we had that meeting on Monday, one reason that they had wanted things written down clearly and signed was because they heard these sort of

promises given to them before. They thought that this Government was just the same as the other perhaps, that we would say oh, yes, we are going to negotiate in the future and then it would never happen. We found that we had said that we would negotiate. We knew we were going to. But they wanted it in writing. So we gave it to them in writing. They had these sort of promises for years and nothing had come to fruition. When I realized that was the problem, I could certainly see it.

They have tried for years to give the NDP Government the information that their funds were not adequate. They have patted them on the head and said go away, we will give you this little, from this year. This Government has done more than any other Government for years to help the foster parents of this province. We came to an excellent agreement not only for this year—a large increase for this year—but the assurance signed in black and white that they will have an agreement, that they will have increments for three Budgets in a row and then the ability to negotiate after that. We have assured them that their association will get its funding which was never a question of what form was in question but they are getting their funding. We have given them extra money by way of—we are paying their insurance premium. They could free up those funds that are within their grant in order to do some training which they tell us is needed. I believe that it is. I have met with foster parents over the last few weeks and learned of their concerns.

When we were finished, we had discussed this agreement on Monday, and we were waiting for the final draft in the "i's" to be dotted and the "t's" to be crossed. We had some good discussion on plans for the future and what were the problems that they faced as foster parents and as an association in dealing with agencies, in dealing with Government, and dealing with the children that they take care of? I promised them at that time that we would sit down often in the future and discuss ways that we could improve the situation for the children, the ways that we could improve their relationship with the agencies. We will sit down with the agencies and discuss that. We discussed the ways that we could make things smoother through working with Government. We left that meeting in a very up-beat way. We had really accomplished a lot. I am very proud of that agreement. I think to take anything away from it, in the manner that the Member is doing, in fact, possibly could put that agreement in jeopardy, is really not doing any service to the children of Manitoba.

**Ms. Wasylcia-Leis:** I think that the Minister's answer really just begs the question: Why did it take until three days before the moratorium for the Minister to put anything on the table besides a counter proposal which only included taking money away from the Foster Parents Association and to give directly to the foster parents?

Now, I think if we are talking about irresponsible action, if we are talking about accelerating tensions and about jeopardizing negotiations, I think we have the perfect example of that in this particular instance. There was no movement. There was no cooperation.

There was no sensitivity on the part of this Minister or the Government to the foster parent concerns until enough pressure was amounted by Monday.

Our questions today have not to do with the agreement. They have not to do with jeopardizing the agreement. They have to do with the policy of this Government with respect to relations and negotiations with similar organizations, with non-profit community organizations in the Manitoba community. What we have here is a very frightening situation. We are trying to get an understanding from this Minister how she intends to deal with other similar organizations when talking about levels of operating funds, when talking about fees, when talking about any particular fiscal or non-fiscal related matter with any non-profit community-based organization that she deals with.

So let us get back to the situation at hand which is why the survey. What information was gathered? Would the Minister please indicate then if she, to go back to her statement which is that the information was so necessary from this survey to deal with the potential moratorium, to deal with the situation of having to find alternative arrangements after today, September 1, the date of the moratorium, what information that survey was going to provide her.

What were the questions? How many questions actually asked that question? How many questions got at the issue of alternative emergency arrangements in the event that a moratorium would take place? How many questions were there in total? How many sought that kind of information?

How many questions dealt specifically with trying to ascertain whether the members were prepared to go around their association's wishes, were prepared to break the association, were prepared to take money away from their association and put it in the direction of the foster parents?

We would like to know what information was obtained through this survey, how it was put to use and how it is being used now.

**Mrs. Oleson:** I take exception with the Member's comments about trying to break the association. That certainly was never the intent.

However, let me take you back to the first part of these discussions that I had with the Foster Parents Association. You must remember, I am sure the Member will realize that, when you are doing negotiations, you make different suggestions and they are either accepted or turned down. That is what negotiating is all about. I met with the Foster Parents Association some time in early July. The meeting I really want to talk about is the meeting that was held the day after the Budget.

The day after the Budget, I met with the Foster Parents Association executive and that was the earliest time I could meet with them to discuss Budget matters, as the Member well knows. I placed before them the information that the rates that we were going to be paying were in the Budget for this year and told them that information. Of course, they were anxious to know. When I had met with them before, they had indicated

and told me their problems and I had been told by staff about the problems. I had been briefed on them. They had indicated to me the years that they had tried to negotiate for that raise.

At that time I also indicated to them that there was one possibility that they might consider in this whole thing, that they got a grant from the department every year for their association. Would they like to consider, would they consider using part of that as part of the rate for the children? I said that is an idea that I will put before you. You can either say yes or no. It will not jeopardize the grant. But take that and think about it with your membership and, when you discuss with them the rate that we are going to give you, the 3 percent increase plus the extra \$1-a-day increase, think about that too and let me know.

\* (1630)

We discussed the problems they have with insurance. We discussed the problems they have concerning legal fees because of the damage that sometimes is incurred by children. We discussed a lot of matters. But that was what I said to them. Now consider this and if that is not to suitable, then tell me that. When they wrote back to me, they said they preferred not to use that fund for that purpose and I accepted that. Since then, I have learned some of the things they need their funds for and I quite understand that they would turn that down. The grant was never in question, and for the Member to say that it was—they are going to get the money, and then as a result of the agreement they are getting more. They are going to be allowed to use that money that was for their insurance premium; they are going to be using it for training.

So I am very pleased with the agreement as it turned out. Sometimes the road to agreement, as the Member will very well know, is not a smooth one. But when you have reached an agreement and both sides are happy, that is a tremendous achievement. I think this department has done well to reach an agreement like that with the Foster Parents Association. I have had nothing but a good relationship with them over this agreement; they are happy with it. So to say that I was trying to break the Foster Parents Association is totally wrong.

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Chairman, firstly, I would like to congratulate the Minister on her efforts and on reaching a settlement on this very difficult set of negotiations. I think that the efforts she went to, it was obviously very tough negotiations, and they were concluded certainly in the last hours before the threatened moratorium. But for those who have been involved in negotiation, one realizes very quickly that often the most difficult negotiations are dissolved in the last moments, as parties are pushed by a time limit to resolve those issues.

I am somewhat taken aback by the line of questioning of the Member for St. Johns (Ms. Wasylycia-Leis). I think her efforts in trying to raise the matter in the Legislature and bring the negotiations into the public forum, serve not to speed up the process of settlement but perhaps jeopardized that agreement coming to conclusion.

Mr. Chairman, my question to the Minister is I would like her, if she could today, to put on the record just the rate increases for the information of the committee, that the foster parents received in the last six years.

**Mrs. Oleson:** We do not have that with us at the moment, but I can send staff to get it and give it to you or read it into the record in a few moments.

**Mr. Praznik:** Certainly, I think that would be most worthwhile.

**Ms. Wasylycia-Leis:** Back to the Minister's response to my question on the use of the survey to gather necessary information.

The Minister has talked about the fact that she did not want to attempt to break the Manitoba Foster Parents Association. Given that statement I would ask her, can she indicate whether or not the survey included at least one question on how foster parents felt about dollars going from the Manitoba Foster Parents Associations to foster parents? If that was the case, what was the purpose of that line of questioning, given her comments she has just made now, and given her comments made earlier about the need to gather information?

**Mrs. Oleson:** I do not have the questions in front of me so I would be paraphrasing, trying to recall exactly what was said. But as I said before, we used that survey to get information. Even the Foster Parents Association said that some good came of the whole thing. The whole thing resulted in a very good agreement being signed. I will stand by that agreement. I am just hopeful that the foster parents in Manitoba ratify it.

I have, for the Member for Lac du Bonnet (Mr. Praznik), I can read him part of the agreement that was signed which has to do with the rate increases that were signed and the other matters of course that were signed by myself and the president of the Foster Parents Association on Monday. One of them was an increase in the basic foster care rate, was effective April 1, 1988, will be 3 percent. It is retroactive to April 1. And then \$1 a day effective September 1, 1988, an average increase of 12.4 percent.

In the future, because this is an agreement that is not only for today but goes into three budgets, is the way we did it, foster care rates will be increased in equal and consecutive percentage increments in accordance with the following schedule:

The date of September 1, 1988, ages 0 to 10, \$10.84, which is an increase of 13.40 percent; and ages 11 to 17, \$16.23, which is an increase of 9.7 percent. I might say, before I continue reading this, we have gone from a breakdown of four age groups. We have translated that into—which did have four age groups before—at the suggestion of the indepth report that was done on foster care rates. At that suggestion, we have moved to, instead of having the four age groups, we are having two age groups. We think that will help in the future to bring the rates closer in line. They were straying somewhat. By the end of this agreement, they should be fairly close in line.

I will continue, that on April 1, 1989, the 0 to 10 age group will reach \$13.53, which will be an increase of 24.82 percent. In the same year, the ages 11 to 17 will be \$18.74, which will be an increase of 15.48 percent. When we get to April 1 of 1990, the per diem will be for 0 to 10, \$16.88, which will be a 24.82 percent increase. When we get to ages 11 and 17, we will have a per diem rate of \$21.64, which is a 15.48 percent increase. In the last budget of the agreement, April 1, 1991, 0 to 10 will have a per diem rate of \$21.06, which will be a 24.82 percent increase. The 11 to 17 year olds, in that same year, will be \$24.98, with that being an increase of 15.48 percent. As has been in the past, the Northern Allowance will be added to that.

So that is the sort of rate increases that we negotiated with the foster parents and they seem pleased. At least now they have a firm commitment that this is going to happen; where before they were promised, this is a firm commitment signed by both parties.

\* (1640)

I also might say that cooperative commitment to develop objective criteria by which special needs funding is to be allocated to foster parents on a fair and consistent basis is also part of the agreement. Because I understand from meeting with foster parents sometimes that is a problem with how they have to negotiate individually the special needs, and sometimes they do have a problem with that.

I think it is a matter of sitting down with the association and with the agencies and working out what may be wrinkles in the system and make it easier for both parties to come to agreement on how these funds can be allocated. Because what we were negotiating in this set of negotiations was the basic rate and then above that some foster parents get a special rate increase depending on the needs and the spending needs of the child that they are looking after.

Also, I might add for the Member, another clause of the agreement says the Province of Manitoba will cover the Manitoba Foster Parents Association annual insurance cost on the basis of current coverage and will commit to an establishment of a joint working group with a mandate to develop a foster parents insurance plan; because that was one of the things they were concerned about—their insurance plan.

It is not adequate but of course we could not instantly, for the purposes of this agreement, come up with an insurance plan on Monday. It should be easy to understand that. We have to have that studied some more. By September 1, 1990, we will indemnify the damage insurance costs for members of the Manitoba Foster Parents Association in accordance with the plan that will be worked out.

Also, we stated that the Province of Manitoba will undertake to have foster parents accepted as a class covered by Legal Aid, and not income-tested as the usual Legal Aid procedure. We still have to work that out with the Attorney-General but I anticipate certainly no problems with that. Foster parents do have sometimes problems in accusations and so forth and they were not covered previously by Legal Aid. Some

of them end up having incurred quite substantial legal costs in defending themselves say, for instance, if they were accused of child abuse. This happens to foster parents and we certainly do not want to leave them with huge legal fees to protect themselves from this sort of thing.

We also are going to direct current monies on insurance and I mentioned that before, the amount that we currently give them in their grant. We are going to let them use that for training, and we are going to pay their insurance coverage for this year.

Also in the agreement is the written intent of the two parties to negotiate further increases in foster parent rates after April 1991. So not only do they have the stated rates that are being placed in this agreement and signed by both parties, but they have the assurance that after that date passes, both parties will sit down and negotiate future rates. I think that is a very important part of the agreement. That is one thing they raised with us, well, what happens after 1991, and of course that is a legitimate concern.

So written into the agreement is that there will be negotiations to take place after that—probably prior to the expiry of the agreement—but this is the first time that the Foster Parents Association and the foster parents of Manitoba have had this kind of an agreement written and signed by both parties and I think we can be very proud of the achievement of having gotten that agreement also.

**Mr. Praznik:** I think what the people of Manitoba have come to recognize in the course of these negotiations is that the great difficulty in which Madam Minister was placed arise out a long history of unfair treatment of this particular organization by the previous administration. The specific question which I would like to put to the Minister, since we have heard a long period of discussion by other Members of this committee, asking about breaking the association, etc., was what specific rate increases has the association received in the last few years prior to this agreement being signed?

**Mrs. Oleson:** I understand that over the last few years they have had a 3 to 4 percent increase every year in their grant.

**Ms. Wasylcyia-Leis:** Let me just try a couple more questions and I will pass the mike over to whoever else is waiting. I have been trying to ask questions about the survey for the last half hour, or longer, but to no avail.

The Minister is obviously carrying on what happened in the House and stonewalling around any questions pertaining to that particular survey, giving the impression that she is implying that if we ask questions around the survey, it will jeopardize the tentative agreement that has been reached. To me that only suggests that there is something in that survey that is rotten, that something is terribly wrong with the survey. That accounts for the fact that no information can be released. It would almost seem that the Minister either does not know, and that all of these decisions were made elsewhere and have not remained in her control,

or have been dealt with by her department, or that she has something to hide and the Government has something to hide.

Could the Minister clear the air around this whole issue, clear the air, give us some straight answers, so that we can get on with other business? Give us some answers about who was responsible for dealing with the agency? Who contracted with the agency? Who wrote the questions? How many questions were there? How many foster parents were surveyed? If she has not got the questions in front of her, give us a breakdown of the questions.

Could she please give us some details on some basic, fundamental issues around the survey to clear the air and to indicate that there is nothing to hide from anyone, and nothing that was done that was untoward in terms of dealing with the Foster Parents Association that would have jeopardized the negotiations if they had been revealed? Let us clear this matter up here and now.

