



**Third Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES**  
and  
**PROCEEDINGS**

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33 Elizabeth II

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The Honourable D. James Walding  
Speaker*



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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

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<b>ANSTETT, Hon. Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
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<b>WALDING, Hon. D. James</b>	St. Vital	NDP

Thursday, 7 June, 1984.

Time — 8:00 p.m.

**CONCURRENT COMMITTEES OF SUPPLY  
SUPPLY - COMMUNITY SERVICES  
AND CORRECTIONS**

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

This section of the Committee of Supply will be dealing with Estimates of the Department of Community Services and Corrections. We shall begin with an opening statement from the Honourable Minister responsible for the department.

The Honourable Minister.

**HON. M. SMITH:** Thank you, Mr. Chairman.

I'm pleased to present the 1984-85 Estimates for Manitoba Community Services. This year's Estimates total \$156,072,400, an increase of some 6.4 million over 1983-84. The increase has been carefully scrutinized and supported by the reallocation and reprioritization of funds where necessary to ensure wise responsible expenditure.

The funding increase for External Agencies is 3 percent more than the 1983-84 levels and is in line with amounts set by Cabinet for all external agencies. We're confident that this year's funding will ensure that our Community Services programs and activities are adequately maintained.

I want to emphasize that we recognize the importance of our social service network and we are committed to its long-term strengthening. That is why some two years ago we began a review of all aspects of our programming.

We found services had been ravaged by the effects of a major economic recession and the neglect of the previous administration. We have identified the problems and now we are building the resources to strengthen services.

I want to inform members of our progress. Last October, we announced the restructuring of Child and Family Services in Winnipeg. Six community-based agencies will assume the services now provided by the Children's Aid Society of Winnipeg, the Children's Aid Society of Eastern Manitoba, and the Child Welfare Unit of Winnipeg Region, Manitoba Community Services.

By creating smaller community-based agencies, we want to give local residents the opportunity for input into developing child and family support programs. These programs will be under the direction of each agency board of directors sensitive to the needs of each community, its residents, children and families.

An overriding consideration in restructuring services is to build greater accountability of the services to the public, and to government their primary funder. This need has been recognized in reports by Judge Kimelman, Professor Joseph Ryant and, broadly speaking, the professional social service community.

We have responded to a very great public concern and desire for strengthened child and family services. We're confident that the restructuring will result in the most modern comprehensive and accountable child and family service in Canada.

Implementation of the new structure is progressing. Community residents and social service providers are actively participating in the building of the new service organization. To date, about 3,000 community residents and social service providers have become members of the six community agencies. One cannot overestimate the significance of this accomplishment in developing a new community-based service.

The boards of directors for the agencies have been elected and they are now meeting regularly to begin the process of taking over service delivery. Recruitment of executive directors for each agency is under way; each board will make its appointment by early summer.

The community-based approach to services is a chance to change Child and Family Services for the better. We have the opportunity to build a system which is sensitive to the community and to the cultural needs of clients. We have the opportunity to build a system which provides effective, meaningful, prevention-oriented support for children and their families. More than 200 social service professionals are now developing proposals for the organization of services, the administration of a new system, and changes to legislation which will support the new system.

It is especially important that services be culturally sensitive to the needs of communities. We have been meeting with organizations in the Native community to establish within the new community system a distinct Native service, likely consisting of a Native Family Service Centre offering preventive service, and working with Native families through out the child welfare system.

We have asked the Native community to agree to a single Native board to govern the centre. When the board is set up it will begin discussions with the new regional boards on the precise service organization. I hope these discussions will conclude soon so that Native people can play an enhanced role in the operations of our Child and Family services, both within the regional agencies and through the Native Centre.

The restructuring of Child and Family Services in Winnipeg will result in a strengthened, modern, prevention-oriented service with local communities playing a key role in deciding on their own services and programs. Our government is determined to increase democratic and community control of social services. We do not believe that government should always be directly responsible for services. What we do believe is that services should be run by communities, elected by and representative of the community they serve. Clearly, the strengthening of Child and Family Services is a priority for my department.

This is also reflected in our decision to create a division of Child and Family Services within my department's reorganized structure. Included in the

division is child and family support, such as child abuse, program co-ordination, adoption and foster parenting, child day care, juvenile correctional institutions and family conciliation. We now have the opportunity to develop an integrated Child and Family Service which will effectively meet the needs of Manitobans.

Child Day Care provides an important support to Manitoba families. Last month, I announced this year's funding policy for day care. Increases of 6 percent in maintenance grants and subsidies are provided. The total budget for the Child Day Care Program has increased more than 20 percent to 17.4 million.

More than \$1.6 million is earmarked for transitional assistance to enable day care facilities to meet the requirements of the new Community Child Day Care Act and regulations. The act, put into effect last October, is an important step in developing a high quality day care program for Manitoba families, and ensuring a better future for them.

A primary goal of the government is to support and encourage community-based human services. Recently I announced a policy of developing a more balanced mix of community and institutional services for the mentally handicapped. Over the next three years, some 220 residents of institutions will be placed in a variety of community settings. It is an opportunity to open new doors for the mentally handicapped. It means personal development opportunities and meaningful experiences for them.

Emphasis will be put on developing community supports and resources such as respite care, speech therapy, behavioural services, physical therapy, day activity and rehabilitation services to ensure that individual client needs are met. The effect will be to reduce the number of the institutional placements for the mentally handicapped.

To begin the transition and placements, \$700,000 has been provided for the development of community resources and services, \$500,000 for the new residential placements, and \$200,000 for additional new day activity. A Steering Committee has been established to oversee the planning and implementation of this initiative. It will include representatives from the Canadian Association for Community Living, the Manitoba School Auxiliary and the St. Amant and Pelican Lake Centres.

We're all aware of the concerns regarding Manitoba's Correctional Program. We have begun the process of addressing these concerns, and have already made significant progress. The Corrections Division is being more closely integrated into the department. In this regard, we have followed the advice of the former Commissioner of Corrections, and abolished that position. The division will now be headed by an Assistant Deputy Minister. A permanent appointment will be made soon.

A new superintendent for Headingley Correctional Institution is now in place. A full-time physician has been hired, and is providing greatly improved medical services to inmates.

In the Remand Centre, a new acting superintendent has been appointed. I want to note by the way that the new superintendent, aside from being very competent, is also a woman, to my knowledge the only woman head of a major mixed population correctional facility in Canada. Administrative and financial auditing

practices have been tightened to ensure greater accountability. Development planning for a new Remand Centre in Winnipeg has been accelerated.

Inmate programs at Headingley are being increased, and the Department of Education is actively working with the Corrections Committee to review educational programs.

Arrangements are being negotiated with the Main Street Project for lodging persons taken into custody under The Intoxicated Persons Detention Act. Within Headingley, open management concepts have been introduced, and a union management committee meets regularly to discuss staff concerns.

In addition, renovations have been made to the facility. A new medical unit is now in operation. The admissions area has been renovated. A new filtration system has been added, and an ongoing facilities upgrading plan has been developed.

These represent only some of the initiatives we have launched to improve adult corrections. There is much to be done, but I am confident that positive changes can and will be made. We are taking steps; a comprehensive plan is now being developed for adult corrections.

It is easy to criticize the results of 50 years of neglect. It is equally easy for members opposite, as they have shown, to absolve themselves for their inaction in government in failing to improve the correction program. I am interested to hear their comments on my department's efforts, but let them speak in a spirit of constructive comment.

The foregoing comments describe the major departmental initiatives which are reflected in this year's Estimates. We are confident that the level of funding set will ensure the maintenance of human services and the development of priority initiatives. Moreover, the changes initiated will result in better and more effective services and service delivery. Most important, they will build into our services a much needed degree of accountability.

In closing, I want to thank the boards of directors and the staff of all the agencies we fund which are, in so dedicated a manner, providing human services to Manitobans. I also want to thank the staff of my department for their tireless efforts and commitment.

Thank you.

**MR. CHAIRMAN:** Consistent with customary usage in the Committee of Supply, the Chair now calls upon the leading opposition critic to make his reply to the Minister's statement if the critic so desires.

The Honourable Member for Rhineland.

**MR. A. BROWN:** Thank you, Mr. Chairman. I thank the Minister for her comments. I hope that some of these plans that she has been expressing in her comments are going to be carried out, and we will be looking forward to great things happening in the future in this particular department. So far really all that we have seen is deterioration caused mainly by lack of direction, causing very low morale within the various providers in this particular department. I am told that the only thing really that they have to look forward to is on Thursdays they have meetings on stress; and on Fridays they have a meeting on burnout. I don't want to be

facetious about this, I am very serious about how things have been run in this particular department over the last two years.

The Minister says that this has been because of a lack of neglect by the previous government. Well, there have always been difficulties in this department, but it has been very very obvious that this neglect, lack of direction has been very prevalent during the last two years. As I said earlier, this department always has been plagued with many problems, and it always will be plagued with many problems. Never, ever will we be able to resolve all the problems that we face in this particular department.

I would like to start with Corrections, Mr. Chairman. I would like to say that one of the greatest problems probably is that we have received reports of overcrowding, especially at Headingley and at the Remand Centre, along with shortage of staff and run-down physical conditions at both these places.

During the past year, staff morale at these two institutions has been extremely low due to a number of factors besides shortage of staff, lack of proper training especially concerning prison riots, lack of medical help with proper training. For instance, there are no registered nurses, I understand, at Headingley. There is nobody with the proper medical training that can look after difficulties when difficulties arise, and they do arise from time to time.

I've had reports that the kitchen facilities over there are absolutely filthy, and that no one wants to eat the food unless they absolutely have to which, of course, is the inmates.

Administrative leadership is lacking. There have been charges of nepotism and I think that if the Minister is going to look into the department, especially at Headingley, she is going to find that indeed there is cause for concern. There are power struggles among middle management, lack of direction and, according to the Garson Report, the organizational structure is confused and irrational.

The Minister has made major changes in the Children's Aid Society. These changes were made in great haste before another program was in place or anywhere near being in place, dissolving the Winnipeg Children's Aid Society and establishing six areas within the City of Winnipeg without proper planning, and before the final report by the Winnipeg Children's Aid Society was completed. The way that new boards were elected, when meetings could not nominate from the floor but vote only for persons selected by the Minister's staff, leaves people with the impression that the Minister was more concerned about politicizing the Children's Aid Society than concern shown for the children. Now whether that is the case or not, the manner in which the Minister conducted these meetings leaves that impression.

I am told that it will be a long time before these boards will be functional. This means that the interim board established by the Minister will be in charge probably for another year. Now this board already has lost the confidence of the public.

My question is, why was this changeover not planned properly? Why did we have to move so quickly? Why did we have to change at all? Toronto, which is a much larger city, has only one Children's Aid Society Board, and that board is functioning very well. I'm looking

forward to discussion on this particular matter with the Minister, and I'm sure we will be spending considerable time on it.

I also hope to have a good discussion on Community Social Services. The Minister is placing many of the mentally retarded back into the community. The Minister stated that they would be placed as close to home as possible. Now my question then is what will happen to all the workshops, the rehab centres that have been established? What is the long-term plan?

A few years ago the advice was institutionalize; build workshops, rehab centres. Now the advice that we get is de-institutionalize. Who are these advisers that obviously cannot agree on anything? I don't blame the Minister as much as I blame her advisors who cannot come up with a plan that will serve as a long-range policy, a policy that makes sense.

I believe, in this area, our professionals or so-called professionals should hang their heads in shame because, Mr. Chairman, they do nothing but play games. I resent that, and the public is beginning to resent that more and more. The Minister will have to give direction, and create some kind of order amongst all this chaos. The Minister must show accountability.

We will wish to discuss Day Care, and the mandatory upgrading required for providers of day care. There is another problem out there because of stringent regulations without adequate funding. This is creating a lot of strain both on parents and providers of day care.

Some members, I am sure, will want to discuss child abuse, wife battering; all of these areas need our attention.

Mr. Chairman, there has been much ministerial and administrative neglect in this department. I realize there was a ministerial change in the middle of the year, but that does not change the fact that this government is charged with the responsibility of running this department. Lack of direction has been so apparent during the last few years.

**MR. CHAIRMAN:** The Chair thanks the Member for Rhineland.

Before we proceed any farther at this point in time, the Chair cordially invites the members of the departmental staff to take their respective places.

The committee shall defer consideration of Item No. 1.(a), relating to the Minister's Salary, as the last item to be considered by this committee. The Committee of Supply begins with a consideration of Item No. 1.(b)(1) relating to Administration and Finance, Executive Support: Salaries; and 1.(b)(2) Other Expenditures.

The Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, it would be very helpful if we could have a chart as to who is in which position within this particular department. I don't know if the Minister has a chart such as that at hand. It would make it easier for us to understand who's in charge of the various areas. I would appreciate it if we could have a chart such as that.

I would also appreciate if we could have a chart of last year's department and how they were structured last year, so that we could see just exactly what changes have been made.

**HON. M. SMITH:** We do have for you information on the staffing in the various branches and if I could just clarify what further information you would like, I can obtain it for you tomorrow. Is it the structure and the names of the positions that you would like to have?

**MR. A. BROWN:** That's right. The structure and the names . . .

**HON. M. SMITH:** And the names, okay.

**MR. A. BROWN:** . . . yes, and also if we could have them for last year so that we know who is in charge of that particular . . .

**HON. M. SMITH:** We have available the comparison of the staff complement of last year and this year comparison. We'll obtain for you that other information tomorrow or for the next sitting.

**MR. CHAIRMAN:** 1.(b)(1)—pass; 1.(b)(2)—pass.  
1.(c)(1) Research and Planning: Salaries; 1.(c)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** My question would be - we have a \$10,000 increase in that item. Has there been any additional staff hired, or is this just the general increase in salary, or has there been a substantial change in staff?

**HON. M. SMITH:** There has been one staff increase in this area for policy co-ordination purposes.

**MR. A. BROWN:** I notice that there have been consultations for policy program and budgetary planning and implementation. Does this include all the planners for her department, or are there other planners in other areas?

**HON. M. SMITH:** This is the main complement for overall department planning, but some of the larger divisions do have some planning capacity as well.

**MR. CHAIRMAN:** 1.(c)(1)—pass; 1.(c)(2)—pass.  
1.(d)(1) Communications: Salaries, 1.(d)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** We see a huge increase in Salaries in Communications. Can the Minister explain that increase?

**HON. M. SMITH:** We had in the previous year only the part-year cost of a director, and so we now have the full-year cost of the director and we have added one media specialist.

There is a great deal of public information materials that have been prepared in relation to the CAS changes, the Child and Family Service changes. There is a package prepared for the Child Abuse Program, and Family Violence is another area that we will be developing some public information and program description materials.

In our desire to have more children who come into care, especially the younger ones cared for in a foster home location rather than a larger group home setting,

we have a drive to recruit more foster families. So those are the main elements of the Communications, and we required more people to do that.

We also have been reaching out in the Corrections field to involve more people in the community, both to support programs and also to secure alternative community work situations for inmates of the correctional system. All these activities have required a quite active information system.

**MR. A. BROWN:** The Minister said that one of the major portions of the increase was that the salary last year had only been for half a year, and this year it was a full year. I notice that there is a \$51,000 increase in that particular item. I wonder if the Minister could tell me what the salary of that particular person is.

**HON. M. SMITH:** I did indicate that there was another person as well, so that would be full-year salary for the director and a media specialist.

Perhaps members would like just to see examples of the general type of pamphlet that we're dealing with. This is the pamphlet that's put out to interpret foster care and to help recruit more foster families. This is the type of pamphlet we are putting out to recruit volunteers to work in the correctional system, the Probationary Programs, Youth Justice Committees, and the Community Service Order Program.

These were the pamphlets that we put out to inform the public and involve more of the public in the election process for the Child and Family Services which, contrary to the comment made by the critic earlier, actually were quite widely publicized. In fact, the nominations were solicited from the general community, both through a newspaper ad and through pamphlets and through letters to organizations in the community, and the list of nominees was, in fact, drawn up, not as the critic indicated by staff members of my department, but instead by three persons of general repute in the community who carried out the nomination process at arm's length. We can talk about that more when we get into that program detail.

These are some of the materials that were developed around the Child Abuse Program. I would be happy to share those with the critics.

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

**MR. G. MERCIER:** Mr. Chairman, I'd like to pursue that questioning. Could the Minister indicate how many people are employed in Communications and at what salaries?

**HON. M. SMITH:** There are three people this year. There were two people last year with the one person's salary showing for only a portion of the year. There is some administrative support as well for the three persons.

**MR. G. MERCIER:** What are the salaries paid to the people employed in this department?

**HON. M. SMITH:** I can secure the salary detail, but I don't have it available just at this moment.

**MR. G. MERCIER:** Mr. Chairman, we're here to examine the Estimates of this department. We have a situation

where the expenditures of this department have been reduced in half from last year. Last year, the Department of Community Services and Corrections had a budget of \$300 million. Half of that has been transferred into the Employment Services and Economic Security Department and a small amount into the Health Department. So this department is responsible for one-half of the total expenditures of last year; yet we have a 300 percent increase in the Communications Department. This, Mr. Chairman, has been happening in a number of departments under this government who seem to have, as one of their highest priorities, communications people who will put out self-serving information for the government.

