



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

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

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37 Elizabeth II

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

**Members, Constituencies and Political Affiliation**

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

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, August 25, 1988.

The House met at 1:30 p.m.

## PRAYERS ROUTINE PROCEEDINGS PRESENTING PETITIONS

**Mr. Jerry Storie (Flin Flon):** I beg to present the petition of John Burkatsky, Anne Burkatsky, Lionel Hanson and other residents of Flin Flon, who hereby express their concern over the handling and processing of U.S. waste in the operations of Hudson Bay Mining and Smelting in Flin Flon.

We call on the Government of Manitoba to enforce provisions of the Environment Act requiring licensing of such operations, and call upon the Government to hold public hearings in Flin Flon to satisfy the people of that area that if such processing is to be allowed, the environment will be protected and the health of workers and their families not endangered.

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**Hon. Gary Filmon (Premier):** I have a very brief statement for which I do not have any written copies for the Members.

As Members are aware, the province's provincial bird is the Great Grey Owl. The Government has produced a new commemorative pin depicting our provincial bird. The first supply of these was just received earlier today and I had the pleasure of presenting the first one to the Chinese Ambassador to Canada earlier this morning.

I would like all Members of the House to have one of these commemorative pins and so I have placed one on everyone's desk. Thank you.

**Mrs. Sharon Carstairs (Leader of the Opposition):** We thank the First Minister (Mr. Filmon), on this side of the House, for what is a very delightful pin to add to our collections, and I hope, with the pin, will go some wisdom to the other side.

**Mr. Gary Doer (Leader of the Second Opposition):** I would like to thank the First Minister (Mr. Filmon) for this beautiful pin. I know how hard we, in former Government, worked to develop one bird for the province, and I congratulate the First Minister. I think it is a beautiful pin and perhaps now, Mr. Speaker, that we have had the courage from the First Minister to make a ministerial statement on the bird, maybe tomorrow it can be on the next First Ministers' meeting.

\* (1335)

## INTRODUCTION OF GUESTS

**Mr. Speaker:** Prior to oral questions, I would like to direct all Members' attention to the Speaker's Gallery where we have with us this afternoon Mr. Sherwin Petersen, MLA for Kelvington-Wadena of the Saskatchewan Legislature.

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

We also have with us, on my loge to my left, Rod Murphy, the MP for Churchill. On behalf of all Honourable Members, I welcome you here this afternoon.

## ORAL QUESTION PERIOD

### Sewer Explosion Cause

**Mr. Harold Taylor (Wolseley):** My question will be to the Minister of Labour and the Environment (Mr. Connery). Before I commence, though, I would like to make a statement as I am sure all Members of this House are concerned with the near disaster that could have occurred in Winnipeg, in the North End.

Mr. Speaker, a series of explosions passed through the north end of Winnipeg last night, caused by an unidentified substance from a yet-as-unidentified source. Some approximately 3,000 Winnipeggers were forcibly removed from their homes for safety reasons, and there was one serious injury. Disaster can strike here, not just thousands of miles away. We were very fortunate this incident did not happen in the middle of a Manitoba winter.

Those flaming fluids could have caused an absolute disaster in that context. These disasters are difficult to foresee, Mr. Speaker. However, they do occur and it is crucial that the nature and the source of the disaster be known without delay.

The question I pose is: Has the Environment Department obtained a sample of these obviously dangerous fluids, and what is it?

**Hon. Edward Connery (Minister of Environment and Workplace Safety and Health):** As you know, yesterday, we were very concerned about this near tragic accident. There was an accident, but fortunately only one person was injured and we offer our condolences to that person. We had the makings of a severe disaster.

I want to congratulate the Winnipeg Fire Department, the City of Winnipeg officials and our departmental people in their quick actions in ensuring that people were moved to safety.

Mr. Speaker, they are attempting to get samples. They are going to be down in the sewers today to try and get samples of it. I asked them why they did not

get samples while the flow was on, and it was because there was a danger of lifting one of the manholes and causing a spark which would have caused an explosion with danger to some of the workers' lives and maybe people in the area.

They will be attempting to get samples today. Right until noon they were not aware of what it was, except they think that it is a petro-based material for it to explode like that. We do not know if it has come from a leak, but we also know that upstream on the sewer line there are disposal areas for sewage trucks. We do not know if somebody put something into the sewer that should not have been.

As you know, the Environment Act is very severe. There are some very large fines for somebody doing this. We are going to do our very best to find out the source of the contamination and who did it.

**Mr. Taylor:** I am having trouble with the fact that samples could not be obtained, particularly in that there were photographs in the newspaper of firefighters standing beside open manholes.

However, failing that, can the Minister tell this House what role he and his officials played during the incident, and how did he and his officials ensure that the residents of the northwest end of the city were no longer exposed to this explosive substance?

**Mr. Connery:** Mr. Speaker, we had staff on the scene and they worked throughout the night to ensure the safety of the residents. They were making all efforts to find out what the substance was. They worked all night to ensure it. There is a process with the department and with the City of Winnipeg and the Fire Department to ensure, at the time of an emergency, what action should be taken. They were taken and fortunately we did not have any greater loss of life or injury to other people.

\* (1340)

**Mr. Taylor:** Not knowing what the substance was, a decision was taken by officials to dump that flaming fluid, along with some 2 million gallons of raw sewage, into the Red River. This has exposed now to the residents along the river to risk.

My question is what impact will there be on the waters of the Red River and its users, given that the low water is now prevalent; and what contingency plan has this Minister put in place to ensure the water supply for the town of Selkirk?

**Mr. Connery:** I thank the Member for that question. Yes, the department people of the City of Winnipeg had a choice to make. As the material was explosive, it was the approaching the sewage treatment plant. Were they to leave it and process it through the sewage plant, there was a danger of having a major explosion in that facility, so they diverted the water to the river.

Mr. Speaker, this is no different than—and it is not that it is acceptable; it is totally unacceptable. The quality of the water in the Red River is not of a high

quality, but it does happen also when there are major storms. As you know, and as the councillor and ex-councillor for the City of Winnipeg should know, the City of Winnipeg does not have adequate treatment facilities in place to treat all of the sewage. So the Member opposite is one that should be very cognizant of these problems and was one who sat and really did not address the issue.

Our staff is working with the City of Winnipeg to see what we can do about their sewage problems.

### Sewer Explosion Public Inquiry

**Mr. Gary Doer (Leader of the Second Opposition):** Mr. Speaker, my question is to the same minister, the Minister of Environment (Mr. Connery).

All of us were, of course, very concerned about the explosions that occurred last night and the lack of any explanation for Winnipeggers and indeed Manitobans on what the substance was and what it will mean for us in the future.

Will the Minister immediately order a public inquiry on the material and the circumstances that developed into the explosions last evening and utilize his powers under The Dangerous Goods Act?

**Hon. Edward Connery (Minister of the Environment and Workplace Safety and Health):** If a public inquiry was of any benefit, I would have no problems in ordering one. I think we have competent staff that are investigating it and we will wait and see what they come up with, and hopefully, within a day or two, they will have traced the substance, but if it was put in by a sewage truck, Mr. Speaker, then it is going to be very difficult to trace.

Let me say to the ex-city councillor that these are unstaffed stations and I believe that we should be doing some monitoring of what is going into the sewage system, and it is the City of Winnipeg's responsibility. The Member opposite failed to act on that when he was on council.

**Mr. Doer:** With the greatest respect to the Minister and his debate, as of April 1, 1988, the new Environment Act does not allow the City of Winnipeg to be excluded as it had been previously. So his statement is factually incorrect.

Mr. Speaker, the powers of the Minister under 39(1) of the Act allow the Minister to, where an accident or incident involving a discharge or emission of dangerous goods results in a death or injury to any person, or is a danger to the health and safety of our citizens, the Minister can order an inquiry under 39(1) with the power of subpoena.

I would ask the Minister today to confirm with Manitobans and Winnipeggers, and indeed this Chamber, that he will order a public inquiry on the circumstances arising to lead to these explosions and indeed any other circumstances that can develop in the future under this very, very important matter.

**Mr. Connery:** The Member knows very well that I am not afraid to call for inquiries. I did ask for a Clean Environment Inquiry in the City of Brandon over the Burns packing plant because of the odours.

Mr. Speaker, there is an appropriate process to go through. You do some investigations first—you just do not fly off and call for hearings.

I took my time at that time in the Brandon scene, and we realized, yes, there was a need for an inquiry. After an appropriate time, if there is need for an inquiry, one will be called, but we are not going to act irresponsibly.

\* (1345)

**Mr. Doer:** Mr. Speaker, if he has been talking to his officials, they could advise him it is not the first time that gas has been found in the Winnipeg sewage system.

Will the Minister today, in light of what happened last evening, in light of his briefings with his officials today, order an immediate public inquiry under Section 39(1) of the Act?

**Mr. Speaker:** Order, please. The Honourable Member's question is repeating in substance a question which was previously asked. It is therefore out of order.

The Honourable Member for Concordia.

**Mr. Doer:** Mr. Speaker, I asked the Minister whether he would immediately order a public inquiry under Section 39(1) of the Act, given the circumstances of last evening and given the fact that gases have been in that sewage system before, and this is a very important issue.

### Medical Records Privacy

**Hon. James McCrae (Attorney-General):** Mr. Speaker, I am rising to give an answer to a question asked previously.

Yesterday, in this House, the Leader of the Opposition (Mrs. Carstairs) raised a question regarding the agreement between the Canadian Security Intelligence Service and the Province of Manitoba. I took notice of the question because I was shocked and astounded that a person of so high a standing as the Leader of the Opposition would bring forward suggestions so patently false to the House and on such a matter of such importance. In fact, the information brought forward is dangerous and should be corrected properly; and, for that purpose, I thought I should bring forward a detailed response to the Honourable Leader of the Opposition.

The fact is that nowhere in the CSIS Agreement is Manitoba required to do anything or to divulge any information, certainly not about health, education or any other matter whatsoever. The agreement allows for a cooperation between the province and CSIS.

The nature of CSIS's requests to the Government of Manitoba are to be restricted to determining the whereabouts of someone or when they moved to the

province. If any request is received from CSIS that varies significantly from personal locator information, such as specific medical records, family history, etc., the agency is not to provide the requested information and is to contact the Deputy Attorney-General.

I must say the irresponsibility of the Leader of the Opposition in raising a question like that in this House is shocking.

### Medical Records Privacy

**Mrs. Sharon Carstairs (Leader of the Opposition):** Mr. Speaker, a question to the Attorney-General (Mr. McCrae).

Can the Attorney-General explain why, in the schedule attached to the Memorandum of Understanding, health is included?

**Hon. James McCrae (Attorney-General):** The schedule, Mr. Speaker, of agencies referred to in the agreement is there. Any agency listed on the schedule may be contacted by CSIS. There is nothing against the law in CSIS asking for information, but contact persons in each department and agency listed on the schedule have been through a training process and they have been trained in their responsibilities under the agreement, and they, of course, will be guided by the Freedom of Information Act, Section 41, referred to yesterday by the Leader of the Opposition (Mrs. Carstairs) and by the principle that health records are private and they are confidential.

**Mrs. Carstairs:** Then will the Attorney-General please tell this House why the Province of Alberta removed health and the Province of Manitoba allowed health to remain?

**Mr. McCrae:** Mr. Speaker, the Leader of the Opposition should know better than to ask questions about matters that do not fall under the administrative responsibility of the Government of Manitoba. However, she may feel free to ask representatives of the Government of Alberta why they entered into agreements on any matter they like, and they can respond as they wish.

The point is Manitoba made sure that health records of Manitobans are well protected and that we are not required, under the agreement, to provide any information that we, as a responsible Government, do not wish to provide, bearing in mind the protection of the people of this province.

But I must say, raising red herrings, especially ones which are so dangerous, is very irresponsible.

\* (1350)

**Mr. Speaker:** Order, please. The Honourable Leader of the Opposition.

**Mrs. Carstairs:** With a final question to the Attorney-General (Mr. McCrae).

Can the Attorney-General explain to this House why he excluded some aspects for which reference could

only be made through the Attorney-General's office, but health was not one of those?

**Mr. McCrae:** Perhaps the Leader of the Opposition (Mrs. Carstairs) would like to ask the question a dozen more times, Mr. Speaker.

The fact is no agency or department will divulge information which does not fall under guidelines which respect the Freedom of Information Act and respect the privacy of individuals in this province. On the other hand, it may be that the Leader of the Opposition wants to sacrifice national security.

In this nation, the Province of Manitoba is one part, and the national security is a very important matter to all Canadians, and I suggest the Leader of the Opposition read the agreement again, read the Freedom of Information Act again, read and learn, and maybe she could put some of this material into her computer. Maybe it will start spewing out some factual information.

**Mrs. Carstairs:** With a final, final supplementary to the Attorney-General, because we cannot get any straight answers from him in the final supplementary.

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

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

The Government House Leader, on a point of order.

**Mr. McCrae:** I really do not think it is proper for the Leader of the Opposition (Mrs. Carstairs) to give editorial comments on the nature of the answers given in this House.

**Mr. Speaker:** The Honourable Government House Leader does not have a point of order.

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

**Mr. Speaker:** Order, order. Before we start heading for the bush—order!

The Honourable Leader of the Opposition.

**Mrs. Carstairs:** Thank you, Mr. Speaker.

Will the Attorney-General (Mr. McCrae) admit to this House that he acted precipitously in signing this document, a document that should not have been signed without due consideration, and no consideration was given?

**Mr. McCrae:** I thank the Honourable Leader of the Opposition (Mrs. Carstairs) for that question.

Indeed, this Government has not at all acted precipitously. What this agreement does is provide more control on the Canadian Security Intelligence Service, not less. It provides more safeguards for Manitobans. The Honourable Leader of the Opposition perhaps should do her homework before she brings these matters before the House in such a dangerous and irresponsible manner.

## PCBs Safety and Storage

**Hon. Edward Connery (Minister of the Environment and Workplace Safety and Health):** Yesterday, I took as notice questions from the Member for Wolseley (Mr. Taylor).

As Environment Minister, I was disturbed when this House was misled to believe that there were PCBs being stored in an unsafe manner. PCBs are a carcinogen.

Officials from the Department of Environment Control were on the scene immediately yesterday afternoon. Because the railway yard is under federal jurisdiction, it is inspected by Environment Canada, and they were called in and cooperated with our officials fully. Environment Canada knew about the storage, which was carried out in accordance with guidelines contained in an Environment Canada booklet.

What are the facts? Three sealed capacitors are stored in sealed drums with drip pans under them. The rail car is fully secure. Bolts were used to secure the door because they are safer than a lock. A lock can be broken off, but bolts have to have an appropriate wrench to take it off. Also, the C.P. is prepared to weld the roof hatches down so that nobody can get in. Even though they are sealed, they are prepared to weld them.

Mr. Speaker, there is no official storage for PCBs in Canada anywhere, and there is no method of disposing of high-density PCBs in Canada. To this end, though, all provinces and the federal Government are attempting to find a way of disposing high-density PCBs. In fact, our Waste Management Corporation and Hydro are cooperating on a long-term method of disposing of them.

Mr. Speaker, environment issues are too important to play games with. Seeing the games played in this House as Environment Minister is disturbing. If there was indeed a hazard to children, why did it take the Member for Wolseley (Mr. Taylor) two weeks to bring it to our attention . . . .

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

**Mr. Connery:** . . . and why did it take the Member for Niakwa over a year . . . .

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

The Honourable Minister of the Environment, to withdraw that final statement.

**Mr. Connery:** I withdraw. Their actions speak for itself.

## Sewer Explosion Public Inquiry

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

In light of the fact that his own Minister of Environment (Mr. Connery) does not understand that the City of Winnipeg is indeed covered under the new Environment

Act as of April 1, 1988, and in light of the major public issues before us in terms of the exploding that happened yesterday—and nobody is blaming that on the Minister of Environment—will the First Minister order the Minister of Environment to have a public inquiry as he has the power to order under Section 39(1) of The Dangerous Goods Act?

Certainly, the conditions under the Act are specific to the kind of situation that developed in Winnipeg last evening.

**Hon. Gary Filmon (Premier):** Mr. Speaker, the fact of the matter is that all of us have to be concerned about environmental issues. All of us in this House are concerned about environmental issues. The environment is not a partisan political issue that belongs to anyone in this Chamber or any Party in this Chamber. The reality is that we all have to be committed to establish what are the facts and to get to the bottom of a potentially serious problem.

A spill of a petroleum product in a sewer that could possibly be explosive and put in danger the lives of many people in the City of Winnipeg is something that all of us take great concern about. The Minister of the Environment has indicated that a full investigation is being carried out by the experts in his department—not by politicians, not by people who want to create a public issue of this, but by people who want to solve the problem and get to the bottom of it so it does not happen again. Until his department and their officials and their experts have done that investigation, then nothing further will be done until the Minister reports back.

If the Member is not satisfied with the report of the officials and the experts in the Department of Environment, then he can pursue the matter further and we will be happy to carry out any investigation necessary to get to the bottom of the problem.

\* (1355)

**Mr. Doer:** Perhaps the First Minister should recall that it was his own Minister of Environment (Mr. Connery) that said—

**Mr. Speaker:** With a question.

**Mr. Doer:** —the Department of Environment runs itself. That was a political statement, too, Mr. Speaker.

**Mr. Speaker:** Question.

**Mr. Doer:** I would ask the First Minister (Mr. Filmon)—yes, the officials of the department are experts and, yes, we should be debating this issue on the basis of the merit of the case, but the public of Winnipeg and the public of Manitoba have rights in this area, too, and that is why I would ask the First Minister to allow the public of Winnipeg to be involved in this very important issue by utilizing the powers the Minister has, under Section 39(1) of the Act, with a public inquiry to take place.

**Mr. Filmon:** The public of Manitoba has the right to be fully informed of all the facts and all the information

that is necessary to get to the bottom of the incident and to ensure that it is not repeated. That is the commitment of this Government, that is the commitment of the Minister of the Environment (Mr. Connery), and that is what his department is working to do.

When that is done, if he is not satisfied with the full and complete information and he wants to have a forum for a political debate on it, he can choose that as his issue; but right now, we have to get to the facts of the matter and make sure it does not happen again, and that is what we are committed to do.

**Mr. Speaker:** The Honourable Member for Concordia, with a final supplementary question.

**Mr. Doer:** Yes. Perhaps, I would have a little more faith in the First Minister if he had not fired the former Deputy Minister of Environment and put in a second-rate Deputy Minister . . . .

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

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

Whoa, now! Order, now. The horse is out of the barn already.

The Honourable Member for Concordia, to place his final supplementary question.

**Mr. Doer:** Mr. Speaker, I think I should withdraw that because the individual is not here.

**Mr. Speaker:** I do thank the Member. Now would he place his question?

**Mr. Doer:** Mr. Speaker, I would ask the First Minister -(Interjection)- Well, no, in terms of the expertise of the individual, he has a totally different expertise.

I would ask the First Minister to have a public inquiry and order his Minister to initiate a public inquiry under 39(1) of the Act, dealing with this very important issue.

**Mr. Speaker:** Order, please. The Honourable Member's question is repeating itself. Since it is a question which was previously asked, it is therefore out of order.

### PCBs Safety and Storage

**Mr. Harold Taylor (Wolseley):** No fences, no warning signs, no "No Trespassing" signs, two open doors, two open hatches, a wooden floor: that is evidence that this Minister does not know about safe storage methods, does not know about safe storage methods for PCBs in Manitoba. We know now that there are inadequate -(Interjection)- Can I have order, please?