**Hon. Gary Filmon (Premier):** Mr. Chairman, I am listening to the questioning by the Member for St. Johns (Ms. Wasylycia-Leis), and I cannot help but feel that she is up to no useful purpose. She really is not interested in seeing a proper resolution to the matter of differences between the Foster Parents Association and the Government. She is not happy that they have been satisfactorily resolved to the best interests and also, of course, to the pleasure of the Foster Parents Association who referred to it as an historic agreement, who referred to it as a very progressive agreement that sets a standard for the rest of the country. She is unhappy with that and wants to take that, discredit that process and discredit that achievement by simply being like a dog with a bone in continuing to chew away at the survey as somehow being a problem.

The fact of the matter is that survey was done by the Government to ensure that full and complete information was in the hands of the Government when entering into final discussions and negotiations with the Foster Parents Association.

\* (1650)

If she will read Hansard, she has the answers to everything that she asked for. If she does not want to take my word for what was in that survey, then she can go about anywhere she wants and try to discredit me. But I will tell her that information has been provided. Nothing was done in there that was untoward, and no information that was asked for was anything other than what was relevant to the issues that we were trying to settle.

The final analysis of the situation is that we did settle the dispute. After leaving the foster parents in an unhappy position for six-and-a-half years under her administration, leaving them in a position where the Foster Parents Association did not trust Government because of the way they were dealt with by her previous Ministers in Government in the NDP and her administration, we resolved all those problems. We eliminated the acrimony between the association and

the Government, and we arrived at a settlement that was suitable and very acceptable to the Foster Parents Association.

She now wants to discredit that by chewing away at the issue about whether or not there was anything untoward in those questions. I will repeat for her - (Interjection)- I will tell the Member for Flin Flon (Mr. Storie) that at no time ever in the six-and-a-half years that he was in Government did they ever table any questionnaire, did they ever give - (Interjection)- Yes, we did—did they ever give information on who was the pollster, did they ever give any information on what it cost—never, never!

**Mr. Jerry Storie (Flin Flon):** This was an attempt to intimidate.

**Mr. Filmon:** It was not an attempt to intimidate. The Member for Flin Flon is providing false information, false allegations, the like of which does nothing but discredit him and his credibility in this House. There was no intimidation whatsoever. They were straightforward questions and there were 13 of them - (Interjection)- I will tell the Member for Flin Flon (Mr. Storie) and the Member for St. Johns (Ms. Wasylycia-Leis) that they only want to try and further create divisions and dispute between us and the foster parents. They would like to see the—

**Mr. Storie:** Let us see the questions you are hiding.

**Mr. Filmon:** When did you ever put one question on the table when you were in Government? Not once. You polled for six-and-a-half years and you never put any of them forward.

**Mr. Storie:** I think the surveys are in the Library, Gary.

**Mr. Filmon:** They are not.

**Mr. Storie:** Yes, they are.

**An Honourable Member:** They are not.

**Mr. Filmon:** For four years, we had Orders for Return for your surveys and your polling. You were so dishonest as to never, ever have the pollster reveal that the survey was being done for the Government of Manitoba. We had the courage and the honesty to put that as the first thing that was said to everyone who was questioned so that they knew up front who was asking the questions.

**Ms. Gray:** Since the First Minister (Mr. Filmon) is here, perhaps the First Minister or the Minister of Community Services (Mrs. Oleson) would clarify for us—and the First Minister has made mention of his credibility. We are getting two stories.

First, we were told that in fact the questionnaire, telephone survey simply dealt with preparation for contingency planning for a possible moratorium. Then we hear later in the House that in fact it was more than that. As well as contingency planning, it also dealt with some questions around the supporting of foster

parents of their Foster Parents Association, and further information on whether dollars that go to the Foster Parents Association, regarding a grant, perhaps could or should be diverted to foster parents for an increase.

Would the Minister of Community Services (Mrs. Oleson) or the First Minister (Mr. Filmon) clarify what was the situation? Were the questions strictly around contingency planning, or did they deal with those other areas which I have just mentioned?

**Mr. Filmon:** At no time did anybody say it was only to ask questions about . . . .

**An Honourable Member:** Yes, you did in the House.

**Mr. Filmon:** No, we said it was primarily to ascertain information that could be used for contingency plans. Among the plans for contingency were, first and foremost, not to have to face a moratorium. That is our first contingency plan is to avoid having a moratorium. Now that may not be something that the Liberals or the NDP wanted. They might very well have liked to have seen that kind of chaos in this province, but we did not want to as responsible Government.

**Mr. Storie:** On a point of order, Mr. Chairperson. I believe it is customary to have questions directed to the Chair and to the Minister responsible. I do not know that we want to get into a debate with the First Minister (Mr. Filmon), despite his attempt to impose his view.

**Mr. Filmon:** Just for the benefit of the Member for Flin Flon (Mr. Storie), the Member for Ellice (Ms. Gray) said she—

**Mr. Chairman:** A dispute over the facts is not a point of order.

**Mr. Filmon:** I will carry on. But the Member for Ellice (Ms. Gray) specifically said she did not mind whether the question was answered by the First Minister or the Minister of Community Services (Mrs. Oleson). The Member for Flin Flon (Mr. Storie) may want to try and muzzle me and prevent me from answering questions, but the Member for Ellice is very open. I know that she asked that question in good faith, and I am happy to answer that question for her.

We said that we were asking primarily for contingency plans, and contingency first and foremost means avoiding the moratorium and eliminating the conflict. I will say that every day we gave more and more information until yesterday I indicated that approximately a dozen questions were asked. I have since gone back and taken a look at it, and there were 13 to be exact. I said approximately 165 calls made, and I have since gone back and checked and there were 168 calls made.

I told her yesterday that the questions surrounded the availability of homes should there be a moratorium, which we wanted to avoid. I am trying to recall now, but I gave here four specific areas in Question Period yesterday that were surrounded by the 13 questions that were involved. I repeat that we have all of the

information available to us that allowed us to come to a satisfactory solution of the problem. We arrived at a satisfactory solution of the problem and, under no circumstances, was any confidentiality breached and, under no circumstances, did we act in a way that breached our responsibilities or our legal obligations as a Government, and she can bank on that.

**Ms. Gray:** In this discussion that has gone on this afternoon, the Minister of Community Services (Mrs. Oleson) spoke of negotiation and talked about what it meant. I have been thinking perhaps her and I have a different idea of what negotiation is.

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

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

**Ms. Gray:** Perhaps, for the clarification of people sitting around this table, maybe this is where some of our difficulties in the discussion have been.

Would the Minister clarify for us how she defines "negotiation"?

**Mrs. Oleson:** I did not realize I would have to bring the dictionary today.

Negotiation takes place when two groups want to settle some dispute. Each side presents their case. They want to come to some mutual agreement. That is what negotiation is all about. That is what this department did with the Foster Parents Association. We each presented our case. We went away and considered it; we gave answers; we discussed again. That is what takes place with negotiations, as far as I am concerned.

**Ms. Gray:** That clarifies it somewhat. Could the Minister tell us—she made mention of the fact that when she first sat down with the foster parents in negotiations, she had presented this idea of having some of the grant money to the Foster Parents Association diverted so that in fact the rates of the foster parents could be increased. Then she mentioned this afternoon that, since then, she learned what they needed the grant for.

Could the Minister explain to us, how could she possibly go into negotiations with an association such as the Foster Parents and not have any understanding of what their mandate was?

**Mrs. Oleson:** I do understand what their mandate is, but I wanted it clarified from them just what purposes exactly they use this money for. When you are giving money and giving grants to people, you do ask questions about what they use it for—at least I do. It is very important to this Government to know that our money is going to the right place. We have discovered and we now are assured that the Foster Parents Association use their grant money for support to foster parents. We wanted that clarified. We wanted their education function clarified. These are all the sorts of things that take place when you are discussing issues. It was a proposal I put them strictly as a proposal. They were to take and consider it and they did, and



they did not want to go that route. That is fine. That is an agreement they came to.

**Ms. Gray:** Just seeking clarification on that question, then did the Minister have information as to what the Foster Parents Association were about, what their mandate was? Was she briefed before she entered negotiations with the Foster Parents Association?

**Mrs. Oleson:** Yes, I was briefed on functions of the Foster Parents Association. As time has gone on, I have understood it more clearly. I think that is part of the learning process as a new Minister, to ask questions and learn things. If I never asked questions in my department, I might not find out all the information I need. I think the important thing is to discuss with people and ask them, now what are you doing with it? Is this really an important function of your organization? I get feedback from—people like to be asked questions like that. They like to be able to explain to you exactly what they do in their organizations and to further their cause. I found that a very useful learning experience for myself to find out how important it was to them to have these functions.

That is why, as part of this agreement, we are strengthening the function of education by giving them that extra money so that they will be able to perform a function that they really strongly believe should be performed as the education of foster parents before they take children into their home. I am discovering, in discussions with them, that sometimes some foster parents were not really clear on exactly their role as foster parents before they took children in.

\* (1700)

Resulting from those discussions, which the Member does not seem to think were necessary for me to have, but I found out from these discussions that there is a need for more training money. We address that need in this agreement by giving them extra money. They were very grateful, very pleased with that extra help. That would never have come about, I do not think, if we had not gotten into those discussions.

**Mr. Chairman:** On item (c)(1), Salaries, shall the item pass?

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

Committee rise.

## SUPPLY—INDUSTRY, TRADE AND TOURISM

**Mr. Chairman, Mark Minenko:** We will continue dealing with the Estimates of the Department of Industry, Trade and Tourism. We are presently considering item 1.(c)(1) and 1.(c)(2) at page 112, the Main Estimates of the Province of Manitoba. The Honourable Member for Brandon East.

**Mr. Leonard Evans (Brandon East):** Mr. Chairman, on August 25, when we were debating this area, the

Minister made some accusations, I would say, that the previous Government, the previous Minister of Industry prohibited the staff from doing anything with the military. I am referencing page 800 of Hansard, do not do anything with the defence industry; that is the attitude of the Government. I asked him at that time to file that memo and he said he would undertake to file that memo whereby our Government presumably told the staff not to be involved with any firms dealing in aerospace, dealing with the military. Has the Minister that memo to file?

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** First, let me apologize to the Member for not having done so. The elapsed time between then and now, I tended to occupy my mind with some other things that were occurring, so I apologize and I will undertake to do that. I do not have the memo with me. It is in my office and I will undertake to do that today.

**Mr. Leonard Evans:** I look forward to getting a copy of that memo. I am surprised his staff did not make a note of it and bring it forward to the Minister because the Minister is busy and cannot remember everything and all these details.

I want to refer the Minister to a report entitled the "Manitoba Aerospace Technology Capability Directory," and it is put out jointly by the federal Government and his department. In this report, signed by Vic Schroeder, then Minister of Industry, Trade and Technology, outlines Manitoba's track record in the aerospace industry and how he and the department were promoting it, were working with that sector. This entire booklet is replete with examples of assisting Manitoba companies dealing with the defence industry. It is just replete with that. This would seem to me to contradict the allegation of the Minister that we did not wish to have the department deal with firms that had some defence industry implications.

Em Wave Technology Limited of Winnipeg, major clients of the defence research establishment, here is one that is being referred to. I am just going to quote a couple of examples here, but the whole book is filled with examples of the aerospace industry being involved with the military and with our Government assisting those businesses through the department. Maclaren Plansearch Inc., Winnipeg, among other things, it has provided environmental impact and remediation research for the Canadian Department of National Defence; Technical Products International Ltd., CAD Systems, all working with companies either directly with the Department of Defence or with companies who have relations with the Department of Defence. ICAM Technologies Corporation, since its inception in 1971, this corporation has become the leading developer and supplier of advanced manufacturing software solutions for North America's aerospace defence and automotive industries. Here we are promoting. There is reference to Pulse Engineering Ltd., Winnipeg, again dealing with a company that is providing services, functions that have to be approved by the Department of National Defence, Approved Standards Lab; Boeing of Canada, again a major client of the Department of National

Defence; Canadian Tool & Die Ltd., again reference to the Department of National Defence. This whole book, Mr. Chairman, goes on and on and I say contradicts categorically any assertion by the Minister that our Government was not prepared to assist industries in obtaining defence contracts, particularly in the aerospace industry.

There may have been, as I recall, some reference to nuclear weapons, because there is some concern about nuclear capability but not to defence per se. Maybe the Minister is confused on that, so I do look forward to him bringing forward the memo and tabling it in this House for both myself and my colleagues in the Official Opposition Party.

Similarly, the Minister chastised us for not making progress in the health products industry and I want to remind him that a considerable amount of work has been done under our Government, bringing us to the point where you can sign an agreement with the federal Government. You just do not sign an agreement with the federal Government without all kinds of research, planning, preliminary work, all kinds of committee meetings going on at the staff level, as well as the ministerial level, between Ottawa and Manitoba.

In this report for 1986-87 of the department which was tabled in this House and was signed by the present Minister sitting before me, so I presume he approves of the contents, there are all kinds of references to all the work that was done to promote the health industry in Manitoba.

In 1986-87, "14 projects were initiated with investment of over \$4 million, and near-term employment totalling 140 jobs" and so on. I am not going to read all these. I am just making a point referring to a few references here of development of improvements in that industry where progress was made, cooperating with all kinds of organizations. "Industrial development efforts involved trips to Minneapolis, Montreal, Toronto, Ottawa and Israel. More than 100 company calls were made. These efforts, combined with work in other sectors, resulted in the initiation of 15 additional developmental projects. In addition, further discussions were conducted with Atomic Energy of Canada Limited to identify the potential for custom sterilization services for medical device manufacturers.

"Extensive consultation continued with the health care community, the academic and private sectors, raising useful ideas and securing widespread support for the health initiative," for a major product. "Four major opportunity areas were advanced: product development (import replacement); technological opportunities;" emerging needs, such as in aging, rehabilitation and so on; and information/communications.