I would like to know what salaries are being paid to the people in this area who are responsible for a budget, one-half of the budget of last year, yet we have a 300 percent increase in expenditures in this area of Communications.

**HON. M. SMITH:** Yes, I do have, Mr. Chairman, the details on the salaries, but I would remind the members that in the division of the departments the portion that moved, the Social Assistance, is not the program area that required the most public information or, indeed, where initiatives were occurring that required community information programs.

On the other hand, the programs that have been left behind have been very active in developing community initiatives. I have already referred to the recruitment of foster parents, the publication of the Child Abuse Guidelines and the raising of the awareness of the public about both child abuse and family violence, in general; the communication surrounding the whole transition in the Child and Family Services in Winnipeg.

It's rather peculiar to be accused on the one hand of not informing the public and, on the other, to be caught up when we have been very conscientiously putting out newsletters and pamphlets and posters to inform the public of what we are doing and to invite them to become involved.

The three persons in this group are a director at a salary of \$47,700; a media specialist at \$38,200; and a secretary at \$19,100; totalling \$105,000.00.

**MR. G. MERCIER:** Who is the director and the media specialist?

**HON. M. SMITH:** The director is Allan Cohen, who is present in the audience; and the media specialist is Darlene Meakin.

**MR. G. MERCIER:** Was the director's position bulletined or advertised?

**HON. M. SMITH:** Yes, it was. I think you can tell by the quality of the pamphlets and newsletters that we will pass around that he has been doing a very effective job.

**MR. CHAIRMAN:** 1.(d)(1)—pass.  
1.(d)(2) - the Member for Rhineland.

**MR. A. BROWN:** We have a substantial increase in the expenditures here. I wonder if the Minister could explain the increase from 5,000 to 60,000.

**HON. M. SMITH:** 10,000 of that has gone into operations, and 50,000 into direct program support, and I have gone through the type of thing. The foster parent recruitment, there is an AV, an audiovisual, that will be prepared to assist neighbourhoods where group homes will be contemplated for the mentally retarded. Group homes are alternate living situations because one of the important jobs we have to do, as we integrate more of the special needs people into the community, is to answer the legitimate concerns and questions that a community has about the type of people and about what they can expect. We feel it's part of providing leadership in this integration of people into the community that we respect the needs of the surrounding community to be informed and to feel that they are real partners in the operation.

We are recruiting volunteers throughout the program of the department, whether it's in Child and Family Services, or the Corrections field, or the Mental Retardation field and, without some mechanisms for communicating with the public, that job is not nearly as effective. We have also been working with newsletters, both in the Child and Family Services and in the Corrections field so that all the members of the community who feed into those systems in a variety of ways can build their sense of morale and commitment to the larger system. We feel that it would be remiss, as a government, for us not to put effort and some reasonable resource into this aspect of our programming.

**MR. CHAIRMAN:** 1.(d)(2)—pass.  
1.(e)(1) Financial Services, Salaries; 1.(e)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** Can the Minister tell me how many SMYs there are in this location.

**HON. M. SMITH:** The same as last year, 21.

**MR. A. BROWN:** I notice that there is a slight decrease in the money appropriation. Was there a fair changeover of staff in this particular area?

**HON. M. SMITH:** I think that decrease can be accounted for primarily by the 27th pay period which entered into the '83-84 budget but is not required in the '84-85 budget.

**MR. CHAIRMAN:** 1.(e)(1)—pass; 1.(e)(2)—pass.  
1.(f)(1) Administrative Services: Salaries; 1.(f)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** I would like to know how many SMYs there are in this particular area. I see that there is quite an increase from 489,400 to 553,200; has there been an increase in staff?

**HON. M. SMITH:** Yes, there have been two staff added to accomplish the automation of the child welfare system, the data that is necessary to co-ordinate the provincial system. As I said, these are term positions and, when the automation system is operative, they will phase out. One is a computer programmer, and the other is a systems analyst.



**MR. A. BROWN:** How many SMYs have we in total?

**HON. M. SMITH:** There was a total in 1983-84 of 16 and in 1984-85 of 18, two of which are term.

**MR. A. BROWN:** Those two there, they're the only term employees in this particular area, or are there others that are term employees?

**HON. M. SMITH:** Yes, that's correct.

**MR. A. BROWN:** I notice that you have your departmental fleet vehicles under this particular item. Can the Minister tell me how large that fleet is at the present time?

**HON. M. SMITH:** We have 260 units under the department. Treasury has devolved responsibility for setting the number and allocating resources to the departments in order that the cost benefit of having vehicles can be assessed closer to where the service is delivered.

Sir, I have an update on that. Since this material was prepared, we have now economized on our fleet vehicles, and we are now down to 192. That first figure was the total complement before the departments had undergone their division, so 192 is the current complement.

**MR. A. BROWN:** Okay, how does that compare with last year's complement then? I'm a little confused on it. The first figure we had was 260, and now we have one of 192. Has there been an increase over last year?

**HON. M. SMITH:** I apologize for confusing the member - because the fleet vehicle was managed centrally before, the 260 number was what - had the social assistance component still been with the department, that would have been the total. The actual number that we have is two less than last year.

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

**MR. G. MERCIER:** Mr. Chairman, is this something new this year where this department is responsible for space management and operation of the departmental automobiles? Is it not more economical to administer this through the Department of Government Services?

**HON. M. SMITH:** That's really an issue that the Treasury Chair would probably be the person to consult, but as a member of that committee I can assure the members that we looked at different ways of handling the fleet vehicles in terms of efficiency and effectiveness. We felt that since we were as a government, trying to contain overall expenditures, that the most effective decision-making as to tradeoffs between spending money on vehicles as against spending them on program or other elements, could most appropriately be made in the department where knowledge of the impact of those different tradeoffs could be made.

So after looking at many different ways of handling it, it was concluded and I think overall, we have downsized the government fleet. We felt that this was the best way to keep a close and effective monitoring of the vehicles.

**MR. G. MERCIER:** Mr. Chairman, was there a transfer of personnel or funding from the Government Services Department to this department to look after this?

**HON. M. SMITH:** As part of last year's repriorization and monitoring of government expenditures, 90 per cent, I think it was, of the monies were transferred and departments were then expected to downgrade or manage within that. If they chose then to add vehicles, it would be by making tradeoffs with other program elements. Since as you know, we were faced with very tight revenue increases, very limited and since there is an enormous unmet demand for program expansion, it was felt that this would provide the most effective method of decision-making management.

**MR. G. MERCIER:** Can the Minister indicate whether this department is the only one that has assumed this responsibility?

**HON. M. SMITH:** No, that was general right across the whole government.

**MR. G. MERCIER:** The basis of this is some sort of a cost benefit study?

**HON. M. SMITH:** The analysis that was carried on in Treasury went on for several Sessions, and we looked at various optional ways of managing the fleet. There may have been some minor exceptions relating to some of the natural resource-type of activities because of fire control and so on.

But I really think it's more appropriate for you to ask the Treasury Minister to go into the detail. I think I have answered that as fully as I can from our department's perspective.

**MR. CHAIRMAN:** 1.(f)(1)—pass; 1.(f)(2)—pass.  
1.(g)(1) Personnel Services; Salaries; 1.(g)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** Who is doing the recruitment for this particular department? Is this done through this particular department, or is it done through the central Civil Service Commission?

**HON. M. SMITH:** We do it through our own director but, of course, we are always in close co-ordination with Civil Service procedures. So it's a consultative relationship, but we do have our own director carrying out the direct recruitment except for the correction system.

**MR. A. BROWN:** Are these positions advertised?

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

**MR. A. BROWN:** Is this department also doing the selection?

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

**MR. A. BROWN:** Is the Civil Service Commission not at all involved in the recruitment, in the selection and in the evaluation?



**HON. M. SMITH:** The Civil Service Commission co-ordinates the overall approach to personnel issues in the government. It's only departments that have a very large staff where some of the responsibility is devolved into the department, but the procedures followed are all co-ordinated by Civil Service Commission and we follow their guidelines.

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

**MR. G. MERCIER:** Mr. Chairman, could the Minister indicate who sits on the committee to consider appointments to senior administrative positions?

**HON. M. SMITH:** That would vary depending on the level. The procedure for a Deputy would be the Clerk, a senior member of the Civil Service Commission, the Premier and the Minister. When you get to the Assistant Deputy Ministers, it would be the Deputy Minister, Civil Service Commission and appropriate other persons.

**MR. G. MERCIER:** What about senior administrative positions below the Assistant Deputy Minister?

**HON. M. SMITH:** The Deputy would fit someone from the Civil Service Commission and we usually try to include at least one person from outside the government who would have expertise in that area. For example, in our department we would draw heavily on people from the Social Work Faculty at the University of Manitoba.

**MR. G. MERCIER:** Was the Deputy Minister appointed after advertising and appointed through the Civil Service Commission?

**HON. M. SMITH:** Yes, there was extensive, Canada-wide advertising and well over 100 applications.

**MR. CHAIRMAN:** 1.(g)(1) - The Member for Rhineland.

**MR. A. BROWN:** Who does the evaluation of staff? Does the staff evaluate themselves or who is responsible for evaluation?

**HON. M. SMITH:** Well, in an organizational sense, the Deputy Minister, in the final analysis, would be evaluated by Cabinet, specifically by the Minister and anyone that the Minister would choose to consult. From thereon, through the organization, there would be the usual type of supervisory evaluations that occur. Wherever possible, several opinions are secured so that I think it's fair to say that probably evaluation of personnel throughout government is an area that is in a developmental stage and much more can be done.

But we are committed to building the kind of evaluative system in personnel practices that are as up to date as we can make them so that they work to be mutually beneficial as a development tool, both for the person being evaluated and for the person who's supervising, because it can provide an opportunity to clarify job descriptions, to check out whether the workload is appropriate, what further training might be required. We're certainly working to match the best practice that is known in the personnel field but I think, quite honestly, there is a way to go.

**MR. A. BROWN:** I would agree with the Minister, that does cause some concern when staff evaluates themselves. The one concern that I would have is as long as anything goes wrong, if it's covered up well enough and so on, then that particular staff member is going to be evaluated as being a pretty capable person and it's going to go on and on and on. So in that particular area I think it is always good if you can have some kind of outside evaluation done and I hope that the Minister is going to possibly take a look at that and see if we can't get a more credible evaluation in staff evaluation.

**HON. M. SMITH:** There's a time and a place for outside evaluation but my conviction is, that the best possible evaluative process is one that is an integral part of an overall planning process; and that is, it goes through, throughout the planning cycle, all the stages of identifying what on earth the needs are that the department is attempting to meet, the goals that are set, the priorities for the department and that is something that is largely a Ministerial responsibility, although with a great deal of input from staff.

It's also something that is shared in a Cabinet setting, then the program development and the criteria by which you're going to measure success of that program should go in, in the early planning stage of the program and then by the same token it should be evaluated and the performance of the people taking part in it at frequent stages throughout the implementation, then the revision process of your programs is the final stage of planning, prior to your going back to repeating the cycle.

I think that if you can get that planning of the work and clear definition of the goals and what you're trying to accomplish and how you're going to measure it, that the evaluation of the work done by the people involved becomes a very natural and integral part of that process. That is the method of operation that we are developing.

**MR. A. BROWN:** I also notice the training of staff resources. How long a training period do you have or is this on-the-job training or what are we talking about, when we're talking about training?

**HON. M. SMITH:** Well, that's extremely varied. It would go all the way from some of the trips to conferences that staff make, some of the short-term training they might take when there's a new program initiative and that could be for an individual who would come back and share their training with others, or it could be for a group involved in the New Program Initiatives.

There's also, through the Civil Service, some kinds of training leaves that are available, but probably in our department the main thing would be for New Program Initiatives, training of a group of staff that are involved in initiating that type of training - sorry, that type of program.

**MR. CHAIRMAN:** 1.(g)(1)—pass; 1.(g)(2)—pass.  
2.(a)(1) Registration and Licensing Services, Vital Statistics: Salaries; 2.(a)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** How many SMYs in this appropriation?

**HON. M. SMITH:** There are 35 SYs for '84-85 and there were 36 in '83-84. We've had a reduction of one in the

Search and Verification area of the Vital Statistics. That was a clerk reduction, a reduction of one clerk.

**MR. A. BROWN:** The Vital Statistics came into this particular department from the Department of Health, I believe, last year, or was it the year before? Was it last year that there was a changeover?

**HON. M. SMITH:** When the Health and Social Development functions were in one department, of course Vital Statistics served all the functions. When the departments were split - and that I think occurred about 1980, somewhere in there - Vital Statistics came over with Community Services. In fact, its materials - or at least a portion of them - are of direct significance to Health and a portion to Community Services. So long as the communication lines are clear probably the actual location of the group is not of great significance.

**MR. DEPUTY CHAIRMAN, D. Scott:** 2.(a)(1) - the Member for Rhineland.

**MR. A. BROWN:** I don't think the Minister is correct on that. If I remember correctly the changeover was made last year or the year before, I'm not quite certain, but I do remember when the changeover occurred, it was under this administration I am sure.

**HON. M. SMITH:** The information I have is that since '69, when Social Development first was formed, our Vital Statistics was a part of it. Then there was a period where Health and Social Development functioned together. In 1980 the split between Health and Community Services occurred and Vital Statistics went with the Community Services group at that time. So that's the information I have. There was not a change last year to the best of my knowledge.

**MR. A. BROWN:** Are the functions primarily the same of Vital Statistics as what they have been for the last number of years?

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

**MR. A. BROWN:** Then I do have some concern because this department has been known to take Statistics from Canada, from the Federal Government, xerox them and put their name on it and it'll come out as their particular statistic.

I think, of all the departments, possibly that this particular one needs to be looked at. The statistics that we should be keeping we are not keeping. I have great concern that this particular department just absolutely is not doing the job that they should be doing.

**HON. M. SMITH:** Well, Mr. Chairman, I find my temperature rising somewhat. I really would like to know where the critic is obtaining his information.

The information I have is, in fact, quite the reverse that our Vital Statistics Department, in fact, collects, registers and compiles data regarding births, marriages, deaths, changes of name, adoptions. It issues licences and certificates related to these events to the general public and, indeed, supplies them to Statistics Canada.

Now if the member has a specific type of statistic that he wishes to query, or some specific allegation as to where he thinks we are merely reprinting Stats Canada material and, of course, sometimes that might be of importance in a state informational base. But the main role of the group is to do as I said, to collect, register and compile the data and to work from the bottom up.

If he has specific information that contradicts that, I think the onus is on him to table that information.

**MR. A. BROWN:** I tabled quite a bit of that information last year and, unfortunately, I don't have it with me. I must admit that I haven't had all that much time to take a look at Vital Statistics this year so, that's why I was asking whether there had been any changes made from last year 'til now. The Minister answered, no. So then I just took for granted that we still had the same problem out there.

**HON. M. SMITH:** My question stands; it's one thing to refer to last year's questions, but I can't see any connection between the questions that supposedly were raised last year and the reality as we are observing it from year to year.

Now, unless I am misunderstanding the question that the member is putting, perhaps I can undertake to review the situation, but the information I have available at the moment would indicate that his line of questioning just doesn't have any evidence to support it.

**MR. CHAIRMAN, C. Santos:** The Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, the Minister may not have this information, but last year there was amendment to The Vital Statistics Act to enable parents to choose between the mothers and fathers surname for their children. Could she indicate how often the mother's name was used by virtue of those amendments? It's just a matter of interest. I would like to see how much the amendment was used.

**HON. M. SMITH:** Yes, I think that's a fair question. I don't have that information to hand. Just a minute while I consult with my . . .

**MR. G. MERCIER:** She could take it as notice and provide it to me later.

**HON. M. SMITH:** Just to clarify, your wanting to know the extent to which the amendment from last year was in fact used.

**MR. G. MERCIER:** Yes.

**HON. M. SMITH:** Yes, I will undertake to get that information.

**MR. CHAIRMAN:** 2.(a)(1)—pass; 2.(a)(2)—pass.  
2.(b)(1) Residential Care Licencing: Salaries; 2.(b)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** Thank you. I was informed that I'm not supposed to ask about SMYs anymore and staff man years apparently is out and staff years is in.

**HON. M. SMITH:** That's right.

**MR. A. BROWN:** I suppose I got this from the Department of Health where the critic and the Minister were talking about SMYs throughout the entire procedure. So, how many SYs do we have in this? I notice that there's a reduction in monies spent so I assumed that there is a reduction of staff.

**HON. M. SMITH:** No, I think the material you have in front of you indicates that there is the same staff years as last year. The difference in salary figure is again attributable to the non-existence in '84-'85 of that 27th pay period.

**MR. A. BROWN:** That still doesn't tell me how many SYs there are.

**HON. M. SMITH:** Nine. I thought you had the information distributed. It's on Page 5 of the sheet that we distributed, the information sheet.