**Mr. Speaker:** Would the Honourable Member for Wolseley kindly place his question now!

**Mr. Taylor:** Thank you, Mr. Speaker. Knowing, as we do—

**Mr. Speaker:** With a question, please.

**Foster Care Funding**

**Mr. Taylor:** Yes. Knowing, as we do now, that the mechanisms are not in place, will this Minister direct his officials to conduct a full scale province-wide inquiry on the storage of PCBs in this province, and will he instruct his officials to take immediate action to ensure that all PCB storage facilities meet adequate designated safety and environmental standards so as disasters such as the recent one in St. Basile, Quebec, do not occur here in Manitoba?

\* (1400)

**Hon. Edward Connery (Minister of Environment and Workplace Safety and Health):** Mr. Speaker, I say to the Member once again—we are dealing with the lives of children that supposedly could be playing there—the lives of people—that is very serious. If that door was open, and it was not opened, it was secured, and the Member knows that—so the facts say it for themselves.

But, Mr. Speaker, if he knew for two weeks, and children were in danger of being injured, why did he not come to the Environment Department and say, "Look, you have a serious spill."? He waited until there was a problem somewhere else and is trying to dovetail and get some publicity on a real sincere tragedy that occurred in Quebec. That is all it is, Mr. Speaker.

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

**Mr. Jay Cowan (Second Opposition House Leader):** The Minister cannot continue to impugn motives on the part of Members either on any side of the House when they attempt to bring to his attention—and I realize how hard it is to get his attention—when they attempt to bring to his attention a serious environmental concern. He stands up day after day in this House and suggests that we are not bringing forward these questions in a responsible manner as part of our duties as elected representatives, but rather we are seeking publicity and he shakes his head, yes, as I say that, or we are after cheap political tricks and he shakes his head, yes—he did not—it shows that his attention span is very short.

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

**Mr. Cowan:** It is a serious matter that he consistently tries to deflect attention—

**Mr. Speaker:** Order, please; order, please. The Honourable Member does not have a point of order, but just to help all Honourable Members along here, and I am just instructing everybody a little bit, I have instructed Hansard that after I call order for the first time, your mikes are shut off. Therefore, when the Speaker is standing, I would ask all Honourable Members to please take their chair because your remarks are not getting on the record anyway.

**Ms. Judy Wasylcyia-Leis (St. Johns):** Mr. Speaker, I have a serious question about another looming crisis. My question is for the Minister of Community Services (Mrs. Oleson).

Given that we are days away from a crisis around the care of children in our foster care system, given that all Manitobans and all political parties really want to see a way out of this impasse and put an end to the moratorium expected for next Thursday; and given that it would appear that a compromise is possible and urgently needed, my question to the Minister is, has she had an opportunity to look at any other options to present as a middle ground to the Manitoba Foster Parents Association? More specifically, has she had an opportunity to look at and consider the options that I presented to her earlier this day as a reasonable compromise out of this problem?

**Hon. Charlotte Oleson (Minister of Community Services):** Mr. Speaker, I thank the Member for her interest in this matter. I thank her for sending me the letter this morning and presenting her views on the case, although I find it interesting that it should be occurring now when it had not earlier.

The fact of the matter is, for the Member's edification, that my staff continue to meet daily with the Foster Parents Association. I have indicated, and my staff has indicated to them from the very beginning of this problem, that we are willing to negotiate. The Foster Parents Association are going to their membership to discuss the matter with them and give feedback to me and I am expecting to hear back from them later this week.

**Ms. Wasylcyia-Leis:** Mr. Speaker, I am raising this issue now because I think the Minister has boxed herself into a corner and I do not think the Liberal position has helped that much.

**Mr. Speaker:** Question.

**Ms. Wasylcyia-Leis:** I am suggesting a compromise. Given that the Manitoba Foster Parents Association has indicated, I believe to the Minister and at least to me, that they are prepared to look at another option, to look at some middle ground, given that some move on the part of the Minister such as the 50¢ a day increase and a commitment to a long-term phased in approach is reasonable, would the Minister indicate to this House today if she is prepared to explore immediately any option along the lines that I have suggested or any other options to end this moratorium to resolve this matter very quickly?

**Mrs. Oleson:** Yes, we certainly do not want a moratorium. That has been evident in my remarks from the first. As I told her in my previous answer, we are negotiating with, we are looking at options. I have indicated to that association from the very Day One that I met with them that we would be willing to negotiate and plan something for the future that would help them out of this problem that has been ignored far too long.



**Mr. Speaker:** The Honourable Member for St. Johns, with a final supplementary.

**Ms. Wasylycia-Leis:** Given that the Minister has indicated a willingness to negotiate, given that the Manitoba Foster Parents Association is looking for something a little more than just negotiation and wants a commitment to a phased-in pay increase, is the Minister prepared today to commit herself to put on the table options along the lines that I have presented to her that seem to be in keeping with the ground that the Manitoba Foster Parents Association is prepared to look at?

**Mrs. Oleson:** I think it is a mistake in this House, and through the media, to try and negotiate a very serious problem. I have never, in the whole experience with this matter, been negotiating it through the media. I do not intend to start now. You cannot negotiate in public. You have to negotiate privately with the association and we are doing that on daily a basis. My staff is contacting them several times a day. We are trying to work the situation out.

### Community Services Funding

**Hon. Gary Filmon (Premier):** Yesterday, the Member for Ellice (Ms. Gray) raised some questions in the House concerning specifics aspects of the budget of the Department of Community Services in questions posed to me. I did not have the information on those figures and so I am pleased to respond to her today with some specific information on certain aspects of the department's budget; one being the area of Research and Planning, at which she alleged that there had been a 27.5 percent increase in expenditures; the other being communications in which alleged again that there was a 27.5 percent increase in expenditures.

\* (1410)

On the first area of Research and Planning, this year's figures include a reallocation or transfer of financial services into Research and Planning because of the consolidation of the federal cost-sharing unit into the Research and Planning area. As well, funding was moved from the support for the International Year of the Disabled from the Social Services line into the Research and Planning line and, as well, there is pay equity and general salary increases in there. With the proper distribution of those costs, the actual increase in expenditure for Research and Planning would turn out to be 6.5 percent, rather than 27.5 percent that she alleged.

With respect to Communications, Mr. Speaker, I have had that investigated. In fact, there has been a decrease in the expenditures on Communications of 7.3 percent. The material that she brought forward does not seem to add up. Not only is the Liberal computer malfunctioning, but this is an example of why we have the Estimates process in this House so that those kinds of detailed questions can be asked and a detailed response can be given, instead of standing up in Question Period and raising false alarms for tomorrow's headlines.

### PCBs Safety and Storage

**Mr. Speaker:** Order, please. The Chair would like to apologize. With all that foofaraw a while ago, I forgot to come back to the Honourable Member for Wolesey.

The Honourable Member for Wolesey.

**Mr. Harold Taylor (Wolesey):** Mr. Speaker, on my two supplementals: This morning on the radio this same Minister of Labour, and the Environment (Mr. Connery), indicated his obvious concerns for the handling and disposal of PCBs by Manitoba Hydro. What are his concerns and what, if anything, is he doing in concrete terms regarding the PCBs handled by Manitoba Hydro?

**Hon. Edward Connery (Minister of Environment and Workplace Safety and Health):** We are worried or concerned about all deposits or storage of all PCBs in Manitoba. Some time ago I discussed the issue with the department and they assured me that they periodically go around to all of the sites to ensure that they are being stored safely.

With Manitoba Hydro, Mr. Speaker, they just completed a new building. It is a state-of-the-art building for the storage of PCBs. Our people have been out there to take a look at it. I am concerned at any time where there are any PCBs at all, in case there is a fire, so our people do ensure. They go around and investigate very carefully, because we are dealing with peoples' lives and we just cannot take a chance. We are trying to ensure that no accident happens anywhere in Manitoba.

**Mr. Speaker:** The Honourable Member for Wolesey (Mr. Taylor), with a final supplementary question.

**Mr. Taylor:** This Annual Report of Manitoba Hydro refers to a special extraction process for PCBs. The question to the Minister is, given the scientific evidence today that there is only one safe way to handle those PCBs, which is their destruction by heating them to 800 degrees Celsius for 20 minutes in a rotary kiln, can the Minister advise this House whether this is the process being used by Manitoba Hydro to deal with the PCBs that they have down in South Winnipeg?

**Mr. Connery:** The Member should know that low density PCBs can be burned. High density PCBs cannot be burned off at this point, so the only ones that they could be doing there are the low density PCBs. As I mentioned to the Member earlier, they are working with the Waste Management Corporation so that we can safely find a way to dispose of all PCBs so we do not have to worry about storages around the province. At this point, the only solution to high density PCBs is storing them in a safe way.

### Hazardous Waste Disposal Legal Opinion

**Mr. Jerry Storie (Flin Flon):** My question is also for the Minister of Environment (Mr. Connery), whose middle name is "Concern" when it should be "Action."

The Minister of Environment seems to believe that only his concern—and he uses that word every day—is legitimate when it comes to environmental matters.

I raised some time ago a question with the Minister and asked specifically that the Minister table in this House a legal opinion with respect to the processing of waste in Flin Flon. I asked the Minister specifically whether he would table an opinion which would indicate to the people of Manitoba that the processing of U.S. waste was the same as processing of ore mined in Flin Flon, and I would ask him to table that opinion.

**Hon. Edward Connery (Minister of Environment and Workplace Safety and Health):** My concern was to give the information to the Honourable Member. The Honourable Member has that information. I gave him the written legal opinion of Mr. Stu Pierce from the Attorney-General's Department. As far as I am concerned—and also the Member for Wolseley (Mr. Taylor) received one, and the Member for The Pas (Mr. Harapiak), who is the Environment critic, received a copy of that written opinion.

**Mr. Storie:** The Minister's response simply heightens my concern and I further direct a question to the Minister of Environment (Mr. Connery), who did provide me with a copy of the legal opinions which, to my surprise, confirmed my original opinion and the legal opinion I had.

The question to the Minister is, based on this legal opinion, will he use the power he has, which is identified in this legal opinion from the Attorney-General's Department, will he use the power now to make sure that HBM&S licence the processing of waste as they are required to do, as this legal opinion says they are required to do? Will he ensure that that takes place?

**Mr. Connery:** It is obvious that we are going to have to get a legal opinion on the legal opinion, because it is not the interpretation that I take from it. It is not the interpretation that the lawyer tells us or our department.

Our concern for the environment is sincere. I have flown to the town of Flin Flon to speak to the local secretary-treasurer to see if there are concerns; that our department, if there are concerns from the town of Flin Flon, will be very cooperative. So who knows that at some point in time that an inquiry is required, then we will have one. We are continuing to monitor the situation then.

**Mr. Speaker:** The Honourable Member for Flin Flon, with a final supplementary question.

**Mr. Storie:** I tabled earlier today a petition of 400 names of people who are concerned, who want this Minister to act.

My further question, my final question to the Minister is: Does he have any intention, as Minister of Environment, to enforce the provisions of the Environment Act? Does he have any intention to require companies who have existing licences, but choose to process new material, to change their operations to comply with the provisions of the Act—

**Mr. Speaker:** Order, please. The Honourable Minister of the Environment.

**Mr. Connery:** Safety is our first concern. Safety for the workers in the plant, safety for the people who live in around Flin Flon because of the emissions from that plant. Those are our primary concerns. What steps are needed will be taken to ensure that their safety is preserved. That is No. 1 on our agenda, and it will remain No. 1 on our agenda.

### PCBs Safety and Storage

**Mr. Richard Kozak (Transcona):** My question is for the Environment Minister (Mr. Connery).

The Minister's statement that PCBs stored at the CPR in North Transcona Yards present no immediate danger is deeply alarming. The boxcar of PCBs stands in the open, with no fences, no secure seals, and no railway personnel anywhere nearby. My constituents need reassurance about the dangers they face. I ask the Minister if he will require the CPR to move the boxcar immediately?

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

**Mr. Speaker:** Order. Order, please. The Honourable Minister of the Environment.

**Hon. Edward Connery (Minister of Environment and Workplace Safety and Health):** As the Members of this House should know by now, PCBs have to be stored somewhere. We feel that the location is a safe one. It has 24 hours a day security; there are people around the yard all the time. Would it make more sense to haul that car out to a lonely spur somewhere out in the country where indeed children might get into it? The thing that happened here with this incident is that the fears of people have been raised by false accusations. The people of Manitoba do not deserve that sort of thing when the facts are that it is safe.

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

**Mr. Jerry Storie (Flin Flon):** The Minister of the Environment (Mr. Connery) has continued to impugn the motives and the actions of Members on this side. The Minister seems to believe, and I cannot interpret it otherwise, that he is the only one who is concerned. He uses the word so many times.

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

**Mr. Kozak:** A supplementary for the Environment Minister (Mr. Connery).

In view of the fact that the boxcar of PCBs in North Transcona is now accessible by anyone, at any time, for any purpose—and I have been there, Mr. Speaker, and I know—what security measures will the Minister take today that he did not take yesterday to prevent the worst from happening?

**Mr. Connery:** The Member for Transcona (Mr. Kozak) suggests that we move it to Portage la Prairie. It would not worry me in Portage la Prairie if it is under as safe a condition.

That rail car is inaccessible to people unless they go there prepared to get into it. The danger is for somebody wandering through. A young child wandering through could not get into that rail car. Yesterday, actually the Members that went there trespassed because they did not go through the gate; they went around the side. So they were actually trespassing on railway property.

The guidelines for the storage of the PCBs in that yard comes under Environment Canada. Environment Canada officials assure us that it is safe. Our officials were there yesterday with Environment Canada officials to take a look at the site and to ensure that that boxcar is safe. The boxcar was not open when they went there yesterday, as the Member for Wolseley (Mr. Taylor) tried to say. It was fully secured. In fact, when they tried to open it, it took a lot of pressure and a big crowbar to try and open it up a foot so that they could see in. This is the information that I got from Mr. Pollock who was at the site with the Member for Wolseley yesterday afternoon. He is the supervisor for that yard for Canadian Pacific.

\* (1420)

**Mr. Kozak:** It is not our objective to put an unsafe hazardous waste anywhere. We are simply concerned with the security of the storage.

In view of the fact that the federal Environment ministry knew of these hazardous wastes stored in North Transcona for some time and failed to inform his department, will the Minister immediately approach his federal counterpart for information on how many more Manitobans face what the Minister calls "no immediate danger"?

**Mr. Connery:** I never did say the words "immediate danger" in the sense that there is something about to happen, Mr. Speaker. That never did come up. I told the Members opposite that our staff know the location of the PCBs. There is a list put out by Environment Canada. If you wanted to go to Environment Canada, the Member could find out where all the PCBs are stored.

It is the responsibility of our officials, on a regular routine basis, to visit these sites to ensure the PCBs are adequately and safely stored, not just for the immediate future but for the long-term, until we develop a process that we can dispose of them properly and safely.

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

### SPEAKER'S RULING

**Mr. Speaker:** I have a ruling for the House.

On August 17, the Deputy Speaker took under advisement a point of order raised by the Honourable Minister of Finance (Mr. Manness) respecting words

spoken in debate by the Honourable Member for Elmwood (Mr. Maloway).

The words spoken by that Honourable Member:

- (a) suggested that the then Official Opposition knew in advance of March 8 of the impending defeat of the then Government;
- (b) repeated media conjecture that "there probably was a conspiracy here" between the then Official Opposition and the then Honourable Member for St. Vital; and
- (c) speculated that the then Official Opposition did not follow through because of the potentially serious consequences if "any proof of vote-buying could be established."

The Honourable Member for Elmwood has brought to the House extremely serious allegations by which he has made a serious personal charge and has imputed unworthy motives to Members of this House. The various parliamentary authorities to which we commonly refer, our own rulings and precedents, Beauchesne, Bourinot and May, clearly set out that the imputation of bad or unworthy motives is a breach of order.

In his remarks, the Honourable Member for Elmwood stated that he had not "said anything that is not in fact on public record" and then referred to media and other sources which had expressed opinions about these events. All Honourable Members should bear in mind the point made by Erskine May on p. 433 that "a Member is not allowed to use unparliamentary words by the device of putting them in somebody else's mouth." Also relevant to the point is Beauchesne, Citation 362, which reminds us that ". . . it is the Member's duty to ascertain the truth of any statement before he brings it to the attention of Parliament."

Prior to taking the matter under advisement, the Deputy Speaker requested the Honourable Member for Elmwood to "consider withdrawing." That Honourable Member continued with his comments concerning the subject and disregarded the Chair's request.

Disregarding the authority of the Chair by failing to comply with requests or instructions issued by the Chair is an extremely serious matter. It is an action which is contrary not only to the rules and practices of this House but, in addition, to all the usual parliamentary authorities which we follow.

I have most carefully reviewed Hansard for August 17 and have also examined the relevant authorities and precedents. In conclusion, I find that the Honourable Member for Elmwood has imputed unworthy motives and has disregarded the authority of the Chair.

I therefore have no alternative but to call upon that Honourable Member to withdraw without qualification all remarks he made on August 17, referring to alleged events surrounding the March 8 defeat of the then Government, and to apologize, in a similar manner, to the House for disregarding the authority of the Chair by not withdrawing when requested by the Deputy Speaker to do so.

**Mr. Jim Maloway (Elmwood):** Mr. Speaker, I wish to clarify comments made by me on August 17 . . . .

**Mr. Speaker:** Does the Honourable Member have leave to clarify? The Honourable Member for Elmwood, to withdraw.

**Mr. Maloway:** No, I am not going to do it.

**Mr. Speaker:** Order. Order, please. The Honourable Member for Elmwood to withdraw.

**Mr. Jay Cowan (Second Opposition House Leader):** On a point of order.

**Mr. Speaker:** I have not asked the Honourable Member for Churchill to withdraw.

**Mr. Cowan:** On a point of order, Mr. Speaker. Any Member has a right to raise a point of order at any time in this House.

**Mr. Speaker:** Order, please; order, please. The Honourable Member for Churchill, on the point of order.

\* (1430)

**Mr. Cowan:** Mr. Speaker, I appreciate the seriousness of this issue and I appreciate the fact that you are trying to resolve it in as expeditious a manner as possible; however, it has been customary in the House for a Member to be given the privilege of at least addressing his remarks to the Chair and to the House before they are ruled out of order.

The Member for Elmwood was attempting to address his remarks and may, in fact, have met the requirements of your ruling in the course of addressing his remarks. I would suggest that, given the normal course of action in this House, he be permitted to at least continue on with those remarks to the extent where one can determine whether or not they do in fact meet with the requirements of your ruling.

**Hon. James McCrae (Government House Leader):** To the same point, Mr. Speaker.

On August 17, when this matter arose, the Deputy Speaker did request the Honourable Member for Elmwood to consider withdrawing. At that time, the Honourable Member did not have anything to say on the matter, and therefore I suggest that he move directly today to withdraw the comments made earlier.

**Mr. Speaker:** Let me thank all Honourable Members. The Honourable Member for Elmwood.

**Mr. Maloway:** Once again, I wish to clarify the comments that I made on Wednesday, August 17, in Hansard, page 607. When I referred to "they," in paragraph 3 of line 2, I was not referring to any Member in this House, I was referring to the "they" in Catherine Mitchell's article on March 19, 1988, entitled "Walding rejected deal, Tories say." The back room Tory from Frances Russell's article on March 15 entitled "Odd events surround fall of Government," and the Torie telephone tipster referred to in Gordon Sinclair's column, "Jim Walding surprise vote wasn't a shock to everyone," published March 10, 1988. I believe that

improper offers were made contrary to federal legislation and our own rules of this House.

I raise this question because it is a serious matter, even to have made . . . .

**Mr. Speaker:** Order, please. The Honourable Member for Elmwood, I have requested the Honourable Member to withdraw.

**Mr. Maloway:** Mr. Speaker, I have made it clear that I withdraw any imputation of motives on the part of anyone in this House. That was the purpose of the statement and, as I had indicated, I raised this question because it was a serious matter . . . .