Then it goes on to describe the product development, technology opportunities in conjunction with the St. Boniface Hospital Research Foundation Laboratory and so on. There is a reference here: "Federal-provincial negotiations continued through a joint committee to explore opportunities in the health sector. Task forces appointed by the committee recommended

opportunities in each of the four opportunity niches. Federal-provincial planning projects in information/communications, aging and rehabilitation were carried out. Recommendations of officials were considered by federal and provincial ministers and the drafting of a federal-provincial agreement was initiated."

So I say again, Mr. Chairman, a great deal of work was done, a lot of spade work, the foundation was made, and I am glad the Minister signed the agreement. I am very glad—and I am not taking anything away from him, but do not take anything away from us because I believe my colleague, Mr. Vic Schroeder, who worked in this area in the last Government, did his best to bring about, in my judgment, an agreement with the federal Government. We are glad that we have what we have. So I just want to put those on the record, because I would not normally have brought them up except the Minister did raise them in the discussion of this particular item.

\* (1530)

**Mr. Ernst:** As I indicated, I will table that memo with the Clerk later today.

With respect to the Health Industry Development Initiative, I do not doubt for one minute that there was a lot of spade work done to bring the agreement to ultimate fruition, and I recognize that. I think in my comments, by saying that yes, the staff had done a great deal of work and the former Minister had done a great deal of work to bring that issue to a point, the problem was that the agreement came to a halt in 1987 because of the inability of the then Government to get along with the federal Government.

I sat in this House at that time, and constantly the former Government was bashing the federal Government for a whole wide variety of things, instead of attempting to cooperate with them. So the agreement reached a screeching halt. We might well have been a year ahead of ourselves at the present time had that Government been able to get along with the federal Government, had that Government been able to reach an agreement to see those initiatives take place. It did not take very long once this Government was in place to be able to reach that agreement. Once the agreement was reached, we have seen any number of announcements that have taken place over the last little while. So I do not want to take anything away from certainly those who have gone before me in terms of bringing it to fruition, but I do want to take exception with the Government's inability to negotiate with the federal Government to come to a conclusion.

**Mr. Leonard Evans:** I do not want to rag this around, but I would just remind the Minister it takes two to tango, and I said again I think the times were ripe—is that the term for an agreement? As we all know it, our federal Minister of Health is very anxious to do great things for his province. A federal election is coming, and this is a very propitious time to come forward and sign. I could not think of a better time then to show the people of Manitoba that he was doing something with the province in setting up this facility.-

(Interjection)- You could interpret my remarks in any way you may.

At any rate, I guess we could ask other questions under Strategic Planning, but we could also ask them elsewhere. So as far as I am concerned, unless the Member for St. Norbert (Mr. Angus) has any questions, we could pass this line and proceed.

**Mr. Ernst:** Presumably, if you want a brief overview of the section dealing with Finance and Administration, is that straightforward enough?

**Mr. Chairman:** Before we go on to that, is it then the will of the committee to pass 1.(c)(1) and 1.(c)(2)?

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

**Mr. Chairman:** Order, please. Is it agreed to pass items 1.(c)(1) and 1.(c)(2)? (Agreed)

Item 1.(d)(1) and (2), Finance and Administration.

**Mr. John Plohman (Dauphin):** I would just want the Minister to explain the increase in the Other Expenditures area.

**Mr. Ernst:** Firstly, to the Honourable Member for Dauphin, of the \$100,000 approximate amount, \$50,000 of that relates to the departmental merger. It is a one-time cost for renovations of space and moving of offices and things of that nature to reallocate the staff within the appropriate sections of the department office building at 155 Carlton Street.

The other \$50,000 or so, what happened was, while the Administration and Finance aspects of the Department of Business Development and Tourism were officially linked to Industry, Trade and Technology, in fact certain appropriations under Business Development and Tourism, certain expenses were allocated to a variety of departments and a variety of sections under Business Development and Tourism. What has happened is they have taken those expenses and put them, logically, where they ought to be now, under one Finance and Administration.

As well, there was a shadow, shall we say, arrangement for Finance and Administration in the former Business Development and Tourism Department, which function no longer exists.

**Mr. Plohman:** The staff years are down by almost three, but that is that issue. I was dealing with Other Expenditures. The Minister is saying, of the increase of \$100,000, \$50,000 is for relocation expenses and, the other \$50,000, I did not get clarification from the Minister. I wonder if he could just cover that.

**Mr. Ernst:** The other—\$50,000 was for renovations. The other \$50,000 was expense that had, under the previous split department, been allocated to other departmental functions within Business Development and Tourism. There had been expenses that are logically Finance and Administration that were paid out of other accounts within the Department of Business

Development and Tourism that ought to have been located under Finance and Administration.

As well, there was a shadow arrangement, or a second Finance and Administration function carried on in Business Development and Tourism, even though I.T. and T. handled the direct Finance and Administration portion of it. Those expenses have been lumped into now where they ought to have been, so that they are properly reflected in the budget.

**Mr. Plohman:** The Minister is saying that some staff are being paid out of this area who were not previously? Again, I wanted to clarify that. We are not dealing with staff salaries, but that was what . . . .

**Mr. Ernst:** Other expenses.

**Mr. Plohman:** Other expenses in support of those.

What is the communications increase then by some \$39,000.00? Why did that increase? That is about triple.

**Mr. Ernst:** Mr. Chairman, I have been advised by administration that this item refers to fax machines, Xerox machines, word-processing equipment, telephones, principally telephones, that were not allocated previously under Finance and Administration in part, and hence there is a significant increase. Those are principally the items included under that item.

**Mr. Plohman:** I wanted to just ask about the staffing, some 2.39 staff years. Could the Minister indicate precisely what positions those are, what the functions were of those positions that have been removed?

\* (1540)

**Mr. Ernst:** Two positions related to the function of the Central File Registry which has been disbanded. The Central File Registry had files of the department to consolidate it into one location and there were two positions in that department. Those files have now been disbursed to the individual departments and the need for the Central File Registry no longer exists. Those positions were deleted. As well, there was one accountant who was released in the process.

**Mr. Jerry Storie (Flin Flon):** A couple of questions, the amalgamation of the administration did not include one portion. If I read the Estimates correctly, the Administration in the Tourism area has been left intact. In the Estimates, there are some hundred-and-some thousand dollars for Administration under Tourism. How is that arrived at? Why is it separate from the other administration and finance sections?

**Mr. Ernst:** As I understand it, funding for the staff associated with the Canada-Manitoba Tourism Agreement is kept separate and apart. That funding, under the Canada-Manitoba Tourism Agreement, because it is funded 50-50 by the province and the federal Government, it is separated out and kept apart from that in order to be able to account properly to the federal Government for it.

**Mr. Storie:** So the \$163,000 that is allocated under that budget is strictly for staff available under the Canada-Manitoba Tourism Agreement here?

**Mr. Ernst:** Perhaps the Member for Flin Flon (Mr. Storie) can specify the line item to make sure that I am giving him the right answer, the specific line item that you are referring to here.

**Mr. Storie:** 5.(a)(1).

**Mr. Ernst:** Then the answer I gave you previously is not correct. That is for the office of the new Assistant Deputy Minister for Tourism, a person who is not yet employed, not yet hired. The process of selection is going on.

In addition to that, the other items associated with that expenditure, there are the grant to the Tourism Industry Association of Manitoba. That is \$199,000.00. The Other Expenditures are related to the normal operating expenses of the Assistant Deputy Minister of Tourism.

**Mr. Storie:** Just following up on that, I do not understand what the intention was then in the amalgamation of the administration if we have left one portion out of it? This is only the Deputy Minister's office and that is the only cost that is associated with it. There is no other function in that office, no payroll, no anything else, no accounts receivable, clerk, whatever.

**Mr. Ernst:** It is a management function. It is no different than the Deputy Minister's office. It is no different than the office of the director of the Assistant Deputy Minister of Industry and Trade.

**Mr. Storie:** One final question I would ask, perhaps for my colleague as well, we are left to understand that this amalgamation is going to enable the two departments to see a significant reduction. I am wondering whether either of the critics have asked for tabling of the positions and the individuals who are to be affected by the elimination of those positions, or whether those positions are vacant. I believe I heard a fairly significant number of positions were to be saved. Could we have the detail of which positions, a detailed outline?

**Mr. Ernst:** I do not have a problem with that. Let me ask my honourable friend a question: Do you want to know the names of the individuals who were affected? I hesitate to table publicly information like that in case of some embarrassment, but I have no problem. If the Member wants that information, I am prepared to table it.

**Mr. Storie:** I do not require the names of the people but the names of the positions, not 37 staff years but the individual positions, what functions they previously fulfilled, whether the Minister wishes to include some additional detail of who will be assuming that responsibility, how it will be covered off in the department, I would appreciate that.

**Mr. Ernst:** Mr. Chairman, I am happy to provide that information. I am not in the position to do it right now. It will take a little time to have that pulled together, but I am prepared to table that information certainly.

**Mr. Storie:** One final question, this department is important. The administrative function between the Department of Business Development and Tourism and the Department of Industry, Trade and Technology was never clear-cut, as the Minister indicated earlier.

One of the problems that was experienced by the department was in accounts payable. In many instances, small businesses who were to receive money from the department, because of the complicated auditing procedures and so forth, did not get timely remittances from the Government themselves. I am wondering whether the Minister has had any correspondence from small business, complaints with respect to that, and whether this new amalgamation is going to ensure that small business gets timely remittances from the Government when they are due.

**Mr. Ernst:** I gather, Mr. Chairman, that our standing within the Government was about 25 or 26 out of 27. That has been improved significantly to, I think, we are now No. 16 in terms of ability to turn around accounts payable. We are progressing and we will be No. 1.

**Mr. Storie:** I would like to commend the Minister for his attitude on being No. 1, and compliments to the staff who perhaps have pushed the Minister to make sure and previous Ministers to make sure that happens, because it is unfortunate and unacceptable.

**Mr. Leonard Evans:** I was not going to ask questions in this area, but I do see now that monies are here for communications programs in this area. I would like to know: Has there been any change in the communications personnel, No. 1? No. 2, has there been any change in monies available for communications programs, if I can call them that, because you have got not only the salaries in here but you also have other expenditures? What is the score? Are there any major changes in the communications field that are anticipated?

**Mr. Ernst:** Mr. Chairman, when I was responding to the Member for Dauphin (Mr. Plohman), I think I indicated that the expenditures under this section were for fax machines, Xerox, word processors, telephones, things of that nature. There are no staff salaries under here. It is an unfortunate wording, I think, in the hierarchy of using the terminology that this communications uses the same word that is used elsewhere in the budget under corporate communications. The corporate communications division of the department carries the salaries and expenditures of that program area. So we will get to that in due course. But under here this is simply—you might almost be better off to call it office equipment than you would communications, although telephones obviously are a communication device as are fax machines and Xeroxes, etc.

**Mr. Leonard Evans:** I am not clear though: Where are your communications officers in the department? Are they here or not?

**Mr. Ernst:** Mr. Chairman, it is a separate department under Tourism, and it is called Corporate and

Community Relations, I believe. It is all of that type of communication function, the public relation, communication-type function is located in Tourism. That is where the bulk of the work is generated in terms of the publications generated out of the Tourism Department and so on. All of those people are involved in that area. It comes up under the Tourism section of the budget.

**Mr. Leonard Evans:** Right. Well, you can organize the department any which way. I find it a little surprising.

I know, in my previous department, we had a communications officer or two who were responsible for all information going to the media. There were questions, detailed questions on welfare or employment programs or whatever. That communications officer did her best to provide that detailed information without having to bother senior personnel or the Minister or so on. So, you do not have anyone then who might inquire say, from the media, as to some rather detailed—I do not mean major policy questions, but detailed questions on industrial development. You do not have those questions answered by a communications officer?

\* (1550)

**Mr. Ernst:** I refer the Honourable Member to item 5.(e) on page 116 of the Main Estimates. It is a combined department. It is one department, and whether the communications division of that department falls under the Industry side or the Trade side or the Technology side or the Tourism side is immaterial. That is the communications function for the department. It deals with all aspects of communication.

**Mr. Leonard Evans:** So if an editor or a reporter for a business magazine wanted information about new business enterprises by a certain sector and how many employees and so forth and wanted all kinds of data and so on, they would go to the personnel in this division, the Tourism Division, for that kind of information.

**Mr. Ernst:** For budget purposes, it is located under the Tourism end of it and will fall under the Assistant Deputy Minister of Tourism's Administration. In fact, that is where 90 percent of the communications function of the department falls, so it seems logical that is where it will be located. When they phone for information, they phone the Department of Industry, Trade and Tourism. When the phone is answered, they say, Industry, Trade and Tourism. If they need communications function, the line is transferred to the communications department.

It is not Tourism communications and Industry communications. It is Industry, Trade and Tourism. It is one department so that, when they phone, the call is transferred to that appropriate communications function.

**Mr. Chairman:** 1.(d)(1)—pass; 1.(d)(2)—pass.

The committee will now consider Resolution No. 99, item No. 2.(a)(1) Industry and Trade Division, Industry

and Trade Administration: "Provides planning and direction to the Division."

**Mr. Ernst:** Do the Members of the committee wish to have an overview of this sector of the—perhaps, because it is broken down into a number of areas, we can deal with it branch by branch, rather than—Industry and Trade is basically what it is, Industrial Development and Trade, both. But I think, if we can deal with it one by one under each sector, it might be more profitable. I can give you a little bit more detail as we reach each of those.