**MR. A. BROWN:** Okay. I haven't had a chance really to . . .

**HON. M. SMITH:** Fair enough, you were only handed it at the beginning of the Session.

**MR. A. BROWN:** What does this group do? Residential Care Licencing - what is the responsibility really of these employees?

**HON. M. SMITH:** This group has a very complex and extensive role underlying it's rather innocent title. It is responsible for inspecting and licencing all residential facilities, that is, facilities which take in people with special requirements throughout the whole province.

Now, as of January 1st, 1984, there were 83 children's groups homes with the total of 669 beds. The Children's Aid Society has accounted for 154 beds in 22 of these homes.

In the adult facilities there were 109 homes with a total of 1,179 beds; 66 homes with 497 beds come under the Mental Retardation Program; 27 homes with 363 beds under Mental Health; 16 homes and 309 beds come under the Infirm Adult and Aged category.

The only residential facilities that we are not required or obligated to licence are those which house residents on a short-term basis while the people are securing medical services, or places which are used for transitional services to children and adults.

That is a gap, if you like, in the system. We do sometimes get complaints about those homes, that would include medical receiving homes, halfway houses, women's shelters, Villa Rosa. We sometimes do receive complaints about them, but it is an area where there is, as yet, no clear policy.

Now there was a co-operative government and private sector volunteer study of residential care throughout the province, and they tabled a report in January. Since then, an interdepartmental committee has been working on the overall question of levels of care, administrative costs, and are working on developing a co-ordinated funding and licencing policy.

**MR. A. BROWN:** How often do they inspect a residence within a year?

**HON. M. SMITH:** A minimum of once a year, although on request or where there's a concern, they will go more often. We are aiming at a twice-a-year system, twice-a-year minimum.

**MR. A. BROWN:** My comments would be that even twice a year would seem to be very little when you're monitoring a residence, which you really have no other way of knowing whether they're doing a good job unless you receive a complaint. Some of these people who are in these particular residences may not be in a position where they'll be the first ones to complain. This would be a concern of mine that, maybe in that particular area, we can maybe do a little bit more monitoring, and make certain that the money which is going towards the upkeep of these residential care facilities is being used appropriately.

**HON. M. SMITH:** Our licencing is primarily looking at the physical facility and a rough review of program, but there are also many people in the field with direct responsibility for program, for example, mental retardation workers who follow up on individual people, medical people who are checking on some of the elderly, and of course our child and family service workers who keep an eye on the children. So it's as if the monitoring is coming from two directions: (1) ours on the licencing; and (2) theirs on the programming.

We keep reviewing the way we're organizing that type of activity to look for improvements. I think it's only fair to say that most of this type of program has evolved over time from very much of a patchwork system where volunteer groups have got together and met a need that they saw was evident. Then as the numbers of people requiring help grow, they run out of money and we get involved in some funding. So, it's a system that is certainly in a state of evolution, and does require some systematic review and improvement.

That is why we did participate very actively in the Residential Care Program Study and are continuing to work on that issue, and why we are reviewing our program delivery and standards so that we can indeed make the best use of the people we do have in the field and, at the same time, provide that kind of protection and quality care that people in these situations require.

**MR. A. BROWN:** Is the Minister telling me that there is a different staff for the licencing than there is for the monitoring?

**HON. M. SMITH:** No, I would say it's for the people - if I could sort of describe a mental retardation home, we would go and license from the point of view of space and cleanliness and fire safety and general program design. Then mental retardation workers who would be following up the case of an individual placed in that home and their relationship with their family, how they're coming along, they would have a case responsibility. So the monitoring in a sense is going on from both directions as well as other people, medical people and so on, who become involved in the system.

There is need for improved co-ordination, and we're working to set up the most appropriate types of directorships and program responsibility centres in

government, because we think the system is getting large enough that it does require that kind of management and clear accountability system.

**MR. CHAIRMAN:** 2.(b)(1) - the Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, do people in this area train day care workers?

**HON. M. SMITH:** No. The Day Care functions as a separate program element under the Child and Family Service area, so they both inspect and train on their own.

The residential care is a place where a person would be overnight. It would be their residence, rather than their daytime location.

**MR. G. MERCIER:** Mr. Chairman, I asked the question because the annual report refers to child care workers who received a diploma in Child Care. I take it, they're within this department, but this area is not involved in training day care workers.

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

Resolution 36: Resolved that there be granted to Her Majesty a sum not exceeding \$1,196,100 for Community Services and Corrections, Registration and Licensing Services, for the fiscal year ending the 31st day of March, 1985—pass.

Item 3.(a)(1) Community Social Services, Administration: Salaries; 3.(a)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** Before we go into the actual questioning, I wonder if the Minister would care to make a statement on this. It's rather a large area that we are getting into, and I don't know if she has a prepared statement ready for her.

**HON. M. SMITH:** This is a huge area. If we could distinguish it from the services that go primarily to children, although they reach through to the family, these are ones which are primarily the services to adults. They have some direct service delivery by field workers that relate directly to the department, and then they have a very large number of agencies that are groups in the community who are delivering a service and who we, in a sense, purchase service from. Basically, we're talking about the whole area of rehabilitation services.

Now this is all the workshops, day activity services. I think the critic referred to them in responding to my initial statement, and expressed a concern that, with moving people out of "institutions," we would somehow be eliminating workshops and so on. I hasten to reassure him that the reverse is, in fact, the case. The workshops and day activity centres are a very essential component of having people with mental retardation in the field, in the community. There will be expansion required. I have certainly not heard of any day activity or workshop which would be underutilized. I anticipate the reverse - an expansion of these services. I also anticipate an improvement of these various services operating in the institution at the Portage School, the Manitoba Developmental Centre.

In the mental retardation field in general, we have indicated our determination to increase the options

available for adults with mental retardation. We currently have over 1,100 institutional beds and a much smaller number of beds in the community. With our shift of 220 out of institutions and into the community we are still going to retain quite a heavy institutional commitment - that would be at Pelican Lake, at what was the Portage School, which we are now calling the Manitoba Developmental Centre, and St. Amant - but it will also increase the range of options for independent living, supervised apartment living, group home, foster care in the community and will bring people closer to their families.

We have put in place a planning process whereby the government department and representatives from the main institutions and volunteer groups in the field work together to plan the orderly move of the equivalent of 220 out of the Manitoba School over the next three years. It's very much a co-operative effort and dependant on the willing participation of groups of volunteers and relatives and so on at the regional level.

The overall organization in the department, Joe Cels is the Assistant Deputy Minister in charge of Adult Community Services. On one part we have John Ross who directs the regional operations which we have operating in a team way with Health in the field, and purchase of service from external agencies. On the other side, Ralph Kuropatwa is heading up the Mental Retardation Services and the Vocational Rehabilitation Services. I think that should perhaps act as an initial statement for the section.

**MR. A. BROWN:** Well, my concern primarily is on what is happening at Portage at the present time, and I am concerned because I don't know what is happening over there. I know that we took 220 people out of the institution. I don't know where they have been placed. Do they have accessibility to training centres, or have they been placed near their homes, as I think the Minister made a statement at one time or another that, wherever possible, these people would be placed as close to where they came from originally. So are they away from workshops, training centres, or what is happening? I would like to know how many of those 220 are placed in supervised apartments, let's say. Are any of them in group homes? In other words, I would like to know what is happening to these 220 people that have been placed in other facilities?

**HON. M. SMITH:** That's a very important question. The state we are at now is that we have a plan and a planning process to move 220 out of the Manitoba School at Portage over the next three years, so it has not yet occurred. The importance of where we are at now is that we have all the chief actors, the people who run the institutions, the people who are members of the parent groups, the advocacy groups in the community, and the government department sitting down, working together within a format, whereby the prioritization as to who is to move out, the identification of the areas working out of the vocational needs, the workshop requirements and so on; there is a decision making group at the centre. Then, within each of the regions, where we do have existing volunteer and private sector organizations and we also have regional staff, they will form local committees who will initially feed information

into the central group saying what the level of willingness is of their local area, what the proposals are. The central group will make the decisions and then pass them back to the regional committees to implement.

What we anticipate is a mix of group homes, foster placements, supervised apartment living, but the actual mix will depend on the work done by the staff in the field and the volunteer organizations, which include the relatives of the people, in their respective regions. What pattern goes in one region may be quite different from another region.

What we think we have is an orderly process for moving gradually, for developing a more diversified service picture, and it will give us time to assess what are the most effective types of programs. We already have experience in the community with quite a variety of programs, but they aren't large in number and it is going to take a lot of careful matching of individual need with program options. Right now there just aren't the options and people have very few choices in where to place a mentally retarded relative.

At the same time, as we reduce the population at Portage by 220 from a current level of around 780, the staffing ratio at the Portage School will improve somewhat and there will be some development of facilities, such as, vocational activity centres and recreational activity for them. So it will be some improvement of the program they have at the same time as we build up the options in the community.

**MR. A. BROWN:** These 220, presumably they have not all been placed in Portage, they will be in other communities. Do all of them have access to the training centres or the workshops?

**HON. M. SMITH:** Day activity.

**MR. A. BROWN:** Do they all have access to workshops, or what is happening to these 220? How many of them are in Portage; how many of them have been put into different regions?

**HON. M. SMITH:** The current situation is that the population at Portage is around 780. We hope to have it reduced by 220 in three years; that's our goal. That will be achieved by some reduction of numbers going into Portage and some people leaving Portage. It will reduce the population there enough that the North Grove Wing, which would require extensive fire upgrading, safety upgrading, can be closed.

The moving out into the community does require planning, not just for a residential location, but for the support services in medical services, speech training and so on, and the very important issue of day activity or workshop centres depending on their level of functioning.

We have the organizations, both our department staff and organizations in the community, that are involved in vocational workshops working along with the planning groups at the centre and in the regions. It will not be a hit-or-miss movement of people out into communities. The residential planning must be accompanied by all the other service planning. That will mean adding a few people to existing workshops in one area, developing new workshops or day activity centres in

other areas. But the planning will be carried out in a synchronized fashion.

Now those people are not yet out of the Manitoba School. It's a three-year process. And as I say, the goal is to cut the population of Portage by approximately 220 over three years. Because the planning process is gearing up now, it may be that we don't achieve a full third the first year, achieve more the second and third years. But what we had to put in place was a co-operative planning process whereby all these things could be synchronized and done. We don't want to move people irresponsibly out into the community, see they have a bed to sleep in, but not all the other recreational, medical, vocational needs met with. So it's a co-ordinated planning process that we have put in place.

**MR. CHAIRMAN:** 3.(a)(1) - the Member for Rhineland.

**MR. A. BROWN:** That explains a lot. I thought that all of these already were out in the community. I don't know where I got that impression from, so that's why I was asking some of these questions.

I would like to ask who the planners are besides your immediate staff like Joel Cels, John Ross, Ralph Kuropatwa. Who are the professionals that they confer with when they come up with a change in plans such as this? I would assume that they are getting advice from some professionals in the field.

**HON. M. SMITH:** In this case, I think the consultative process is non-stop and broad-ranging. There are many advocacy groups in the field who are only too happy to come in and certainly talk to the Minister and to the staff, but they have a lot of very valuable experience and a great deal of commitment to the process. There are people within the department at the school and within the department who have made a career of working in the field and their expertise is drawn on.

There is literature that's consulted and as I say, I think this is a development that has received quite a broad range of inputs and will, by the way it's set up, benefit from that type of input as it moves along. Medical people have expressed their concerns and have helped think about different ways of meeting the need. I did name the people in the department who are supervising the activities. I don't know if you want more detailed information than that.

**MR. A. BROWN:** I was wondering whether any psychiatrists, psychologists or whatever were involved in this decision making, and whether they were recommending this.

I suppose that other provinces have tried this. Are we copying a program from another province?

**HON. M. SMITH:** There are certainly elements that have been tried in other communities. I guess we aren't trying to copy identically, exactly any particular province, but any good ideas we can find wherever we find them, we're willing to listen and to learn.

There is a great deal of ferment and experimentation. I say that not in a sort of casual way, but willingness to try new models on a small scale going on by the volunteer groups, the community groups, and they

provide an invaluable type of charting of the course. Some ideas they try don't work out so well. Others do. Then they can come to government and say, we've got this working for this group of four or this group of six. Why don't you consider funding this type of program? I would say that the whole field has been evolving because of input from laypeople, from relatives as well as from students of the field, professors, medical people.

There has been, I would say, an evolution of ideas about treatment of or how the mentally retarded fit into the community that go all the way from the early days when they were ignored or, in some cases, sort of revered to a heavily medically-oriented institutional setting model to a community-base model. What we will have in place will be really a mixture of the institutional and the community-based.

Again a great deal of improvement or change has been occurring in the institutional settings and, I guess you could say, the learning theory through psychology has developed. There are better ways now to help mentally retarded people learn life skills, learn hygiene. They are treated in a much less regimented fashion in institutions. There is more recreation, more training programs, more out-tripping and so on. So the quality of program in institutions has changed at the same time that people have found that even quite profoundly-retarded people, if appropriately placed and supported, can live in community settings, can experience more stimulus and, in a sense, enjoy more of the things that ordinary people do. Probably it's been a mixture of a learning theory and technological aids and, in some cases, medical advance where some of the conditions that the mentally retarded suffer for, some of the seizures and suchlike, can be better controlled.

So it's a field where we don't know everything and as soon as we introduce these programs, we must learn what we can from them and be prepared for ongoing change. It's also a very exciting field because I think the willingness of the community to accept people into its heart, as it were, and to integrate them into the community is growing apace. I must say, I take great heart from the fact that although there is sometimes a flurry of resentment or resistance when a new home is opening in a community, that once people become more familiar with the people and go through an initial kind of reaction, there seems to be a very strong acceptance.

Now we are looking for innovative ways to let a community find out as much as they want to know and to kind of overcome some of that resistance that's often based on fear and ignorance so that this movement can proceed. That's why one priority we are setting in the movement out of the institution is through the regions or communities where there is already the highest level of acceptance and willingness of the local groups to receive these people into their community.

**MR. CHAIRMAN:** 3.(a)(1) - the Member for Rhineland.

**MR. A. BROWN:** The reason I was asking that question is that Saskatchewan has been making great strides, I believe, in this particular direction. Their whole approach to mental health is far superior to that which we have in Manitoba, and I think there is an awful lot that can be learned from what has been happening in

Saskatchewan in the last number of years. I wouldn't want to say the last three years. I would want to say in the last 10, 12 years possibly in Saskatchewan. They have been making great strides, and I think that we have a lot to learn from them.

One of the reasons - and again we have to come back to Vital Statistics in this. They keep proper records over there of everything that is happening, so that they can properly evaluate a program to see how successful it is. There is a follow-through. There is proper evaluation of programs.

Over here, we have no evaluation. It's very difficult for us to say whether any of our programs are successful or whether they are unsuccessful, because we don't do the type of follow-up of any particular case. I would hope that the Minister would get the Vital Statistics or whoever to keep a proper record and to keep these statistics, so that we can do proper evaluation of the programs which we are implementing.

So far, as far as I'm concerned, we are just flying by the seat of our pants. We have no idea what we want to accomplish. We have no idea whether we have accomplished it. It's just a big mess as far as I'm concerned, and I hope that we will be able to do the type of proper evaluation, so that we could see whether a program is successful or not.

The Minister said that she would like to have some of these people - and I'm coming back to this again - close to their relatives, if possible, when they are released from an institution. Has the Minister ever given consideration to some funding for parents so that these children could possibly be in their own homes? At the present time, there is no funding available. There is some assistance as far as day care is concerned or whatever, so that every once in a while a child can stay some other place. There's funding made available for that, but there is no funding at all for parents. I can see that there can be a little bit of a problem with parents, but I think some evaluation should be done. I think that the best place for them, if we could have them, would be in their own home, but also other relatives.

I'm thinking of a specific case where an aunt is looking after a nephew, and she has great difficulty obtaining funding. The parents live 30 miles away. It's a case in Winkler. The aunt lives right close to the workshop where this child can go every day, yet she is finding it so difficult to obtain any funding because she is a relative. Has the Minister given any thought whatsoever to maybe making some allowances on it?

**HON. M. SMITH:** Mr. Chairman, I am delighted to hear the critic pay some tribute to the kind of community services in the mental health and mental retardation field that have developed in Saskatchewan because I think there, there has been for some years a recognition of the need to plan, and to plan in a framework where government takes the lead and helps to generate the resources but works co-operatively with communities and families in the field. If that is the model that is being held up for emulation, I heartily agree.

I disagree with the critic when he says, it's all a big mess here. I'm trusting that he's reflecting his own view of it, and that is based perhaps on inaccurate information. I trust by the passage of time that he will



gain confidence in the kind of planning that we have been talking about. Part of the planning process is the setting of goals and goals that can be evaluated, so that you don't just make pious statements about what you hope will happen. You, in fact, state what you hope will happen in terms that can be checked out.