**Mr. Speaker:** Order, please. I have asked the Honourable Member to withdraw.

**An Honourable Member:** Withdraw and apologize.

**Mr. Maloway:** Mr. Speaker, as I had indicated in my remarks the "they" does not refer to anyone, any Member of this House.

**Mr. Speaker:** Order, please. This is a very serious offence. Order. Order, please. If the Honourable Member does not respond in the manner I have requested, I will be compelled to name him. Will the Honourable Member kindly withdraw?

**Mr. Maloway:** Mr. Speaker, I am prepared to table the press release . . . .

**Mr. Speaker:** Order. Order, please. The Honourable Member for Elmwood. For the last time, will the Honourable Member kindly apologize to the House?

**Mr. Maloway:** Mr. Speaker, I am prepared to table the relevant . . . .

**Mr. Speaker:** Order, please; order, please. If the Honourable Member does not immediately withdraw the words "complained of," I will have no alternative and will have to name him.

The Honourable Member for Churchill.

**Mr. Cowan:** I believe that, and perhaps I am wrong, I heard the Member for Elmwood indicate very clearly that he withdrew any reference that could be considered an imputation on the motives of Members of this House. Mr. Speaker, by way of helpful advice, if I can, I would like to direct attention of the Members to your ruling. Your ruling states very clearly the Honourable Member for Elmwood has brought to the House extremely serious allegations by which he has made a serious personal charge and imputed unworthy motives to Members of this House. I believe a reading of Hansard will indicate very clearly that he has withdrawn any remarks which were thought to impugn motives of any Member of this House, and he said very clearly that he was not impugning motives of any Member of this House.

I would hope that perhaps one can review Hansard to determine if in fact that explanation and that apology

and that withdrawal would meet the requirements of your ruling which states very clearly reference to unworthy motives to Members of this House and goes no further.

**Mr. McCrae:** Mr. Speaker, in his comments on the point of order, the Honourable Member for Churchill (Mr. Cowan) I suggest is coming dangerously close to reflecting upon the ruling that Your Honour has made earlier in this day.

**Mr. Speaker:** I would like to thank the Honourable Member. On the point of order, I did ask the Honourable Member for Elmwood, I said, in case I did not hear him, did he withdraw his remarks? Did he withdraw and apologize? I am asking the Honourable Member. I am giving him a chance. Did the Honourable Member withdraw and apologize to the House?

I have requested, directed and instructed the Member to withdraw and apologize, I now have no alternative but to name Jim Maloway for disregarding the authority of the Chair. The Government House Leader.

**Mr. McCrae:** Mr. Speaker, I regret very much that I must rise to move, seconded by the Minister of Finance, that the Honourable Member for Elmwood be suspended from the service of the House for the balance of the sitting day.

**MOTION presented and carried.**

\* (1440)

## ORDERS OF THE DAY

**Hon. James McCrae (Government House Leader):** Mr. Speaker, I move, seconded by the Honourable Member for Swan River (Mr. Burrell), that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider the Supply to be granted to Her Majesty.

**Mr. Speaker:** It has moved by the Honourable Attorney-General, seconded by the Honourable Member for Swan River that Mr. Speaker do now leave the Chair—

## MATTER OF GRIEVANCE

**Mr. Jerry Storie (Flin Flon):** I rise, Mr. Speaker, to take advantage of the opportunity provided by our Rules to grieve to this House and on behalf of this House and the people that I represent, the people of Flin Flon. I think this morning's performance by the Minister of the Environment is reason for every single person in this province to grieve, to grieve for the environment, to grieve for the ability and the willingness of the Minister of the Environment to undertake his responsibilities in a serious way.

More importantly, or just as importantly, I think Manitobans have a right to grieve that this Minister of the Environment would choose to intimidate people, to use intimidation to those who raise environmental concerns so that his incompetence, his inability to act

will not be uncovered. It is not acceptable for the Minister of the Environment, any Minister of the Environment, to discourage, to dissuade, to attempt to intimidate people who would want to bring forward serious issues on the environment to this Chamber and to that Minister's attention.

Mr. Speaker, his actions are lamentable. They are lamentable and despicable and every Member on this side of the Chamber, every Manitoban who has watched this perverse action on the part of the Minister of the Environment has to be concerned and has to be wondering whether in fact the Minister of the Environment has any intention of either taking the issue seriously or attempting to fulfill his responsibilities by enforcing the Environment Act.

The Member for Portage la Prairie (Mr. Connery) has been Minister of the Environment for a very short period of time and in that period of time he has shown an unwillingness, a callous disregard for the opinion of others, for the opinion of Members of this Chamber, for the opinion of people in Flin Flon, in Transcona, in West Kildonan, in the Maples. He has shown a callous disregard for the legitimate concerns that are raised from time to time when things are happening in their environment, in their surroundings which they do not understand and which they want to understand.

I want to take my allotted time to go over the record of this Minister of the Environment and the issues that have been raised in this House and to catalogue for the people of Manitoba the very serious misunderstandings that the Minister of the Environment has about his role as the First Minister of our environment.

I would hazard a guess that the Minister of the Environment uses the word concern in every single sentence in which he addresses environmental issues, and he seems to be of the opinion that only he is concerned. Those others of us who have less access to resources, less access to up-to-date pertinent information, who raise concerns somehow are not concerned; that our concerns, because they do not come with the tabling of scientific documents relating to those concerns, are somehow less valid. I understand the Minister of the Environment wants to sweep things under the carpet, wants to put on the facade that he has control over the activities and the actions throughout the province that affect the environment. This Minister of the Environment (Mr. Connery) has been caught flat-footed time after time after time. I do not think it is too astounding when it comes from a Minister of the Environment who believes that his department can run on autopilot. I think that in itself underscores the problem that we have in this province with the environment and its protection, and the problem that we are going to have as long as this Member of this Front Bench continues to sit as Minister of the Environment.

The Minister of the Environment was on his feet today to chastise Members opposite for raising unfounded concerns, for misleading—and he used that word in his speech, misleading—the Members of this Legislature, misleading the people of Manitoba. One would only have to go through statements made by

the Minister of the Environment with a fine-toothed comb to find incident after incident in which this Minister has not been forthcoming with the truth or, perhaps even more lamentable, has not been aware of the facts as they were unfolding around environmental incidents.

The Minister of the Environment (Mr. Connery), when it came to the issue of processing U.S. waste in Flin Flon said, I have talked to labour union people in Flin Flon and they are not concerned. I have raised before to this House the fact that it was labour in Flin Flon, members of the United Steelworkers, who refused to handle the waste that was on the tracks in Flin Flon, who refused to handle it until they understood what was in it and how it was to be handled and whether it could in fact be handled safely. The Minister of the Environment says no one was concerned. He continued to say that despite the fact that today I tabled a petition of 400 people in Flin Flon who expressed concern about the processing of waste and how it was being handled.

This issue goes beyond Flin Flon. What we and, I believe, Members on the other Opposition side have been trying to address is the inability of this Minister to come to grips with the fact that he has tremendous power as Minister of the Environment (Mr. Connery) and to come to grips with the fact that on occasion he is going to have to use it. The Minister of the Environment stood today and patted himself on the back wildly because he has called a public enquiry about the odour in Brandon.- (Interjection)- We have another example. The Minister is now saying that I am the odour in Flin Flon. This individual, the Minister of the Environment, has no respect for the opinion of others and, if this Minister continues on that track, he is going to find himself bounced from the Front Bench, bounced from being Minister of the Environment, and he will have only himself to blame.

The concerns that are being raised by Members on this side, whether by the Member for Churchill (Mr. Cowan) or the Member for The Pas (Mr. Harapiak) or myself or other Members, are legitimate concerns, and they are brought before this House and they are brought before the Minister of the Environment to be addressed, not scoffed at, not belittled, not swept under the rug. This Minister of the Environment has to take his responsibility seriously. There are people who are concerned, and I can tell you that there are people across this province who are concerned about the transportation of waste, the transportation of dangerous goods from other jurisdictions into the Province of Manitoba.

I believe that this Minister is setting an unhealthy precedent, a destructive precedent by allowing a processing of waste to occur in the province without following the requirements of the Environment Act. We have the Minister of the Environment (Mr. Connery) chirping from his seat now, you started it. I remind the Minister, and he should know this although he apparently does not, that the new Environment Act was proclaimed April 1, 1988, and it and it alone is the one that gives the Minister the ability and the responsibility to ensure that the public is well informed through the process of public inquiry, holding of Clean Environment Commission hearings. This Minister has the power to

make sure that waste that is being imported, hazardous material that is being transported across into this province is handled in accordance with the new Act, not the old Clean Environment Act.

Therein lies the problem. This Minister fails to realize that there is a whole new Act which gives the Minister new extensive authority to interfere on behalf of Manitobans so that our safety, our environment, our health, the health and the long-term health of our families can be protected.

I gave you one incidence. The Minister of Environment, Workplace Safety and Health (Mr. Connery), in answer to questions, went on to further say that there was continuous monitoring systems in place in Flin Flon run by the department which is not accurate. He went on to continue to say that there were workplace, health and safety people on site in Flin Flon on a continuous basis, which is also not quite accurate. On every occasion where this Minister has had an opportunity to respond in a positive manner, to respond with action instead of words, he has failed to do so.

Mr. Speaker, I rise to grieve because it should be of concern to people in Flin Flon, to people in Brandon, to people in Waskada, to people in the Interlake, to people in the Parklands region, as well as people across northern Manitoba. There are the people in Waskada who should be concerned that when they have a problem it will not be belittled, the Minister will not be scurrying through the halls of the Legislature or the offices of the Department of Environment trying to find a way to belittle the people who are raising the concern. That is not the way a Minister of Environment is expected, nor the people have a right to expect, a Minister will behave.

I want to get on to some of the substance of problems that this Minister has failed to address, and they are serious. I asked in this House some three weeks ago, more, whether the Minister was prepared to table a legal opinion which would indicate whether in fact HBM&S was operating within the terms of its licence. I indicated to the House, and I have a legal opinion which tells me that the processing of waste in Flin Flon, regardless of the level of toxicity that may be evident in the material being processed, is a substantial change in terms of the operations of that company.

I awaited with somewhat less than bated breath for a legal opinion that the Minister of Environment, Workplace Safety and Health (Mr. Connery) was obliged to table in this House, or at least offer to myself as the MLA for Flin Flon and the environment critics in the respective Opposition Parties. I was surprised to have handed to me an opinion from the Attorney-General's office which confirmed in substance and in fact what I had indicated the legal opinion that I had already held, dictated. That opinion is that the Minister of Environment, Workplace Safety and Health has an obligation, has the discretion to require a company which is altering its current practices when it comes to input, when it comes to substantive changes require them to submit a development proposal to the department for approval.

That is why I have continued on numerous occasions to request from the Minister an opinion, legal or

otherwise, whether he believes that the processing of U.S. waste is the same as processing ore from the ground in Flin Flon.

\* (1450)

I do not think there is a Manitoban, let alone a so-called expert in the field, who would say that those two things are the same. If they are not the same, then the obligation is clear from the legal opinion that the Minister of the Environment (Mr. Connery) has, that this Minister has to act and has to acquire HBM&S to get a licence to process this waste. I am not arguing against it. I want to be perfectly clear on that point, I am not arguing against it necessarily. I am saying that this process should be followed because if this process is not followed in this case, that means de facto that anyone with an existing clean environment commission licence to pollute in Manitoba can change its process from day to day without any regard for the requirements of the Environment Act and without any fear whatsoever that this Minister of the Environment is going to use his powers to act in the best interests of local residents—the people of Manitoba who have long-term interests in whether this new Act is enforced.

The Minister of the Environment from his seat comments, have we not heard this 15 times? I can assure the Minister of the Environment that if he has heard it 15 times, he has not understood it once. He is going to continue to hear it until there is some evidence that the Minister of the Environment takes his responsibility seriously, until there is some evidence that the new Environment Act is actually going to have some meaning in this province and that we are not going to live under some laissez-faire, ministerial discretionary approach to environmental matters which is going to lead to the degradation of our environment over the long-term because this Minister apparently, despite his protestations to the contrary, does not have any real concern. He uses that word far too glibly for my liking and, I believe, the liking of many Manitobans.

Mr. Speaker, when I raised my questions to the Minister of Environment, I quoted the new Environment Act, which says, "Class 2 Developments, licence required for development: No persons shall construct, alter, operate or set into operation any Class 2 development unless the person first files a proposal in writing with the department and obtains a valid and subsisting licence from the director for the development."

I want to read for the record again, what development means: "Development means any project, industry, operation or activity, or any alteration or expansion of any project, industry operation, or activity which causes or is likely to cause the emission or discharge of any pollutant into the environment."

Mr. Speaker, the Minister wants to make much of the fact that the levels of toxic elements which are contained in the waste in Flin Flon are miniscule—there are only traces. The Environment Act does not distinguish between a trace or more than a trace—it says, if there is any. That does not mean that I am speaking against the processing of waste necessarily

in Manitoba, although I think most Manitobans would find that practice somewhat suspect in any event. I do not think most Manitobans want to think that economic diversification means that we want to get into the business of disposing of waste, but there are ways to produce in our society and we have to be realistic about that.

The Environment Act, however, makes it clear that there are regulations and rules to follow and that if companies wish to change their operations, if they wish to add something to the process, then they require a licence—no more and no less. They require a licence. I think that what is fundamentally important in this debate is the question of whether we are going to have any control over the substances that come into the province, the substances that are processed in this province, the substances that are transported through this province, are we going to have any control? The Minister of Environment, in establishing this precedent, is saying, I am going to take a hands-off approach, I am not prepared to take decisive action, regardless of the feelings of people in the area whether it be Transcona or Brandon or anywhere else. I am not going to step out and do something which is decisive and indicates in any clear way that I support the integrity or I want to maintain the integrity of our environment.

Mr. Speaker, I just read into the record the sections of the new Environment Act which I think are germane to this question. I indicated to this House that I had legal opinion which indicated to me that yes, the processing of waste regardless of the level of toxicity involved require the company involved to submit to the department a proposal for the processing of that waste. I think that is a good requirement. I think it is a reasonable requirement. The people of Flin Flon believe that is a reasonable requirement, not that we should necessarily say no but that process of applying for a licence, defining what we are doing, both in terms of the material that we are handling and the way it is being handled and the way it will be handled in the future, is a realistic reasonable requirement. I want to point out again for the Minister of Environment (Mr. Connery) who is going to stand up and say, "Well, you did not do anything, you had a chance to act in a different way."

Mr. Speaker, I would not disagree with the Minister that if this had been happening without the Environment Act in place—the one that came into effect April 1—it would have been difficult, more difficult to handle. But the fact is this Minister of the Environment, through circumstance, has at his disposal tools which no other Minister of the Environment has ever had. And the question is this: is he going to have the intestinal fortitude to use it? And this example is not a hopeful signal to the people of Manitoba.

I have read the relevant section and I want to read into the record now the legal opinion which the Minister kindly gave me from Legislative Counsel, and I want to read the relevant sections. This letter says, subsection 11.6, which is the one that governs Class 2 Developments in the Act, and the letter indicates in its first part that HBM&S is licensed under the Category 2, classed as a Category 2 Development. It goes on

to say that Section 11.6, which applies to Class 2 Developments, says: "Notwithstanding subsections 1 and 2 where in the opinion of the Minister new evidence warrants a change in the existing limits, terms or conditions, the Minister may require any person operating existing Class 2 Development to file a proposal with the department to be considered under this section."

And that is why when you get down to the crux of this matter—the question is to the Minister of the environment. Does he believe processing of waste from the United States is the same as processing ore from the ground in Flin Flon? I believe, and I think most Manitobans would agree with me in this regard, that those two things are substantially different. Perhaps not substantially different in end result but substantially different processes, substantial changes to the operations that exist.

I want to reiterate again that I do not believe that this necessarily means that applying for a licence necessarily means that the processing of this waste, whether it be from Dow Corning or whether it be from sewage ash from Palo Alto, I do not think the applying for that licence necessarily means that practice has to stop, but I believe it is important because it reflects the intent of the Environment Act. I believe that it is important because it gives a signal to other companies who operate in this province that the Environment Act is intended to be enforced; that it is a significant document; that it is going to be used as a tool for protecting our environment today and into the future.

\* (1500)

That is what frustrates Members on this side, I believe, with the lackadaisical attitude of the Minister of the Environment (Mr. Connery). I do not know what further I can do as an individual Member to convince this Minister to act. He has said from his seat and I reference he, the Minister of the Environment, has said from his seat, how many times are you going to repeat this, 15 times? I think that is a sad commentary on the style this Minister has chosen to fulfill his obligations.

It was with regret, I am sure, that my colleague, the Member for The Pas (Mr. Harapiak), called upon the First Minister (Mr. Filmon) to remove the Minister of the Environment (Mr. Connery) from his responsibilities as Minister of the Environment. That is never a simple or easy decision to make but, on this occasion, I believe it was the correct one because if you go through the list, and this has been a relatively short Session, of issues which this Minister has bungled, I believe it is time to consider it because Manitobans want to have some confidence in the Minister of the Environment. It may not necessarily be the highest-profile job on the Treasury Bench, but the fact of the matter is that Manitobans, Manitobans with children, Manitobans with grandparents, Manitobans who love this province and want to live here for their lifetime, want the environment to be protected. They want it to be protected.

**Hon. Edward Connery (Minister of Environment, Workplace Safety and Health):** Why were you not dealing with all of the problems when you were in office?

**Mr. Storie:** Mr. Speaker, here we go again. The Minister of the Environment (Mr. Connery) says why were you not dealing with all the problems? I have not asked the Minister of the Environment to deal with all the problems nor has anyone on this side asked him to deal with all the problems. What we have asked is for a modicum of respect for our concern, a modicum of respect for the concern that comes from the residents of Flin Flon who signed the petition, a modicum of respect for the concerns that Members bring to this Chamber, although they may not have all of the facts at their disposal. More importantly, they want a modicum of action, not just words from the Minister of the Environment. They want action. They want a concrete plan. The Minister of the Environment could have introduced a plan of action either to inform residents, whether they be in Transcona or the Maples or in Brandon or anywhere else. In every case, he chose not to.

Mr. Speaker, that is not acceptable. The Members in this Chamber and the people of Manitoba deserve the right to expect concrete action. I think it is unbecoming of the Minister of the Environment (Mr. Connery) to continue to rail against Members who raise concerns without indicating to the public whether any action is going to be taken, other than we are looking at it and I am concerned.

My colleagues have raised on a previous occasion the concern about the dismissal of the Deputy Minister of the Environment and the replacement of that Deputy Minister with an individual who may be very competent, I believe is in some fields, but certainly has no expertise in the area of environmental management, workplace health and safety. What we have now is a dreadful and, I believe, critical problem in environmental matters in Manitoba.

We have a Minister who expresses concern rather than acts, and we have a Deputy Minister who is going to be hard pressed to provide any concrete direction to the Minister when it comes to the action that should be required. I do not think it is good enough. The fact that we have had in this Chamber issue after issue raised, fumbled by the Minister of the Environment (Mr. Connery) leads me to the conclusion that the recommendation made by the Member for The Pas (Mr. Harapiak) is the correct one. In the interests of the sense of security that we all need to have about our environment, I believe the Minister should do the honourable thing and step aside. If he wishes to continue on with his other duties, of course that would be at the discretion of the Premier (Mr. Filmon). But I think in the interest of the environment, we need someone who is going to take others as well as himself seriously. No one has ever denied that the Member for Portage (Mr. Connery) takes himself very seriously, but I think it is incumbent upon him as well to listen to those who are not in his position, but who have legitimate concerns.