So the first division of it, sensing agreement from the Members of the committee that we do it that way, is the Industry and Trade Department's Administration. Industry and Trade Department is administered by an Assistant Deputy Minister, Mr. Dennis Cleve, who is sitting on my left here today. There are four staffpeople associated with his function, and they are mostly support staff, in fact all support staff, for a total of five SYs within the Industry and Trade Administration section. Mr. Cleve, the Assistant Deputy Minister, is responsible for all functions in that division, as we will deal with later in the Estimates, in terms of the total staff costs of \$166,800, I believe it is, and Other Expenditures of \$8,000 relate to the cost of Mr. Cleve's travel and other expenses.

This function, by and large, has not changed a great deal from the previous Industry, Trade and Technology Department. Mr. Cleve was the Assistant Deputy Minister in that department and still deals with the same functions.

**Mr. Chairman:** Any more questions on this item? The Honourable Member for Brandon East (Mr. Evans).

**Mr. Leonard Evans:** It says, "Provides planning and direction." Can the Minister enlighten us? Are there any specific plans for industrial development that you can enlighten us on for the forthcoming year, or is this the appropriate place to discuss that?

**Mr. Ernst:** Yes, I can and I think, if we deal with it section by section, those will be revealed in due course. We are dealing here with the second-line management in the department dealing with these sectors. I think, when we get into each individual line and section, I can comment on program, etc., there.

**Mr. Chairman:** If there are no further questions, are you prepared to pass this section? Item 2.(a)(1) Salaries—pass. Is it the will of the committee to pass? (Agreed) Item 2.(a)(2)—pass.

Item 2.(b)(1) Sectoral Development, (a) Salaries.

**Mr. Leonard Evans:** Is this where the Minister is going to describe some of the plans of industrial development? We have a concern, and I think my colleague from St. Norbert (Mr. Angus) has a concern as well. I know he wants to talk about the Western Industrial Diversification Fund and how it may be impacted by the trade agreement that has just been approved by the House of Commons, and whether there

is any inhibition. At any rate, I would give the Minister an opportunity to explain to the committee specifically what kind of plans are in the works for some of the industrial development that the department is promoting.

**Mr. Ernst:** The sectoral division of the Industry Department provides officers within the department to relate to specific industries. They have responsibilities for those industries, and they are in constant contact with those industries, both locally and outside the country on a regular basis. Their function is to maintain that contact, to maintain a network of people and to encourage new industry to locate in Manitoba, and to deal with the existing industry in those sectors within Manitoba. So their function really will not change a great deal from what existed previously.

We have, however, opened up this sectoral development area to small business. Previously, the small business function was relegated to the Business Development Department. The sectoral people, even though it was maintained in their sector, if there was a small business under, say, 50 employees, then the sectoral people did not get involved with them, and it was left to the small business consultants to do that. What we have done is we have put all of those small businesses in the sectoral area into each sector so that the Sectoral Development Officers can now be in contact not only with larger businesses relating to that sector of the economy but to deal with all of the small businesses. There are a lot more small businesses than there are large ones. I think, by putting them together there, they are going to get a better information base, better contact and certainly better relations than they were by dividing it into two as was previously organized.

\* (1600)

In terms of other industrial development initiatives, as I think we indicated, we have the Health Strategy that we signed with the federal Government recently which has seen some action to date already in terms of the money flowing to Otto Bock for an expansion of their operations in terms of the Aging and Rehab Product Development Centre. Quite interestingly, there is of course the debate on it at the present time with regard to the virology lab, not if it is to be located here but where and in whose riding. Quite frankly, I find some concern that is all that they have got to talk about. Anyway, I think the fact of the matter that the virology lab is going to come to Winnipeg is important. We will see a number of spinoff benefits.

I met yesterday afternoon with the president of Ayerst Pharmaceuticals who presently operate in the City of Brandon, do a fine job, employ a number of people and are very good corporate citizens. They feel, as others who I have talked to feel, that the virology lab locating in Winnipeg will create some significant spinoff benefits for Manitoba and for Winnipeg as a result of the lab. We will be proceeding and looking at potential industries to locate the need to use the virology lab or will become suppliers to it or whatever. We will be chasing those down as much as possible as well.

We understand, quite frankly, that Manitoba is not going to become the world capital for automobile

manufacturing, so therefore it is somewhat silly to direct any resources in those kinds of directions. We will look at sectoral areas where we think we have a niche in the North American economy, where we think we can do it better. We will concentrate our resources on those areas so that we can try and develop an economy here in Manitoba that is going to be vibrant, that is going to be long term and that is not going to be subject to outside pressures and problems that will see it falter. We hope that by picking our niches in the economy that we will see those take place.

Another area of niche in that economy as well is in the aerospace industry, not in the manufacture of aircraft but in certain related areas dealing with aircraft, obviously building on the strengths of the existing Bristol, Boeing and Standard Aero operations in Manitoba. But in addition to that, there are a couple of other very exciting opportunities on the horizon, which I am not at liberty to mention, but which could well see Manitoba become an aerospace leader in another sector of the aerospace industry that would certainly be of great benefit to the province. So we are looking at that area as well.

(The Acting Chairman, Mr. Helmut Pankratz, in the Chair.)

In addition, we have had some discussions with regard to both the expansion of ethanol and new ethanol production facilities in Manitoba which we also are working with, a number of value-added agricultural processing areas. The question of Vicon Industries having purchased a Massey-Ferguson technology recently and are looking to locate in Manitoba to produce Massey-Ferguson combines, so that we are working with those people as well. All in all, we have some good opportunities, I think, on the horizon.

In the four or so short months that I have been the Minister, we have had a number of contacts with people and a number of interesting discussions and expressions of interest in coming to Manitoba. We will be pursuing those as much as we can to ensure that they do come to Manitoba, that they do create those long-term jobs that we look for and create the tax revenue, both from personal income taxes and corporate taxes so that Manitoba will be able to continue to enjoy a twofold benefit: (1) continued education, health care and social service benefits; and (2), deficit reduction.

**Mr. Richard Kozak (Transcona):** Mr. Chairman, we in the Official Opposition have a certain concern that, outside of certain major public sector projects, there has been virtually no economic growth in Manitoba in the last four years. Yet we note that the Sectoral Development and Investment Promotion functions have been decreased in funding. Could the Minister explain this?

**Mr. Ernst:** Mr. Chairman, I thank the Honourable Member for the question. In the combination of Business Development and Tourism with Industry, Trade and Technology, there were certain functions that were discontinued. They have to be shown somewhere in the budget, they are shown here. There were five, as

a matter of fact, positions as a result of the former Government's ex-Budget reductions so that there were, in fact, vacant positions already deleted as a result of those ex-Budget reductions, in part.

There was a Senior Officer Review reduction which was also conducted by the previous Government, and saw two positions deleted. Released due to the merger was the position in Dauphin with the closure of the Dauphin office, and a term position to replace some secondment—I believe one position which was on secondment with the federal Government—so that is where the positions have gone. The basic sectoral division positions are all intact, by and large. As a result of the amalgamation, some of those functions needed to be shown in an appropriate area. This was the area that it was chosen to be shown in.

**Mr. Kozak:** Mr. Chairman, I wonder if the Minister has personal confidence that, despite the 20 percent decrease in funding for Sectoral Development and Investment Promotion, these particular functions can be carried forward to the benefit of the province at a time when we have experienced a slowdown in growth.

**Mr. Ernst:** Absolutely, Mr. Chairman. I have every confidence that the department will be able to carry out those functions. Let me explain to the Member for Transcona (Mr. Kozak) as well that the year is almost half gone. By the time the department was put together and reorganized, by the time the Minister, myself, familiarized himself with the department and so on, the year is significantly gone already. So in terms of our ability to carry it out for the next six months, certainly we have every confidence.

**Mr. Kozak:** I certainly would not presume to ask the Minister to second-guess the next budget in March, but I wonder if he personally feels that this is a top priority area within his department and that funding may have to be reconsidered on the upside in the next budget.

**Mr. Ernst:** Mr. Chairman, that is a speculative question and I do not think it really behooves me to speculate as to what might or might not happen. But I can say this, that I and our Government view economic development in all of its forms which includes tourism and a variety of others. We view that as a very, very important sector in Government operations. We view our ability for the first time in a long time to be able to feed and nurture the goose that lays the golden egg, as I used the analogy in my Budget speech, rather than try and squeeze it to death, which is what has been happening for the past six years.

\* (1610)

**Mr. Plohman:** I have raised concerns with regard to the elimination of the position in Dauphin and the closure of the Business Development Centre there. I would like to re-emphasize the points that were made just previously that there is a substantial decrease in this area in the overall spending, some \$460,000, nine SYs. The Minister says well, the year is half gone. The

fact is that the department had to continue to function during that period of time. The staff had their jobs to do and so the dollars continued to be spent in the department. It really is not, I do not think, a legitimate explanation to say, well, the year is half gone, that is why the dollars are lower here.

Clearly, I do not think that is what the Minister meant. I am not quite clear what he meant by making that reference. The fact is there is a substantial drop in this area. I would like to get some information from the Minister as to the detail as to the positions that have been eliminated. I see, under professional/technical, what was 22 SYs, now it is down to 13. That is where the nine SYs have gone.

One of them, I take it, is the Business Development officer in Dauphin. There are a bunch more, there are eight others. Exactly what were those positions, where were they located, and what were their functions? If the Minister cannot give us that detail right now, I would like to have that by tomorrow so I would like to see that.

Now the Member for Brandon East (Mr. Evans) is saying about later on. The fact is, under Sectoral Development, we see those staff years drop and it is clearly this section. I notice, under Rural Development as well, there is indeed a drop of two SYs. So even though the Minister said in Question Period that he is strengthening Rural Development through the RDCs which comes under the Rural Development Section, I see a drop there in addition to a drop here.

So I do not understand how he can make that kind of statement that he is expanding and putting greater efforts into Rural Economic Development when, in fact, in both areas we see a drop. I would like to know, first of all, so I can get a better handle on this where the reductions have taken place with regard to professional/technical staff, how many of those were in the city, how many in rural Manitoba, and all the other questions that I just asked about those staff, so that we can get a clear idea of what the Minister is exactly accomplishing here.

**Mr. Ernst:** Mr. Chairman, to answer specifically the questions of the Member for Dauphin (Mr. Plohman). We have five Business Development officers who are resident in Lakeview Square, deletions from the Budget implemented by the former Government. That Government had reduced those positions prior to our coming into office, as a result of their ex-Budget application on the Budget that was defeated. Even though the Budget was defeated, the staff in fact had been gone so that those five positions were deleted by the previous Government.

Two further senior officer positions were also deleted under the Senior Officer Review by the previous Government. Released due to the merger from this section was the position in Dauphin. The other position was a term position related to the secondment of an individual to the federal Government in Ottawa, and that position was also terminated.

**Mr. Plohman:** You know, the Minister cannot have it both ways so far as blaming the reduction completely

on the former Government. The fact is, if he did not agree with those reductions, he could have indeed ensured that they were put back in place. In fact, that Budget never was passed in this House and I believe that, when reductions are taking place, the Minister has to take responsibility for that. The fact is, this is his budget now. These are his Estimates, and he is bringing forward a budget with that kind of reduction, with nine SYs.

At the same time he is telling this House and telling the people of Manitoba that he is expanding his efforts in economic development in rural areas of the province, and in fact set up a Cabinet committee which is supposed to give some added priority. I said earlier that I do not believe setting up a committee necessarily means that there is going to be more activity. We want to see where the expenditures are going that are indeed going to generate additional economic development in the rural areas. The Minister has not been able to demonstrate, to show in his explanations how that is indeed going to be accomplished with the reductions in staff, reductions in expenditures in both of these areas. So I would like to ask him to explain that further.

(Mr. Chairman, Mark Minenko, in the Chair.)

I understand from his statement then that there was one position from rural Manitoba cut in the sectoral area, and that was the one in Dauphin. The others were five in Lakewood, five in the Business Development Officers in Winnipeg, two senior officers in Winnipeg who provided service to rural areas as well as to Urban Affairs. Is that correct? Therefore, one rural position, and two in the other area. Can the Minister tell us again then, for the record, how this reduction is consistent with greater emphasis on rural economic development in this province?

**Mr. Ernst:** As I indicated earlier, this is a Sectoral Development Division. We are showing Business Development Officers who did not carry out this activity previously, but they are shown in this division because this is where they put them in the budget. They are business development consultants, most of them under the small business development area. They have to be shown in the budget. They distributed them in this manner.

The function of this division, the sectoral division is not appreciably altered from what it had been previously so that, in terms of its service to the sectoral areas of the economy, they will in fact be similar. Similarly, with regard to the position in Dauphin, that person actually worked for Business Development and Tourism, not the Sectoral Development section of the Industry, Trade and Technology section. I did not get to choose all the time which sections they put these under, and that is making it certainly more difficult from a budgetary point of view, both for me and for all Members of the committee, because we do not have a direct comparison of last year to this year in terms of actual people, job functions, etc.

A number of changes have occurred as a result of the merger of the two departments. That is difficult, and I appreciate that and I will do my best to try and

explain those changes, so that all Members of the committee can understand where and how they fit together. As far as the Sectoral Development area is concerned, that has not appreciably changed.

Under the question of rural economic development, we do have a section dealing with that, and I think we might well proceed under that area if the committee is willing.

**Mr. Plohman:** Before we do that, Mr. Chairman, I understand that it is obviously confusing when there is an amalgamation of departments and sections. However, I would like to explore with the Minister what areas, strengths does he see in the Parklands region of the province under Sectoral Development that he can see exploring in the future?

He is talking about niches in the economy, that this area of the department is primarily ensuring that Manitoba can take advantages of niches that are there. What kind of niches does he see available in rural areas of the province? There is in the section, as he says, rural economic development, but I have to go back to the fact that, since it was a Business Development Officer in Dauphin under the other department who is now gone, there is a service that is lost there. Is there going to be any service that rural areas are going to receive from this section of the department now that they have been amalgamated? If so, what are the areas that he sees them developing and pursuing insofar as the Parklands area of the province?