I am not sure that Vital Statistics is the group that should be evaluating this kind of program. Their task has been in counting births and deaths and things of that matter. When we're into program evaluation, I think we are into qualitative data. But having said that, I don't mean that there isn't a discipline can be applied to that kind of data.

What we are saying is that a human being, whether they're mentally retarded or not, is more than a physical being or someone who just needs their health needs cared for, custodial care, as we have so often given them in institutions. They're also individuals; they have feelings. They can respond to relationships with family and community. They can enjoy a variety of recreation. They can learn and, in many cases, they can perform some kind of vocational task, given appropriate learning and support systems. It's that type of program which can meet a variety of needs and which, I think, can be evaluated in terms of the degree of activity of the retarded person, their emotional expression and sense of well-being, the extent to which they can look after their own personal needs, form relationships with other people.

These are qualitative, developmental behaviours that can, in fact, be identified and measured. I agree that our planned system, if it can't demonstrate that we can show improvement on those very elements, has no real claim to value. But based on experience and based on a lot of culling of the literature and so on, it's our belief that there is a great deal can be accomplished; that this is the direction to go to have an improvement for the individuals.

Now back to the family and whether we can allocate resources to families so that more people can be cared for by their relatives or by their families, I think that is something that we should work toward. What we must do is phase in a program of that sort, because what we are living with now is the penalty of a system that for too long thought that parents or relatives should care for all their members for free. It's only when you pay someone to provide that care that money should change hands. What we have now is a system where many parents sacrifice a great deal to care for their relatives and never receive a penny support, although there has been a little bit of respite care available in recent years. Then we have very expensive institutions where people lack a lot of the personal and social contact that they might have received in their own family.

What we are trying to put in place is a flexible system that links money to the individual and the individual's needs, not so much to an institution. But it is going to take awhile to get that kind of a system operating, because there is a backlog of people who are very much under served in an institutional setting. We want to get them out into some kind of community placement and make some gradual improvements in funding for families, but in all honesty a real improvement on that side is going to have to wait until this higher priority item is dealt with.

**MR. A. BROWN:** I still think that there is very much that remains to be done. When I was talking about the

mess really of this program evaluation and that we are not following through with statistics, again I must refer to our whole mental health program, not only the mentally retarded.

There are only two provinces in Canada that do not keep records, do not do follow-ups - and I forget which one the other one is, it's either Prince Edward Island or Newfoundland - and the other one is Manitoba. All the other provinces they keep statistics, they do follow-ups, they know they can evaluate. We have great difficulty in evaluating because we don't do that type of thing. I still say that we will never know whether we have successful programs or not unless we do proper evaluations.

We have been discussing Portage mainly and the Minister mentioned St. Amant. What are the plans for St. Amant?

**HON. M. SMITH:** We have no plans to expand the program at St. Amant. The did, as you know, have a building addition last year, an extra cottage, and they do offer a very excellent program of admittedly an institutional type, but it's probably one of the most humane types of institutions that you could imagine if straight decor and quality of staff and all were measured. They do deal primarily with the younger children and our hope would be, over time, to take some of their graduates and have them go into the community, rather than into the Manitoba School.

One of the phenomena that we're having to deal with is the great increase in numbers of mentally retarded. At the same time as we're learning how better to enable mentally retarded people to become more self-sufficient, there is a great increase in their numbers because medical science is keeping more premature babies alive. They are able to keep kids whose ailments might have led to an early death in earlier years, get them through their most vulnerable time when they're children and they do then grow up and present very special challenges to the community.

I agree that more accurate information and record keeping is going to be an essential part as we plan for the future and try to anticipate the extent of the kind of programs needed. We have increased our Research and Planning capacity in government, in this department, it started certainly with my predecessor but without that component we really aren't able to do the total planning with evaluation and monitoring that the critic recognizes is so vital in this field.

On the other hand, to say that we've doing no monitoring and no record keeping is an exaggeration at the other end. What we have is a rather patchy system, and I think we've arrived at the time in history if our system is going to operate effectively and efficiently, we must co-ordinate and plan and, of course, without accurate data, monitoring and so on, that will be a vain hope, so I concur that it is a high priority.

I do disagree though that there's been nothing happening at all in the field. I think it's developing but it's not yet a mature and fully reliable system.

**MR. A. BROWN:** The Minister also mentioned Pelican Lake as possibly being one of those where some of the mentally handicapped would be placed out in the community. Would you give me a report on Pelican Lake?



**HON. M. SMITH:** Peiican Lake has about 70 adults that were moved out of the Manitoba School some years ago with the hope that it would be a halfway house, a transition place where they would build up their life skills and acquire some vocational skills and then move out into the community.

Now, it has proven to be a very happy institution for the people in it, but the capacity of that institution to move people on into the community has been limited. Now whether that's its scale or its location or what, I really can't comment, but as I say it's valuable but that model doesn't necessarily offer the best answer.

I think the combination of smaller community residential settings and daytime work locations is preferable.

**MR. A. BROWN:** I've been through most of these places on a number of occasions and I must say that I'm always amazed at the dedication of the staff that we do have working, especially at St. Amant where they're working under very very difficult situations.

We're very proud in my constituency the way that we have treated this particular area. I believe that we were one of the leaders in the province in workshops, in group homes, attacking the problem and helping those parents that did have mentally retarded. So, it has been of special interest to me, and to many people of course in my area, and I think that we're all working together to try to resolve these problems as much as we possibly can.

Consequently, of course, there has also been a number of other areas now that are doing a great job and I think we must give those people that are working as volunteers, especially we must give them a lot of credit for the work that they are doing.

**MR. CHAIRMAN:** 3.(a)(1)—pass; 3.(a)(2)—pass.

3.(b)(1) Regional Operations: Salaries; 3.(b)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** We're a rather a large department over here, I wonder if the Minister could explain on Regional Operations specifically.

**HON. M. SMITH:** Yes. These are programs delivered in the field directly by departmental staff. In many cases they developed to match the kind of programs that developed here and there in communities through the volunteer sector. For example, in the previous section the critic was mentioning some of the very fine community work that's been going on in the area that he comes from, and I must say that we, too, would like to pay tribute to communities which have been innovative. There's some in your area where business community groupings, churches, as well as government and volunteers, have got together and provided a tremendous mix in some cases, making workshops profitable. That isn't always feasible, given the different levels of functioning and ability of people who are either mentally retarded or post-mentally ill, but much more is possible than anyone used to think and, with imagination, a great deal has been accomplished.

There are, however, other areas in the province where that kind of community development did not occur spontaneously. To provide a more equal service

throughout the province we do deliver a lot of those services directly; that would be the whole range of child welfare, family counselling, community mental retardation, vocational rehabilitation, services to the disabled. We have multidisciplinary staff who work out of eight regional offices under the direction of a regional director. They usually share an office with health workers in the field, and often provide a good model of service delivery. In time, it may be desirable to develop community boards or advisory groups that help to get some of the riches of community involvement, but they do involve a lot of volunteers in the way they work.

As I say, there are many different methods, I guess, of building a service. Certainly the volunteer component in the community service field is an enrichment that we probably can never pay for as a society, but which enriches the quality of program immeasurably. So I would like to heartily concur with those sentiments expressed by the critic.

Now this group, the eight offices had 270.5 staff in 1983-84, and currently are operating at a level of 273. There are minor reductions and increases, but very close to the same complement. They are divided up by region. I can give the regional breakdown if that's of interest to you.

**MR. A. BROWN:** If the Minister wouldn't mind, if she could give me the regional breakdowns as to how many SYs there are in each one of these regional offices, I would appreciate that.

**HON. M. SMITH:** Winnipeg, 117.5; Westman, 22; Eastman, 18.5; Central, 14; Interlake, 28.5; Parklands, 28.5; Norman, 20; and Thompson, 24, for a total of 273.

In addition, there is family conciliation staff of 17.

**MR. A. BROWN:** 17?

**MR. CHAIRMAN:** 3.(b)(1)—pass; 3.(b)(2) - the Member for Rhineland.

**MR. A. BROWN:** There is an increase in Other Expenditures over here. Can the Minister give me a breakdown of what these other expenditures are comprised of?

**HON. M. SMITH:** There is an increase of three in the staffing, and then the family conciliation staff has an increase. Some of those personnel were transferred from Corrections. The Marriage Conciliation group was under Corrections, and now will be under this grouping.

**MR. A. BROWN:** Under Other Expenditures, I don't know. The question I asked, could I have an explanation under Other Expenditures? We're spending \$1.141 million. What is that figure comprised of? I understand the staffing, but . . .

**HON. M. SMITH:** Well this would cover the office, the clerical support, the travel. There are three more staff in the regions, plus the 17 in the family conciliation group. All that rolled in together accounts for that increase in the expenditure field.

**MR. A. BROWN:** There are no supplies in this particular expenditure because, even so, it seems like a lot of money if that's all that this \$1 million is going to.

**HON. M. SMITH:** Again the services are being extended in the regions. We are finding travel in the North is increasingly expensive. We have geared up, as I say, one more staff in Norman, one in Thompson, one in Interlake, one in Parklands. We have reduced one in Central and Eastman and Westman, and one extra in Winnipeg. It's basically the cumulative effect of the travel cost, but adding the extra in family conciliation is another sort of block of increased expenditure.

**MR. CHAIRMAN:** 3.(b)(2)—pass.

It being 10:00 p.m., by common agreement, committee will rise.

## SUPPLY - INDUSTRY, TRADE AND TECHNOLOGY

**MR. CHAIRMAN, P. EYLER:** Committee come to order. We are considering the Estimates of the Department of Industry, Trade and Technology. Does the Minister have an opening statement?

Mr. Minister.

**HON. E. KOSTYRA:** Thank you, Mr. Chairman. As members will no doubt be aware, our government has made the strategic decision to shift the focus of our economic policy towards longer-term investment and job opportunities.

While we will continue to work with Manitobans to create immediate jobs as we did in the first phase of our economic strategy, our judgment is that this shift in relative emphasis towards the longer term is appropriate and timely, especially in light of presently improving economic conditions in Manitoba and on the basis of our economic outlook of evolving conditions for the next 12 to 18 months.

The present stage of economic recovery is admittedly tenuous and there is still room for considerable improvement, especially in terms of unemployment rates and real interest rates that remain unacceptably high. Nevertheless, with one of the lowest unemployment rates in Canada, second lowest in April, and one of the strongest growth forecasts for 1984, 4.5 percent real GDP growth, Manitoba is now in a position to begin placing a high priority on the important task of building our economy for stable, long-term growth.

This assessment of the economic outlook for Manitoba and the shift in the government's economic strategy, based on these evolving economic conditions, has been reflected in the reorganization that has taken place in the economic departments of the Manitoba Government and is reflected in the Expenditure Estimates and plans for the Department of Industry, Trade and Technology before us this evening.

As members will be aware and as we will have an opportunity to discuss in more detail shortly, a team of three new economic departments has been created by the Manitoba Government: The Department of Industry, Trade and Technology, the Department of Business Development and Tourism and the Department of Employment Services and Economic Security, each designed to handle a major aspect of the economic challenge ahead.

The Department of Industry, Trade and Technology, in addition to its role of supporting Manitoba's

diversified economic base, assumes lead responsibility for several major initiatives being undertaken to restore Manitoba's economy.

A reorganization within the Department of Industry, Trade and Technology, reflects these new dimensions of the department's mandate and major new thrusts in the transforming of the department into a more active agent for economic planning and programming, are being initiated.

These new initiatives are targeted in three major areas, structural development, technology and strategic planning and analysis. The first of our major thrust is aimed at long-term structural development. A strength in the Manitoba economy over time will require concentrated and co-ordinated effort aimed at structural adjustment.

The necessity to maintain an adequate weight of productive capital investment and to improve our trade balance, represent the primary targets within the department's structural development thrust. The existing Industry Branch of the department is the primary delivery mechanism for the investment initiative.

To obtain new business investment, the Manitoba Investment Program has been carefully developed to provide the government with the capacity to negotiate initiatives with private companies both from outside the province and within Manitoba. To obtain significant new investment that would not otherwise occur, capital requirements for the Manitoba Investment Program will be financed through the Manitoba Jobs Fund and will be discussed when the Jobs Fund is before Committee of Supply.

Major operational and staffing components for the Manitoba Investment Program however, are being financed and planned through the Department of Industry, Trade and Technology and are included in the Estimates before us today.

Over the past year the department has undertaken two preliminary missions targeted at attracting Hong Kong and German investment to Manitoba. Our initial attempts have met with sufficient success for us to be encouraged to continue to pursue efforts in this direction.

The Hong Kong mission, for example, has resulted in some 180 applications, under the entrepreneurial immigration program. Some 40 of these applications have been approved. Our estimates are that this has resulted in Manitoba in investment of some \$3 million to \$4 million last fiscal year. We are projecting additional investment of \$12 million this fiscal year as a result of this initiative.

The Industry Branch will continue to work with larger Manitoba companies to strengthen government-industry relations and, in particular, to ensure that Manitoba receives its full measure of industrial offsets from large purchases made by the government to Canada. To achieve our objectives, it must be recognized that a more aggressive investment attraction program will require additional travel by Industry Branch officials, particularly to the United States. This also is reflected in our Expenditure Estimates.

In summary, we believe that we are in the process of implementing an investment attraction strategy that is well focused, and will achieve definitive results over time.

The expanded Trade Branch budget for 1984-85 reflects the priority which the department attaches to

improving Manitoba's export performance. These increased resources will facilitate the development of a more proactive program to promote the export of Manitoba-produced goods and services to markets outside the province. Departmental support for export development will be focused on three principal areas of activity: initiatives in support of the agricultural equipment, processed food and service sectors; support to individual firms in other sectors; horizontal initiatives benefiting companies in a number of industry sectors.

Highlights from the department's Trade Development Program in 1984-85 include a phased program to increase penetration of the Australian agricultural equipment markets, a department information booth in Canada Expo, a major Canadian trade show in Hong Kong aimed at the Southeast Asia market, participation by Manitoba firms in the National Petroleum Show and the National Computer Show, a group marketing initiative in the processed food sector, and seminars in export-related topics.

The department, through its Trade Branch, will continue to provide consulting assistance to Manitoba business concerning market opportunities, export financing, documentation, tariffs and many other questions of concern to new or established exporters.

The prominence given to technology in the department's title was significant. It reflects the government's recognition of the role that will be played by technology in our economic future. The important links between technology, competitiveness, productivity, economic development, jobs and social development have been recognized in the reorganization of the department and in our new programs.

One of the department's main priorities over the past year has been the strengthening of the Manitoba Research Council Directorate, expanding the professional staff resources available to the Manitoba Research Council and the Department for Technology Related Policy and Program Development and Delivery.

Support for activities which will increase technology adaptation in the province will be the major technology-orientated focus of the department. The MRC Industrial Technology Centre in Winnipeg and the MRC's Canadian Food Products Development Centre in Portage la Prairie provide important technical, problem solving services, information in technology transfer services, and development assistance to help Manitobans use technology to develop new or improved products and manufacturing techniques. Assisting business to adapt technology is a main thrust of these centres.

Our commitment to these centres continue in 1984-85 at a level which will allow the centres to maintain their momentum and the quality and scope of their services, even though Enterprise Manitoba cost-sharing will end in September of this year.

The performances of both these centres under the responsibility of the Manitoba Research Council has been excellent, and is reflected in increased client project work, client contacts and fee-for-service revenue. Acceptable levels of self-sufficiency are being achieved.

An important new capacity in service was added to the ITC over the past year with the start-up of a major computer-aided engineering initiative. The addition of this capability at the ITC will increase Manitoba's awareness of an access to computer-aided design and manufacturing technologies.

Presently the Food Products Centre is undergoing a major laboratory expansion, financed under the Jobs Fund, which will increase the range of product that can be handled, and expand the successful pilot production services of this centre.

The departmental reorganization has also added a new division of IT&T involved with Information Management technologies, a division which was formerly part of Finance. Over the coming year, this will further increase the department's focus on technology issues. The Information Management Division provides direction for the effective and appropriate application of information technologies within the public sector and now, in addition, develops and implements selected economic development initiatives related to information technology.

The third and final priority that I want to mention relates to initiatives in the area of Strategic Planning and analysis. In line with the government's shift and focus towards longer-term economic development and consistent with the lead agency role assigned to Industry, Trade and Technology, we had placed increased emphasis in the department on strengthening our capacity for planning and interdepartmental liaison on economic policy matters. We have made a significant commitment to implementing a strategic planning process within the department in line with the Department of Finance guidelines, and we are now well into the second cycle of that process.

Along with continuing to develop and refine this process over the forthcoming year, we have included in our Estimates a capacity for undertaking a series of long-term strategic studies in support of our economic development initiatives, implementing an interdepartmental opportunity identification and assessment process, supporting and co-operating with other departments in policy and program development, and for acquiring the professional skills required to support these proactive, longer-term economic development initiatives.

The improvements and expansion of services without an increase in staff should mark the redirection of the department as an achievement of which I am quite proud. I want to pay tribute to the officials in my department for their efforts. I believe we have a department ready to support the exciting economic development this province is about to experience. We have a department ready to help Manitoba's small and large business organizations participate in an economic boom.