I rose to take this opportunity to grieve because I wanted to do so for Members of the Legislature, because I believe that we—I mean Members of the Opposition who raised concerns—were being unduly chastised for raising concerns that made the Minister feel uncomfortable. I wanted to rise because the



Environment Act is important to Manitobans. It is new. There are many, many Manitobans who have not had an opportunity as I have and as Members on this side have had and the Minister of Environment has had to review that Act, to start to understand its scope and its implication. It can be a tool for the improvement, the enhancement of our environmental protection, and we have to do that. We have to take that responsibility seriously.

I rise because Flin Flon—Flin Floners I should say—who are already exposed to pollutants on a daily basis because of the operations of the mining and smelting operation in the vicinity of Flin Flon live with the danger, live with the knowledge that their environment is not perfect, that it is being polluted on a daily basis. I believe that they want to know specifically what operations are being changed in Flin Flon, and how, and they want to know more importantly that someone independent, the Department of the Environment who some people believe has the responsibility for ensuring that all of the regulations and all of the acts of the Legislature pertaining to the environment are enforced and are being enforced on a regular basis. They want to know that someone is making sure that the information that they get, and I have to acknowledge that HBM&S has been forthcoming with the workers in Flin Flon about information relating to waste, but the people there want to know that, as well, there is some process in place for accepting this waste into our province, into our community, that someone is making sure that that waste is what it says it is on its bill of lading. They want to make sure that someone, and that big someone out there needs to be the Department of the Environment, is protecting their interests by doing an analysis, by sampling the material, by making sure the process in terms of the operations are going according to plan.—(Interjection)— Thank you.

I do not think that is too much to ask, and I continue to be surprised by the reluctance of the Minister of Environment (Mr. Connery) to deal with the licence in question. I believe he has been given legal advice which supports my position, that he has the discretion, that he should be requiring a licence. I will believe that it would be an onerous responsibility on the part of HBM&S to apply for such a licence and to detail its plans for importing and handling of such waste if they plan to continue to do that. The Minister of the Environment, when this issue was raised was too quick to jump to his feet and say there are no problems. At the same time the workers in Flin Flon were refusing to handle that waste. I want to point out to the Minister, and I do this sincerely, that if the working people in Flin Flon had not chosen to stand up and say I am not handling that waste, there is too much dust, it is not safe. If they themselves had not chosen to do that, that waste may have been handled. It would have been handled.

I have indicated before that I have scientific studies, clinical and immunological findings on workers exposed to sewage dust that I believe the Minister is aware of that indicate that the dust from that particular kind of product is extremely dangerous. It is dangerous in and of itself, the dust alone. I think what I am trying to say is that it should not fall to working people, it should

not fall to the steelworkers in Flin Flon, the tradespeople in Flin Flon or northern communities to find out and to act on their own to protect their environment. For this Minister to continue to say, well, there are no problems, there are no problems, there are no problems, is not good enough.

\* (1510)

If the Minister on the first occasion when this was raised had stood up and said I will find out, and come back and said here is a plan, this is what we are doing, it would have been a different story. Perhaps this Minister would have saved himself a great deal of embarrassment, but he chose not to. He chose to try and bluff his way through this issue and, what is even more frightening, he has continued to do it time after time.

We are from time to time always going to be critical of each other, and I have had many occasions to speak with the Minister of the Environment (Mr. Connery) and I know that the Minister of the Environment believes he is doing a good job. I know the Minister of the Environment believes he is trying to operate the Department of the Environment in a way that is in accordance with his values. I think what is becoming obvious is that what Manitobans expect from the Department of the Environment and what the Minister of the Environment expects from the Department of the Environment are unfortunately two different things.

We are not all made to do the same job and perhaps the Minister of the Environment should consider moving portfolios, taking on a new challenge, because I do not believe that he is giving due consideration to the importance of the Environment Act, to the importance that people attach to environmental matters, to the concerns that are raised by average individuals. I include myself in that category, because I have no detailed expertise or knowledge about environmental matters but I do want to be taken seriously when I raise those concerns. I do not want to be dismissed and I certainly do not want to be dismissed when, after investigation, I find that I am right and the Minister of the Environment is wrong. It is a noble thing to admit you are wrong. I am going to step down and give the Minister of the Environment the opportunity to admit that he was wrong.

**Hon. James McCrae (Attorney-General):** I move, seconded by the Minister of Finance (Mr. Manness), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

\* (1520)

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY—COMMUNITY SERVICES

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

**Hon. Charlotte Oleson (Minister of Community Services):** Just a moment, Mr. Chairman, I have a statement to make.

I have a statement regarding the item raised by the Liberal critic in the House in Question Period yesterday. I had distributed a comparative statement on Tuesday which had some errors in it and it had probably the potential for misunderstanding, and it turned out it did—actually it was misunderstood. I will give you some corrected information in a few minutes, but I would also like to say that I would like to clarify the column on the right-hand side of the comparative statement.

The percentage increase or decrease figure compares this year's budget to last year's actual expenditures. The 1987-88 actual expenditures do not take into account any reorganizations or reallocations of funds which have occurred within the department through the adjusted vote. The '88-89 approved vote has these internal reallocations in their base. Therefore, those percentage figures do not reflect the true increase. A more accurate reflection of increases to departmental branches can be calculated by comparison between the 1987-88 adjusted and the 1988-89 year-end figures found in the Estimates supplement provided to you.

I also would like to say that the actual increase in this department is not 27.5 percent, as the Member had indicated in the House. It is 6.5 percent. That came about because of a consolidation within the department, a movement of staff within the department. You would find a decrease in some lines in other places in the department of positions that were moved into this one. That would explain the discrepancy. Actually, there is an increase of 6.5 percent which is listed, I think, in your supplementary information as \$58,200 which can be explained by 34.5 general salary increases of the MGEA Agreement, \$6,600 in pay equity, \$17,300 in increments and reclassification. That accounts for the 6.5 percent increase. It was unfortunate that the information was misunderstood.

There are also some typos in the column on page 4(a). I believe that is the number of the page that the Opposition was given. No. 1, there was an overstatement of actual expenditures in the second column for '87-88 under Division of Community Social Services. It had been reflected as \$62,172,900 and it should be \$61,172,900.00. Now, page 4(b)(2), Communications, the percentage total decrease over actual, last column, was in error. It should have read 7.3 percent decrease instead of 27.5 percent decrease. There should have been a bracket, and it should have been 7.3 percent.

Administrative Services, Salary line, percentage increase over vote, third column, should be 1.1 percent instead of 7.1 percent increase.

Page 4(c), Vital Statistics, Other Expenditures, percentage decrease over '87-88 print, third column, should have read 3.2 percent in brackets decrease instead of 3.5 percent decrease, in brackets. I hope those corrections will make the information easier to understand.

**Mr. Chairman:** Item 1.(c)(1) Salaries. Shall the item pass?

**Ms. Avis Gray (Ellice):** Just one question, in the area of Research and Planning, there had been some indication in the years previous that legislation was being developed with respect to vulnerable adults. What is the progress of that particular legislation?

**Mrs. Oleson:** I understand that that Legislation was in preparation, and I will be taking a look at it later to see whether we would be bringing it forward. I have not had an opportunity to study it yet.

**Ms. Gray:** Are these speakers working? Could we move them closer?

My question: What exactly is the legislation that is being reviewed, or the intent or the scope of the legislation?

**Mrs. Oleson:** It is presently under The Mental Health Act. When The Mental Health Act was being reviewed, there was some thought that this should be separate legislation for, the term was used, vulnerable persons and mentally handicapped, elderly, others. That was, as far as I know, the intent of the legislation but, as I say, I have not had the opportunity to review it. I have to talk of course to the Health Department about what they intend to do with regard to legislation to do with The Mental Health Act also.

**Ms. Judy Wasylcia-Leis (St. Johns):** I would assume that Research and Planning has some capacity in terms of a major issue like the foster parent issue. I am just wondering how Research and Planning is structured in terms of dealing with an issue like that that comes along. Is there one person or a team of people who work on it? What research and planning has been done to date in that area?

**Mrs. Oleson:** With regard to planning, it would be done in the Programs Branch, and the actual delivery of foster care of course is done through the Child and Family Service agencies.

Research and Planning would do interprovincial comparisons, but that is the involvement they would have.

**Ms. Wasylcia-Leis:** On that, prior to the rate increase that has been proposed by the Minister most recently, the 12.25 percent rate, where does Manitoba stand before that increase in terms of comparison with other provinces? I am quite confused on that whole issue, and I have been trying to get some understanding of where we now stand.

**Mrs. Oleson:** We stand second in Canada in foster care rates, but I would ask the Chairman to clarify to

the Member what line we are on in the Estimates because I do not have all my staff here. I naturally did not bring them all, and the foster care issue is in another line of the department. I think it would be more helpful if we discussed it under that line.

**Ms. Gray:** I would just like to comment as well, in view of what happened in the Estimates the other day, Mr. Chairperson, you had made some comments that some of the questions were better answered in another line, although they could have been seen to be answered in these initial lines we are dealing with. I was quite prepared that they would be answered in a further line and, in line with what the Minister is saying that her staff can be here. As well, as we go through the lines, there are certainly people from the community who would like to be involved as well. I certainly feel that it would be appropriate to discuss foster care further on.

\* (1530)

**Ms. Wasylycia-Leis:** I appreciate the concerns of the Minister in terms of having appropriate staff here. I do not want to necessarily get into the detailed nature of specific programs that we will come to and that I know we will have long discussions around, day care and foster care later on, and that we will have opportunity to ensure that interested community groups are able to be here and to listen.

However, I am merely following the description provided by the Minister in the Supplementary Estimates booklet about what this area deals with. The other day, I kept my questions on day care to the description that is provided or I tried to in terms of cost-sharing arrangements and federal-provincial matters.

On the foster care issue, I raise it from the point of view of a Research and Planning angle only. I raise it from the point of view of trying to get a better understanding of what capacity there is within the department for researching over a long-term period, as well as in response to a short-term crisis, this very critical issue. I raise it with respect to, in the Minister's own words, a comparative positioning of Manitoba vis-a-vis the rest of the country.

I come back to my question which is: Where was Manitoba before this 12.25 percent increase came into effect? Where is Manitoba situated in terms of all provinces, and what is included in the comparisons with other provinces? There seems to be some confusion around the ability—do we have the ability to compare, as the Minister's chart indicates when she put out her press release on August 19, all provinces when there are so many different ways of calculating the foster rate structure and so many different delivery systems and so on?

I certainly feel a need to get a better understanding of the information, and I think it would probably help in terms of the present situation, in terms of the questions and the tensions around the issue. If we could start to maybe figure out some of those or if the Minister could provide that information, it certainly might help

in terms of the communication problems that are now present and the barriers that seem to be in place.

**Mrs. Oleson:** While the Research and Planning Department only do interprovincial comparisons, as the Member has stated, they also do work with cost sharing with the federal Government.

With regard to the position in Canada, I think before the rate increase which we announced, we were in third place depending on what age range you were discussing. The Member is right that there are differences in the way that each province calculates and assigns funding for different ages. At the point before the increase, Manitoba was third. With this increase, they would be in second place.

Of course, as the Member knows, all the provinces of Canada are faced with this issue, so there is not an agreement between any of the provinces that the funding is enough. I had never stated to the foster parents that they were getting too much or enough. I have recognized that they do have a problem, but it is not a problem that we can solve after three months in Government with the first Budget.

**Ms. Wasylycia-Leis:** I appreciate the information provided by the Minister. I think it is certainly helpful. I was wondering if the Minister could tell us, through this branch, what research and planning has taken place to deal with the present issue and to deal with some of the outstanding matters being raised by the Manitoba Foster Parents Association. Is there in place a mechanism and studies going on that would lead the Minister to believe that she will be able to come up with a solution or a compromise position before next Thursday, based on that research and planning?

**Mrs. Oleson:** The current negotiations and on-work are being done through the Child and Family Service agencies and through the department staff; the senior staff are meeting with foster parents. I met with the Foster Parents Association. Research and Planning really, at this point, cannot set policy or they are not in the position to negotiate anything. That is the position we are in. I would remind the Member that we are still negotiating and that negotiating in public and through the media is not really the way to negotiate.

**Ms. Wasylycia-Leis:** I appreciate that. I certainly also believe that negotiation with the media is the last resort. But unfortunately September 1 is drawing so close, and the crisis is really looming before us, that I really want to in all earnest honesty raise some of these questions in the hope that maybe we can lead towards a reduction in the tension and find some way to break the impasse.

My question would be, would this have been the branch that would have provided some supports, research and planning supports, to the special committee that was struck in October 1987 to try to find a longer-term solution to the problems that had been emerging at that point?

**Mrs. Oleson:** All the work done on that committee was done through the Child and Family Service

agencies. It was not done through this department—but through this department of the department, is what I mean.

**Ms. Wasylycia-Leis:** I gather not through this branch, but this branch of this department. Is this branch being called upon now to help back up senior staff and agencies and whoever else is involved, in the immediate current set of negotiations in terms of perhaps looking at in a serious way, researching in a serious way, a possible long-term phased-in approach to the demands before the Minister?

**Mrs. Oleson:** The Child and Family Services Branch is dealing with this problem. We have adequate staff there to deal with it.

**Ms. Wasylycia-Leis:** I have some other questions on Research and Planning. I am prepared, if the Member for Ellice (Ms. Gray) has questions I will alternate with her, but if not I have some more questions.

**Mr. Chairman:** I have asked if (c)(1) should pass. If there are no further questions we would pass it at this time. I would remind committee Members that we wish to try and be strictly relevant to this item. Some of these topics will come up under other headings.

**Ms. Wasylycia-Leis:** I believe this is the branch that is responsible for the work around the Decade of the Disabled. I think the Minister mentioned that in her opening remarks. I am wondering—she touched on the action plan in her remarks—if she could specifically give us some information about each recommendation under the action plan, where it is at and what progress is being made and what new goals and targets are being set.

**Mrs. Oleson:** The planning and the coordination of this is continuing for the Member's information, and there is a meeting going on next week that will deal with further plans in this area.

**Ms. Wasylycia-Leis:** If I could just try for a moment to get a little more specific information since this area was clearly emphasized in the Minister's opening statement; if she could give us an indication where the response or action plan of the Government is with respect to the recommendation involving a commitment and principle to provide visually impaired and other print-handicapped persons with improved access to pamphlets, reports, other material and so on by way of different mechanisms that will know in large print and braille and so on and so forth, and what time frame that might be occurring in?

**Mrs. Oleson:** As I did indicate, I believe it was Tuesday, that the Decade of Disabled staff person is in this area. \$23,000 has been transferred to Research and Planning from the Community Social Services Division to assist with production printing and distribution costs of various public information materials related to the Decade of Disabled Persons. This funding will allow for some direct clerical support to the coordinator.

\* (1540)

The function of the secretariat coordination part of this is the continuation of public consultation process; continuation of the coordination in support of planning for the Decade in all departments of Government—the Civil Commission and the Manitoba Health Services Commissions—assistance for the development of plans for the Decade and other commissions, Crown corporation boards, agencies and other extra departmental bodies; reviewing of and reporting regularly on the development and implementation of Decade plans by all Government bodies; provision of advice to officials on whether initiatives being planned in any area of the Government are in keeping with planning being done for the Decade; and promotion of awareness, planning and activities for the Decade in the broader Manitoba community, especially in local Government—business, labour and voluntary sectors.

You had a question at the end of your remarks?

**Ms. Wasylycia-Leis:** I was beginning to go through some of the major recommendations and wondering what plans were under way in terms of implementation of those recommendations. I do not want to get so specific as to tie up the time of the committee. I am wondering if the Minister has an updated action plan based on where we are at in terms of the Decade, what progress has been made and is planning to be made with each department and if she could table that with us in the very near future? That would certainly help in terms of directing my questions.

**Mrs. Oleson:** The specific plans are being formulated from each Government department and then they will come together. So I cannot give you specific information on just exactly where each department is at the moment, but they will come together to be finalized. As I said before, there is a meeting next week to bring together some of those plans.

**Ms. Wasylycia-Leis:** Could the Minister give us any indication of an approximate time frame when an action plan might be ready for tabling?

**Mrs. Oleson:** The final plan will have to go to Cabinet. Since I do not have it yet, that will probably be perhaps after Estimates or sometime in the near future that I will have it. Then it will have to go to Cabinet.

**Ms. Wasylycia-Leis:** I will look forward to receiving information about when that plan might be ready for tabling. I think we are all anxious to keep on top of this as the Decade for the Disabled is fast coming to an end. I have one specific question related to the whole question of the disabled and I guess it is one that I raised because it is something that we are often confronted with when in Government, and that is meetings and socials sponsored by the Government held outside this building that were not always accessible to the disabled. Has the Minister dealt—has she had to deal with that situation at all and has there been any directive put out to colleagues, all departments in terms of what kind of building to look for when the Government is sponsoring a meeting, a conference, a social, whatever?

**Mrs. Oleson:** Every department is sensitive to these needs and we have to be sure that we can

accommodate people. You may recall that when we had the opening of the ramp at the side of the building, as an example, there was a—I cannot remember the name of the electronic device, but it was a loop that surrounded the area so that people with hearing impairments could hear what was going on, and I found that interesting because I had never seen anything like that before. This is the sort of thing that we can do to help, but as I say for instance, with this building, it really rests with Government Services on how those services are to be exactly provided.

**Ms. Wasylycia-Leis:** Would it be possible for the Minister to give us some indication today if, with her colleague, the Minister responsible for Government Services (Mr. Driedger), they could put out a directive to all departments and all of their other colleagues in terms of strict criteria that must be met when putting on a conference or an event outside of this building?

**Mrs. Oleson:** I will take that up with the Minister of Government Services, and I thank you for the comment.

**Ms. Wasylycia-Leis:** I would like to just move on to a couple of other areas. I understand pay equity is something that is being dealt with by this Branch, Research and Planning, and I am just wondering what discussions or work has been done in terms of ensuring the full implementation of pay equity in the department in terms of meeting the objectives of the plan.

**Mrs. Oleson:** The Member should be aware that pay equity is under the jurisdiction of the Minister of Labour (Mr. Connery) and when I made reference earlier this afternoon to pay equity, it was strictly within this branch as a staff cost of \$6,600 was involved in this particular area as pay equity. When I referred to it I did not mean that we were in charge or that this branch was in charge of pay equity. Pay equity is under the Minister of Labour.

**Ms. Wasylycia-Leis:** I guess I was not clear in my question. I assumed that the Minister of Labour is responsible for the overall implementation. Is this the branch that is responsible for ensuring that the Department of Community Services is able to meet the legislation, the guidelines, the objectives, the dollar figure for pay equity in terms of employees within the Department of Civil Service?

**Mrs. Oleson:** The only involvement that this department would have would be through the Human Resources part of the department and they would make sure that all the criteria was being met with pay equity, but ultimately the Department of Labour has the responsibility. Each program manager in the department would make sure that the requirements were being met.

**Ms. Wasylycia-Leis:** It is not clear to me where human resources fits. Is that under Research and Planning?

**Mrs. Oleson:** A few lines down in the Estimates.

**Ms. Wasylycia-Leis:** I will wait for other questions related to pay equity and affirmative action.

My questions now would have to do with the research and planning that has gone on with respect to the Canada-U.S. Trade Agreement, the tentative trade agreement. What analysis has been done of the agreement? What concerns have been identified? What recommendations have been forthcoming with respect to those specific, if any, concerns?

**Mrs. Oleson:** Mr. Chairman, the whole subject of free trade is not really addressed by this department. It is addressed by the Department of Industry, Trade, and I believe it is now called Industry, Trade and Tourism. We have had some consultations but there is no real implication that we should be doing any research and planning with regard to free trade in this department.