**Mr. Ernst:** Firstly, let me deal with the Dauphin regional office. The Dauphin regional office had one person in it, had been recommended twice before by two previous Ministers of Business Development and Tourism to be closed. They did not see -(Interjection)-

\* (1620)

Perhaps, but even though the previous Ministers were of the same political stripe as the Member for Dauphin (Mr. Plohman), they perhaps in their considerations succumbed to the wishes of the Member for Dauphin for reasons other than practical reasons or economic reasons. That is a suspicion only, Mr. Chairman, on my part, and I would not want to attribute any motives to the Member for Dauphin or anything other than something that would be certainly above board and untoward. However, those are the facts dealing with the Dauphin office, as far as closing is concerned.

The Dauphin office also provided service to Roblin and to Swan River on a regular basis, so that the Business Development Officer was not exclusively dealing with Dauphin, but was also dealing with Swan River and Roblin. I can point out to the Members of the committee that service will continue, albeit from Brandon now instead of Dauphin. We think we can provide better service because we have a better range of people in the Brandon office now than the one single person in Dauphin, and would be able to still provide that service both to Swan River and to Roblin.

We have, in terms of the economic development potential for the Parklands region, one of the—oh, in



addition to that, I am sorry, Mr. Chairman. In addition to the service provided through the Business Development Office in Brandon, we will be providing to each RDC in the province a direct link, a person who will deal with that stuff, a person from the department who will deal with that RDC on an exclusive basis. They will be the direct link between the RDC and the Rural Economic Development Committee of Cabinet, so that each RDC now—presently RDCs have been part of a general function within the department. They will now have an individual person assigned to that RDC. That person will be able to provide complete support, complete linkage and will know the operations of the RDC inside and out and will be able to assist it on an ongoing daily basis.

I should also point out that we did not accept all of the ex-Budget cuts that occurred in the former Budget. As a matter of fact, we did not accept the ex-Budget cuts in Brandon. We felt that the presence in western Manitoba, dealing with all of the districts in and around the Brandon area and that includes the Parklands area, was important. It was left in the Budget to be dealt with. Even though the Member for Brandon East (Mr. Evans) and the former Government had intended to cut it out of the Budget, we did not, and we left it in.

In terms of other development in the Parklands region, in other regions, we know that the RDC has had some problems in the Parklands region. We know that it needs to be restructured somewhat. At least, we think that is the case but, before we do anything with regard to the RDCs, we are going to embark within the next few weeks on an extensive consultation basis with the people throughout all the regions contained in the RDCs. Some RDCs are working very well, others are not. Before we do anything precipitous or anything that would cause any major consternation, we want to consult with the people in the RDC areas, Parklands being one, to ensure that the ultimate function of the RDC meets all of the needs or as many of the needs as we can possibly meet in that region.

Part of the problem has been outside funding coming into specific communities within the RDC, some rivalry, shall we say, between larger and smaller communities or some of the communities and other districts within the RDC, so that I am not convinced even that one RDC in the Parklands is adequate. There may be a need for more than one in order to better serve the overall interests of that general area, but that is something we are going to be looking at before we take any kind of major action so that we are ensured that the money that we are going to spend with regard to RDCs is well spent, and that it produces the kind of economic activity that it is expected that an RDC would produce.

In addition to that, Mr. Chairman, we do have the question of an OSB plant in Swan River. It is on the books as a potential development for that area and some other initiatives that we will be pursuing. So that one in particular, the OSB plant, is a significant development for Swan River and would greatly enhance job opportunities in that region.

So, Mr. Chairman, with that, I am pleased to answer any other questions the Member has.

**Mr. Plohma:** I thank the Minister for his discussion on the Regional Development Corporations. I was really going to leave that until we get to that section. My concern here is to clarify what service the Sectoral Development Branch provides insofar as identifying opportunities and pursuing opportunities with business in rural areas of the province. What kinds of things—what services? Are they field staff? Are the people going out there and identifying possibilities and working with businesses? Are they all in offices in Winnipeg and very little service to rural areas? What are they doing?

**Mr. Ernst:** Sectoral Development Officers are all based in Winnipeg, have always been based in Winnipeg. They deal with sectoral areas of the economy, for instance, soap manufacturing or something of that nature. I mean, it is a hypothetical case, but they deal with that sector. So they would deal with that sector right across the whole province. So if there was a manufacturer of soap in Winnipeg and one in Dauphin and one in Brandon and one in Thompson, that officer would deal with that sectoral development right across the whole province. They would deal with the existing businesses that are here manufacturing soap, and they would be beating the bushes elsewhere in the country and in the U.S. to find other people to come here to manufacture soap. So that is what the Sectoral Development Officers do and they are all, as I said before, located in Winnipeg.

**Mr. Plohma:** Mr. Chairman, what we see then is of course with the removal of the officer in Dauphin, a greater centralization of services because they are all located in Winnipeg. Where we had one officer in the Business Development section in Dauphin, now we see none in that area of the province. In fact, they are located in the City of Winnipeg, as the Minister said most of them were in the past.

I want to ask the Minister whether there are areas that are being pursued that could lead to development in the Parklands. One of those is the forestry. It is one of our strengths in the Parklands area certainly, and the Minister mentioned the wafer-board plant that has been in the planning stages, the conceptual stages for years. Progress was being made when I was last involved as Minister of Natural Resources in this issue, one we were very encouraged about for the economic development impact on the whole Parklands area, not just Swan River. Although the site was close to Swan River, it really would have affected employment and economic development in the whole Parklands area. So forestry is one of those areas, and I would like to find out from the Minister whether there are other developments beside that one being pursued.

Fishing is another area, certainly the processing of rough fish is an area that has a great deal of potential. There is so much of this rough fish—both carp, mullet or sucker—that is being thrown out by fishermen because there is no market for it. I wonder whether the Minister knows the status of the development there that is being pursued to indeed find markets for rough fish and a product that will be marketable. Is that an area that is being dealt with in the sectoral branch in any way, shape or form, or should I be asking those questions in other areas of the budget?

Another area, of course, is the Tourism area which is one of our strengths and I will explore that in the Tourism area, but certainly in fisheries and forestry, as well as agricultural processing in the Parkland area. But I would like to find out from the Minister whether there are any niches there that are being pursued, that could see development area in the Parkland area in those strengths.

\* (1630)

**Mr. Ernst:** First of all, I want to point out to the Member for Dauphin that his first statement, in the sense that there is a Sectoral Development Officer no longer in Dauphin, is not true. That person never was a Sectoral Development Officer. All Sectoral Development Officers have been located in Winnipeg, as far as I am aware, for a good long time. That person was a business development consultant in the small business area, and we can deal with that when we get to it.

The fact of the matter is that under this section, although the job is located here for comparative purposes, it is not a direct comparative function. That person, Ms. Hyde, who was in Dauphin, was under Business Development. This is the sectoral division of Industry and Trade, so that they are not directly comparable. It would have been located under Business Development Centre, I think, would be the appropriate category at this time.

Business Resource Centre which would be 2.(g), page 114, it is either that or Rural Economic Development. I will have to check with administration to find out exactly which section it would have fallen under. Because the departments have changed from what they were previously, it is difficult to make a direct comparison sometimes.

Let me comment, however, on the question of forestry. First of all, in the Parklands region, forestry is obviously a strength of that region. We are pursuing the question of an OSB plant in Swan River. That certainly will have a major impact across that whole area, both from the wood-resource woodcutting and the production facilities as well. The matter is ongoing and we are on top of it. There is some potential, I suppose, for conflict with the sale of Manfor. As Minister responsible for Manfor as well, it is something that we are looking at. It is our expectation that we want to see both the sale of Manfor, its redevelopment and the OSB plant occur in that area, so that we are working toward that end.

As far as the question of fish is concerned, I am advised by the administration that some studies were carried out, analysis carried out with respect to utilizing rough fish for a number of products, both the flesh and the skin, and neither of which to date have proven to be economic, so that at the present time no further work is being conducted in that area.

**Mr. Plohman:** I just wanted to ask the Minister whether there is any activity in his department in this area at the present time with the fish processing of rough fish, any specific activity that is being undertaken by the sectoral branch in that area.

**Mr. Ernst:** No, Mr. Chairman.

**Mr. Plohman:** If there is not there, is there in any section of the department activity by staff pursuing potential developments that would happen as a result of fish processing?

**Mr. Ernst:** Mr. Chairman, I do not think the answer I am going to give is the one that the Member for Dauphin (Mr. Plohman) is going to be interested in, but there is some work under aquaculture presently going on, the raising of fish for a variety of purposes, both inside buildings and in other centres or other locations around the province. That, in terms of dealing with fish, is the activity that is being carried on. It is under the technology area of our department.

**Mr. Plohman:** Mr. Chairman, I guess what we have then is no emphasis being placed on those developments at this time, and I think that is regrettable.

As well, I just want to get a comment from the Minister with regard to Manfor, the sale of Manfor and the potential for a wafer-board plant in the Parklands. Is indeed the issue of cutting rights a serious one insofar as the future development of a wafer-board plant in that area? Is that the issue the Minister is referring to when he talked about the problems that might occur with both the sale and the development of a wafer-board plant?

**Mr. Ernst:** Yes, Mr. Chairman, that is exactly the question I am referring to. You have competing interests in the case of at least one of the potential purchasers of Manfor. The decision then has to be looked at by the Minister of Natural Resources (Mr. Penner), by myself and by indeed the whole Cabinet, I guess, when it comes down to the final crunch as to how are the interests of Manitobans best served. It is our expectation that at this time we would want to accommodate both. In order to do that, it may ultimately exclude one or more of the potential purchasers of Manfor. That judgment has not yet been taken and is being analyzed at the present time. While there has been some delay in the question of the OSB plant because of that, the delay is in favour of the Swan River area as much as we possibly can because we would like to see both the OSB plant and Manfor continue to utilize the wood resource of Manitoba for the benefit, particularly the added-value benefit, of processing in Manitoba.

**Mr. Plohman:** I just want to thank the Minister for that answer and encourage him in that respect. I would urge him to ensure, not only to prefer, but to ensure that both developments actually take place.

I think it is absolutely mandatory that we do not give away the cutting rights in the Parklands region that could form the basis for future development there and employment of a lot of people there to some purchaser of Manfor who wants to tie up cutting rights basically throughout the whole province to perhaps eliminate competition in the future. I think the Minister should be very vigilant in that regard. I would tell him at this time that, if indeed that was not the case, he will more than just hear from us on this side of the House in future if that jeopardizes the wafer-board plant in the Parklands region.

I want to just make one other comment and ask clarification from the Minister, and that is with regard to his placement of the Dauphin office in other sections of the budget. Clearly, my information tells me and the Minister seems to have borne out with his earlier statements that, in fact, the Dauphin regional office was considered and discussed in the context of the sectoral branch. That is where the reductions have been made. I do not know why the Minister is indicating that now it is somewhere else, in Rural Regional Development or in Business 2.(g) Resource Centre. In fact, it comes out of the sectoral division section. I want the Minister to have an opportunity to clarify that once again, because he seems to have contradicted himself from what he said at the beginning.

**Mr. Ernst:** I want to make sure that the Member for Dauphin (Mr. Plohm) understands the situation. There is a reporting responsibility here that is laid out in the budget in this manner. The fact of the matter was that the person resident in Dauphin was not a Sectoral Development Officer but was rather a Business Development consultant, which occurred under the Business Development and Tourism section. The other officers who were located there, many of those as well, were Business Development consultants under the former small business area and were not Sectoral Development Officers. Because of the departmental amalgamations, some of the reporting responsibilities and locations of items in these Estimates are located there because that is where it made sense to put them from the administrative point of view, but were in fact not necessarily related to the former functions of those sections. That is why this has occurred.

\* (1640)

**Mr. Leonard Evans:** I just have one question and then I will yield the floor to my colleague from St. Norbert in half a minute. I think this might lead into some of the concerns the Member for St. Norbert (Mr. Angus) may also have.

Talking about the overall thrust of this particular branch, the Minister, in his Supplementary Information that he gave us on page 30, Expected Results, states: "This year the branch will be associated with the creation of 1,000 jobs, a new private sector capital investment of \$100 million."

I am wondering, can the Minister tell us just exactly what commitment does this mean on the part of the provincial Government in particular? How many dollars of industrial incentive will be required by the province? Does he have any idea of how many dollars of federal monies may be forthcoming to help stimulate this \$100 million in capital investment? It is a general question but it is a very basic question. I think all Members of the committee would like to know just how do you intend to pull this \$100 million investment promotion off?

**Mr. Ernst:** The expectations contained in the Supplementary Estimates book are targets, and the proof of the pudding will be in the eating, ultimately.

Let me say this, that we are providing some \$3.4 million in financial programs under this section, plus \$10 million in Loan Authority for assistance that, generally speaking, has been matched by the federal Government, by and large, although in some cases the federal Government has provided more; in some cases the federal Government has provided all of it. It is still additional development jobs in Manitoba, of which we may assist, in terms of development activity, in terms of consulting assistance and so on, not necessarily all financial. We may assist them, as a matter of fact, and are assisting a number of businesses in terms of applications to the Western Diversification Initiative. Our staffpeople will work with these people to carry them through the hoops that have to be gone through for WDO application and, even though the province may or may not decide to put up any money or is required to put up any money, we still see the benefit of that through the work of the department.

To answer specifically about \$10 million in Loan Authority, \$3.4 million in direct expenditure, it is allocated under the sector.

**Mr. Leonard Evans:** Just by way of following detail, where exactly is that money? It is not in this line; that is beyond the amount of money available here. Where is it shown in the Estimates, that \$3.4 million and \$10 million, \$13.4 million?