I am confident that my department will help make it possible for Manitoba businesspeople and the Manitobans who participate in those businesses to ensure that everyone in Manitoba benefits from a variety of exciting new initiatives that will put Manitoba at the forefront of Western Canada's economy.

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

**MR. F. JOHNSTON:** Thank you, Mr. Chairman. Earlier this week when I was in Estimates with the Minister in his Cultural Affairs and Recreation Department, I did not take the time to make an opening statement but preferred to go right into the Estimates of the department. I found that we were able to move along

very quickly, because we got very straightforward answers from a Minister who obviously knew what was going on within his department. But unfortunately, I would like to say that I don't have an opening statement tonight, and that everything is going fine with Industry, Trade and Technology or Economic Development generally within the Province of Manitoba.

I compliment the Minister on his taking over of this department. I would say though that the reference that he makes to having a strategy and a program, to having three departments who will be interested in and working towards the advancement of manufacturing and jobs within this province, has been done by creating three departments. Quite frankly, when I look at the Estimates of the three departments - and I have to take the time to do it under this one, because it is very obvious with the transfers that everything was originally transferred to Industry and Technology, and then transferred from there to Business Development and Tourism and to the other department - it seems rather ridiculous that the government would say that the only way to have an increase in economic development in this province is to have an expansion of departments. Quite frankly, I don't think that was a necessity at all.

When you look down the Estimates of the departments, you find very conclusively and it's very obvious that the job could be done by one Minister. We just went through the Estimates of the Business Development Department and Tourism and we find that Minister has a group of people who are moving around but, basically with no authority to spend any money, or maybe put it another way, don't have any money to spend, it all comes from the Jobs Fund. It all comes from Destination Manitoba and, quite frankly, even the Venture Capital Fund has been moved from that department and it would seem that even the discussions that take place about where Venture Capital should be placed seems to have decisions being made other than within the Department of Business Development and Tourism.

But the one thing that kept being said all day was there was great co-operation between the departments. We have to have co-operation between the departments and I, for the life of me, can't understand why that co-operation can't be there with one department, or even better if it was one department.

There can be, and was previously, a Minister in charge of Economic Development and Tourism within the province. There was a Deputy Minister, one Deputy, and there were three Assistant Deputies - one taking care of Industry; one taking care of Tourism; and another being involved with the small business side of the department.

Now what do we have? We have a situation where we have three Ministers, we have three Deputies, we still have three Assistant Deputies, but we have a group of directors within the department, an expansion of directors. We have an expansion of executive assistants, we have an expansion of legislative assistants which is all a cost to the operation of government and to the people of Manitoba. Quite frankly, I think one Minister has the ability to direct those operations because they are so closely related within the government.

So, Mr. Chairman, to say that the efficiency is better because we have three departments is like saying, big is better, and that isn't always the case; that certainly

is not always the case. I firmly think that there was absolutely no necessity to split the departments up, or this department up, the way it was. People had learned to work with this department, the Economic Development Department or, if you want it call Industry, that's fine. If you want to have a different name, but people learn to recognize that this was the department they could come to as far as economic development or business was concerned; they could come to this department.

Now we have three doors and, quite frankly, people are having trouble, are having a lot of trouble figuring out which door to go through and, from the information that we have received, and what came out to you today in Business Development is there's a lot of people don't know which door to go through and there's a lot of shuffling around.

The Minister mentions technology. I congratulate him that he's expanding the Winnipeg and Technology Centre and the Portage la Prairie Food Technology Centre. They were started up under Destination Manitoba under our government. The program was an excellent program. It expanded the building out in Portage la Prairie and built a brand new building in Winnipeg that we didn't own but we leased space into, and was starting to develop into one of the better industrial technology centres in Western Canada.

As a matter of fact, it was always the concern while we were in government that when the agreement of Enterprise Manitoba ended that we would be in the position that the industrial technology centres would start to be picking up some of the monies required to operate those facilities.

As I understand it, and after listening to the head of the technology centre in Winnipeg at a Chamber of Commerce meeting in St. James-Assiniboia not too long ago, they are working towards that end and being successful working towards that end to find income that will help them operate. That is what we were striving for and, obviously, the government has recognized that the technology centres are something that was badly needed in Manitoba. They have continued the use of them, they have continued to keep good Boards of Directors involved with those centres, and they are continuing to expand them as they are required to expand for business in Manitoba.

Changing business means that you always must be involved with technology. There is no question that the people in the field cannot operate without the backup of the researchers and people who develop products. Having been involved in sales all my life, I can tell you that the salesman is not the man that basically does all the job. He doesn't have anything to sell unless there is a large group of people backing him up with products that are up to date with the times.

Mr. Chairman, I suggest that the new computer centre appears to have been a success. It's unfortunate that they have to be a subcontractor to Ontario when the industrial printout of the problems in Flyer Bus was being concerned, and the Minister, he thought that wasn't too bad. He thought the fact that the contract was given to Ontario wasn't too bad because we got some of the work here in Manitoba, and the reason given was that the Ontario people had more expertise in this field. But let me just put something in the Minister's mind, that if Manitoba had received the

contract and had subcontracted to Ontario for their expertise, Manitoba would have gained the expertise in Manitoba. Right now we are sending our expertise down to Ontario.

There is never any question about the fact that when you do some subcontracting to people who have expertise in one area, you get the information from them and you gain a lot from it. If you are an architect within the Province of Manitoba and you receive a contract to do a specific job, and it's the type of job that has never been done in Manitoba before but you get it on the basis that you will tell your client that I am hiring and I am going to subcontract the work that we don't have the expertise in to another architect or another engineer in another province; after that is done, Mr. Chairman, the architect or the engineer in Manitoba has, all of a sudden, gained a tremendous amount of expertise. So there is always a reason to try and work within the Manitoba technology people and, if they have to subcontract out, then we will gain from that subcontractor.

Mr. Chairman, the Minister has spoken about the Hong Kong ventures and the German ventures. I will be talking to him later and maybe asking him to outline what it said in the paper, that the Hong Kong trip would create 500 jobs in Manitoba. Mr. Chairman, I don't know whether the Minister realizes how many 500 jobs are, but I can assure you that I am very interested to know what the investment will be from Hong Kong that will create that kind of employment within the province.

It is a good big market. It is a market that has to be looked at because in Hong Kong, a few years from now, they may be in the position, or will be in the position of not maybe being under the rule they are at the present time, and the people in industry and manufacturing are certainly looking to new places to invest and start up. It's a market that has to be considered very seriously.

As far as the German market is concerned, I would say to the Minister that the investment in Manitoba from overseas has not been all that successful. You will usually find that because of the policies in that area in Europe, that they are looking for a lot of government money to start up. Well, Mr. Chairman, we in Manitoba may have some incentives for tax purposes or whatever may be, but we don't have a lot of up-front money, and up-front money is what they're looking for because that takes the interest right off the backs of the investor. It's the same as we have now, the Alcoa deal presented to us within this province, and we have a situation where the government has offered to be a 50 percent owner of a smelter and, Mr. Chairman, we on this side are not opposed to a smelter in this province because we worked very hard to have one.

But the people of Manitoba will have to realize that the arrangement with Alcoa is going to cost the people of Manitoba about \$1.5 billion to \$2 billion more in financing than the Alcan deal would have cost. That takes the capital right off the backs of the large company and puts the capital on the backs of the people of Manitoba and the interest has to be paid by the people of Manitoba. So, Mr. Chairman, the Minister has to be very careful about how big the public debt or the per capita debt in this province is, because under those type of circumstances it will grow and grow very heavily.

Mr. Chairman, I would say that the situation of Alcoa is such that I think it's a good deal for them and it's

a good deal for Manitobans as far as jobs are concerned, but is it a good deal when Manitobans have to carry at least another \$1.5 billion to \$2 billion on their backs instead of the company?

Mr. Chairman, the Minister has obviously put his department together in such a way that he believes is going to increase economic development within this province. He's put it together in such a way that he's going to be able to assist local manufacturers and he's going to work very hard to have people down in the United States, etc., working with Canada Council, if that's who you're going to work through down there, but he has a problem, he has a very serious problem at the present time.

Mr. Chairman, this Minister is going to be working very hard to encourage investment within the Province of Manitoba and I would hope that he's not sitting with the Ministers in Cabinet that are discouraging investment within this province. I hope that he is sitting back at the end of the table raising the proper devil with those radicals over on the other side who seem to believe that you can continue to put payroll taxes on; who seem to believe that you can bring in labour legislation which is not competitive with other provinces; who seem to believe that you can have pension legislation which is different from other provinces; and none of us on this side of the House can disagree with the pension reforms that should be done within this country.

But this province can't be out of step; this province should be working to have all provinces come together before it was done. We went through that in the last Session. We told everybody that you've got to be competitive within the province and I have a hard time understanding why this government does not work to be competitive with other provinces, because on the other side of the House, every time we ask questions, a Minister stand up and says, well, in Ontario this is happening, and this is happening in Saskatchewan, and why shouldn't we do this in Manitoba because that's what's happening in Alberta.

We get referred to the fact that we should be the same as the other provinces all the time and yet, when it comes down to encouraging economic development, this province prefers to be out of step with all others. Mr. Chairman, the Minister is sitting in a position of probably one of the most competitive markets in North America, not just in Canada. He's sitting in a position where we have a situation where the resource industry of Alberta and Saskatchewan have dropped drastically.

Manitoba has always been a larger manufacturer than both of those provinces, been a larger exporter of manufactured products than all of those provinces, or we were. We were the second or third largest exporter of manufactured products, percentage-wise, until the last two years. Now we're seventh or ninth.

Mr. Chairman, I assure you that the fact that the resource industry is down in those other provinces, they are out working very hard to have industrial development within their provinces and they don't have payroll taxes. They don't have a government that is contemplating labour legislation that will be very harmful to small business in this province, and the Minister has to realize that large business cannot survive unless you have small business to back it up; but we keep passing all of these types of legislation to discourage

It makes common sense, Mr. Chairman. In fact, any person in this room, if they were investing their money they would look to where they would have the best return. They would look to where they would not be charged a percentage for hiring more people, and that's obvious, that's common sense, but the government has chosen to do that. When they removed it they didn't remove it, they removed it on a lot of people, a lot of people that were paying a very small amount, and that's obvious from the fact that they were only going to give up maybe \$6 million or \$7 million of the payroll tax. What should have been done is \$50,000 across the board, which would have given everybody some encouragement to say that the government was working to try and eliminate this tax, but that wasn't done and it made a discrimination between those people who hire a lot of people versus the people who hire a small number of people.

Mr. Chairman, the fact that the Minister is in the competition with the Western Provinces, if he thinks for one minute that the Husky announcement today is going to benefit Manitoba from the point of view of spinoff, I think he has to look closely at the fact that we might not get as much as we want because those provinces of Saskatchewan and Alberta are saying that we are going to do it here, and we are going to have as much of that manufacturing done here, and it'll be a reason for them to build their manufacturing industry and Manitoba will be sitting on the outside looking in.

He has competition from North Dakota, on the bases that they give tax arrangements; they give up money that they don't have at the present time. They also have the new arrangement of the duty-free operation - not duty-free, I can't think of it at the present time - but they have the new operation which is attracting people from Manitoba to go down there. Those provinces are not sitting back just saying, well, we'll let Manitoba go ahead and discourage industry, they're saying, when they're discouraging it, we'll pick it up.

The Minister is, I believe, the head Minister as far as industry in this province is concerned, and he should be fighting to have that investment. If the Ministers belief in having jobs for people in Manitoba is sincere, whether the people work in Manitoba with unions or not with unions, he should be sincerely doing everything he can to have investment in this province so that people can have jobs in this province, so that our children can have jobs in this province, and our grandchildren can have jobs in this province.

We have talked about the in and out migration between provinces. We saw a lot of people come back because the resource industries were down in Saskatchewan and Alberta. The announcements that we've heard regarding the railroad and the Husky and what have you is going to attract out there. It's going to attract in those provinces; it's going to take our people again; it's going to take our children and grandchildren to other areas. We've been fighting that for 50 years in Manitoba. Why do we encourage it? Why don't we do things to encourage investment here so that we can have jobs within this province? This Minister has to realize that and he has to put up a fight.

I don't argue with the Minister's philosophy. It's different than mine, but I sincerely believe that he has the same goal that I have, and that is for Manitobans,

one way or the other; I don't maybe agree the way he does it. Mr. Chairman, I think he has some people within his Cabinet though that don't realize those things, that don't understand Manitobans as well as the Minister and I do who have been with Manitobans for many many years.

Mr. Chairman, the technology, I can say to the Minister very sincerely and I've shown him this before, and I'm proud of the fact that the National Research Council has chosen to come here. This report of 1980 suggested they come here. We worked with them after this report to decide, hopefully, where it would go, the Core Area or by the university or what have you, but it's here and that's the main thing.

I would be asking the Minister, and he might take it as notice, in this report there was a suggestion that the Province of Manitoba should pay for 20 employees within the Research Centre so that we would always have some input into it, and maybe the Minister will know whether that's the intention or not.

Mr. Chairman, technology is something that we all have to work to. It's changing today and the Minister and government has recognized it, but they haven't recognized the fact that it doesn't matter how much you do in one way; the attitude of saying, we have all these things, that they have to come here is just really pie-in-the-eye type of thinking because the other provinces have all those things. If they don't have them they're going to get them so you're going to be out of step with the other provinces; as far as encouraging investments is concerned you're beat.

I know that if the Minister meets with the Western Province Economic Development Ministers he will find that - and I'm sure he's found that . . . Well, maybe the Minister hasn't, he's been in the portfolio for a short while, but he will find that they're a pretty good bunch of guys and although they are all of a different political persuasion than the Minister, I think he will find that they all have the interests of Western Canada at heart, but they're tough. They will tell you that they are going to do everything possible to steal anything they can from you, and you've got to be able to say, go ahead and try, but I'm out there fighting just as hard as you are. They have every reason to do so because they have interests within their provinces.

Mr. Chairman, the Minister has announced the transportation sector, he's announced other sectors that are good. I told him the other day that I'm sure, if he has his people check the files, he'll see the six areas that were designated, as what we felt would be advancement, could be advanced within this province and transportation was one of them.

I have a little bit of concern about the fact that it's \$50 million and you're talking about building a prototype of transportation equipment. I would say that it might take you more than \$50 million to build the prototype. The Province of Ontario had to build without any doubt the test area, hire a whole new group of people, and they had to build a new building, and a new manufacturing facility before they got the prototype made to build the units that they finally sold to Vancouver. It takes a long time and a lot of money.

Possibly the \$50 million should be used to work up gradually what Flyer is doing now into Steps 1, 2, and 3. It would seem that the Minister is jumping from Step 1 to Step 10 and that can be a disastrous situation.



Mr. Chairman, the Minister has outlined the electronics business which gets into the computer business which he referred to and I referred to. I would hope that the micro-electronic centre of the Province of Manitoba or out at the University of Manitoba under Dr. Kizner, is still operating. I believe we have one of the best minds in North America, if not in the world, in Dr. Kizner as far as his work in that area is concerned.

Dr. Kizner has been the reason for two or three industries in Manitoba to remain here to have his type of technology or his type of expertise available to them. Dr. Kizner is the type of individual that a whole empire or a large industry could be built around because of the extensive knowledge that he has and I hope he's doing everything possible to keep he and his wife, who is a very brilliant woman in her field, in this province.

Mr. Chairman, I follow the notes of the Minister very clearly. I follow them without being critical of the outline of what is being done. I say that it's an expansion of what was being done. I say to the Minister that manufacturing during the years of the NDP previously from 1975 dropped drastically - the figures are there - they've moved up. We used to hear from the other side it's just a small percentage of our economy.

Let me tell you, Mr. Chairman, manufacturing is the beginning of your economy. It is the reason for having gas stations, grocery stores; it's the reason for selling clothing; it's the reason for selling insurance or whatever the services are, that are necessary to take care of the manufacturing base within a province or the resource base within the province. I'm sure the Minister knows that, first of all, your great resource of Agriculture, your mining resource and what have you, those are the great resources.

But then comes the manufacturing resource and that is the reason for the service industry. This government keeps saying that the service industry is doing great. The service industry is there to service those people who are coming from your resource and manufacturing base and the service industry is there to support manufacturing in other provinces as well. But it is a support of that base no matter what province it's in.

If the Minister thinks back or if he is knowledgeable enough about the fact that the Government of Canada had DREE - DREE was there to build up manufacturing industries - they didn't give grants to industries unless it was a manufacturing industry because they knew that was the base. The Minister may later on explain the position that he's taken with the Federal Government regarding the new DREE Agreement because Manitoba, which was a DREE province and had the benefit of all the benefits that came from DREE - and there are many criticisms in DREE - but we had all of those benefits and now they're changed to the point of view that we don't have any more benefits than Toronto or some other areas in Canada that really are not on a par with us. We should have a little better benefit from the Government of Canada than that.