**Ms. Wasylycia-Leis:** Are there sections of the tentative Canada-U.S. Trade Agreement that have implications for the department or for any area of social services? That is really my question.

**Mrs. Oleson:** There has been some preliminary consideration between us and the Health Department to see if there are any implications, but the ultimate responsibility for the Free Trade Agreement as it pertains to Manitoba is in Industry, Trade and Tourism.

**Ms. Wasylycia-Leis:** Has the Minister then received any indication from her colleague in terms of how this agreement may impact on her department and Community Services? There have been some analyses that have been done in other parts of the country indicating that there is a very direct impact on a department like Community Services from this tentative agreement, and that certain actions would be required if the concerns, you know, if any Government feels that the analysis justifies further actions. So I am wondering, if either through this branch, which I would have thought would have been dealing with some aspects of the trade agreement or some other part of the Government, that an analysis has been done and if so what concerns if any have been identified?

\* (1550)

**Mrs. Oleson:** Mr. Chairman, the Minister of Industry, Trade and Tourism was given the responsibility when we formed Government of addressing the Free Trade Agreement. I think it would be rather foolish to splinter our activities and our resources into every department studying the Free Trade Agreement. I am quite confident that the Department of Industry, Trade and Tourism will complete their investigations and give a report to any department that is to be impacted favourably or otherwise by the agreement. It has always been stated by the federal Government in discussing free trade that social programs were not a subject of the agreement.

I think to have every department of this Government involving staff in studying free trade from every single angle would be ridiculous. I think we should concentrate our resources in having one department analyze the aspects of this agreement and they would in turn raise with us or circulate to us any concerns that might be forthcoming. I will be counting on the Minister of

Industry, Trade and Tourism (Mr. Ernst) to do so, and I imagine he is being grilled at this moment in his Estimates on the subject as well.

As I say, if he has any information that there is something in my department that would impact favourable, or otherwise, as a result of the Free Trade Agreement I am sure he will let me know.

**Ms. Wasylycia-Leis:** Well, I do not care where in Government the analysis is done and the research done, I am concerned that this agreement, if passed, has a tremendous impact on social services in a province like Manitoba. There is every reason to believe that it leaves Manitoba, any other province, wide open for takeovers by U.S. firms. It does not mean in the non-profit sector only, non-profit or profit sector. Whether it be in the case of day care; whether it be in case of senior citizens homes; whether it be in the case of group homes for the mentally retarded; in a whole variety of areas there is an incredible relationship, an incredible amount of research that has indicated the possible devastating effects for our social services and our health care services in this country.

Now, I am shocked if the Minister does not have an understanding yet of that. I would like to know if she has read the agreement, if she has had her own staff do some analysis so that she can have some input into the kind of position that her colleague, the Minister of Industry, Trade and Tourism, is taking. I am sure it is impossible for one department to look after the vested interests and the concerns that are raised in every other department and, if the Minister is telling me she is not talking to her colleague, she is not raising the issues, she is not pointing out the pitfalls, or at least asking that some further analysis in this area be done by another department, I do not care where it is, I am shocked and I would like to know if she has read the report, if her staff has done any work, where they are going with it, what advice she has given to her colleague, what recommendations are being presented and give us some information on this very, very important area.

**Mrs. Oleson:** All of us in Cabinet and caucus are very interested in the subject of free trade, how it pertains to every aspect of life in Manitoba. We are all collaborating, getting together, to discuss this issue as to various aspects of it. We have had briefings on the subject of free trade, but with regard to specifically giving staff time from this department, the staff I am sure would raise with the other department any issue they saw that might be looming on that subject. But the Department of Industry, Trade and Tourism—and I will repeat—has the mandate to study the Free Trade Agreement and that is who will be studying it and that is who we will be discussing it with. They have not circulated anything to me that would lead me to be in such a panic as the Member for St. Johns is and, if there is something forthcoming from that department which is serious implications for my department then we will certainly be looking into it. But I think to raise this issue in such a way as to have a foregone conclusion that there will be disaster for this department is just a little ridiculous.

**Hon. Clayton Manness (Minister of Finance):** Mr. Chairman, I am absolutely astounded the Member for

St. Johns in this very important deliberation around the Estimates of the Department of Community Services would see fit to take a discussion down the Free Trade Agreement.

Mr. Chairman, in my view it is fearmongering of the highest level; it tries to set forward the spectre of a dismantling of community service activities as a speculative result of the free trade negotiation. I remind the Member and all Members here that Canada is a sovereign nation, that Manitoba draws responsibilities and powers under The Manitoba Act which mandates Governments in this province to do certain things. Many important social matters come under that Manitoba Act, including community services.

\* (1600)

We are in control of our social programs. In all the reading I have done on the free trade report, the Free Trade Agreement, I have never seen developed a hypothetical, or even a speculative model, as to how social programming, partially or completely, may be dismantled within the areas of health or within the areas of community services. I am questioning why it is that certain Members raise that spectre that we will lose control of our ability to develop programs as a Government and the best interest of Manitobans and the needs that they wish to see fulfill.

I have not seen that model developed, and I just find it reprehensible that some Member would come after a Minister of Community Services (Mrs. Oleson) and dwell on that point. But I should not be surprised. The former Minister of Culture and Heritage tried to make the point that previously the Free Trade Agreement would impact very greatly on our culture.

Let me tell you that I was in Thompson at one of the former Government's free trade hearings where many, many individuals from that mining community came forward and spoke—by the way, most of their comments were off from the same text as if they had been coached, but I would not want to make that statement—talking as to the great fear that the Free Trade Agreement would have on the culture of our great land. Not one of those individuals talked about mining. This was in Thompson, this meeting. None of them talked about mining, but they talked about the great concern they had with respect to culture. I went back to the hotel room that night, and I was looking for some local news, Manitoba news, I could not find it. There were 18 TV channels, or maybe I exaggerate a little bit, but 14 of them were American.

The Member for St. Johns (Ms. Wasylycia-Leis) wants to play politics with respect to free trade; that is fine. It is obviously her right to do so, but let us do so in the Estimates of Industry, Trade and Tourism, which are going on at this point in time. Let us not interject them needlessly into the consideration of the Estimates of Community Services. To me, it does a tremendous disservice to the very genuine needs and fulfilling of the needs of Manitobans who want to see Government, regardless of who it is, provide within that area.

**Mr. Chairman:** I would like to remind all Members of the committee of Rule 64(2), that questions in committee

must be strictly relevant to the item or clause under discussion. The Member for St. Johns (Ms. Wasylycia-Leis).

**Ms. Wasylycia-Leis:** My line of questioning, I do not know if the Member for Morris (Mr. Manness) was here through the whole time or not, but my line of questioning is in direct relation to the item that we are under, which is Research and Planning, and directly related to the description provided by the Minister's own department. I do not intend to get into debate on culture, and I do not intend to use this process for any political reasons, or to engage in fearmongering. I am sure that the Member for Morris would have been the first to question me if I as Minister of Culture had not been prepared to show some understanding of how the Trade Agreement impacted on culture.

My questions today are simply asking for information. I am not challenging; I am not putting forward any hypothesis; I am not putting forward a view that I believe has been firmly entrenched in anything. I am asking, there have been a number of studies done, there have been models put forward to show that there will be an impact on social services. There will be impact on health care services by the Canada-U.S. Trade Agreement that could be quite devastating for the kind of traditions, the kind of systems that we have put in place here in Canada of which we are very, very proud.

I think of our universal health care system, I think of our excellent high-quality child care system and I think of a number of other social programs, and my question to the Minister is—and I think I am getting the answer—is there any work being done on her part and her department's part to analyze this agreement, to answer those questions, to come forward with an analysis that either says, yes, there are problems and concerns we should worry about, or no, there are no problems or concerns we should worry about?

She has not answered that question. The Member for Morris (Mr. Manness) has given more information than the Minister of Community Services (Mrs. Oleson). I am asking the Minister of Community Services what work has been done to date, if she has read the agreement or not, where her concerns might be, if any? How does she answer the concern expressed by many others that this agreement leaves the possibility for leaving Manitoba wide open, or Canada wide open for profit or non-profit firms from the States to come into Canada and to manage our social services?

That is one question and since I am not getting very far on that one when I still expect an answer, let me ask also: There have been a number of suggestions, studies made, or statements made previously that give me great concern. It relates to the fact that if the provincial Government wants to restrict, if there is a concern and there is this potential to this Canada-U.S. Trade Agreement, and if the provincial Government wants to—I am not saying this Government may want to but I am saying if they want to—restrict services to social service institutions to Canadian firms, then it will require some amendment to legislation to—I am not sure what—before January 1, 1989? I do not have all the answers. I would expect that the Minister or her

staff has some of those answers? I am going to keep asking those questions until I get some answers.

This is Research and Planning and this is where these kinds of issues get raised. This is not trivial; this is not a joke; it is not fearmongering; and I would like to have a reasonable discussion on the matter.

**Mrs. Oleson:** I will repeat for the edification of the Member that the Department of Industry, Trade and Tourism has staff, has research people, are mandated to study the Free Trade Agreement. If they bring forward to me any concern that we should be acting upon, then I am sure that we would look at it and if it is appropriate, we would act upon it. I am not trying to be evasive to the Member.

I am just simply telling her that Research and Planning in this department is not responsible for the Free Trade Agreement. That responsibility has been given to the Department of Industry, Trade and Tourism. They have people there who are analyzing and who are sending information when they find information that should be circulated. I will be in receipt of anything, I am sure, that would impact on this.

The fact that I am not having staff researching does not say to anyone, or it should not say to anyone, that I am not interested and concerned about free trade. I am very interested, but this department is not mandated to look after free trade. This department, as the Member should know, is mandated for the care of the citizens who need our help. That is the main responsibility of this department, to look after vulnerable people, children and adults who need our help. That is the mandate of this department and that is where the major research and the planning and the programming and the action take place. The Free Trade Agreement, I will repeat again to the Member, is being studied and studied in depth by the Department of Industry, Trade and Tourism.

**Mr. Manness:** Mr. Chairman, because there seems to be some latitude in this area of policy consideration, I will again make some comments with respect to the remarks offered by the Member for St. Johns (Ms. Wasylycia-Leis).

\* (1610)

I accept her word that this is, in her mind, a very important issue. The free trade is an important issue to all of us. If she believes that it potentially has some impact within the area of social services, then I accept that as a reasonable area to discuss at this point in time. But I point out to the Member for St. Johns, I cannot foresee the day, and I imagine the Minister would say this and I imagine the former Minister of Culture would see the day, when there is going to be so much profit in the area of any social services that people are going to rush here, rush anywhere, to make their millions, to make their fortunes. You see, to me, it shows a total lack of understanding of how the system works by the Member for St. Johns who does not really understand the rise and wane of economic flow. People only invest money if there is a great potential to profit.

Within the area of social areas, there is only great potential to profit if the Government of the Day is

prepared to fund great amounts of money without monitoring or accounting. Is there that much money anywhere today, in any province, whereby Government can do that to allow unwarranted profiteering by anybody? Well of course, the answer is definitely no. That is why I say for the Member for St. Johns (Ms. Wasylycia-Leis) to raise this as something that is imminent or something that is potentially resultant from the Free Trade Agreement, to me, is trying to drive fear into Manitobans and make them feel that there is a new economic order around the corner whereby Government scare stallers are not going to be directed to service but it is going to be directed to the profiteers. We know that the Members of the NDP hate that word profit in all elements of our society.

I find it absolutely unbelievable and reprehensible really that the Members would be dwelling upon this point.

**Ms. Wasylycia-Leis:** I think what the Member for Morris (Mr. Manness) is saying to us is that it would be better to be sorry than safe. What I am saying to the Minister and to the Government as a whole is that it is better to be safe than sorry. I am not coming forward with the position and saying this will happen. I am saying there have been lots of studies done to indicate there are some dangers and risks in terms of the agreement and our universal health care system and our quality social service programs.

Given that there is some indication of that kind of impact, that there is a possibility through this Canada-U.S. Trade Agreement for the social service sector to be opened up to American firms—it could be non-profit, it does not necessarily have to mean profit—has the Minister received any indication from wherever this research is being done if there is any impact in that regard? I think it is an urgent and important matter that must be addressed immediately because, if it is true, if this Government is concerned enough about the issue and we want to restrict this area, if we want to restrict the provision of management services to social services within Canada or to Canadian firms, then that would have to be done by January 1, 1989.

I suggest to the Member for Morris (Mr. Manness) and to the Minister of Community Services (Mrs. Oleson) that January 1, 1989, is coming up very quickly. I would like to know, given the urgency of the situation, if the Minister has therefore then, since she has not received anything or not asked for anything from her Research and Planning staff, received anything from her colleague, the Minister responsible for Industry, Trade and Tourism (Mr. Ernst), if she has asked for anything, if they have begun to address the issue. What plans are being made in terms of dealing with this issue? Have they considered putting in place some restrictions prior to January 1, 1989, or are they just doing nothing, which is the message I am getting to date?

**Mrs. Oleson:** I can assure the Member that this Government is not doing nothing.

I will repeat again for the Member that the Department of Industry, Trade and Tourism has been mandated and has the responsibility of researching and looking at all

aspects of looking at the Free Trade Agreement. This branch is not large enough to research every single issue that arrives in society. We liaison with the other department and information flows back and forth.

I have seen nothing at this time that would indicate that I need to change legislation or do anything that is of a major priority before January 1. If the Member has some concrete evidence that something needs to be done, I wish she would come forward with it, instead of raising these spectres. If there was something that I had to be doing immediately or any department had to be doing immediately with regard to the Free Trade Agreement, the Minister of Industry, Trade and Tourism (Mr. Ernst) would have this on our plate and we would be doing it. But to date, I have had no indication from him that there is any panic, and I think the panic is in the mind of the Member for St. Johns (Ms. Wasylycia-Leis).

**Mr. Manness:** I will pass.

**Ms. Wasylycia-Leis:** She did not answer my question which was, if she was not getting it or if she was not asking for anything from her own branch of Research and Planning, then what communication was going on between her and the Minister of Industry, Trade and Tourism (Mr. Ernst) on this specific matter.

My question though now, since I am not getting an answer on that question, is: Given the fact that my colleague, the Member for Logan (Ms. Hemphill) who was formerly the Minister of Community Services (Mrs. Oleson), received information about this matter, and discussions were presumably under way somewhere in Government around the issue. How can the Minister not be informed? Is she ignoring the information that is coming forward? Has she not received any indication that this is something to be looked at and to be raised with her colleague?

I am not suggesting that, if it is a small branch, this Research and Planning Branch do all the work and drop what they are doing and work on this agreement, if there is a capacity somewhere else in Government. I am saying that the issue is not a secret one. This issue has been floating around for a long time. It was under serious discussions when we were in Government. I assume it is still an unresolved issue to date. What information has the Minister received on this particular matter? Has she studied the issue? Has she raised it with her colleagues? And where are they at in terms of a resolution of the matter prior to what seems to be a deadline of several months from now?

**Mrs. Oleson:** I have reviewed any material that has been given to me on the subject. I have discussed this matter with colleagues. It has been a topic of discussion many times with our caucus, and I have seen nothing to date that would indicate to me that any action is required at this time. I am telling you and I will tell you again that the major research for this area is being done in Industry, Trade and Tourism, and I think the Member's questions would be better posed there.

**Mr. Jerry Storie (Flin Flon):** The Minister has indicated that she has read the material that has been given to her. What material has been given to her?



\* (1620)

**Mrs. Oleson:** I have reviewed any briefing material that has been given me on the subject. There has been nothing given to me by Research and Planning that would indicate to me that there is a major concern. If there is a major concern, then it will be raised through the Department of Industry, Trade and Tourism. I discuss back and forth these issues with my colleagues very often, and I have seen nothing to date that would indicate that I should be deeply concerned about this.

**Mr. Chairman:** The Member for Morris (Mr. Manness).

**Mr. Manness:** I will wait until the Member for Flin Flon is finished (Mr. Storie).

**Mr. Storie:** I have a number of questions. I appreciate the accommodation by the Member for Morris.

If I understand the Minister correctly, she has indicated that she has read the briefing material that has come forward. My question specifically was whether she had, in fact, noticed anything where any issue was raised by the reading of that briefing material that pertained to her department. Can she recall anything specifically that would raise a red flag for her?

**Mrs. Oleson:** I do not recall anything, but these briefing materials are preliminary. There is not a full report from the other department that would indicate—I have no indication that I need to be greatly concerned. I read tons of briefing material, and I could not be specific on every line that I have read in the last four months. I think it would be impossible to keep it all in my head.

**Mr. Storie:** The Minister indicated that she has read material from time to time on the agreement. I guess it raises a question, and she has been very explicit that the Research and Planning staff in the department have not undertaken any independent analysis of the implications of the trade agreement. I think that is understandable. We understand that IT and T has that responsibility. I guess it begs the question of whether she will now ask for information from IT and T as to the potential implications of the agreement on the department, departmental programming. Is she prepared to ask for that kind of information?

**Mrs. Oleson:** Certainly.

**Mr. Storie:** I would like to thank the Minister for that undertaking. I would hope the Minister would, as well, be prepared to table that information and provide Members of the Legislature with that information because I think, as my colleague from St. Johns (Ms. Wasylycia-Leis) has indicated, this is an important matter.

I guess, following up on that, we have heard comments from the Member for Morris (Mr. Manness) about the reprehensibility of raising questions about free trade when it comes to social services. I think that the Member for Morris perhaps had better inform himself a little more fully on the impact of free trade, because the difficulty is that much of the Free Trade

Agreement has not been finalized. We have a text but the underlying, in my opinion, cause for the Free Trade Agreement, the impetus for sitting down at the table was the fear of protectionism, which was based on the fear that many American companies have had and have about subsidies in Canadian society, whether we are talking about subsidies coming from regional development programs at the federal level or other programs, including social programs at the provincial level.

Mr. Chairperson, the Minister may know that it was not that long ago that the United States attempted to place a countervail on fish, based on the premise that unemployment insurance was a subsidy. What assurance does the Minister have, or is the Minister prepared to get assurances that programs that currently exist within the department, whether it be day care, wage assistance programs for single-parent families, wage assistance programs or wage incentive programs for people who are currently receiving social assistance, that those will not be defined as subsidies, as the process of defining subsidies takes place because subsidies are to be defined over the next five to seven years? Does that kind of uncertainty not concern her or should it not concern her?

**Mrs. Oleson:** Mr. Chairman, not being an expert on countervail duties on fish, I cannot really comment on that part of the Member's statement and I do not see really how that relates to this department. There is a mechanism, the Member should be aware, in the Free Trade Agreement for any disputes that may occur over free trade. There is to be a mechanism to settle those disputes. There are also five to seven years that can pass relative to problems that may arise with the agreement over specific areas. I think really we are being counterproductive here in discussion of Community Services Estimates to be wandering into waters that are really not—I guess, in the Member's mind, they may be close at hand, but I have seen nothing in my studies to indicate to me that we should be spending hours and hours in the debate on Community Services debating free trade.

I think free trade is being debated in the House of Commons and it is being studied by a department of this Government. There is endless debate everywhere on free trade. It is a very interesting topic and, you know, we could go on and on but I think really, under the line of Research and Planning in the Department of Community Services, we would be better employed discussing Community Services and research and planning in that department.

**Mr. Storie:** Mr. Chairperson, we are on the area of planning and, whether the Minister would like to acknowledge the fact or not, the Free Trade Agreement is going to have an impact on social programming, if not in the short term then certainly in the long term. I suppose, like I once heard said, it is unfortunate but many people do not see the writing on the wall until their backs are against it. I think that is something to be avoided, and it would seem to me that the Planning Division in this department would want to be fulfilling that role.