**Mr. Ernst:** It is located under Program 2.(c) Financial Programs.

All of the Financial Programs of the department now have been amalgamated into one section so that, instead of having Business Development programs under one and Industrial and Technology, etc., Financial Programs under another, they have all been located in one section, under one administration, with one common analysis team and so on.

It would be located in that section. It is not a specific line item; it is located within that section, within the funding provided under 2.(c), Financial Programs. You have \$6.4 million in Programs; \$3.4 million item (a) under that, the Main Estimates book now, Manitoba Industrial Opportunities. That is the \$3.4 million that I referred to.

**Mr. Leonard Evans:** Where does the \$10 million loan come out of?

**Mr. Ernst:** If I understand the functioning of this—and this is all relatively new to me as well—the Loan Authority is contained under a Bill granted by the House under the Department of Finance. There is an allocation—(Interjection)—no, it is total loan. It is not contained in the Estimates, but it is total Loan Authority for the Government, and part of that is sectioned off to Business Development.

**Mr. John Angus (St. Norbert):** I apologize to the committee for not having been here for the whole of the discussion, so some of my questions are repetitive. I am sure it will just have given the Minister an opportunity to hone his answers.

The first question is in a general nature. I notice that you have reduced the staff by nine in this particular department. It came to my attention that a number of people who have been let go from your department, were transferred I guess, had been long-term employees who had been employed for 12 years to 15 years, 17 years in some cases. The speculation was that they were being transferred because they were working on policy that was inconsistent with your existing policy. That may have been a political judgment that you have been forced to make.

I would just like some explanation of the reduction of the staff, the number of people who were let go and the years of tenure that they had with the department, where they were transferred to. The thrust of the question is that I recognize that hard decisions have to be made. I had hoped that they would be made on a basis of fairness to the individuals who are there, and that they would be transferred to departments where they can continue to perform a professional, administrative responsible position.

**Mr. Ernst:** First of all, no one was transferred. Positions were deleted from the department. When they go, when they are deleted from the department, the salary obligation under the MGEA Agreement goes to the Civil Service Commission, so that the salary is carried out by them. Redeployment is carried out by the Civil Service Commission as well. So all reductions, deletions of positions and the release of employees from the department are done by and under the auspices of the Civil Service Commission and the MGEA Agreement. No political decisions were taken on my part as to who goes where. It was done simply in accordance with the requirements of the Civil Service Commission and the MGEA Agreement.

I might add though that, and I must offer a compliment to our personnel officer, Sophie Zylich, who is sitting here today, who has done yeoman service in attempting to have those people redeployed. We had permanent staff, 18 requiring redeployment. All but six of those have been redeployed. The official termination date, I believe, was August 1 so that the term positions, Mr. Chairman, were also 18. They have all been redeployed with the exception of four, and their termination date was yesterday.

**Mr. Angus:** I appreciate the fact that, when you deal with individuals and their livelihood, you are going to do it within the prescribed agreement, that you are not going to contravene it, and that you are dealing with a very sensitive and difficult problem. So I will take the Minister's indication that they dealt with it in a sensitive fashion as a credit to his professionalism, and to the staff who were counselling him in this difficult situation.

Let me move to another area in relation to the philosophy of maintaining an individual, to paraphrase the Minister, "who is an expert in soap," who goes anywhere in the department versus having individuals in regional economic development offices who can respond to all of the needs, and whether or not you have looked at the advantages of different systems that can be more effective. Now that is a fairly far-reaching question that I would like to get into a

discussion with, but I am not sure of the wisdom, the financial wisdom, of having an individual expert who is going to go to Flin Flon to discuss with a business opportunity there, having sectoral responsibility, when he may not want to go to Flin Flon, when there might be the capability of having somebody in Flin Flon who could respond via the communication methods that are available and access things on line through data processing, to libraries that provide information, through fax machines, which your Premier (Mr. Filmon) seems to use fairly effectively, etc. So I wonder about the logic of having individuals who are experts in one part versus having individuals who can be jacks of all trades, to use an expression.

\* (1650)

**Mr. Ernst:** Mr. Chairman, it is impossible to provide every major community in the province with a Business Development Officer of some kind. Dauphin, outside of Brandon and Winnipeg, is the only place where there was any kind of activity like that at all. It is the only community in the whole province outside of Brandon and Dauphin that had the Business Development Officer stationed there. It makes ultimate more sense to me, having reviewed the question of trying to have Business Development Officers generalize, if you will, knowing a little bit about a lot of things, it seems to make more sense for us to have some resident experts in several things.

Due to the nature of business in North America, not everything—I do not want to restrict it just to manufacturing but to use that as an example—is manufactured everywhere in North America so that, when you are looking at sectoral experts in certain economic sectors, they have an opportunity to be in contact with a wide variety of people within that sector. They only have a certain amount of time. No one has the amount of time to deal with every sector with everybody. So by dividing it up on a sectoral basis so those people have an opportunity to meet, to know both what is happening in the industry locally and elsewhere in North America and, for that matter, offshore to some extent, but also to be able to be in contact with the individuals, the people who are involved, the people who are doing things in that area, and the potential for relocating them in Manitoba I think exists when you know more about a specific sector, when you know the people in that specific sector and are able to be in contact with the people in that specific sector on a regular basis.

**Mr. Angus:** Mr. Chairman, the number of sectoral officers you have and a broad description of the areas they have, perhaps you could give me an indication of how long they have been in each of their departments? The logic behind that is that, if you are going to take an individual who has a tenure of a year or less on an average in a particular sector, he might as well be a generalist. It seems to me that it is a better investment to have an individual in a location who can look after a region, who can help those people in those regions who want to develop a business and want to expand their business into other parts of North America, help them through the bureaucratic nightmare of regulations

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and the jungle of paperwork that has to go on. They should know how to make their soap and how to sell it, but it is unfortunately handling the bureaucracy that is the problem.

**Mr. Ernst:** Mr. Chairman, we are in fact doing that through the Rural Development Corporations. Everyone of those RDCs right across the whole province has people on staff in the region to do exactly what the Member for St. Norbert (Mr. Angus) is talking about. In addition to that, we will be dealing with RDCs in the later section of the Estimates. We will be providing a development officer from the department, Rural Economic Development Department, to deal exclusively with each RDC so that we will have that generalist dealing with RDCs right across the whole province, an individual to deal with each RDC. The Parklands region, for instance, will have an RDC Officer in Winnipeg - (Interjection)- I beg your pardon? Northern Manitoba? Certainly, wherever there is an RDC, we will provide—oh, I am sorry. Norman is provided under the Department of Northern Affairs. Is that us too? I am sorry. No, we will, and I apologize. There were some functions transferred to Northern Affairs in that, so I apologize for that.

Relating to the Member for St. Norbert's question about who has been in what section. We have a Mr. Janzen in distribution. We have a Mr. Brook—we have then a Sectoral Development Officer in distribution, one in resource industries, one in agricultural equipment, one in chemicals, one in aerospace, one in transportation equipment, two in food, one in plastics, one in machinery and electronics.

**Mr. Angus:** For a total of?

**Mr. Ernst:** For a total of eight.

**Mr. Angus:** What about such rapidly developing sectors as computer technology, as an example, and/or tourism?

But, Mr. Chairman, we are quickly running out of time and perhaps I can give a series of things that I would like the administration, if they would be kind enough to work on, to gather the information together for tomorrow so that we do not have to go through a laborious—it is factual information like how many sections. I understand there are six RDC sections. How many people work in those sections and how many different sectoral chairmen do you have, that sort of thing?

Also, I would like to know about the Western Diversification Fund, how many applications were received in the last year, how many of them were approved, that type of thing, and some specifics on programs in relation to free trade that we talked about yesterday.

**Mr. Ernst:** We are quite able to provide the numbers of consultants and so on. I cannot answer questions on the Western Diversification Initiative. That is a federal Government program. I do not know how many applications were received. The federal Government

could respond to that information if asked. It is my understanding from hearing Mr. McKnight the other day that there were \$30 million of applications approved but I cannot provide the number of applications, who applied, how much was levied, etc.

**Mr. Angus:** Perhaps the Minister could respond or perhaps the department could respond to the statement on page 30 of this orange book that you have given me, that your department will “. . . assist Manitoba companies to obtain maximum federal contributions from all federal programs including the new Western Diversification Initiative.” How do you assist the companies to get those things if you do not even know who is applying or how they are applying? There is something that does not ring here.

**Mr. Ernst:** First of all, Mr. Chairman, we provide assistance to those people who want the assistance or seek our assistance or we discover we can help, in the process of our ongoing activities, to file applications with WDO. We do not know how many others are filed independently of what our people do but, in addition to that, we do have a joint committee with the WDO people to review applications that relate to us. Of course, they do not all relate to us either. So while we do have some knowledge and some indication and provide some assistance to people wishing to seek funding under WDO, we are not aware of all of the applications that are filed with WDO.

**Mr. Angus:** Can we find out how many grants were approved in the Manitoba area, and how many you helped with, and whether there are any benefits in continuing to offer that assistance, or should we just be turning them over to the feds automatically? The Government is very quick to stand up and take credit for the expanding organizations and the contributions that come in as a result of their efforts, and it seems to me we should have a bit better handle on the disbursement of this money and the number of firms that have applied, and the number of firms that have actually been granted money as a result of this and as a result of their initiative, in terms of planning, in terms of research, in terms of sectoral development.

It seems to me that they should be in a position to stand up and say, yes, we can justify this department. It is creating jobs, and here are some of the examples of the successes or the failures, so that we can go to Ottawa and say that we are not being treated fairly. We are not getting our fair share. And/or we can eliminate those people in the department who are not in fact doing the job.

Mr. Chairman, as the hour of five o'clock is upon us, perhaps I could continue this line of questioning at the next opportunity, whenever that might be.

**Mr. Ernst:** Just let me say this, that I will take the Honourable Member's question under advisement. If the information can be provided relatively easily, I will undertake to provide it. If it involves a great deal of work by the department, I will reserve the right to seek further advice from the Member before looking at it because it does not seem maybe necessary to put the

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staff to a great deal of work for some relatively minor bit of information.

\* (1700)

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

Call in the Speaker.

### IN SESSION

**Mr. Mark Minenko (Chairman of the Committee of the Whole House):** Mr. Speaker, the Committee of Supply has considered certain resolutions, and directs me to report progress and asks leave to sit again.

I move, seconded by the Honourable Member for Transcona (Mr. Kozak), that the report of the committee be received.

**MOTION presented and carried.**

### PRIVATE MEMBERS' BUSINESS RES. NO. 6—RURAL POSTAL SERVICES

**Mr. Speaker:** Proposed Resolution No. 6, Rural Postal Services, the Honourable Member for Dauphin.

**Mr. John Plohman (Dauphin):** Mr. Speaker, I wish to move, seconded by the Member for Brandon East (Mr. Evans), that

WHEREAS generations of rural Manitobans have received quality service from community post offices, relying on them as an essential communication link for private, business and community purposes; and

WHEREAS a post office plays a vital role in the economic and social well-being of a rural community, often providing the only federal presence and the impetus for local people to continue to shop and do business in their own community; and

WHEREAS the resulting decrease in services to many small communities would place a hardship on seniors and physically disabled citizens who would have to travel greater distances to undertake postal transactions; and

WHEREAS Canada Post Corporation's current business plan anticipates the closure, amalgamation or privatization of all of Canada's 5,221 rural post offices over the next decade; and

WHEREAS rural communities have suffered from depopulation, declining agriculture prices and, this year, the worst drought in over a hundred years, which will further hurt the stability of many rural communities; and

WHEREAS more than 200 rural post offices have been lost to date through the implementation of the Corporation's business plan, including several in Manitoba; and

WHEREAS over 5,000 rural Canada Post jobs, most of them currently held by women, could be lost if the Corporation's plan is carried to completion; and

WHEREAS over 200,000 Canadians recently signed petitions in support of the Rural Dignity campaign to support rural post offices; and

WHEREAS the Standing Committee on Government Operations unanimously recommended in March of 1987 that since "Canada Post is not going to solve its fiscal problems by closing rural post offices or by changing rural postal service . . . the Corporation should look elsewhere for savings in its operating budget."

THEREFORE BE IT RESOLVED that the Clerk of the Legislative Assembly of Manitoba be directed to inform the federal Government of its strong desire to see rural post offices continue to be federally owned and operated institutions, maintaining a permanent presence in Canadian towns and villages, forwarding copies of this resolution to the Prime Minister of Canada and the Minister responsible for Canada Post; and

BE IT FURTHER RESOLVED that this House direct the Clerk to forward a copy of this resolution to the Rural Dignity Association of Canada in recognition of the major role it has played in preserving rural communities.

**MOTION presented.**

**Mr. Plohman:** It is my honour to introduce this resolution in the Legislature today. May I first point out to the House that a similar resolution was introduced last February in this House. However, due to the election, it died on the Order Paper. As a result, many provinces have actually passed a similar resolution ahead of us. Newfoundland, Nova Scotia, Prince Edward Island, New Brunswick and Saskatchewan have already passed similar resolutions in support of rural postal services in their provinces.

I want to preface my remarks by reading from a recent newsletter dated June 5, 1988, from the Canadian Postmasters and Assistance Association, which I believe puts into perspective the human impact of what the Government is trying to do, the federal Government is trying to do with its current policy of privatization of many aspects of the post office.

There is personal story, a bit of history, and I hope that you, Mr. Speaker, will bear with me as well as Members while I read for approximately two minutes from that newsletter. I think that it will be relevant. I will be prepared to table it, of course, if anyone wants me to.

"It was four o'clock on Christmas morning, Tom Jones dressed quickly in the cool air of his bedroom. Quietly, so that he did not disturb his wife and children, he built up the fire in the kitchen and headed out in the crisp winter air.

"He had to meet the train at five o'clock in order to pick up the mail bag for his town. The mail had to be sorted and available for delivery, should any of the residents come to the post office to pick it up on Christmas day.