DREE was a situation where our department, and I'm sure the Minister's department still works with DREE, but you know it was the Province of Manitoba, those good, fine guys working within your department in Industrial Development, who would have people walk in the door. You know, most people when they come to Manitoba and they want to do some investing in Manitoba, they don't go to the Government of Canada,

they're in Manitoba, and they walk into your department. Those gentlemen in your department are very good. They used to show them the province, show them everything, and take them over to DREE and they would put together a program and DREE would only loan the money on the basis of the street you're going to go on, and the area you're going to go on, and they had to show feasibility for coming to Manitoba. They were convinced that that was the place to go if we had the assistance of the DREE Program.

Mr. Chairman, the Minister has an outline that I think is good, but the Minister has a problem. The Minister has to overcome the attitudes of this government to discourage industry, and the Minister has to battle them if he can't overcome it; he has to fight them and in any way he can, and he has to always have in his mind that Manitobans want jobs. There's nothing better or happier than people with jobs; going home, attending their community club, their church within their community and they have a job to go to which gives them pride with their families and everything that goes with it. Don't discourage that. Do everything possible to encourage it.

I say to you that I don't believe that we should be a smokestack community. I don't believe anybody that comes and invests in this province shouldn't be a good citizen, a good corporate citizen, and responsible to the people that work for them and responsible to the community they work in, but don't discourage them. Bring them here and let them create jobs for the people of Manitoba.

**MR. CHAIRMAN:** The Minister may bring in his staff. Item 1.(b)(1) Executive Support: Salaries - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Well, Mr. Chairman, I just spoke about the fact that I didn't think that this department had to be broken into three departments to create all of the different requirements that a Minister has to have. There's no question that Ministers are generally spoiled. We all have people around us to assist us and work with us. I used to often think that if the Minister said to his staff, I want you to go up and wash the Golden Boy, it would be done, but we don't need too many of those.

I've mentioned that the department was split up and we now have three of everything. I've asked the Minister how many people he has in his support staff?

**MR. CHAIRMAN:** The Opposition House Leader on a point of order.

**MR. H. ENNS:** No, just a further question. Just prior to answering that question, partly because of the changes in the departmental staffing there was a time when members were generally familiar with senior members of each department, Deputy Ministers. I would appreciate it if the Minister took this occasion to put on the public record, and introduce senior members of his staff that are with us tonight.

**HON. E. KOSTYRA:** I would be pleased to introduce the staff that are present here. On my immediate right is Mr. Ed Robertson, who is the Deputy Minister of the



Department of Industry, Trade and Technology. Next to him is the Assistant Deputy Minister, Hugh Eliasson; the Director of Communications, Mr. Murray Wepler, the gray-haired gentlemen; and Wally Mialkowski, the Director of Administration.

In terms of the staffing in the Executive Branch of the Department, there is a Deputy Minister, an administrative secretary to the Minister - we'll get to Plney a bit later. There is a secretary to the Deputy Minister, and one executive assistant. That is the staff complement of the Executive Branch.

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

**MR. F. JOHNSTON:** Realizing that the Minister's staff is fairly routine, but I note his Other Expenditures are not routine. They're double what they were before. I wonder if the Minister could explain those increases.

**HON. E. KOSTYRA:** I'll break down the costs within that line of Other Expenditures. There's \$29,500 for transportation; \$3,000 for communication; \$45,000 for supplies and services; \$7,300 for other operating.

The major change in the expenditures under this line is the portion of the fees that are charged to this department for the Special Adviser to the Minister. There is a Special Adviser who is to myself and also to the Minister of Business Development and Tourism and the Minister of Finance. It's Mr. Jerry Fullerton, and this is where the portion of his costs that are charged to our department are shown, and his expenses.

**MR. CHAIRMAN:** 1.(b)(2)—pass.

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

**MR. F. JOHNSTON:** Mr. Chairman, looking at the Strategic Planning Estimate - and I'm going back to 1983 where the Estimates called for \$259,200.00. Then I move to the present Estimates of 1984, and I see 874,900, a jump of about \$500,000 or close to it in the Strategic Planning. Now I must say that, looking at Finance, there was a transfer of a large amount of money. Can the Minister explain? That may be the reason, but can the Minister explain that?

**HON. E. KOSTYRA:** The member will note the adjusted vote which is shown in the Estimate book indicates that the actual adjusted is 874,900, which is the adjustment made by the Department of Finance after the reorganization of the department. I'm informed that the titles have changed somewhat from what they were under the previous department. Economic Research, which was a separate line in last year's Estimates and in the previous department, is part of Strategic Planning. So all of those functions are together.

I should explain the major increase in this area though, looking at what exists in terms of the adjusted for last year at 874,900 and the new level of 1.382 million, is the provision for strategic studies within this branch. The member is aware that under the former Enterprise Manitoba cost-shared program, there were studies that were undertaken under that program with respect to strategic studies. There were studies in the electronic

sector, in the transportation equipment sector, electrical products.

With the winding down or the ending of the Enterprise Manitoba Agreement, there are no longer funds available through the cost-shared program for strategic studies. So we have put into the departmental Estimates funds to do some of that same kind of work in this current year, given that we do not have the resource of the former Enterprise Manitoba cost-shared program. So in essence, we have taken on 100 percent of those costs with respect to studies.

**MR. F. JOHNSTON:** Mr. Chairman, I recognize the - in fact, I did mention it, and the Minister explains that it's the economic group from Finance that have now moved under one roof. The group that were involved with the Department of Finance used to give a lot of advice to all departments within the province. As a matter of fact, some of the economists within the Department of Finance were very beneficial to the Department of Economic Development from the point of view of Strategic Planning, not so much the word, "Planning," but the backup from the point of view of needing crunching figures to get this type of work done.

But we also had within the Department of Economic Development some excellent planners or figure crunchers, as I refer to them, or people that can grind out the figures that would tell a company what the labour resource was in Manitoba, what the taxes would be, what the transportation costs would be - in other words, a tremendous service to the industry group.

I look down further on into the Estimates, and I see Industry and Trade providing planning and direction to the Industry and Trade. Are we getting into a duplication here? There was that group that were supportive of the industry development officers, and then there were the other group from Finance. Do we now have a duplication within the department?

**HON. E. KOSTYRA:** Mr. Chairman, no, we don't. I should try to clarify again. I don't think I did very well.

The new line here of Strategic Planning is what was formerly Strategic Planning, and also includes what was formerly a separate branch within the department called Economic Research that was shown separately previously. They're folded into the one branch.

The note the member makes of the Industry, Trade and Technology Branch, that is operational planning. It's not the strategic planning, the economic analysis that takes place in this branch. So that is a separate function. There isn't duplication between that and what exists here.

As I indicated, this is the now-combined, overall Strategic Planning branch of the department, and was formerly separate lines within the branch previously with its former titles.

**MR. F. JOHNSTON:** The studies that the Minister refers to that were paid the cost-shared program in the province, does the Minister still have the situation whereby the department can call on consultants to give them reports - or not call on consultants - but the company would come forward and suggest a study using specific consultants at the approval of the department? In other words, there would be contracting out to consultants within the province?

**HON. E. KOSTYRA:** There is two types of studies which have been undertaken previously under Enterprise Manitoba with a cost-shared program and are going to be continued to a degree within the department. One is the Strategic Studies which were the main sector - sectorial studies is what they call them - that they previously looked at the electronic sector, the electrical product sector and transportation equipment sector. They were major sector studies and they were done by consultants.

The other is the cost-shared programs, cost-shared to the extent between Enterprise Manitoba and specific companies. Those again are winding down because of the demise of Enterprise Manitoba.

However, we are also putting those back into the department, but that is coming under the Industry branch. That's where the contract is entered into with a specific company looking at specific opportunities here in the province.

What I am referring to here is the broad sector studies, looking at specific sectors, and we are keeping some ability within the department to do major studies looking at some priority areas of the Manitoba economy.

**MR. F. JOHNSTON:** I say to the Minister, I am not reflecting on the ability of the people within his department, but I know the government does not have expertise in every field. As far as Strategic Planning is concerned, I think there is a place for using consultants who are knowledgeable in a field, and what I am saying is the Minister is not closing his mind to using consultants even as far as strategic planning is concerned within the department.

**HON. E. KOSTYRA:** There is certainly no question that we as a government, particularly in these important detailed areas, can have all of the expertise within government. We will and we do on occasion, particularly in the two areas that I outlined, contract out to specific consultants, specific advisors in fields that we do not have the expertise within the government in terms of looking at particular sectors of the Manitoba economy, as was done previously under the Enterprise Manitoba. This would be a similar program but it is totally funded by the department because that vehicle is no longer available to us. So we will be using outside consultants, experts if you will, in specific fields to provide us that information.

**MR. F. JOHNSTON:** I am going to assure you, Mr. Chairman, I am not going to roam into another department, but as was mentioned in Business Development and in Tourism, that there is a co-operation between the two departments. I brought up there today, as I would like to bring up to this Minister, when the agreements of Enterprise Manitoba came to an end - and I understand that the Federal Government was not too adverse to listening to or discussing another program such as Enterprise Manitoba - from the point of view of the grants for small business, etc., and the Federal Government, as the Minister knows and as I know, and we were there the last year that the Federal Government was wanting to take credit for everything themselves and do everything themselves, so they weren't really looking towards expanding or discussing

another program such as Enterprise Manitoba, but there has been another agro program and there has been a program of economic development activities cost-shared with the Federal Government brought forward.

Mr. Chairman, I would ask the Minister that in the discussions, and I am sure he was in the discussions with the Federal Government, did they not get anywhere by explaining to the Federal Government that there were parts of Enterprise Manitoba that there was really no sense reviving again. It had been done and it had served its purpose.

In the Business Development, that they have had to take into their Estimates under provincial funding a large amount of money, and it would seem that the parts of Enterprise Manitoba that were really beneficial, such as studies for the viability of businesses coming to the province or the viability of business expanding as we have here, I think could have been negotiated on the basis that they were successful and should continue.

The programs that were successful, I think, if my knowledge serves me correctly - the Enterprise Manitoba was 44 million and 17 million was paid for from the province and the balance came from two other departments of the Federal Government - why couldn't there have been some arrangement with them on the good parts of that program?

It probably would have cost, if they had cut it down and said okay, we'll cost-share 10 million, I am sure 10 million would have handled these studies and maybe had something for the other department as far as small business grants are concerned, but we won't deal with that here. But if the Minister was in those negotiations, why couldn't they have said to the Federal Government, we have now got a new agreement, and said, well, can we use some of this money to continue with the very successful programs that were under Enterprise Manitoba?

**HON. E. KOSTYRA:** Mr. Chairman, I will make mention of the fact that I wasn't in the early part of the main part of those negotiations because that happened prior to myself taking responsibility for the Economic portfolio, although I'm not using that as a reason to avoid answering the question.

First of all, as I indicated, some of the good parts, if you will, or some of the more successful, more continuing parts of Enterprise Manitoba are being included in the department's main Estimates at a total cost to the province and not at the level that they would have existed under Enterprise Manitoba; for instance, strategic studies in terms of cost-shared studies that come under the Industry Branch. There also can be, I am informed, studies funded under the new IRDP programs of the Federal Government.

In terms of the technology funding that came from Enterprise Manitoba, which were the driving forces if you will, behind the two technology centres, those continue to September of this year. We have made provisions, notwithstanding the fact that that funding terminates in September, and we will get into that when we deal with that section of the Estimates to continue those centres and to continue funding them at basically Provincial Government and client fee-for-service funding.

A new technology agreement is possible and we have had some discussions on a science and technology agreement with the Federal Government. Those discussions still are continuing at the present time.

Referring to the small business portion of Enterprise Manitoba, the Federal Government took a very clear and unfortunately, I guess, firm view that they would not negotiate a small business support program.

In terms of an overall industry agreement, similar to the Enterprise Manitoba Agreement, we did attempt to get into those discussions with the Federal Government, those negotiations, but they were not receptive to that. Indeed, no province right across Canada has been able to negotiate that type of agreement. We did try, I wasn't directly involved with those so I can't provide you with the details. I will attempt to get a bit more detail on that in terms of the ongoing negotiations over the last year, but the Federal Government position was that they were not prepared to negotiate those areas.

Various parts of the Enterprise Manitoba Agreement, I guess, in summation the various successful parts have been kept to various degrees, in terms of our department in terms of Industry, Trade and Technology and we're still attempting, in terms of the science and technology area to achieve something under the ERDA umbrella, in that area.

**MR. F. JOHNSTON:** I thank the Minister for that answer. I would ask him this question, and I refer to another agreement that was just starting a while back, I refer to the Northern Agreement. The Federal Government at that time was being very insistent that the agreement would have to be the way they want it, even though the Province of Manitoba and Northern communities made recommendations as to what would be the best for the Province of Manitoba. I wasn't in it like the Minister, it wasn't my department, but I happen to know that we ended up in a little bit of disagreement on the basis that we thought and, quite frankly, I think we do know what is best for the Province of Manitoba, but it was the Federal Government being very tough.

In the negotiations with your IRD Agreement where the Federal Government being dictatorial, I guess is the word, from the point of view that they thought that they know what is best for the Province of Manitoba, and my experience with the Federal Government, I found them that way at times and I also found that their departments, although they were very cooperative, were very very jealous of the fact that they didn't like the idea of the Province of Manitoba getting any credit so they now go on their own to get all the credit. I might mention to the Minister that it's fairly obvious when I see the news reports that we can't put out one that says Manitoba on it, we have to say Canada-Manitoba, and we have to go through the ridiculous process of naming about five Ministers before we finally find out what the grant is. It's so petty and stupid, really who cares who the Ministers are - I shouldn't say that after being a Minister - but who cares, all we want to do is get the job done. Is the Federal Government being dictatorial from this point of view?

**HON. E. KOSTYRA:** Well, I certainly don't disagree with the closing comments in terms of the recognition that the Federal Government at times wants.

I should point out that we have been, I believe, fairly successful in terms of negotiating the Economic Regional Development Agreements with the Federal Government. We're focusing in, I guess, in areas where we were not as successful as we would want to be or could have been possibly by looking at reducing our interests in other areas. The Federal Government obviously did have its agenda, its issues that it wanted within the various agreements. I believe that, provincially, we have been successful in dealing with the areas that, on balance, are important to the Manitoba economy.

We do have, under the ERDA package, a Mineral Development Agreement, a Forestry Agreement, an Agricultural Agreement, and three Transportation Agreements which I believe all address major and important sectors in the Manitoba economy. I think we have received fairly significant commitments of money under those agreements from the Federal Government, certainly would want to have more if that was possible, but I think in relative terms to what we've seen in the other provinces that have concluded ERDA Agreements we've been as successful, in fact, more in terms of per capita than the other provinces that have concluded ERDA Agreements, and we believe have addressed key sectors of the Manitoba economy.

We're still in negotiations, coming to a very quick conclusion, on a cultural industries, ERDA sub-agreement. I think, on balance, while the Federal Government did have its priorities, its agenda, discussions, through negotiations we were able to conclude agreements that met overall the key sectors of our economy that we wanted to address in a joint fashion through the ERDA Agreement. I think we have been successful in terms of those agreements meeting the key sectors of our economy, and successful in terms of the amount of money we were able to negotiate commitments for from the Federal Government.

**MR. J. DOWNEY:** Mr. Chairman, I'm quite amused to hear a Minister of Economic Development try to make excuses as to why he has failed to be able to carry out his responsibility.

I, Mr. Chairman, think that he's been outsnookered; I think that with a Minister like Lloyd Axworthy throwing all kinds of money around that he missed his golden opportunity to engage in a cost-sharing program to encourage and support the economic development and industry in Manitoba.

I think the Member for Sturgeon Creek is far too easy on this Minister. Here we are paying 100 percent provincial dollars to complete good projects that were started on a 60-40 basis by the Member for Sturgeon Creek under the Enterprise Manitoba. If you want examples, I can use the example of the Harrowby Crushing Plant where there was several millions of dollars spent, provincial-federal money; \$40 million invested by the private sector; many jobs, processing and agricultural commodity which is very important to the agricultural community and to the whole economic development. That kind of incentive has been lost by this Minister.

I think that he is bankrupt, Mr. Chairman, of any ideas as to how to deal with the Federal Government. He is certainly, in my estimation, a real rookie. He's

telling us about all the good agreements. Why did he not put a stronger case forward for the Department of Economic Development? What is his strategy? Does he have a strategy, Mr. Chairman to strengthen the job opportunities in the industrial sector of this province, the key areas that I think we have strengths, but certainly hasn't demonstrated an ability to focus on them and to put a strategy forward?

He's asking for an additional \$100,000 in Salaries in the Strategic Planning. What is he going to use that money for, Mr. Chairman? I think that we have a Minister here that has to answer a lot more plainly to the public of the province when he's going through his Estimates.

We now have three departments. I don't think that the government has a strategy at all, Mr. Chairman; I think we have a total mixup as far as the whole development is concerned. We have a Department of Energy and Mines that are making all the announcements in the House as far as their long-range power sales and, of course, there'll be lots of room for debate on that, at least I hope there is if the government discloses some of the deals.