I am interested in the Minister's comment that the dispute mechanism is there to settle disputes, and I guess that raises the question of whether in fact the programs that are being run by the Minister's department may not in fact become issues for dispute, and that is the problem.

I gave the example of the U.S. coming to the conclusion that unemployment insurance was a subsidy because it is a social program. It is not an economic development program. There are similar programs in operation in the province, wage subsidy programs and similar programs, that may become issues with American companies for one reason or another. I guess the question is: Is the department, has the department, will the department begin to plan for the next generation of programs, for the effects of the implementation of the agreement?

I do not think it is good enough to say, well, you know it is wasting our time now. I can assure the Minister that our time will be wasted in a much more frivolous manner if, 20 years from now, or 10 years from now, or five years from now, we are faced with the dilemma of eliminating programs one by one, because they have become issues in dispute under the Free Trade Agreement. I think we would want to know now, I think we would want to do planning now for not only January 1, 1989, but for the next five years as we—if we are unfortunate enough to get involved in a free trade—feel the effects of free trade.

\* (1630)

**Mrs. Oleson:** I have indicated several times this afternoon that we are concerned about free trade. We have a department of this Government that is doing the research and planning, and studies on free trade, and we will continue to work with those departments. We work together in this Government; it is a coordinated group. We do not work separately in our offices and never communicate with one another. We do work in a coordinated fashion, and the responsibility, direct responsibility for research and analysis of the Free Trade Agreement, it falls within the parameters of the Department of Industry, Trade and Tourism.

**Mr. Storie:** I understand the Minister's comments, and we have gone over that ground once. I take away from our exchange that (a) the Minister is going to be asking her colleague, the Minister of IT and T (Mr. Ernst) to undertake some studies that respect the implications of free trade; and (b) that the Minister will be providing Members of the Legislature with that analysis at some point in the immediate future given the impending implementation date; and that I acknowledge that the Minister, unlike many of her colleagues, has volunteered the suggestion that they are in fact, concerned about free trade, because there are reasons to be concerned about that agreement. Despite the fact that it may have taken some time, I think it was a fruitful discussion.

**Mr. Manness:** I state again for the record, from the Government's standpoint, that free trade will have no impact on our social programs. The greatest threat that we have for our social programs today is a growing

economy and what will be in place to sustain, in a revenue sense, our economy. That is the greatest threat to the social programs that we have in place today. This is a trading province, working within a North American trading context, and if we do not benefit, if we cannot gain access to greater markets, secured access, if we cannot allow our young people to grow and expand and set up businesses within this province, then we have a very much—a significant threat to our social programs. For the Member for Flin Flon (Mr. Storie) to come at the issue from the other way, to again try and leave the spectre out there that something in the Free Trade Agreement is going to destroy our social programs, that to me is fear mongering, nothing short of that.

The Member for Flin Flon (Mr. Storie) talks about subsidies on exports, and in those cases where they are deemed to be subsidies, they may be countervailed by the United States. That is true. That is not an issue. That is the way it is under all General Agreement on Tariffs and Trade, that is the way it is everywhere. We seem to be helping out our exports and then dump them into another market—that is countervail. Why does the Member for Flin Flon then take an extension of that point, which is factual, and make it believe that our social services are going to crumble as if we were exporting them? We are not exporting our social services. He shakes his head, no. I know he is trying to indicate that maybe the wage rates, the subsidized wage rates that go into the production, I take it of an export, but -(Interjection)- that is right, of course, but the point being we are talking about our social services. Is he saying then that the cost of wages that are going in to supply our social services then are going to somehow be called into the court, the ultimate, that the bipanel assessment group was going to decide what is countervailable, what is fair, what is not fair, and they are going to say because you are subsidizing the wages into social services, therefore you are not allowed to do it? We are not exporting our social services unless the Member for Flin Flon (Mr. Storie) has some hairbrained idea to do so.

But, Mr. Chairman, the Free Trade Agreement is not taking us over the cliff of no return. I have in my own mind, no doubt, that it is going to work to the benefit of Manitobans, to the benefit of our young people coming and therefore ultimately to the benefit of our social programs. But we are a sovereign nation and if it turns out not to be the case, and I believe that it will be, then as a sovereign nation we will withdraw. I am not equivocating on it either, just to point out that we are a sovereign nation and we have that latitude and the liberty to do so. For the Members of the New Democratic Party to raise this as the prime issue within the area of Community Services, when I know the critic from the Liberal Party probably has some very detailed questions dealing with the service provided through Community Services, I honestly believe is doing a disservice to this whole program, to this whole proper review of the Estimates of the Minister's department. I cannot believe and I do not really understand what it is that the Members are trying to prove.

**Ms. Gray:** I would like a clarification of the process here. Certainly the concerns raised by the Members

for St. Johns (Ms. Wasylycia-Leis) and Flin Flon (Mr. Storie) regarding free trade, there are concerns as well within the Liberal caucus. I suppose we have chosen to handle it a different way in that our critic for Industry, Trade and Tourism is well aware of the concerns regarding the implications on health and social services and is taking the lead role.

My concern, Mr. Chairperson, is how broad an identification, when we look at words "research and planning," are we implying in these particular areas. You can take research and planning and it is as wide as it is long. I am amused when I hear it mentioned it across the other side because I did not know—the previous administration knew what the word "planning" meant. Regardless of that, I have some concerns as well that in this particular department, because of what has gone on the past four and five years, there are horrific problems which certainly need to be dealt with and we are very interested in hearing from the Minister of Community Services exactly what plans are unfolding.

I would like as much opportunity as possible to detail that; notwithstanding that free trade is a very important issue and as I mentioned before it is something that we as a caucus have chosen to channel through the other department. I am asking for clarification of the process and how we define the subappropriations and what types of activities and what questions get included in those particular sessions. I certainly apologize for the fact that I am new to this process.

**Mr. Chairman:** Yes, I have cited Rule 64(2) that discussion and questions should be strictly relevant to the subject and would propose that we could move on. If item (c)(1) is acceptable, shall the item pass?

**Ms. Wasylycia-Leis:** Mr. Chairperson, it would seem to me—and the Minister has not said otherwise throughout this whole exchange on the trade issue—that this is the only appropriation under the Department of Community Services where it is possible to deal with the issue of Research and Planning around the trade deal and its impact on social services.

\* (1640)

I think it is only appropriate that we raise that matter here given the seriousness of the issue, given the urgency of the issue, and I would certainly like to pursue this dialogue a little further and after that I have some other questions relating to Research and Planning.

It would seem to me that it is not logical to say that we would be better off discussing Community Services during these Estimates. There is a possibility that there will be no Community Services to discuss at all unless we thoroughly deal with the issue of the trade deal. I am not fearmongering and I am not putting forward any red herrings. I am asking in this item and during these Estimates if there—(Interjection)—the Attorney-General (Mr. McCrae) has just said when are we going to start discussing Community Services.

I would like to know what is more relevant to the whole area of Community Services if it is not getting an understanding of the impact of the trade deal on

this area. There have been many, many analyses done to suggest there are issues to be studied and issues to be worried about. What we would like to know today is—and my colleague, the Member for Flin Flon (Mr. Storie), has received some assurances—that she will be undertaking to discuss this with her colleague, the Minister of Industry, Trade and Tourism and will be providing us with a further analysis and a further understanding of the matter.

On that specific issue, I would like to know that given the fact that we have heard nothing to date, that she has received nothing to date, asked apparently for nothing to date, if she will make this a priority and ensure that some members of her staff are designated to at least work with the staff who may be already assigned to another department and indicate that it will be given priority attention by her, by her staff, by the Government as a whole. It is not a laughing matter; it is not a trivial matter; it is clearly of utmost importance. If social policy matters are a high priority for the Government, then I would hope that some analysis and further recommendations back on this issue would be given high priority and would be forthcoming very shortly.

**Mrs. Oleson:** Our Government takes very seriously the Free Trade Agreement. It is one of the major pieces of legislation and one of the major agreements really that has ever faced the Canadian people. And so to say that we do not care or that we are not interested is totally ridiculous, because everybody in Canada is interested in the Free Trade Agreement.

I think probably I and Members of the New Democratic Party could argue here and discuss for days and we probably would not agree on what results of the Free Trade Agreement would be. Probably by the time we have finished discussing the issue, the Free Trade Agreement would be in and whatever results are going to result from the agreement would be in place. But anyway, I do assure the Member that I take this subject very seriously; it is a very important and very far-reaching agreement.

I concur with the Member for Morris (Mr. Manness) that trade and international relations to do with trade are a very important matter. If we have not got a strong economy—and I truly believe that the Free Trade Agreement will strengthen economy. We do not have a strong economy. There will be the problem with Community Services because, if we do not have the money to keep placing in these services and they keep rising as you know—you were in Government, you will know. You had to sit in a Cabinet and discuss these issues too. You know that the costs are always rising, and it is becoming difficult for society to keep up with this sort of thing.

So it is my view that, if we have a Free Trade Agreement with the United States, with anywhere in the world that we have trade, and are able to sell our goods on the market, we will increase the economy of this nation and of this province. We will be able to put in place all the programs that we want much easier.

As I said before, I take this issue very seriously. My department takes it seriously but there are not, within

the resources of this Research and Planning Branch, enough resources to research and analyze the entire Free Trade Agreement. That responsibility has been placed on the Department of Industry, Trade and Tourism, who are doing an excellent job of analyzing it.

I discuss this and other matters with my colleagues. I have listened to the concerns raised by both the Members of the NDP caucus this afternoon. Those issues will be raised with my colleagues in due course. I do not know how much further I can go than to say we are interested. Our department of our Government is looking into this and, as I think I said at the outset of this whole discussion, if we had every single department of Government all running off in their own directions, spending money on research and analysis, it would be ridiculous with the limited resources we have.

We put this in one department and we put them in charge of all the studying and all the analysis. The feedback will come back to the departments. We will deal with whatever needs to be dealt with. I do not think the Member needs to get so exercised about the fact that I am not dedicating staff in this department to research free trade. Free trade is being researched.

**Mr. Storie:** I thought we had signed off this and, without the rather spurious remarks of the Member for Morris (Mr. Manness), I think we would have been finished. Unfortunately, the Minister of Finance continues to believe that any questioning of the Free Trade Agreement is tantamount to fearmongering, which he implied the Member for St. Johns (Ms. Wasylycia-Leis) and myself were doing.

I believe the Minister understood and, if I heard her correctly, said that in fact she was concerned about the implications of the trade agreement, and would henceforth be requesting information from those who are analyzing the agreement about its implications on the provision of services in her department.

The Member for Morris (Mr. Manness), inadvertently perhaps and we will give him the benefit of the doubt, misinterpreted my remarks to suggest that we were talking about exporting social services. Well the question has been raised on many occasions about the implications of U.S. companies being given national treatment in the provision of services, whether we are talking about provision of blood plasma or other services, day care, whatever. Now that is a legitimate question that I think needs to be addressed.

The other side of it which I was trying to address was the question of using programs in the Department of Community Services which may be construed by other American companies as subsidies: wage assistance programs, if they applied in some major way to an industry; wage incentive programs like those that are applied to some people on social assistance, if they were concentrated in a particular region or concentrated in a particular business. Could those be construed as an unfair subsidy coming from a provincial Government? Would they, in fact, lead us to a countervail suit being launched by some American producing a like product in the United States?

\* (1650)

I gave the example of the unemployment issue to show that it is not far fetched. If an American company is struggling to survive, they will use whatever weapon they have at their disposal to fight back. If they can make the case, that some subsidy being provided through the Department of Community Services is in fact a business subsidy, a countervailable subsidy, they will go ahead and make that case. I think it therefore requires some effort on the part of your planning staff and research staff to determine how the Free Trade Agreement might impact on programs and services provided by your department and to plan for the eventuality should there be some perceived threat.

I do not think that is fearmongering. I always understood that forward-looking thinking was to be desired. I always understood that is why departments had Research and Planning staff so they could research and plan. The Minister of Finance (Mr. Manness) may not appreciate that that needs to go in Government. You cannot run the department and its programs without planning any more than you can run the finances of the province.

We had no intention of getting into a knock-down, drag-them-out debate on Free Trade. I think the questions we have asked are legitimate about what the department is doing to assess the potential damage of the agreement and what planning is taking place to implement change if change is necessary. It seems to be a fairly straightforward request. I am satisfied the Minister has assured us she is going to take this. We are going to hear back from the Minister about the implications of the agreement as seen through the eyes of Industry, Trade and Tourism. I would hope that the department will take a little more pro-active stance and ask questions. I do not think it is unreasonable to expect that the Minister will ask questions specifically of her colleagues and staff and IT and T about the agreement, about its implications and about how her department should be preparing.

**Ms. Wasylycia-Leis:** Going to another matter—I will try to be as brief as possible so we can try to conclude this item today—relates to my understanding that this is the branch that would do some work on legislation and would keep on top of the need for legislative amendments, new legislation, and so on.

Specifically, I have a general question and that is has the Minister or her staff reviewed the different pieces of legislation? Has she any plans for amendments to any legislation under her responsibility? The more specific question is this: it is my understanding that work had begun on—this was before the new Government was sworn in—a new Social Services Administration Act, because the current legislation is somewhat out of date, antiquated, and not entirely, or I should say, is silent on some aspects pertaining to organization and administration and so, and I am wondering if the work on drafting new legislation is being carried on or what the Minister's plans are with respect to the Social Services Administration Act.

**Mrs. Oleson:** Yes, that continues to be reviewed. We are looking at that. We would bring it forward in due

course, if we see it necessary after we have studied the matter.

**Ms. Wasylycia-Leis:** To seek a clarification on that. Is the Minister saying then that the work on drafting new legislation is continuing or that she is reviewing the need for new legislation, and if she is looking at other options such as simply amending the current Act or not doing anything?

**Mrs. Oleson:** The research and review is continuing and all options are being looked at.

**Ms. Wasylycia-Leis:** Also on legislation, and I know this is a matter we will get into later under another item, but given the comments of the Minister the other day in Estimates on child care, has she asked for a review of the child care legislation—I am just looking now for the proper name—and does she have plans for amending or changing or doing anything with the—here it is, The Community Child Day Care Standards Act?

**Mrs. Oleson:** As the Member is aware, of course, we are planning a task force on day care, and that is one of the things they would be looking at in their deliberations, is the Act, of course, and how it pertains to what is taking place.

**Ms. Wasylycia-Leis:** Very briefly back on the issue of child care, I have several questions. One is, the other day, I guess it was Tuesday, the Minister indicated that she would be prepared to submit or table to us the plan previously submitted by the NDP Government to the federal Government on a day care strategy in relation to benefitting from the national day care plan. Is she prepared to table that today?

**Mrs. Oleson:** I would be able to table that when we get to the line of Child Care. I do not have it with me today.

**Ms. Wasylycia-Leis:** Also, in our discussions the other day, reference was made to the differences and the similarities between the national day care plan, child care plan, and the current arrangements under CAP. My questions at that time were, if the Minister had undertaken any assessment of the benefits of one versus the other, and whether or not any work had been done in terms of the need to make a decision to chose going either the route of the national day care plan or maintaining some relationship or some agreement under CAP, could the Minister indicate today whether or not any comparative analysis is being done by her Research and Planning Department between the two options, and whether or not she is prepared to table that information to the House at some point in the near future?

**Mrs. Oleson:** I remind the Member that of course these matters will be discussed under the line of Child Care in the Estimates. She asked if staff were looking at the new federal plan and the CAP Plan. Of course that is being analyzed by staff, but not staff in this branch. That is under the Day Care Branch. Of course, as I remind the Member, we will get to that eventually.

On first analysis, though, it would show us that the federal plan does have some advantages, some very great advantages, one of them being 75 percent cost-sharing in capital programs, which would be of interest to the Member. There is indication of better cost-sharing between the federal Government under the new federal plan, as opposed to the CAP Plan.

Of course, we have to analyze them both. Naturally if you are going to enter into a deal you want to get the best one; so if one plan proves to be better than the other, you take it. Initial studies have shown us that the federal plan will give us more flexibility, it will give us more choice in how we deliver day care. I would be pleased to give the Member more information of course about our plans when we get to that line.

**Ms. Wasylycia-Leis:** Mr. Chairperson, could I then seek clarification that the Minister is prepared to provide us with, whenever it is appropriate, whatever line we get to, a comparative analysis of the two options. I appreciate the benefit of the national day care plan or at least one of the benefits being the 75 percent share on capital. I also realize that there is a downside possibly with that plan if this Government or any Government should choose to accelerate the number of spaces being supported in the province, but I do not have all the answers. So I am looking for an indication from the Minister that she will table some sort of analysis of both options and her reasons for choosing one or the other.

**Mrs. Oleson:** Mr. Chairman, well of course as the Member is aware and as I indicated on Tuesday when we discussed this, the legislation I believe went to committee yesterday or the day before, and after those committee hearings it goes back to the House. You know the procedure. I mean, we have a similar procedure here, so it is not law yet. The negotiations and all the analyses—some of analyses, some can start now of course and it is being done—but when the negotiating team comes out to Manitoba and gives us some more information, then we will be able to compare better. Right now we are in a state of not being able to finalize just which plan or what exactly we will do because the legislation has not passed, and until it becomes law you do not get into negotiations.

**Ms. Wasylycia-Leis:** I will look forward to receiving further information from the Minister then on the benefits and the downside of both options over, I hope, a fairly short period of time.

My final question on child care under this section is related to the announcement by the Minister, or I guess the Premier in the Speech from the Throne regarding the Task Force on Child Care. Is this the branch that will be coordinating the task force or making recommendations to the Minister about the makeup, the mandate and so on of the task force?

**Mrs. Oleson:** Mr. Chairman, I hope to announce the details of that task force very soon. The Day Care Branch would be the primary branch that would be in charge of that, but as I said, I will be hoping to be making that announcement in fairly short order of

exactly the mandate of the task force and all the details will be available as soon as possible.

**Ms. Wasylycia-Leis:** Could I ask the Minister if the Research and Planning Branch has any involvement at all with the task force in terms of its initial proposal or what coordinating mechanism is in place, if any, between the Child Care Branch and the Research and Planning Branch?

**Mrs. Oleson:** Mr. Chairman, as I said before, the primary responsibility will be with the Day Care Branch. If there was some particular research that this task force found necessary, then perhaps this would be the place it would be done, but the primary responsibility will be within the Day Care Branch.

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

\* (1700)

\* (1520)

### SUPPLY—INDUSTRY, TRADE AND TOURISM

**Mr. Chairman, Mark Minenko:** Tuesday last, we were considering the Estimates of the Department of the Minister of Industry, Trade and Tourism (Mr. Ernst). We were considering item 1.(b). Is the committee prepared to have this item pass?

**Hon. Jim Ernst (Minister of Industry, Trade and Tourism):** Mr. Chairman, there was a question raised during the last sitting of the committee with regard to certain tourism officers or alleged tourism officers in the North or other persons who may or may not have been contravening regulations or whatnot under the Northern Flood Agreement. I have a statement which I would like to read into the record to respond to that question.

Tourism development and marketing consultants, firstly, are very aware of the rights and requirements of land parcels affected by the Northern Flood Agreement, and have substantial input into the identification of tourism and development opportunities and interests of the Bands involved. In addition, tourism development consultants and natural resource officers make it a practice of consulting with Bands and communities affected by specific development proposals to ensure local community support for development projects.

As an example, department consultants have made several special trips to the North to meet with the Split Lake community to discuss a number of lodge and outcamp proposals in their area. More recently, quality assurance inspection trips have been taken to Little Churchill Lodge, and its outcamp on Recluse Lake, which are the tourist operations closest to Split Lake. Those trips were taken on July 11 and July 30. Since these trips involve the inspection of many facilities and have a specific purpose, it is not a normal practice to visit other communities in the region at that time. No

writer tours or travel influence familiarization trips have been made this summer to that region.