"He thought about other employees of the post office, in the cities, sleeping peacefully, because they had the

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day off. When he had complained about the unfairness, he had been told he was merely a revenue postmaster, working on a commission. The mail had to be delivered, even on Sundays and holidays, if he wanted to keep his job, paying the princely sum of \$300 a year. If he did not want it, there were people waiting for the chance to take it over, including some good party members, he was told.

"Maybe he should answer the letter he had received from that fellow in Stonewall, Manitoba. He was a postmaster, too, and was trying to form an association so that others like himself could present their case to Parliament. Besides wanting to improve the lot of the rural postmasters, they had some darn good ideas about improving the postal service. If they all got together on this, it might work. After all, it was 1902, and the people in rural Canada had a right to be heard by their Members of Parliament they elected to represent them.

"Although he could ill afford it, he decided to sent \$2 and join his colleagues in their struggle. And so, from that modest beginning, a small group of dedicated postmasters started on their quest to improve working conditions and postal service, a quest that eventually led to the recognition of the Canadian Postmasters and Assistance Association as the bargaining agent for rural postal employees.

"Little did they realize that reform would be slow to come, and the problems would still be with their colleagues well into the 1960s. But it did happen. Wages and workings conditions did get better and the employees no longer had to work on holidays that all others in their town enjoyed, and service did improve. But as the saying goes, history repeats itself.

"Eighty years of hard work and frustrations in developing a rural postal system, of dedicated employees and enviable service, is threatened by the current plans of Canada Post. Approved by the present Government, the plan calls for the development of a network of postal outlets, operated by commission agents. As opportunities permit, through retirement, resignation or other means, the current post office as staffed by employees of Canada Post will be replaced by these outlets located in existing business establishments. The new agent must provide service for all hours, the business is open to the public. Thus if there is a convenience store open 24 hours a day, seven days a week, we are back to the condition that early postmasters fought so hard to change.

\* (1710)

"A dollar a day might have been considered good pay in 1902, in those days, but they had to pay for everything, office rent, heat, lights, supplies, and any help they might require. It was not easy to get help, even in 1902, for 50 cents a day. Today's modern businessmen will face the same problems and service will suffer." So that is the end of my quote from that newsletter.

I believe we have come full circle as shown in that story. I believe that the post office closures have an even more severe impact on rural communities than

the abandonment of elevators and rail lines that we talked about only two days ago in this House.

I believe that it has a devastating effect. Communities in my constituency, for example, like Sifton, Ochre River, Ethelbert, Fork River, Waterhen, have come to view their post office as the centre of social activity, a gathering point, a place to meet, a place to discuss the weather, the world situation and simply to share local gossip. They rely, as well, on their postmaster as their only contact in many cases with the federal Government, and they rely on them to fulfill the role as advisor in that capacity.

That is being threatened, Mr. Speaker, in many areas of our country, in our province today. I am advised that in Manitoba there have been between 15 and 17 rural post offices amalgamated, closed, or privatized since April 1986; that is just over two years.

A similar number are currently under review, many of which have had acting or term postmasters since 1986 with their contracts being renewed every three months, six, or nine months. This has happened despite the fact that the Marchment Report prepared for Canada Post in 1985 recommended, among many positive recommendations that they made to the federal Government and that were disregarded, the following in their 1985 report:

"The committee is of the view that, so long as universality of postal service is accepted as a tenet of public policy, privatization by parts is not the most desirable solution. Far better to turn around the present Crown corporation and make it self-sufficient. The committee is convinced that this can be done. The committee believes they should be provided with a further opportunity to do so and, only if that fails, should privatization be implemented. The committee, therefore, recommends that privatization not be considered at this time. However, if Canada Post fails by 1990 to achieve its objectives of service and financial self-sufficiency, privatization should then be reconsidered."

That is what the Marchment Report said and recommended to the Government at that time. But that was disregarded and we can only hope that Mr. Marchment, who is now a chairman of Harvey Andre's Postal Services Review Board announced on June 27, 1988, has listened to more in the future than he was in the past, because that report was largely disregarded by the present Government.

I want to spend a few moments to talk about Rural Dignity, the organization. I think it is an organization whose credentials are impeccable. It is seen a wrong-headed policy being implemented in this country and has determined to band together to change that wrong-headed policy, that policy that jeopardizes rural Canada's social and economic health.

I find it regrettable, therefore, that a Manitoba MP, Brian White from Dauphin-Swan River, has chosen to attack the integrity of Rural Dignity as being "nothing but a front for the labour unions within Canada Post." Those sound like the remarks of a desperate person. Sure, they include among their members the Canadian Postmasters and Assistants Association, whose

newsletter I quoted from earlier on. But they also include, for example, as president, the Mayor of Gamble (sic), Newfoundland. Does this mean then that Rural Dignity is also a front for Newfoundland's federation of municipalities, or for the national pensioners and senior citizens members? Are they a front for those people as well, for senior citizens, pensioners? I understand that Rural Dignity receives financial support from Prime Minister Mulroney's home country, Manicouagan; from former Premier of New Brunswick, Richard Hatfield; from the Roman Catholic Peace and Development Fund in Ontario; and women's institutes, many of them in Manitoba.

Twenty-nine Manitoba municipal bodies have passed resolutions in support of Rural Dignity's aims and several have apparently even provided financial support. It includes people from all walks of life in Rural Dignity. So I ask: Who or what is rural dignity a front for? It is a front for nothing but what its name suggests—dignity and justice for rural Canada, nothing more.

It is my hope that no Members of this House share Mr. White's views of Rural Dignity and that all will join together to send a strong message to Canada Post, to the Prime Minister, to Harvey Andre and to MPs like Brian White. I hope the Conservatives in the Legislature here will unanimously support rural postal service by passing this resolution. I know, Mr. Speaker, that the Liberals will join with their Liberal Leader in Saskatchewan—now I believe a federal Liberal candidate, if not already.

Saskatchewan recently unanimously passed a similar resolution. Mr. Goodale's (phonetic) comments can be found in the Carnduff Gazette on July 6, 1988. I want to just briefly quote. He said, "It is no secret that Canada Post wants to downsize its operations in rural areas. It wants to close existing post offices. At some locations, it wants to remove postal service altogether. In others, it plans to replace full post offices with privatized franchises and these so-called super boxes. However you want to cut it, it amounts to less service, not better service." That comes from the former Leader of the Liberals in Saskatchewan.

So I hope that all Members of this Legislature will join together unanimously to give a strong support, unanimous support to this resolution, to give it quick passage.

I believe that we are late in this regard because we have seen five or six provinces who have already approved this resolution because of the delay that took place when we had it in the House last February and the unfortunate little problem came along and we had an election. We are late.

We must at this time join together in a non-partisan fashion to send that strong message to the federal Government to save our rural post offices and our rural fabric and way of life. Thank you, Mr. Speaker.

**Mr. Paul Edwards (St. James):** Mr. Speaker, I rise at this time in order to declare a personal conflict on this matter that is presently before the House. I will be exiting the House for the duration of the debate on this matter. I ask leave of the House to do that. The conflict is due to my employment.

\* (1720)

**Hon. James McCrae (Government House Leader):** I suggest the Honourable Member will not have to leave for very long.

The House Leaders for the various Parties have discussed the proceedings for this afternoon, and I think you will find agreement to stand the resolution in the name of the Minister of Municipal Affairs (Mr. Cummings) and to proceed with the business as listed in the Rule Book for Thursdays.

**Mr. Speaker:** On the Proposed Resolution, Resolution No. 6, I understand it will stand in the name of the Honourable Minister of Municipal Affairs (Mr. Cummings).

I understand there is leave to revert back to the procedure, which is back to Public Bills by Private Members. Is there leave? (Agreed)

**ADJOURNED DEBATE ON SECOND  
READING  
PUBLIC BILLS  
BILL NO. 2—THE BUSINESS NAMES  
REGISTRATION AMENDMENT ACT**

**Hon. James McCrae (Attorney-General):** I wonder if the Honourable Members opposite would agree, when Honourable Members are finished speaking today, to allow the matter to stand in my name. (Agreed)

**Ms. Maureen Hemphill (Logan):** I am very pleased to rise today to speak on this very important Private Members' Bill that has been brought forward by the critic for Consumer and Corporate Affairs (Mr. Maloway). I wanted to say how pleased I am that our Party and our Consumer and Corporate Affairs critic have chosen to make this issue a very important public issue, not only for the company, Brick's, that we are talking about specifically, but for all of the small businesses in Manitoba who are recognizing that there is a serious threat and a serious lack of protection for them with the existing laws in Manitoba, and that we are speaking to amendments to two Acts, The Business Names Registration Act and The Corporations Act.

I also want to say that I am very pleased, that I think the attitude of the Member who is bringing in these Bills and of our Party is that we get a cooperative resolution of this very issue by all Parties, that everybody sees it as important, that everybody wants to make the changes necessary to give the protection to Manitoba small business, and that we can very shortly get a cooperative agreement and movement on this Bill, so that we can have resolution, not just for Fred and Cynthia Brick, but for others who are facing this same threat.

I want to spend a few minutes talking about Fred and Cynthia Brick as good small businesspeople in the City of Winnipeg and the Province of Manitoba, as they reside in my constituency. They do not live there, although the amount of work they do, I think, means that they practically have been living there for 19 years.



Fred and Cynthia Brick have been in business for 19 years. They have three children. When Fred was out of work, he sold everything that he had. He went to 13 banks and asked for a loan. All 13 banks turned him down. He went to the 14th bank. The 14th bank said okay. He got \$1,400, and that is how they started out on their furniture business 19 years ago.

They have both worked in that business night and day. The children have been raised there. I think they were taken into the store when they were about three days old.

They had to not only put themselves out on a limb initially. When they were put out of their first lease on Princess Avenue—they have been in the core of the inner city ever since they opened up business—they lost their lease. They were absolutely desperate. They had to get out in six weeks. They found space where they are now. It was three times as big as they needed. They had to put up their house to buy it and they had to convince, I think it was his mother or one of the mothers, to put up her house as collateral so they could get this lease and this building.

It was empty, it was dilapidated, it was falling apart, as many of the buildings in the core were, and they have renovated it. They have 20 people leasing the building and they have gone a long way toward helping us revitalize the inner city at a time when it was not popular. They were in the inner core before anybody cared about the inner core. They were renovating old buildings when nobody cared about being there. They have never asked for a grant from anyone. They have always gone with their own money. They now have 20,000 square feet they occupy. They have 20 tenants who are leased. The building is a beautiful building and a great addition to the inner city.

When they were looking at the name, they decided to put their own name—they made a conscious decision to call this Brick's, because they felt very important about using their name. When you talk to Fred and Cynthia, they tell you that they are telling the world, this is who we are, and this is what we stand for, and our reputation and our name is on the line. As Fred said, there is no such thing as business ethics and personal ethics. You do not divide the two when your name is on the company. They are all the same.

They feel that there has been tremendous confusion by what is taking place, and I want to know why we put our small businesses in the position where they have to spend all this time, \$65,000 worth of money, tremendous concern and problems to them because the adequate protection in the law is not there for them.

There was a suggestion, I think, that this is not confusing. I think the owner of The Brick, when he was interviewed, said he does not think there is any confusion so there is not any problem. Well, I want him to know that having things delivered to one place, and they are supposed to go to the other, having things, even the delivery people not know where things are supposed to go, having a situation where they have received something like 327 calls that were going to the wrong place and they did not even record all of them. They had an elderly lady calling. She wanted to

return a coffee table. She thought it was supposed to go there. They have headboards they were not supposed to get. There was another situation in where there were nine pieces of furniture that went to their place and the other Brick's Furniture was waiting for it.

It is clear that people of Manitoba, and this is what is important, are confusing the two. When they see the advertising, when they see sales, they see The Brick and they are confusing The Brick with Brick's Furniture. This is something that is very important for Fred and Cynthia to have stopped, because it is affecting their business and it is affecting what they have built up over the years. They have been here for 20 years. They have given tremendous service to their clients. They have established a name for themselves and their firm, and they want that to be recognized and to be respected.

I think there was also confusion about whether or not The Brick knew that Brick's was here before they came in. When he was interviewed, I think the president of The Brick suggested that gosh, darn it, they did not even know that they were here.- (Interjection)- Yes, it was. So they said we did not even know they were here, but I think there has been adequate information put on the record already that shows that they did know that they were here.

There was an affidavit in an Examination for Discovery, where they were applying for interprovincial registration in 1979. They found out that there was Brick's already established here and so, instead, they went off and got themselves a trademark. Well, that should not happen. You should not have a situation where they find there is—they cannot apply provincially, and they cannot deal with it provincially, so they just circumvent what is the provincial requirements and go off and get themselves a federal trademark.

There was also a fellow called Ed Rosenbloom who says that he was buying furniture from The Brick. He was talking to people who worked there, he did not recall their name, but he remembered he had a very good description of them, and he says that he knew there was a store in Winnipeg with a similar name, but he did not think that there was any connection, but that was in '78. Then in '79, you have the federal court case where, in the Examination for Discovery, they admitted, the chief executive officer admitted that he knew that Brick's existed in Winnipeg.

\* (1730)

So they had this knowledge a long time before they ever came in. So why, when they came in, did they try to circumvent our requirements, our regulations and, even if it was not legal morally, why did this big corporate body decide to come in when they knew there was a small established credible business with the same name? Why did they feel that was necessary?

When The Brick was interviewed, I thought it was interesting to see what they said because they are trying to present themselves as good corporate citizens. I want to go on record as reaffirming what the critic for Consumer and Corporate Affairs (Mr. Maloway) has

already said, and that is that we want them to come here. Fred and Cynthia want them to come here. Nobody is saying they should not come here and set up business, nobody is concerned about the competition, least of all Fred and Cynthia Brick. They just do not want them to be able to use the name that they have spent 20 years developing, establishing, and that is on their record.