Where does this Minister fit into the whole strategy? What are his plans and why are we being asked here tonight to vote some \$1,382,000 in Strategic Planning, a total increase of 874,900 last year to \$1,382,000 this year; a substantial increase. That's a lot of money, but we haven't heard anything come from the Minister to tell us what he is doing. What has he got on the books? What are some of the projects that he's working on, what areas?

Is he promoting the development of transportation equipment in Brandon? Is he taking the responsibility of trying to fill the gap that is going to be left by the closure of Burns, with the meat packing closure? What is he doing? Does he have alternative job opportunities for those people? That's the kind of strategy, that's the kind of plan that I thought we would have had come from the Minister, particularly when we're being asked to spend, as taxpayers, \$1,382,000.00. Where is the \$474,000 being spent? What is he doing with it? Is that replacing the Federal Government expenditure that we should still be getting? I think he's lacked his responsibility.

I, Mr. Chairman, again want to say that I think we, in our outlook on the longer-term development, we're looking at meaningful jobs, that we are looking at something that was going to process agricultural commodities. The examples are there, the jobs are there, but here today, Mr. Chairman, we're seeing a Minister who, I think, hasn't got a strategy. He hasn't been able to deal effectively with the Federal Government. He's asking the taxpayers of the Province of Manitoba to pick up the Federal Government's share and the Federal Minister, who's looking for all the coverage in Manitoba, has totally outnookered him. Lloyd Axworthy has outnookered this Minister of Economic Development because he didn't realize that he had a golden opportunity to get a new agreement.

Here's the golden man for Fort Garry looking for great support. Here's a Minister of Economic Development without a strategy. He had a golden opportunity to lock into probably one of the best agreements - or a continuation of one of the best agreements - that we've had in this province and he failed, Mr. Chairman. He failed.

Now he's asking for quite an additional amount of money. I would hope the Minister would be able to tell us what his strategy is.

**MR. DEPUTY CHAIRMAN, S. Ashton:** The Honourable Minister.

**HON. E. KOSTYRA:** Thank you, Mr. Chairman. I believe it should be clear in terms of what action this government has taken with respect to Economic Development over the past while, what has been happening particularly in the last few months, that this government does have a comprehensive economic development strategy for this problem.

It's clear that we have looked, as I indicated and in response to questions from the member's colleague from Sturgeon Creek, at the various sectors of the Manitoba economy that have potential for growth like agriculture, like forestry, like minerals, like our very important transportation sector, like our very important technology centre. That was the focus of our strategy with respect to the negotiations with the Federal Government.

Contrary to what the member says, we have been successful in terms of meeting provincial priority in terms of those negotiations. We have been successful in terms of the kind of dollars that we have got committed by the Federal Government and by the Provincial Government to deal with those important areas, important sectors of the Manitoba economy.

We do have a strategy in terms of this department, in terms of looking at expansion within our industry sector, looking at more investment for Manitoba, looking at the important opportunities for Manitoba businesses in markets outside of the province. We'll be getting into that area a bit later in the Estimates, in terms of looking at expanded markets for Manitoba-made, Manitoba-produced products and the important sectors in the United States and in other countries that are needed in order for us to market our goods and to provide jobs back here in the province.

We are doing it, Mr. Chairman, in terms of technology, in terms of expanding and continuing with what was started previously - and there's no question that some of that started under previous government. It even goes back further than that in terms of the technology, transfer mechanisms, technology transfer centres that are here in the province. We are continuing, we are expanding that. We will be dealing with a whole number of new thrusts in terms of technology here in the province and to work with Manitoba businesses to ensure that they are competitive, they are able to deal with changing technology, they are able to deal with the human problems that are associated with changing technology.

So, it's clear that we do have an overall strategy and it not only relates to this department, Mr. Chairman, it relates to all of the departments of government, whether it's the Department of Agriculture, the Department of Energy and Mines in terms of the work that my colleague is doing, in terms of expanding export opportunities for our hydro resource in terms of looking at other opportunities of high energy users in the province. It's certainly true in the Department of Natural Resources with respect to the forestry industry and the

very important Department of Business Development and Tourism that looks after small business in the province.

It seems to me, Mr. Chairman, that we must be doing something right. If one looks at the statistics in terms of what has taken place, we must be doing right if Manitoba has the second lowest unemployment rate in the country. We'd like to have it lower, we'd like to have everybody working, but in relative terms when we're second lowest, we must be doing something right.

We must be doing something right when the Economic Council of Canada has to adjust its projections for the Province of Manitoba not downward but upwards, saying that their initial projections of economic growth in this province were too low, that they had to be adjusted higher because of the climate here in the Province of Manitoba.

We must be doing something right, Mr. Chairman, when we have business associations like the Investment Dealers Association of Canada who say publicly that the climate for investment in this province at this time could not be better, that this is a good place to invest.

So, without getting into a great deal of detail, which we will be going through as we get to other parts of my Estimates as we deal with Estimates of other departments, the Jobs Fund, other economic activities of this government, it is very clear that we do have a comprehensive economic development strategy that looks at some of the major areas within the Manitoba economy, looks at some of the smaller areas, the small companies that are the backbone, the underpinning of the Manitoba economy and that we are dealing with it in a comprehensive way using every resource that we can muster in terms of Federal Government agreements, in terms of Provincial Government activity, in terms of co-operation with the private sector.

I just repeat, Mr. Chairman, that we must be doing something right when one looks at the major economic indicators and in most of them we are leading most of the provinces of this nation. So we must be doing something right.

**MR. CHAIRMAN, P. EYLER:** The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, the Minister didn't answer my question. He gave a nice overall speech about exporting and helping exporting and he talks about technology but he never really put his hand on one firm statement that he's doing as a department.

He's spending \$400,000 more in Strategic Planning. What is he doing with the money? Is he replacing federal money with this amount of money? Is he hiring additional people? What is he spending an additional \$400,000 for? Tell us what he's doing with it, Mr. Chairman.

I don't need any great speeches about all this technology business that he thinks he has invented. Let's get down to some hard statements. I think it's correct. As far as the unemployment is concerned, we are still sitting with 40-some thousand unemployed; 20-some thousand more than when we were in office; 17,000 students unemployed; young people who are looking for meaningful jobs.

I'm looking for at least one program where we're spending \$400,000 more in a department for the

planning of it. I'd like a statement saying, yes, we're going to put a concrete proposal together to build a particular item in Manitoba, whether it be additional transportation equipment in the City of Brandon to replace the Burns jobs, or whether it's more railroad equipment or transportation equipment in the City of Winnipeg or in the Town of Winkler or in the town of wherever - hard, meaningful jobs, Mr. Chairman, that mean something. But he can't, Mr. Chairman. That's what I'm saying, and we're asked to spend \$400,000 more - he's got to justify that.

He's got to get the passage of this, Mr. Chairman, by this committee. I would hope that he would answer the question. What is he spending the money for?

**HON. E. KOSTYRA:** Mr. Chairman, I turn to you the question in terms of the increases of this line were explained in response to a question earlier. I don't know if the member was not here at the time, but I will repeat the answer.

The major increase in this area, the Strategic Planning area, is to provide funds for strategic studies. In the past there were significant studies undertaken, under a cost-shared program under the Enterprise Manitoba Program and looked at under that program, there were sectoral studies done in the electronic sector, the electrical equipment, the electrical product sector, transportation sector.

We are continuing to have funds available for doing major sector studies. We are looking particularly at two sectors, two major studies and there may be some smaller studies that are undertaken within the next year. The major sectors we're looking at are the service sector in the province and the computer application, software, data processing area to do major studies this year. We also would anticipate that there would be some smaller studies undertaken with the funds that are available. So that is the reason for the major increase in terms of this line.

**MR. J. DOWNEY:** He still hasn't justified it. I'll ask the Minister if he would provide who he's having do the studies and what the studies are on, and the providing of the studies that are completed. We would like them tabled, Mr. Chairman, as it is taxpayers' money. Is the Minister prepared to give us that information?

**HON. E. KOSTYRA:** I believe that some of those studies have been public information in the past, and I will endeavour to provide whatever information that is available to the member in this area and provide - I don't have the information here in terms of who has undertaken those studies, but we can research that information and provide it for him.

In terms of who will be undertaking the new studies, they haven't been undertaken. They haven't been set out for anyone to undertake them, so I can't answer the question in terms of who will undertake the new studies. But I'll provide the information on the past studies for the member.

**MR. J. DOWNEY:** What is the policy, as far as he's concerned, in the letting of the studies? Does he contract them out? Does he tender them, or how does he get the people that he needs to do the kind of work

that he's doing? Is it on a tender basis or is it just as he determines who he wants to do it?

**HON. E. KOSTYRA:** The proposals are let through a competitive process. I have the names of the studies that have been undertaken to date. The electronics has been undertaken by Robertson Nickerson, transportation by James F. Hickling, and electrical by Coopers & Lybrand.

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

**MR. F. JOHNSTON:** Mr. Chairman, the Strategic Planning - and the Minister refers that he is doing something right, or the province is doing something right regarding the revised Estimates for the Province of Manitoba. Let's remember one thing. The manufacturing investment is revised upwards, but it's still only going to be about \$143 million versus what it was in about 1971 or 1981. It was approaching about 175 in that area. So we did have a tremendous drop in private manufacturing investment within the province - (Interjection) - Mr. Chairman, we'll get along very well if that guy will shut up. This is the Industry and Technology Department Estimates, and it's a very serious department. We don't need idiots dropping in on it, especially those that don't know anything about manufacturing.

Mr. Chairman, so we have been revised upwards, but we are still a long ways away from where we were. Mr. Chairman, to get to the point of Strategic Planning, let's face it. The revival upwards is because - let's take, for example, the Core Area project. There will be private investment in the Core Area project, but only because the government is putting money in to have an incentive. So there is government money involved to increase the private investment. You'll find that the private investment that is going ahead within the province is basically because of government incentives with government money involved with it.

You will also find that the investment within the province, such as the Air Canada Building and several others, are all government money. As a matter of fact, government investment within the province, public investment within the province, is running about 70 percent versus 40 percent private, when it was about the reverse a few years back.

So, Mr. Chairman, I would ask the Minister to really try and tell us his program that is going to encourage private investment without government involvement, I mean the strategy of what businesses should come to Manitoba. Now he's named transportation. He's named several of them, but there has to be a way of getting them. So there has got to be some strategy planning on how you get private investment without a lot of government involvement as far as incentives are concerned. That really is something that I think the Minister has to look to.

I would ask him also about the aerospace industry which is regarded as one of great importance in this province, and we had a very disappointing situation regarding the F-18. I would say that there was a government that was going to probably have more of that come to Manitoba, but there was an election and, all of a sudden, most of it went to Quebec. The Member

for Transcona stood up in this House and questioned me about the fact that overnight it went into Quebec, or the greatest portion of it - Quebec and Ontario. We didn't get that much of it. What planning and work is being done with the aerospace industry?

There was a study done in Manitoba regarding the feasibility of electrifying the railway track to Thunder Bay. That was a very extensive study and, quite frankly, it was done on the basis that it goes into Ontario. We were a long way from their power source, and it would have been a real natural to have electrification of that section of railroad because of the great power resource that we have in Manitoba.

Now we're selling power to utilities in the United States, and utilities sell the power for a profit. They sell it to people who create jobs in the United States, who manufacture goods, who send them back to Manitoba where we have to buy them. Now, Mr. Chairman, I would say, that one that I mentioned, with the announcement of the Minister's transportation studies and efforts, as far as prototype for that type of electric transportation or possible electric transportation, where does that particular study stand at the present time? I say to the Minister that those are long-term achievements that could be done in this province. I don't say they can be done overnight, but there's got to be something still being done as far as - and I use the two examples - aerospace. I use the example of electrification because of our power resource and using that power in Manitoba to create Manitoba jobs, and also the strategy to bring in private investment without government incentive.

**HON. E. KOSTYRA:** The area of manufacturing is one that is of concern. It's one of the areas that we are concerned about in terms of the situation as it exists right now with respect to shipments, with respect to investment. It's an area that we have to continue to work at.

In terms of the areas that the member raised for comment, we can't do it here. I think it would be best to get into some of the detail on those areas when we deal with the Industry Branch in terms of what's happening with the aerospace industry, and I think we could provide some great detail if the member would like it at that point, and in terms of the specific strategies.

If I could maybe respond in a general way - and I say this kind of advisedly - unfortunately this government has to provide some inducement, some incentives with respect to industrial development, economic development investment in this province. There are some steps that have been taken in this most recent Budget in terms of the tax credit. There are provisions under the Jobs Fund for some programs, the Manitoba Investment Program, through the concept of a development agreement. We have to do that because, as the member knows full well, the competition is quite fierce out there in terms of other provinces, in terms of other countries.

That is not the main focus of our activity, however. The main focus is to look at where there are strengths, where there are opportunities within the Manitoba economy. Staff are working aggressively to seek out new investors, to seek out expansion in those key sectors.



We had some discussion in question period one day in terms of the transportation sector and the potential for offsets, particularly in the manufacturing area because of increased rail activity. Our staff are seeking out various companies throughout Canada and North America, United States, who are in those areas right now, who might be enticed, or might be interested to move into the province to enhance our manufacturing sector because of the benefits that might come from the increased rail activity.

So we are doing very selective investment intelligence work in terms of going out and seeking some of those investors that might be interested in investing in areas of the Manitoba economy in those sectors where there is potential. So we do have that strategy, along with the incentives that are in place or are being put in place this year that were previously announced through the budget. So in terms of the overall, that is the kind of strategy that we have adopted.

I would ask the member if he would be willing to defer the specific questions on the aerospace industry and some of those other areas till we get to the Industry branch. I think that would be better because we can deal with it in much more detail there.

**MR. F. JOHNSTON:** I just have one question to the Minister here. The Strategic Planning Department as far as Industry and Trade and Technology is concerned and as it was with Economic Development - Economic Development is a word that is very very far-reaching. You can take economic development nearly into every department of this government or any other government.

Does your Strategic Planning Department work closely with the Strategic Planning Department - and I won't go into the Agricultural Estimates - but there has to be some strategic planning as far as agriculture is concerned because, quite frankly we found that because of our No. 1 industry, agriculture, it was very very important that our planners were working with the Agriculture Department at all times - and other departments - but Agriculture and I expect the answer will be yes, but I am just asking the Minister if that's the case.

**HON. E. KOSTYRA:** Yes, it is very true. The Industry Department as a whole, in particular, this section does play a lead agency role in effect of doing the overall work with respect to Economic Development and how it relates to other government departments, be it Agriculture, be it Forestry, Mining, Minerals, other departments.

We do have, I think as the member is aware, a Cabinet committee, the Economic Resource and Investment Cabinet Committee that has, as its members, members from all of the key economic related departments besides the direct economic departments which includes Agriculture, Energy and Mines, Small Business and the other economic departments, Co-operative Development, Employment. So this branch and, indeed, the whole department does act in a lead role liaise with the other departments.

One example, Agriculture, is I think a good example and that is one of the sectors that we have on the industrial side, targeted for increased activity for the

whole food processing area, to get more of our food processed into other products here in the Province of Manitoba. So we are playing a lead role in this branch and indeed the whole department.

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

1.(d)(1) Communications - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, I am not going to spend a lot of time on Communications, other than it is becoming very disappointing that every time you open a set of Estimates there's a Communications Department. We are now seeing a situation throughout the government of a tremendous empire of communications. I can't really be critical, although my colleague thinks I am being rather nice, but I can't say that this Minister is different than any other Minister as far as communications are concerned. It would seem that we are building up a communications empire within the government.

The Minister's Department of Communications, do they have any responsibility to anybody else who is in charge of the overall communications in the government, or do they work on their own as far as communications are concerned? Just maybe we can move past this section if the Minister would tell us how many he has and what is the specific type of communication that they are dealing with within the department?

**HON. E. KOSTYRA:** This branch of the department has existed for many years. It has been readjusted in terms of the change with the two new Departments of Business Development and Tourism, and Industry, Trade and Technology, but in effect it has not grown, I don't believe, over any of the last few years.

The staff of the department are three. There is a director, a graphic artist and an information writer. The director is a person that's shared between this department and the Manitoba Jobs Fund. The work that is done through this branch is looking at areas of expanding awareness of trade opportunities and potential, greater awareness and adapting to technological change, and a target approach to industrial development and investment.

We are preparing a new directory to support the department's efforts in promoting industrial development provincially and from sources outside of the province. This directory will replace the old site selection book which I believe the member is aware of, which will be done later in this year.

There has been or will be funds for joint venture aerospace advertising coming up and some specific advertising in the farm machinery area. Those are a few of the areas of activity, but basically it hasn't grown. It was carved as part of the former integrated Communications Branch and has not increased in terms of staff or in terms of funds.