With respect to the most recent concern raised by the Member for Churchill (Mr. Cowan) on behalf of the Split Lake community, they may be referring to a recent visit on Sunday, August 21 and Monday, August 22, made by Mr. George Clavelle, Executive Director of the Manitoba Lodge and Outfitters Association, to Little Churchill Lodge. The owner of that lodge is Mr. Mike Dist (phonetic), who is the current President of the Manitoba Lodge and Outfitters Association. Since this is a private sector association, the department has no control over business made by their executive director nor on what purpose he claims he is travelling in that location.

**Mr. Jay Cowan (Churchill):** I would just like to thank the Minister for that prompt response to this concern, and I will relay that information to the Chief of the Split Lake Band. I am certain that they too appreciate the ongoing efforts of the department to attempt to involve them in economic development in the area. Anything that I can do or they can do to assist the department in that regard is offered on their behalf and my behalf, and we do appreciate the prompt responses. If there are other concerns that are brought forward, if there are remaining concerns around this issue, I will be getting back to the Minister.

**Mr. John Angus (St. Norbert):** I had left the Minister with two questions. I would just like to remind him of one question, and that was concerning an explanation as to the \$54,000 overexpenditure between the actuals and the budgeted amount last year. I was hoping he might be able to identify what that money went to, where it went. That is the first question.

The second question I asked of the Minister is we know that he is responsible for Sports, as well as Industry, Trade and Tourism and Small Business Development. I would like to know if, during the course of our discussions on his Industry, Trade and Tourism, whether or not that is the appropriate time to bring up questions on Sports, because it does not appear that there is any area for us to discuss that very important investment of money in Manitobans.

**Mr. Ernst:** Firstly, let me say that I assumed we had answered the Member's question with regard to the number differentials. If we have not, then perhaps he can repose the question or we can peruse Hansard to see exactly what he was asking for, but I had understood that we had answered that question at the last sitting of the House.

With regard to the question of Sport, there are no Estimates for Sport. Sport is funded entirely out of lottery funds. The Sport Directorate is funded entirely out of lottery funds. I would be prepared to discuss questions related to the Sport Directorate after we have completed the Estimates of the Department of Industry, Trade and Tourism, before we deal with the Minister's Salary, which is traditionally the last item. Once that is done, then the Estimates process is complete. Prior to that time, given an agreement amongst the

Opposition Parties to do that, I am prepared to discuss those questions and I would have the appropriate staff here at that time.

**Mr. Angus:** I appreciate that and, with the Minister's permission, at that designated time I will bring in our critic of Sport so that he can ask the appropriate questions.

In relation to the first question, yes, the administration did provide an explanation of the necessity of combining these two sheets of paper—that is Business Development and Tourism and Industry, Trade and Technology—to get the total amount of actual money spent. My question is in relation to, when I combine those two figures, there is a \$50,000 overexpenditure in the department in actual expenditures over the Adjusted 1977-78 Vote. Is that not right? If I am calculating it wrong—(Interjection)—the '87-88 vote, I am sorry. I just wondered if you could maybe tell me where that money went. What did they spend it on, whoever did?

**Mr. Ernst:** I would advise the committee that, because of the amalgamation of the department, the Adjusted Vote does not entirely compare directly with what you see in your book today. What it does, I am told that the amount of the Executive Support for last year was \$695,100 versus what you have here today.

**Mr. Angus:** What was the figure?

**Mr. Ernst:** Once again, the question of direct comparison between Executive Support for last year, by combining the two departments together, is not necessarily an identical procedure. Because of the amalgamation of the departments, it is very difficult to try and allocate monies within that. I am advised by the administration that the total amount of money for Executive Support last year was \$695,100.00.

**Mr. Angus:** I am not trying to be finicky or sticky but, if a department has taken a certain amount of actual dollars to run them and that money is now being cut, what sorts of things have they cut out that they did not need last time? I think it is a fairly legitimate line of questioning. I appreciate the fact that there will be some minor adjustments and there will be some salary adjustments between not having two deputy directors and not having excessive numbers of staff.

\* (1530)

That is fair but I think that, when we look at the Adjusted Vote in the book that you have produced as being \$489,000 for Executive Support and we now see that you actually spent last year \$695,100, we are looking at a \$200,000-plus difference between the two departments. Surely, that cannot all be just salaries for a reduction of two people, from nine people to seven people. Given even a liberal amount of money for Mr. Fullerton of \$50,000 plus a liberal amount of \$50,000 each for staff, you are still talking of a lot of money.

**Mr. Ernst:** As I understand it, Mr. Chairman, the question from the Member for St. Norbert (Mr. Angus),

he is indicating that the Adjusted Vote for Executive Support in 1987-88 was \$489,100.00. It is indicated in the book. The Adjusted Vote last year for the two departments was \$695,100.00. The actual expenditures were 550,000 some-odd dollars. The \$489,100 Adjusted Vote represents the combined departments after adjustments in an attempt to rationalize that Executive Support item within the Estimates. In other words, it takes out certain communications functions, certain other expenditures, which were removed from the other Adjusted Vote. The actual Adjusted Vote for the two departments is \$695,000.00. The expenditure was somewhat less, \$50,000 or so less than that.

**Mr. Angus:** Perhaps in the interests of getting on to discussing programs and actual investments of money so we can see a return, I will let this slide.

I am concerned that, when you have two companies and they are amalgamated together and you take the first area of their budget and say, what did it cost when you amalgamated those two by these sheets that were provided by the administration which gave the actual investments of money, it comes to one figure and it is considerably different than the Adjusted Vote in this figure. I do not think that there is anything wrong and I am not imputing any motive or any miscalculations.

It seems they may have used different sets of figures to arrive at this calculation. What I was trying to find out is how are they saving another \$50,000 and what are they giving up in terms of not getting that? The Minister is bringing in a Budget that is almost half of what the combined was last time. He is bringing in \$300,000 and last time they spent nearly \$700,000, according to his administrations—a \$400,000 difference. I would be ludicrous if I did not recognize that there is something wrong, either then or now. Either they need more money to do the job better or they had too much money before.

**Mr. Ernst:** Mr. Chairman, if every single line item was there and every single expenditure under every single line item was there, then it would become obvious to everyone considering these Estimates that there are different expenditures located under Executive Support at this time than there were last time. Notwithstanding that, we have indicated where the major differences are.

The major differences are one less Deputy Minister, one less Deputy Minister's secretary, one less executive assistant, one less automobile for a Deputy Minister and one less travel cost associated with that Deputy Minister's offices. Those are the principal differences. In terms of the Executive Support, that is where the changes have taken place in the office.

In terms of what the previous Government spent in that department, I do not know and presume that the Auditor will, during the course of his investigations and audit, determine that those funds were expended appropriately under the appropriate Manuals of Administration that the Government operates under. Beyond that, I cannot advise the Member any further.

**Mr. Angus:** I appreciate the explanation or the attempted explanation by the Minister. I did not expect

him to have at his fingertips an explanation. But I think, Mr. Chairman, that it is incumbent upon him to make sure and to sit down with his administration and say, look, I want to know line-by-line exactly what it would have cost if these departments were running separately and independently and, now that we have amalgamated them, exactly what we are saving.

I think that is (a) in your best interest because it says to me, and I say this through you to the Minister, that money, that difference is showing up someplace else. If it is not showing up for Tourism, if it is not showing up for Business Development and IT and T and those things, where is it showing up? Where has it gone? I do not think it is a big scandal or anything of that nature but there are some legitimate differences of opinion here.

But with that final statement, if my honourable colleague from Brandon has no questions, I do not have any further questions on this section of the Budget, and I will pass it.

**Mr. Chairman:** Item 1.(b)—pass.

Item 1.(c)(1) and 1.(c)(2), Strategic Planning, provides resources for planning, development, assessment and research support to the department.

**Mr. Leonard Evans (Brandon East):** Mr. Chairman, I guess I am making this request on behalf of my friend, the Member for St. Norbert (Mr. Angus), as well. I wonder if the Minister could generally explain what this section of the department does. There is some explanation in the Supplementary Information.

But I have asked that question primarily because there is such a drastic cut in the salaries. Obviously there has been a cut in staff, so I would like to know what it is able to do now. I would like to know what has been cut or who has been cut. Maybe he could give us a list of the types of people, the positions, and what their functions are. What has been cut out of this particular line, 1.(c)(1)? What impact has that had, if any, on the ability of the section to do the planning and the development and the research?

**Mr. Ernst:** I am happy to do that. Perhaps the best way of doing it is to give a few examples of the kind of activities that the department does.

It provides executive support in response coordination, maintains and provides information of a general economic nature and authors, assembles and coordinates the production of briefing materials, so that the materials that are produced, for instance, for a ministerial conference for intergovernmental discussions on various issues, and so this department produces that information. They maintain statistics, they analyze issues that come up. They are, by and large, or many of them at least, economists and things of that nature who can undertake analysis of a variety of things.

For instance, they would undertake an analysis of the multilateral trade negotiations that are ongoing at the present time. The mid-term review of the multilateral trade negotiations will take place this December in

Montreal. It is my intention, along with the other western Trade Ministers, that the provincial Governments of Canada play a role in that multilateral trade negotiation review. Because provinces have a very distinct concern over their export situations, we would want to be involved as much as we can collectively as western Canadian provinces. Expectantly, the rest of Canada will want to be involved as well. So they would produce information, briefing materials and so on, and background information with respect to that.

Policy and program assessments, they provide comments on the policies and programs. They monitor economic policies, intentions of the federal Government, intentions of other provinces and the determined impacts on Manitoba. They coordinate the department's annual planning efforts in terms of its operations; prepare relevant background material and economic strengths, threats and opportunities for Manitoba. We are only going to undertake certain initiatives. They will provide the strategic analysis for those undertakings. They provide certain interagency coordination. They maintain relationships with agencies important to the achievement of the Government's economic objectives, for instance, Investment Canada, Interprovincial Trade Barrier Task Force, Interdepartmental Planning Board and the Western Diversification Initiative. They administer the Strategic Studies Program which allows the Government to enter into contracts with private sector consultants to undertake research projects in support of economic policy development. They also provide management of the Research and Studies Program provisions of the Tourism Agreement between Canada and Manitoba.

\* (1540)

With regard to the other question asked by the Member for Brandon East (Mr. Evans), let me say that the department staff has been reduced from 19 to nine. It is the view of our Government that 19 people were excessive. It was not necessary to have as many people to carry on in those appropriate functions. As well, in combining the two departments, there was some duplication that was removed so that in any event those people—if you want the names, I am prepared to provide them, although I do not know if it is relevant.

**Mr. Evans:** I am not interested in names, per se, but position-wise . . . .

**Mr. Ernst:** They are predominantly economic and research analysts. As the Member for Brandon East (Mr. Evans) has indicated, he would be prepared to accept that rather than their names. I have the names and I am prepared to give them if he wishes but I think, for the sake of the people involved, I do not know whether it is necessary to table their names in the House.

**Mr. Evans:** I do not necessarily want the names but I would like to know, there are five—looking at your Supplementary Information here, you have cut from 19 to nine. That is a cut of 10. All of that cut is in the professional and technical area. It is interesting that the administrative support staff has not been cut. You



had three support staff for 15 professional people. You still have three people as administrative support even though you are down to five professional people. So all the cut is in the professional and technical category.

What I am interested in knowing, those five positions, just exactly what are those positions and what are the qualifications? I do not need a long detailed description of qualifications, but are these five people—let me be very brief. Are all of these five people qualified economists or are they accountants or are they urban planners or does that include some of your tourist people now, or are these all the people who were previously from Industry, Trade and Technology?

**Mr. Ernst:** The answer to the question with regard to the types of qualifications, they are predominantly economists, trained as such and carrying out activities as such. So that coming from both departments, there were, I believe, three vacant positions which were not filled. There was one term position which expired, and there were six people who have either been redeployed—I guess they were redeployed if they were long-term or in the process of being redeployed, and/or are redeployed.

As far as the administrative support staff is concerned, the administrative support for the departments, both of them, BD and T and IT and T, had in fact been distributed over the positions that were identified as administrative support and elsewhere in the department on an as-needed basis. You appreciate that an economist doing a study on a particular type of issue need not necessarily have an ongoing administrative support requirement every hour of the day or, for that matter, every day of the week so that, from time to time when there was an excess of administrative support, typing, things of that nature required, then it would be distributed amongst other staff located within the department who carry on the same function.

**Mr. Evans:** The five remaining professional technical people, those five positions, are all those five positions filled now? And of those five, how many, if any, are designated for Tourism research and how many are for the Industry and Technology side?

**Mr. Ernst:** You refer—is that in the book, the organizational chart? Oh, it is in our book.

**Mr. Evans:** I was looking at the supplementary . . .

**Mr. Ernst:** I was not sure whether that was located in there or not. The organizational chart indicates that there are two Tourism planners and three planners for the Industry, Trade and Technology side. Their positions are all filled.

**Mr. Evans:** What concerns me is the Minister described the activity of this particular branch and went on in some length, and indeed it is very impressive, the mandate they have been given, policy and program assessment, strategic planning support, interagency coordination, and all these task forces, strategic studies

program, working plans, and I do not know how he can fulfill all these objectives by such a drastic reduction from 15 to five.

In fact, most of these seem to relate to the Industry side from most of the description that he gave us. I just wonder how, particularly in view of the fact that, to take one area, there is a great problem in my view—and I think the Minister shares this, and I think the Liberal Party representative shares this—with regard to interprovincial trade barriers. It is very, very serious. We cannot sell our buses in the Province of Quebec. It does not matter who makes them in Manitoba. We cannot sell them.

There are other barriers that exist in Saskatchewan for products coming from Manitoba, electrical apparatus and so on. That area alone, it seems to me, requires a lot of work. I just do not know how the Minister can carry this out with such a decimation of staff that has occurred here. He has only got three people, really.

Also, when you think of the question of the impact of the Mulroney-Reagan trade agreement—mind you, it may never come about. But if it does come about, I for one believe that there could be some very serious adjustments that will have to take place in Manitoba. It would seem to me that there should be some ability on the part of the department to assess what is happening or what could happen in order to put the province in the position of assisting. Whether it be the furniture industry, whether it be the clothing industry, whether it be the printing and publishing industry or whatever, we should be in a position of being prepared, as Boy Scouts have in their motto, "Be Prepared." I would think that, therefore, the Minister may be short-changing himself by such a drastic cut in this area.

\* (1550)

I can appreciate the fact of wanting to be economical to avoid unnecessary expenditures, an admirable objective, but for the life of me I do not know how all this activity that has been identified by his statement can be carried out by such a very small staff.

**Mr. Ernst:** Firstly, let me say with respect to the whole question of trade policy, that matter falls under the Trade Branch discussions that fit within our department, and both interprovincial MTN and bilateral trade negotiations should be most appropriately discussed under that section of our Estimates.

With respect to the question of analysis required for that though, let me say this, that two of the staffpeople who have previously been involved in this division have been transferred to the Trade Division. They will work exclusively, two of those professionals will work exclusively on questions of trade that relate to Manitoba, so that we have interprovincial trade barriers, we have multinational trade barriers and we have the bilateral trade negotiations or bilateral trade agreement, as we have right now.

Let me also say this, that what we required, quite frankly, in terms of better interprovincial relations across the country and particularly in western Canada was

less economists and bureaucrats and more cooperation amongst the provincial Governments in western Canada. That is the key. Let me tell you that, the very first meeting I attended, all of a sudden they discovered that Manitoba could be cooperative. Previously, under the previous administration for the six years prior, it had been nothing but disruptive, had not been able to deal with their counterparts in western Canada, had been obstructive in many cases, and attempted to thwart common-sense activities by the other Governments of western Canada.

So we see now, with a Conservative Government in office in this province, that we are able to get along with the western provinces. We are able to conduct ourselves in a manner that lets us cooperate, and we see now some common positions coming out of western Canada to give us the kind of clout that we need in this country. If you do not come out of the West with some kind of cohesive situation, how are we ever going to overcome the populations of Ontario and Quebec and so on, on their issues?

In addition to that, I can tell you that, on interprovincial trade barriers, I met in June in Ottawa with my fellow Ministers across the country. With one or two exceptions, there is a considerable body of support for coming up with some reductions in interprovincial trade barriers. We can get into that long discussion once we get to the Trade Department Estimates.

**Mr. Evans:** I had three or four other questions to ask about what this group is able to do but, going back to the interprovincial trade question, you referred to the Interprovincial Trade Barrier Task Force. Now it seems to me—I do not know how this task force is made up. Maybe the Minister can explain that. We can discuss it also on your Trade, but he has referred to it himself. What is this planning group supposed to do, this research group supposed to do, in connection with the Interprovincial Trade Barrier Task Force?

Does it refer to exactly—are they a member of a task force? Do they do the numbers on the negative impacts from barriers and so on? What are they going to do here if you have already got—you said you have transferred some people to the Trade Branch. Is this a duplication now, or are they doing one element and the Trade Branch doing another element? You specifically refer to an interprovincial task force.

**Mr. Ernst:** With regard to the Interprovincial Trade Barrier Task Force, the First Ministers at their meeting, I think last year, in the fall of last year, appointed a committee or asked each of their Ministers responsible for internal trade to form a task force to deal with the question of internal trade barriers and how best to overcome them. They gave them a couple of specifics to deal with, one being Government procurement, the other being, I think, Liquor Board practices.

As a support group to that group of Ministers, our designated staffpeople from, in our case, the Department of Strategic Planning—Mr. Allison is the gentleman here at the table who does in fact do that and will continue to do it for the sake of continuity and for the sake of further discussions. He is involved with

officials from all across the country from each province. They will designate an official to meet in terms of a task force-type of approach. So that is what that means.

**Mr. Evans:** I just wanted to comment that the Minister referred to the cooperation he is getting from other western provinces now. I can tell him that, some years ago, there was a lot of cooperation between particularly the western provinces and Manitoba, even though they were of different political stripes. We had excellent cooperation among the Industry Ministers, and tried very hard to combine our efforts and to lobby on behalf of western industrialization.

**Mr. Ernst:** That is not what they told me.

**Mr. Evans:** In fact, in 1973, the Western Economic Opportunities Conference convened by Prime Minister Trudeau, in Calgary, there were various efforts made at that time to look for economic opportunities in western Canada. The Provinces of British Columbia, Alberta, Saskatchewan and Manitoba cooperated for some time in trying to alleviate certain transportation problems as they impacted on industrial and economic development in Western Canada. So I can tell you, I want to assure the Minister that work has gone on in the past by various people, by various Governments, all with the best of intentions to try to provide economic opportunities in western Canada.

But going on to still talking about this particular branch, the Minister also referred to the branch providing some kind of strategic plan and assessing our strengths and our threats—it says here “weaknesses”—but also the opportunities. Is the Minister now able to tell the committee just what plans we have, what opportunities have we identified in the forthcoming year for the Province of Manitoba, as this department relates and can assist in by having that information?

**Mr. Ernst:** Let me say this. To have a piece of paper that says (a), (b), (c) and (d) as a blueprint for economic development, I think quite frankly, is something that has never proven to be very accurate or very helpful. Historically, in economic development, issues emerge quickly; opportunities emerge even more quickly. We have to be sufficiently flexible enough to latch on to those opportunities, to maximize the benefits from those opportunities at every possible opportunity.

But there are a number of things in general terms that can be done which will benefit economic opportunity in Manitoba. Let me say that, for instance, the phased removal of the payroll tax is a very large item that can serve to promote the interests of economic development in Manitoba. Time after time after time, corporations who create an awful lot of jobs in this province have complained bitterly, both through their representative organizations such as Chambers of Commerce and other business associations, the Federation of Small Business, and a number of other representative groups, as well as individual corporations.