But what he said is that who would have ever thought that, hundreds of miles apart, there is another operation with the same name. We know that they knew they were already here. He says we did not have any knowledge of Fred Brick or his operation, and he may not have had any knowledge of us. He said he was surprised at the bad P.R. He said we are generally welcomed into communities. I do not think we are used to bad P.R. I suggest to them, if they are welcomed into other communities and we are quite prepared to welcome them into this community and they are not used to bad P.R., that they respect small business which is the cornerstone of our economy in Manitoba, and they not come in as a big corporation with tons of money and lots of lawyers and lots of sophisticated expertise and ability, and just ignore and try to ride roughshod over this small local Manitoba business.

He says what we do is generally a plus. We hire people and we bring good prices. Fred and Cynthia have been doing that for 20 years. They have been hiring people for 20 years. They were in the inner city, renovating a decrepit old building that nobody else cared about and The Brick was nowhere in sight. So they have been the citizens, the good citizens, the good corporate and business citizens of Manitoba. I am not saying that The Brick are not or may not be, but they have not been in Manitoba. They have not got the history and they have not got the record. They have not put in the time and they have not paid their dues. Fred and Cynthia Brick have, as have many other small businesses that have been faced with exactly the same situation.

He says we deserve our shot at making our contribution. We are willing to let them do that. Just find yourself another name or use your California name. Do you have to have the same name going from sea to sea? He says it will cost him a lot of extra money in advertising. It has cost Fred and Cynthia Brick \$65,000 to defend their name. Nobody seemed to care about the \$65,000 coming out of the pocket of a family that borrowed \$1,400 and put their home and their parent's home on the line to be able to establish this building.

He said that Winnipeggers seems to know the difference between the stores. They know there is a local Winnipeg company and a big change. They know where Fred Brick's store is. The fact is, when you get dozens of telephone calls a day, when people who are delivering are delivering to the wrong place, when the people who are buying do not know which store it is they are buying from and which store is advertising, there is confusion between The Brick and Brick's. We think that confusion should be changed by our Government and the two Opposition Parties supporting the changes that need to be made to protect them, Fred and Cynthia Brick.

Now what kind of support do Fred and Cynthia Brick have? First of all, they have our support. They have also got the support of Manitoba merchants. They have got the support of the Consumer Affairs Association of Canada, I think. They have got the support of the Winnipeg Chamber of Commerce who said, the president said: "The law should be changed if it is deemed to be unfair. If you have incorporated your company, should somebody be able to override that by getting a trademark and forcing you to change?" They said, "No, the protection should be there for Manitoba Small Business." They said they met with the Attorney-General and they hoped to convince him that the trademark laws are unfair to small business in Manitoba, and hope that they could convince him to make the changes necessary. I guess we are all waiting for him to speak to the Bill so that we know what his position is as Attorney-General and what the position of the Government is on this very important issue.

This is not an isolated case and I do not think we should pretend, oh, well, there is a little problem between The Brick and Brick's and maybe, if we can get them to agree, the problem will go away and we will not have to do anything about it. The problem will not go away because we have had letter upon letter from other firms in Manitoba that are saying we are supporting you, we are with you, we had the same problem. Many of them gave up. Many of them spent thousands and thousands of dollars, like Fred and Cynthia did, to protect their name.

Advance has said, "After three years of legal haggling and several thousands of dollars in legal expenses, the issue remains unresolved." Why should they have to go through that to protect what should be protected by their rights under Manitoba law? He says: "Brick's Fine Furniture, in business since '68, is in a perilous situation." Those are the words of another business in Manitoba, "a perilous situation." He talks about their own company's travail with a big firm out of Toronto.

I have more to say, Mr. Speaker, but I will deal with it when you call the next Bill.

**Mr. Speaker:** The Honourable Member's time has expired.

On the proposed motion of the Honourable Member for Elmwood—oh, I am sorry. The Honourable Member for Burrows.

**Mr. William Chornopyski (Burrows):** Thank you, Mr. Speaker. As much as I sympathize with the previous speaker and Brick's Fine Furniture, I am afraid that these two Bills really do not do anything to help the situation. I would like to see both businesses remain in Winnipeg and Manitoba because, the good Lord knows, we can use a lot of them.

But the truth of the matter is that the Member for Elmwood (Mr. Maloway) presented two Bills which make no substantial change to the legislation already in existence in this province, not enough to do the kind of things that the Member for Elmwood is expecting them to do. They fail to make the existing—before I

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say that, even if those Bills were constitutionally valid, they fail to make the -(Interjection)-

**An Honourable Member:** Don't let them bug you.

**Mr. Chornopyski:** The truth is that The Brick Furniture Warehouse can continue to operate under the trade name that they have in existence under the federal law. That is the truth. Certainly, the Attorney-General can take The Brick Warehouse Furniture to court and stop them from operating as The Brick, but they can revert to their other name and continue to operate in any province in this country legally. That is a legal opinion; that is not my opinion. I am in possession of a legal opinion here.

Certainly, they are in violation of The Manitoba Corporations Act but they are only in violation because they failed to obtain a licence to operate in this province. Notwithstanding that violation, the Government of this province lacks the authority and, even with those two Bills that were presented, it lacks the authority to stop that operation.

\* (1740)

The Brick Warehouse Corporation would appear to be in violation of The Manitoba Business Names Act. Although, as I said, the Attorney-General could prosecute. All they have to do is revert to their federal trade name and continue to remain in business. So you accomplish really nothing. The only thing that will settle this argument is the current litigation before the courts. The courts will have to make the final decision. These two Bills will certainly not do it.

So as I said, as much as I would like to see some cooperation between both furniture stores, it is impossible because they are at loggerheads. They are in court, and both of them have a right to operate. It is a matter of confusion now, and it is a matter of competition.

What the Attorney-General can do, failing this litigation, the Attorney-General can refer these two Bills to the Manitoba Court of Appeal. Again, it would be the courts that would make the decision and not these two Bills. These two Bills provide absolutely nothing that do not already exist in the Province of Manitoba.

As I said at the beginning, I would like to see both these furniture companies operate in harmony and in competition, but that is not likely to happen until the court decides whether The Brick Warehouse can or cannot operate in the Province of Manitoba. I think I will leave it there and I will probably say more when we talk about Bill No. 3. Thank you, Mr. Speaker.

**Ms. Maureen Hemphill (Logan):** I must say that we were glad to have the Liberal—

**Mr. Speaker:** The Honourable Government House Leader, on a point of order.

**Hon. James McCrae (Government House Leader):** I move, seconded by the Honourable Minister of Municipal Affairs (Mr. Cummings), that the debate on the Bill be adjourned. That is on Bill 2.

**MOTION presented and carried.**

## BILL NO. 3—THE CORPORATIONS AMENDMENT ACT

**Mr. Speaker:** On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 3, The Corporations Amendment Act; Loi modifiant la Loi sur les corporations, standing in the name of the Honourable Attorney-General.

Is it agreed that it stands in the name of the Honourable Attorney-General? (Agreed)

**Ms. Maureen Hemphill (Logan):** I am glad to rise again particularly after having had the Liberal position put on the record. We are glad to hear it so that we know where they stand, but we are having a hard time understanding it.

First of all, we want to see both businesses survive. We have said we are quite happy to have The Brick come here. We just do not want them to be able to ride roughshod over provincial legislation and ride roughshod over small businesses. What the Liberal caucus has chosen is to take a jurisdictional position and not a position to stand up and fight for the provincial rights and to fight for small businesses in Manitoba.

I think that we should bring in our law and then we will see if the federal law has to comply, but to presume ahead of time that we will not do anything to protect our small businesses because of a jurisdictional dispute and because of a federal regulation, I think is abrogating our responsibilities as Government and as people all concerned about small business in Manitoba.

I have started to tell you that this has happened to a lot of other people and this is what we have to realize. This is not an isolated incident. This has happened to many other firms. Here is one that has written and said, "This has happened to me twice in the last few years." The problem lies in the fact that, when registering a name in Manitoba or in another province, it does not give you jurisdiction over a federal registration or a federal registered trademark. Manitoba businesses should be offered protection.

Here is another one. This is from Sterling Real Estate Investments. He says: "It happened to me eight years ago and it was an Alberta company. To add insult to injury, my company had to take their phone calls for 18 months to two years. It is an absolute disgrace that you would sit by and force a small company which has every right to keep its name solely to wait for a hearing in the federal court."

You have petitions coming in from businesses, you have the Consumer Affairs, you have the Winnipeg Chamber of Commerce. Here is another one from Paper Chasers saying that they are presently involved in a court case which they have won on the first round. "A smaller company like ours, although we obeyed the letter of the law when registering our company, we might as well have saved our money. The law, it seems, means nothing."

And this is an important point. A corporate giant that has unlimited funds can use any name it chooses, regardless of whether another business has prior rights,

and they can do it because they have got the muscle, because they have the money, because they have the time. They can just ride them out, wait them out, spend them out and work them into the ground until they give up, which most of them do. But Fred and Cynthia Brick are not giving up and they have been willing to put time and energy and \$65,000 worth of their money into fighting this.

Here is one, Imperial Roadways, where they spent \$80,000 defending their name—\$80,000.00! I think that the protection should be given by the Government laws and they are depending on and waiting for us to do that.

Advance TV, I already talked about it, Advance TV being in the same situation.

Mr. Speaker, I think that one of the things that we have to ask is why this Government and particularly why this Attorney-General is not moving, is not taking any action. Now, I can understand that they were hoping to get a consensus and I think that was mentioned by the other MLA. If both companies can work here and both businesses can work and we want them to, and they can come to some agreement or some consensus, we would all prefer that in this case. But we still want this legislative change to protect all of the other small businesses that are faced with this same difficulty that are going to come in the future because it is clear they will continue to come. So we are not only protecting Fred and Cynthia Brick and helping them out of this difficulty, we are protecting small businesses in the Province of Manitoba.

On July 30, the Attorney-General said, when he was asked whether they were going to prosecute, he did say, you will be hearing something before much longer. That was July 30. They have 30 days to meet the conditions of our law. We are now well over 100 days, close to 120 days, and we have to ask: Why is the Attorney-General so patient? Why is he so patient? Why is he letting them go when they are standing up publicly and saying, we are sorry we have to do this, but we are going to continue with the court case because we have to protect our name. Why is the Attorney-General still not taking the action that he should be taking? And why, when there has been such a flagrant abuse of our laws and regulation through the setting up and expansion of a second store right under his nose in Brandon—that is a flagrant abuse. Why has he allowed that to take place? Why has he not taken a firm position and prosecuted? He surely cannot say, well, we are hoping for a mutual resolution.

What is he going to do about all the other businesses that are coming down the pike? That is a brazen company that I do not see—they want to be good corporate citizens, but their actions since they have come into Manitoba do not demonstrate to me that they are good corporate citizens or that they will be, although we will give them the benefit of the doubt and say they should operate, but we want the protection for our small business community.

\* (1750)

Why should we—you know, local trade is under provincial jurisdiction. Why do we want to give it away?

Why does anybody want to give the jurisdictional authority over trade to anybody else? Who is in the best position to make those decisions for Manitoba? I submit it is the provincial Government, and that we are abrogating our duties and responsibilities by being willing to hand it over to the federal Government.

I think that we have to ask the Attorney-General (Mr. McCrae) to act. I think we have to ask the Attorney-General to recognize that this is not going to be settled through conciliation or mediation and, even if it was, it would not be solving the problem because this is something that all of the small business community and those representing them say is unfair and must be changed, and the law must be changed. Either the federal law has to be changed or our laws have to be changed, and we have to have the willingness to do that.

So I think that what we are requesting of the Attorney-General is that he indeed prosecute, that he do his job, that he does prosecute this company because their blatant, brazen, ignorance of our laws does not suggest that they are going to be good corporate citizens, or that they should be given more time, or that they should be given more sympathy. They should be given what they deserve and that is a strong statement from this Government and this Attorney-General that they are to follow the laws of Manitoba, and they are to follow them now.

Then, I think, the second thing we would like to see is that this Attorney-General (Mr. McCrae) put on record when he speaks his position as the Attorney-General about this case and about the principle for the protection of small business in Manitoba, and that after he has done that, assuming and hoping very much that that is going to be supportive of these Bills being passed in the Legislature, we can then do what we wanted to do in the first place, and that is get a cooperative agreement and resolution between all Parties, between these two businesses that are having this difficulty and pave the way for a more peaceful and a better protected environment for the small business community in Manitoba in the future. Thank you.

**Hon. James McCrae (Attorney-General):** I move, seconded by the Honourable Minister of Municipal Affairs (Mr. Cummings), that the debate on this Bill be adjourned.

**MOTION presented and carried.**

**Mr. Speaker:** Is it the will of the House to call at six o'clock? (Agreed)

**Hon. James McCrae (Attorney-General):** Just before the House adjourns, I can tell you that I have had meetings with the House Leaders and that there should be leave in the House to grant leave for me to move the following motion, and the motion would be seconded by the Honourable Minister of Community Services (Mrs. Oleson), that the Standing Committee on Privileges and Elections shall constitute the special committee appointed to consider persons suitable to be appointed as ombudsman, referred to in Subsections 1 and 3 of Section 2 of The Ombudsman Act.

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**MOTION presented and carried.**

**Mr. McCrae:** I thank Honourable Members for their cooperation on some of these matters that come before the House. I would like to announce to Honourable Members that, by agreement again, the committee set

up for this purpose will meet on Tuesday at 10 a.m. in Room 255, Tuesday—what day of the month is that?—the 6th day of September.

**Mr. Speaker:** The hour being 6 p.m., this House is now adjourned and stands adjourned until 10 a.m. tomorrow morning (Friday).