**MR. F. JOHNSTON:** Mr. Chairman, does this department decide where advertisement goes differently in the industry magazines, the manufacturing magazines, or let's say the Financial Times might advertise that we have hydro and we have an



atmosphere where it would be a good place to locate. I am speaking strictly of periodicals that would relate to areas of industrial development and I do remember the department - we did put some advertisements in different magazines to hopefully attract or receive inquiries about the province - just another example - the airline magazines, those type of things that a lot of business people read.

**HON. E. KOSTYRA:** Yes, that is the basic area. There were recent ads advertised and supplements running in some farm machinery publications and there are other publications in terms of looking at specific opportunities and in terms of investment and specific trade opportunities in terms of export markets.

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

1.(e)(1) Financial and Administrative Services - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Well, Mr. Chairman, I almost recognize the transfer when I look at the Estimates for last year of the Finance and Administration Department of the Department of Economic Development and, it's fairly obvious that this department stayed here and will be doing the basic work for the two departments. I must say, Mr. Chairman, that this is really kind of living proof or visible proof that this department really didn't have to be broken up that much because we have here the central accounting, payroll, central registry, reference library, support services to the department, and the technology and business development and tourism.

I would just ask though that the words "support services to the department" does that take in any of the researchers or the economists that are supportive of the department?

**HON. E. KOSTYRA:** In terms of the comment on the administration, it is true they are serving the two departments. I would differ in the member's interpretation that is living proof that the departments did not have to be separated because I think he's aware that it's common practice, with respect to some of the medium-sized smaller departments to combine administration. Indeed, it was done during his time in office when there was a reorganization of departments. I know that the Department of Fitness, Sport shared administration with Co-operative Development when there was that changeover taking place because they were basically small departments and I think where we can have those efficiencies and not split administration and you get into additional increased costs. There's no question when you do separate departments there is some increased costs. I think we have to try to minimize that as much as possible, so I think it makes sense to keep the Finance and Administration unit services together serving the two departments, but I reject the suggestion that is a rationale for keeping to the one department.

In terms of the mention of the support services role, that is support service role in terms of finance administration to the department. The staff that he referred to are contained basically in the strategic planning area of the department; there's none of that staff in this department.

**MR. CHAIRMAN:** 1.(e)(1) - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, is this the place that I can ask if these Manitoba sourcing directories when I see library and support services, this sourcing program that was available, but maybe the Minister could tell me what department I could ask about.

**HON. E. KOSTYRA:** Trade Branch I think it would be.

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

2.(a)(1) Administration - Industry and Trade - the Member for Morris.

**MR. C. MANNES:** Mr. Chairman, I'd like to pose a few questions to the Minister specifically regarding Superior Bus in Morris. There's what would appear to be an innocuous little item in the paper on Page 14 in the Free Press today indicating that the Labour Board has come down with a ruling.

I'm wondering, first of all, the Minister can indicate whether this is the proper place to discuss this particular subject? I'm wondering if the department, this particular department of government, is it going to do anything or try to in any way appeal the decision of the Labour Board themselves regarding the specific decision which, in the minds of many, of course, will be the final death knell to that particular business?

**HON. E. KOSTYRA:** No, this department would not appeal a decision that doesn't relate to government. The decision, as I understand it, as I read it in the paper, is a decision in regard to two parties, and I presumed that if either of those parties does not believe that decision is a right one, then there is some procedure for that to be reviewed. It would certainly not be this department that would launch any court action with respect to a decision that it was not a party to.

**MR. C. MANNES:** Well certainly, I realize it wouldn't be this department, but as far as the government involvement, I realize certainly they're not one of the main parties within the dispute, but as we've seen in other cases, particularly Supreme Court cases, governments at times like to become involved in appeals where they feel that some basic right has been removed.

Now, Mr. Chairman, I would ask the Minister whether or not from his - I know the government at this point has claimed some innocence and they feel that they've been able to stand back from this whole situation - but I again question what is going to happen to this particular firm and I ask the Minister whether he is, at this date, in active communication with the present principal of Morris-based Superior Bus, namely, Delmar Keyes of Oklahoma City, is he talking to that individual at all, or are people in his department talking to that individual?

**HON. E. KOSTYRA:** There has been a great deal of staff time, there was some time spent by myself and the previous Minister dealing with this particular situation over the past year, in excessive of a year now since the original plant closed. I have not had any direct discussion with Mr. Keyes. Staff of the department have

had fairly ongoing regular contact with, not Mr. Keyes, but I believe other people who are associated with the firm, accountants, general managers, and other people, and have been working with them on a regular basis in terms of how the present decision of the Manitoba Labour Board will impact the operation there. I'm not aware of anything in terms of that decision.

If the company is in need of assistance from the government, in terms of what impact that decision may have, we're certainly ready and willing to have staff of the Department of Labour, conciliation officers, would be happy to sit down and work with the two parties if there is a concern with respect to collective bargaining, with respect to collective agreement, with respect to conditions that may arise from that collective agreement. I'm sure if there is a request that staff will be assigned by the Minister of Labour to assist those parties.

In terms of our department, we have had discussion, as the member will recall, in terms of questions he asked before. There was some assistance requested in terms of some bonding but, I believe, that was subsequently withdrawn by the company, and I'm not aware of any specific requests at the present time to the government.

**MR. C. MANNES:** Well, on the broader issue, Mr. Chairman, I ask the Minister whether he's at all concerned with the ruling of the Labour Board, particularly as it applies to a new group of investors who believe they are starting a new company. Indeed, considered so by FIRA, who felt that, in fact, as new investors that this particular company really was a new company and, therefore, was at liberty to start a fresh bargaining with hired employees. I ask the Minister whether or not he has some concern with the ruling of the Labour Board in this particular case? Is it not precedent setting to some degree? If he is concerned what does he intend to do about it?

**HON. E. KOSTYRA:** I don't know as I am concerned with respect to the ruling. I have seen what is reported in the paper in terms of the allegation that it's a precedent-setting ruling. I could take that under advisement, and find out whether or not there have been some similar situations in terms of companies that were sold, closed down, reopened in terms of collective bargaining rights or the maintenance of those collective bargaining rights.

As I understand it, the company proposes to appeal that decision, at least that is what is being reported. Then I think it would be up to judicial review to determine whether or not that decision is one that ought to stand or whether or not the Labour Board exceeded its jurisdiction. But in terms of any detail of the decision or of any precedence of that decision, I'm just not in a position to provide comment on that.

**MR. C. MANNES:** Mr. Chairman, I know that some staff members within the Minister's department have been involved to greater and lesser degrees in the events surrounding Superior Bus over the past number of months; but I'm curious to know as of today, what active consideration the Minister's staff is taking with regard to that particular plant and its future. Right today

I'm wondering, are there members of his staff who are active in trying to resolve the situation?

The Minister has talked in glowing terms, in many cases, about the potential for the growing of manufacturing in this province and as we well know, this particular firm has had considerable problems over the years but no one doubts the potential market for their products, under good management. As I indicated in questioning the other day to the Minister, that firm with a much reduced work force, is now building three buses a day and requiring 47 hours compared to . . . pardon me, taking 106 hours, where as it used to under two other owners, required 220 hours to build a bus.

It's with that type of co-operation that seems to be developed within that particular plant for the first time in many years between management and labour, and of course a town which really believes it stands to lose by far its largest industry in an area I might say - much more than just a town, the whole district - there is a genuine concern that because of this Labour Board ruling, the main principal will probably decide to flee the scene. My question to the Minister is specifically, what is he doing or what is his staff doing to make sure that this does not occur?

**HON. E. KOSTYRA:** Firstly, the member is making an assumption that something is going to take place that I have no knowledge of. If he has knowledge of that I would ask him to provide me with that information. If he knows something that I or my staff are not aware of, I think we'd be pleased to have that information if it impacts on a Manitoba business, a potential business, an ongoing business, because we are not aware that the company is planning to take any action in terms of closing, or that the major person involved with this, we're not aware that he's planning to take his investments back out again.

As I indicated before, staff have responded over a long period of time with respect to the operation there; with respect to the various people that have been involved at various points in time in terms of trying to maintain that operation and trying to get it back up on a number of occasions and we stand ready again to assist. If the company is in need of assistance, we stand ready to respond and I'm sure - my colleague, the Minister of Labour isn't here - but I know for a fact that if the company and if the union, its employees wanted some type of assistance from the Department of Labour in terms of dealing with differences that may exist between the parties that there would be resources available from the Department of Labour to assist. So we are prepared to assist if the company is requesting assistance or some involvement from the government. I'm not aware of that at this point in time.

**MR. C. MANNES:** Mr. Chairman, I think the Minister hits the point right on the head. This particular company was prepared, to a large extent, to fund many of the investment strategies that it wanted to follow on its own. I think it requested only two or three things from the government and one of them was that the Manitoba Public Insurance Corporation possibly consider issuing to them a bond which would allow them to bring chassis' into the country for a short period of time and then export them out quite quickly.

I think they also were concerned for some working capital for a short period of time. But other than that, I don't think there were major requests for guarantees or any significant input of provincial dollars.

I think what they were hoping for was a proper work environment and that's what they asked from the government, where there would not be major regulations and major labour stipulations that were coming down upon them. Of course this government has, I think, failed to show them support in that regard.

It's on that basis that, yes, I question, and I have no way of knowing, I question what decision the principal may be taking after the Labour Board ruling. So I guess I appeal to the Minister to not sit back and wait, but indeed put some of his senior staff people to work immediately to find out specifically, tomorrow as a matter of fact, what the attitude is of the present owner and whether he's changed his mind to invest, I would say, a fair degree of money within Manitoba.

**HON. E. KOSTYRA:** I'm a bit puzzled in terms of the regulations that the member has referred to. I wonder if he would like to elaborate for me what regulations that the government has in place, has enacted, that is causing, in his view, the company some problems in terms of labour regulations. I don't know what he's referring to.

**MR. C. MANNES:** Well, regulations - the Minister is correct - isn't the proper terminology to use. What I'm more concerned about is on some of the discussions between labour and management and the areas of the bond. I don't believe the government has used all the resources available to help this new outside investor to stay in place.

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

**MR. B. CORRIN:** I'm listening and becoming quite astonished, Mr. Chairman, at the line of argument that's being proposed by the Member for Morris. As a matter of fact, I must say I'm becoming quite indignant.

I find it passing strange that a member who represents the employees of a plant who have dedicated a lifetime, in many cases, a working lifetime to efforts and labours to build a small business into a larger business and maintain a small town which presumably is having difficulty, as many small towns in Manitoba are in these times, should now become, from the Member for Morris' point of view, a bit of an ideological tennis ball which he conveniently bats around the Chamber trying to presumably embarrass the Minister responsible for this particular area of Economic Development.

The Member for Morris proposes, as I understand it, that the people who work in Superior Bus plant should happily renounce and repudiate all their rights which they have built up over a working lifetime, which they have built up according to the laws which were not only put in place by this government, but his government, under the Lyon administration and before that, under the Roblin Government and the Schreyer Government, rights which were legally and rightfully and ethically obtained through great efforts on the part of various people. Now he's suggesting that even though

they weren't a party to an agreement between the new owner from Oklahoma City and the former owner who could not make a go of the business concern, that they should accept the fact, not having relinquished their rights voluntarily, that unilaterally those rights should be withdrawn and should be renounced.

I think that's simply untenable. I think that's a completely untenable position from a point of view of somebody who's supposed to have the best interests of the people of Morris at heart. Are people supposed to give up their pensions? I ask the Member for Morris, what does he suggest those people do? Are they supposed to give up their pension rights? Are they supposed to give up all the benefits they've accumulated through years of labour and they've fought for and they've honestly earned?

Did the man from Oklahoma City consult with them? When he purchased the business, did he get them to sign on the dotted line and say that they would willingly relinquish those rights? I dare say not, and if he did the Labour Board wouldn't have been able to make the order it did. But the individual for Oklahoma City took a risk, Mr. Chairman; he made a business deal with the . . .

**MR. CHAIRMAN:** Order please. The Member for Sturgeon Creek on a point of order.

**MR. F. JOHNSTON:** I appreciate the member's feelings, but I believe the Member for Morris was questioning the Minister as to what the Minister would do or should do to try and keep an industry in Manitoba or in Morris, Manitoba, under whatever circumstance the Minister's good offices can use to do so.

I think we are now getting into a debate regarding the Labour Board decision and I don't think the Member for Morris was wanting to do that. I think the Member for Morris was basically asking the Minister what he could do with his good offices to do everything possible to keep the business within the Province of Manitoba and in Morris.

**MR. CHAIRMAN:** I believe that there has been some straying on both sides of the House from, not only the topic at hand, but the department at hand.

I would ask all members of the committee to please restrict their comments to, if not the specific item in the Estimates, at least to the Department of Industry, Trade and Technology.

The Member for Ellice.

**MR. B. CORRIN:** Well, Mr. Chairman, dealing with the general question. The Member for Morris raises it, and the Member for Morris now smirks I think rather uncomfortably from his chair, the Member for Morris raises the whole question of the responsibility of the government toward small- and medium-size business in Manitoba. The government took a responsible position insofar as the government, as I understand it, is trying to do whatever it can, as the Minister is saying, to support that particular business concerned. But the government has not been able to take an active part in order to intervene in an unfair way against the interests of the people who work in that particular plant.

If the Member for Morris would suggest that a government led by his leader and his party would do

so, would be willing to instruct the Labour Board to break contracts, if he is suggesting that the Labour Board would give that sort of dominant authority . . .

**MR. CHAIRMAN:** Order please. I have asked all members to restrict their comments to the department at hand and not to consider aspects of the Department of Labour.

**MR. B. CORRIN:** Mr. Chairman, when a member raises something which, in essence, is a major philosophical issue, and frankly it is the difference between these two sides in this House - that is the difference between the two sides in this House. I think it is proper for the members of this Legislature to give consideration to the issue. The Member for Morris is playing politics with the people he has come here to represent and he is playing politics here this evening with us all.

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

**MR. F. JOHNSTON:** We were doing fine until this happened. Now we are getting into imputing motives of the Member for Morris who has a right to stand in this House and question the Minister. Quite frankly, as I repeat, the Member for Morris is talking to the Minister of Industry to use his good offices to keep an industry in Manitoba. That is what the discussion was, not a philosophical discussion. If the member wants to get into a philosophical discussion he should have gotten up and spoken several times when he could have spoken in this House, in the Throne Speech Debate or the Budget Debate or any other debate which he chose to keep quiet on.

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

**MR. C. MANNES:** Mr. Chairman, seeing some of my comments seem to be the central point of this point of order, I would like to point out that, in fact, I believe I am speaking for my constituents. Those are exactly the people for whom I am speaking. Many of the people that I know that have worked at that plant are very concerned. They want jobs; they want to work. They are prepared to work for a little bit less. They are prevented from doing so. That is the harsh reality, Mr. Chairman, of what is happening within that plant and many other businesses in rural Manitoba, and I would say all of Manitoba. — (Interjection) — Yes, the member is right, it is a philosophical discussion in part.

My questions to the Minister were not meant to bring about a large-ranging discussion in philosophy. My questions were leading to the point as to what was his department doing, starting tomorrow. I am well aware of what has happened up to today; what will they be doing starting tomorrow because I am concerned for those people, like the member indicates, who have devoted a large part of their life to that plant because, if it closes there is nothing?

I realize I did not speak directly to the point of order but I think that should be put on the record.

**MR. CHAIRMAN:** Item 2.(a)(1) - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, I would start this question by saying that I believe the House Leaders had some discussion about adjournment at 10 o'clock. I don't beat around the bush about it, I say to the Minister that we are moving along fast in Estimates and I think the discussion last night between the two of us, we didn't realize that we would be here tonight to start these Estimates. To be very honest with you, my wife and I have an engagement in our constituency that we were supposed to be at at 9 o'clock and, if I could just ask the Minister one more question on this section, we will pass it and maybe the committee could rise.

We go on further in the Estimates to Industry and Technology. This particular section says support to industry and I would ask the Minister, is this the group of people within the department that work with Manitoba industry, assisting them on new technologies, production, or any help that they can be to them regarding expansion?

**HON. E. KOSTYRA:** The specific area that deals with that is, in essence, the next line which is Line 2.(b), which is the Industry branch; that is the area that interfaces with the business community directly and seeks out new investment opportunities. Basically what 2.(a) is, is the Assistant Deputy Minister's office who has responsibility, not only of the Industry branch, but the Trade branch and the Technology branch, which all come under his umbrella - or the Industry and Trade branch - I am giving him more than he needs in throwing Technology his way. So that item we are dealing with right now is basically the Deputy Minister's office and staff that are there. The next item is the Industry branch. In terms of adjourning, I would agree that we can adjourn and continue tomorrow, much better than on Monday.

**MR. DEPUTY CHAIRMAN, D. Scott:** 2.(a)(2)—pass. Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has adopted certain resolutions, directed me to report the same and asks leave to sit again.

## IN SESSION

**MR. DEPUTY SPEAKER, P. EYLER:** The Honourable Member for Inkster.

**MR. D. SCOTT:** Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek that the report of the Committee be received.

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Mr. Speaker, I move, seconded by the Member for Turtle Mountain that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 10:00 a.m. tomorrow morning. (Friday)