\* (1600)

As a matter of fact, I have met on two or three occasions with several corporation heads who are no longer resident in this province, who no longer have any employees here, and who left on the basis that the payroll tax was implemented against them. They said this is only one of two provinces in all of North America where such a regressive taxation regime existed, and that they felt as a tax on jobs. They were not prepared to remain in this province, so they left. That is a tragedy. So that is one thing that will create a better economic climate in our province.

Amendments concerning final offer selection is another matter. Even the unions were opposed to final offer selection. We had a number of employee groups, unionized employee groups coming forward and saying that they were opposed to final offer selection. But final offer selection was rammed through this Legislature by the previous Government in an attempt to make the President of the United Food and Commercial Workers' Union, to try and utilize that to settle a labour dispute with Westfair Foods that happened to be going on at the time. Some adjustments to that legislation will go a long way to indicating to the community, the business community of this province and the business community of this country and potential investors from outside this country, that there is a regime in office in Manitoba that is interested in having businesses locate here and interested in having private investment brought into this province, interested in having those jobs created.

There are a number of other things—reform of the Workers Compensation system, long overdue. The costs that have been levied on business have been totally prohibitive. I had the fellow who painted my house, for instance, tell me that he and two employees pay \$8,500 a year in Workers Compensation premiums—\$8,500 in Workers Compensation premiums for three people! That is not acceptable. The previous Government did nothing to control the operations of the Workers Compensation system. They went on increasing premiums, 20 percent, 30 percent and greater percentages a year, incurred huge potential liabilities under that system.

And my honourable friend, the Minister of Labour and Environment (Mr. Connery) is going to be pulling that together to make the Workers Compensation system a little more beneficial, although better in terms of his operations to say to businesspeople in this province, yes, we are going to control that.

The long-term development strategy for the North is something else that we are looking at. We have seen, unfortunately, the situation with regard to Churchill this year and the fact that there are not grain sales available to go through the Port of Churchill. So we have to look at other strategies for the North to see what can be done in order to develop that area. A couple of those areas relate directly to tourism as a potential economic benefit to them.

I will give you an example. Right now, the rocket range sitting there is sitting there unused. It has significant tourism potential. The fact of the matter is that you can go into that facility and you can push buttons and go through the firing sequence of a rocket

without actually firing the rocket, which is a significant tourist attraction in my point of view. I think it will be perfect for tourists as another option when they go to Churchill, not just to view the flora and the fauna but to have an opportunity to see how that rocket range had actually worked. But that is something that needs to be pursued with NASA and with the National Research Council, and we are in fact undertaking to do that.

Interprovincial cooperation is another matter that will provide the economic stimulus to Manitoba. I have had discussions with the Honourable Bob Andrew from Saskatchewan with respect to some of the problems that have been experienced in the past with regard to Manitoba companies doing business in Saskatchewan and vice versa. I have also had discussions with the Minister responsible for Internal Trade in Quebec. We had some discussions with regard to the question of buses and whether Manitoba Flyer Industries should be able to or could be able to bid on transit buses in Quebec, and received a reasonable response from the Minister there and said we should undertake those discussions. They will happen over the next little while to see if we cannot resolve some of those kinds of issues.

I could go on and on and on. I do not want to, Mr. Chairman, carry on too long with respect to that answer, but those are some of the initiatives, some of the plans, some of the things that we are going to do to make a climate for economic investment and economic development in this province, one that has been sadly lacking unfortunately for some time.

**Mr. Evans:** I just want to make a couple of points and maybe one other question, and let my colleague for St. Norbert (Mr. Angus) carry on.

I do not think the Minister really answered my question and that is: What sort of economic objectives did they have, does he and his department have, for the coming year? You talk about planning, you talk about setting some goals.

I think back at the Roblin administration. The Roblin administration had a massive effort to try to bring the entire economic community, the business community, labour, everyone concerned under the umbrella of the TED Report, Targets for Economic Development. I do not know whether the Member has ever seen that, but that was an effort to look for objectives for all the industry sectors. It was a massive cooperative enterprise with the entire community. It was not just done by Government. It was done by various committees of manufacturers, tourist operators, etc., whatever the sector was. So this is nothing new.

So I ask because there was an effort made by the Government at that time and other Governments to have some idea as to where Manitoba could go, what were our strengths, what were our weaknesses, what should we be pursuing, what should we try to achieve. There are so many factors that have a bearing. I guess the Minister and I might have some differences of opinion as to how you achieve it, because he was going on about FOS and other—

**An Honourable Member:** Payroll tax.

**Mr. Evans:** —payroll tax and the Workers Compensation.

I might point out, Mr. Chairman, to the Member, he should take a close look at the FOS because, it seems to me, in the last month or two alone—and I am no expert on labour matters—that legislation has prevented strikes or work stoppages. So there has been agreement, and we are going to have fewer days lost through work stoppages. If that is what that legislation accomplishes, surely that is what we want, fewer work stoppages. The last thing we want are strikes because nobody gains from that. I think you have to give that legislation a chance. I do not think it is meant to be a panacea.

As the Minister himself said, there are differences of views even among the labour people. So it is not as though this is all favoured by labour and it is totally anti-business, because some labour unions were against the FOS. But it is a tool, it is a technique. As I said, if it can alleviate work stoppages or if it can prevent some strikes and the loss that occurs when people are not working, then it should be welcome.

As far as the payroll tax, I did not really want to get into this. But I am just going to mention very briefly that our Government had exemptions too. There was nothing stopping us from raising exemption levels. In fact that was looked at, it was always being looked at. But, Mr. Chairman, the fact is that particular tax brings in nearly \$200 million, which is badly needed by the Treasury of Manitoba. I challenge this Minister and his administration, if they really truly mean what they mean by eliminating the payroll tax, eliminating the \$200 million tax levy, tell us where they are going to get the \$200 million. Either he is going to cut and his colleagues are going to cut programs by that amount, or they are going to have to look for another source of revenue. I suspect that they are going to find very few other sources of revenue. The one that is probably the easiest to look at, and I am not recommending it, is probably the sales tax. I do not see what option you have to replace the payroll, *ceteris paribus*, everything else remaining equal, you need two more points on the sales tax. I do not think the people of Manitoba want that.

The other fact, of course, of the payroll tax is that it brings in huge amounts of revenue from national, international corporations, federal Government departments, federal Crown corporations and so on, which are of advantage to the people of Manitoba. The more money we can get in that respect I say, Mr. Chairman, the better, and there has been no evidence that the existence of that tax has thwarted economic growth or job creation because the evidence was for above average growth in employment.

Likewise with Workers Compensation, the same problem that exists in Manitoba, you will find in many other jurisdictions where they are into big deficits—

**An Honourable Member:** They have turned it around in other jurisdictions.

\* (1610)

**Mr. Evans:** Well, if they have turned it around, they have turned it around by either providing fewer benefits for the working people who have been injured or hurt or, whatever else, they have had to charge more to the businesses involved. I mean, there is nothing magical about it. Either you pay out less or you get in more revenue so, one way or the other, you can resolve that kind of a deficit. But I am saying, Mr. Chairman, what exists in Manitoba should not be looked at in isolation because you will find comparable situations, comparable problems in other jurisdictions.

Just let me get back to what we were trying to get at in this area and find out exactly what ability this reduced branch has to fulfill its mandate. There is reference to an interdepartmental planning board. I wonder if the Minister can explain what role this branch will now play in an interdepartmental planning board. Could he explain exactly what that planning board is supposed to be doing?

**Mr. Ernst:** Let me give a couple of examples of the kind of things, specific things, that the Member for Brandon East (Mr. Evans) wanted information on.

For three years, the previous Government attempted to come to an agreement with the federal Government with respect to health industry development initiatives. Three years, Mr. Chairman, they negotiated. The staff worked extremely hard. They could not come to an agreement with the federal Government. They could not come to an agreement to deal with a strategy that would see that important sector, a niche in the economy of North America that would fit Manitoba's industries, they could not come to an agreement on that.

In three-and-a-half months that we have been in office, two weeks ago I signed an agreement with the Honourable Jake Epp representing the Government of Canada to bring in a health industry development strategy, a strategy that has seen two significant projects already announced and several more waiting to come forward. Because of the inability of the previous Government to get along with the feds—and, Mr. Chairman, had you been in this House for the last couple of years, you would know exactly why they could not get along, because at every turn they stood up in this House and hammered the federal Government for this wrongdoing, that wrongdoing. They tried to shift the whole blame and a great many economic requirements off their own shoulders, off their own plate, because they could not deal with it and tried to blame it on the federal Government.

Well, Mr. Chairman, let me say that in three months we were able to negotiate an agreement with the federal Government that has seen two major initiatives, one a \$25 million aging and rehab centre, and an expansion of Otto-Bock Industries in this province. Just in the last two weeks, we have the virology lab on the go and a number of other initiatives that are in process and will be announced in due course.

So let me say that by cooperating, by getting along, by trying to deal with our federal counterparts in an appropriate manner instead of a confrontational manner, that you get more with honey than you get

with vinegar, and we have seen that in the last two weeks. So there is one niche in this economic development strategy that is working and we intend to pursue it long and hard.

With respect to the aerospace industry in this province, during my debate on the Speech from the Throne, I raised in the House the question of the attitude of the previous Government with respect to defence industries. A significant majority of aerospace work presently comes with the defence industry. That Government issued a memo to their staff in the Department of Industry, Trade and Technology at the time to tell them basically to have nothing to do with any industry that had any defence connection or any military connection whatsoever. That is from boots to tents to tanks, nothing to do, provide no initiative, provide no support, provide no money and no financial support. That was the memo to which I referred during my debate on the Speech from the Throne. That was followed up by a letter from the Premier saying exactly the same thing.

The attitude of the previous Government with respect to the aerospace industry was very poor. As a matter of fact, I am more than surprised, as a matter of fact, I was shocked—(Interjection)—exactly, I was shocked at the attitude and the posturing of the previous Government over the question of the CF-18 maintenance contract when in fact six months previous to that they had told their staff do not do anything with the military. Do not do anything with the defence industry. That is the attitude of the Government.

Then they postured, oh, the CF-18, we had to have the CF-18 and it was wrong. The federal Government was bad. Yes, they were bad. I agree. As a matter of fact, I stood up in front of the television cameras and said so even though they were a federal Conservative Government, because they made an error and they should not have made that. I was not being a hypocrite. Let me tell you that the previous Government was being a hypocrite because it had a statement with the staff telling them we have nothing to do with the defence industries. That, Mr Chairman, is something that I find abhorrent.

**Mr. Evans:** Mr. Chairman, on a point of order.

I wonder if the Minister would file that memo. I would like to see that. I have not seen it. I think, if we take a look at it, I do not think it is black and white as he suggests. I think there was concern about nuclear weapons. My understanding was that there was a lot of encouragement of aerospace, including that related to defence because, as the Minister said himself, most of it is related to defence. Most of the aerospace developments are related to the defence industry. I know there was a lot of work by the department, by the previous Government to encourage aerospace industry. I really do not believe that memo. I would like him to table that memo for us because I do not have it.

**Mr. Ernst:** I do not have the memo with me. As I said, I referred to it during my debate on the Speech from the Throne. I would be happy to provide the Member

with a copy of that memo. I would be happy to do that, and the Member for St. Norbert (Mr. Angus) if he wishes. Because that is what I found abhorrent, quite frankly, was the hypocrisy of the idea that, on the one hand, they would have nothing to do with defence industries and, on the other hand, cry out that the CF-18 contract was not coming to Manitoba. I mean it does not fit.

Let me say this about the Aerospace Industry. We are pursuing a number of initiatives within the aerospace industry. We see that as another niche that we can build upon in this province. We have a basic core of industries here that deal with the aerospace industry. As a matter of fact, the Member for St. Norbert (Mr. Angus) and I were at the opening of Precise-To-Form Castings last week, who interestingly enough were producing a couple of things that the previous Government would have found abhorrent. They were producing nose cones for the low-level defence missiles of the Canadian Armed Forces. They were producing the hammer-and-trigger assemblies for M16 rifles to which the Canadian Armed Forces is going to be equipped. This is the Government who sends memos to their staff saying do not have anything to do with the defence industries. Those happen to be particular items of work that the company is undertaking at the present time. That company also can produce castings, high-grade castings for other parts of the aerospace industry of course that have nothing to do with specific defence applications.

That industry is an indication of the kind of further strengths we can build upon, and I must say that we are attempting to pull together the aerospace industry, to form a committee to deal with those kinds of problems and to see where we can apply the strategies to see additional work come to Manitoba. We have another very significant one on the go at the moment of which I am not at liberty to say, but it is the kind of situation that would significantly enhance the aerospace industry in Manitoba. In those two areas, I am sure we will see some considerable growth in the next little while.

I had to chuckle at the Member for Brandon East (Mr. Evans) when he said, well, we had exemptions under the payroll tax. Yes, Mr. Chairman, first of all, they implemented it in the first place and then took it from 1.5 percent to 2.25 percent—big exemption. They increased it three-quarters of a percent. I have to chuckle also to say that the Member for Brandon East says that we are giving away money to all these multinational corporations on the one hand and, on the other hand, people from his Party are saying, yes, but 95 percent of the businesses in Manitoba are small businesses. You cannot have it both ways. To say the multinationals, on the one hand, are taking all of that money away from Manitoba—but let me tell you, multinationals employ people just as much as small businesses do.

As a disincentive to business, the payroll tax has been—there has not been a bigger disincentive to business in Manitoba. There has not been a bigger disincentive to job creation in this province. We have tried the job creation of the NDP. Go out and borrow the money, create the short-term job and, after the job is gone and the money spent, you still have the debt.

That is not very good economics in my point of view, nor is it the kind of thing that we want to do. We want to see long-term jobs created, long-term jobs that are not a drain on the public purse and in fact do just the opposite, and that is contribute to the public purse. That is the essence of Government. That is the essence of the social welfare that we have come to know and love.

If we are ever going to support the health care system that we have in this province into the future, the biggest danger that we face is the fact that the economy goes down and it cannot afford to pay the bills for that. Quite frankly, the previous Government saw that when it was continually having to raise taxes to meet its obligations because jobs were going down, businesses were going down, tax revenue was going down because of the kind of regime that they were running. We see long-term economic health in this province as the key to the future for education, for health care and for the social service safety net that we all enjoy.

\* (1620)

**Mr. Evans:** The Minister has made so many wrong statements that I cannot resist getting up to respond, and yet I do not want to have a lengthy debate on this. Frankly, he is being very naive about the whole ruddy thing. To think that one particular tax is going to make or break the economic growth of the province is just nonsense. The fact is he blurts out about lack of growth, lack of employment, and the fact is we have experienced in Manitoba for some years above national average economic growth, and our growth in employment was very attractive as well.

Now I am going to see what is going to happen in the next—look, everybody wants long-term jobs. In fact, many of our employment programs were major employment programs that were geared to permanent long-term jobs, including job training as well, but the fact is I want to see what this Government does in the next year. We will wait and see what you do to the payroll tax. We will see what magic you have with regard to job creation, see what happens in this province to business development and so on.

You know, he talks so naively about this defence industry and we were totally against it. That is just utter nonsense; I cannot believe it. I have not seen that memo. I would like to see that memo, but I cannot believe that because I know that the aerospace industry is very much related to the defence industry and that there was a lot of activity to assist it.

He mentioned the health industry. I just want to make this last point, that we had been negotiating the health industry for three years and were unsuccessful. What the Ministry does not know is that it took months and years of preparation, research preparation and hard work by a few individuals in the department to bring us to where we were. You just did not negotiate this three years ago.

After you do all your homework, after you build up your base, after you get your ideas, and you get your organization together, then you negotiate. You do not

start with nothing and say we can negotiate, because it is actually not true. We have not been negotiating for three years.

I do not have the detail on that either, but I know there was a lot of progress. The fact is the idea started under our administration, and we evolved it. It was a very good idea of certain individuals and I will not name them, who worked very hard. We developed it. We brought it along.

If Mr. Epp wants to use his usual political approach—you know, sure he is ready to sign now because of pending federal elections. It is very convenient for the Conservative Minister to sign on the dotted line because it is a very propitious time for him to show all the great things he is doing for Manitoba, and try to maybe take away some of the detraction that has occurred from Mr. Mulroney's statements about all the money he is pouring into Quebec.

At any rate, I think the Minister is being a little naive about all this. He is taking a very simplistic approach, black and white and so on. I would say as he gets a little more experience he will understand that the business of creating and fostering industrial development is very difficult, a very difficult challenge, a very hard job. It is perhaps the hardest job of any portfolio in the Government. It is fraught with a lot of difficulties, and indeed it does require federal assistance and federal cooperation.

But I say, it takes two to tango, and I reject the notion that there would be no or could not be any cooperation between the previous Government and the present Government. I must say to the Minister, remind the Minister, that Governments come and go. The Government he looks upon right now as being his big friend in Ottawa may not be there that much longer. I am going to leave the floor to my colleague, the Member from St. Norbert (Mr. Angus) who is itching to get into this debate.

**Mr. Angus:** I must say that I do not have any desire to tango with either of these individuals. I have never been involved in such a non-budgetary process in my whole life, in 12 years of politics. If anybody tries to stand up and ask any legitimate questions on expenditures, they only get political rhetoric and political platforming back and forth. I would like to try and bring the conversation back to looking at the departments, the investments and the expenditures of money.

I might ask the Minister if he has any concerns about undermining the department by reducing the number of planners, if he has any concerns in relation to not being able to perform the function. I ask this question from a managerial standpoint that suggests that, if you spend too little money, you do not get anything out of anybody. What sort of planning has he done in arbitrarily eliminating 10 economists from this department? Perhaps he could just address that very quickly.

**Mr. Ernst:** The short answer is no. I do not have those concerns. That department provided two duplicate operations, one providing it for the Ministry of Business Development and Tourism on the one hand, and one

providing it for the Ministry of Industry, Trade and Technology on the other. Much of the work that the two departments were doing was in fact duplication, and need not have been done by two separate departments when one would suffice.

**Mr. Angus:** I appreciate the candid answer that the Minister has offered. I have some difficulty because I have some understanding of the amount of work and the hours that go into doing economic forecasts, cost impact studies, marketing studies—things of that nature, and some of the things that they are suggesting they do down here. I am not certainly suggesting that we arbitrarily add people to the administration, but I do believe that we are going to be faced with a position of either getting inadequate planning and inadequate advice in terms of research and impact on a lot of these efforts, or we are going to be faced with massive contracting out.

I noticed a particular line in here that says that it allows the Government to enter into contracts with the private sector consulting to undertake the research. I just would like to have his comments on whether or not his department is making a conscious effort to eliminate staff functions within the department as a cost-saving measure, and if he is intending to move toward contracting a lot of that work out to the private sector.

**Mr. Ernst:** Mr. Chairman, the short answer is no. The strategic—whatever the hell it is called—Strategic Studies Program is not a departmental related function. It functions outside of the department. That is, if somebody has an idea to enter into a study on some particular issue in the province that is not necessarily related to the department, as a departmental initiative or function, but comes along and says, I have got this great idea that we should make new kinds of widgets, will you pay for the study, or will you pay for half the study? That kind of thing. So those studies that are undertaken on a similar basis are included under Strategic Planning for obvious reasons but are generally speaking outside the normal function of the department.

That is not to say that from time to time we would not contract out a study, whether it would have been contracted out under this kind of an arrangement or the previous kind of arrangement, because that will happen from time to time, when some particular expertise is required that is not contained in the department, or some particular issue comes along that has a great volume of work attached to it that the department could not handle or for a variety of other reasons.

I do not think people need to be particularly concerned that the Strategic Planning function of the department is going to be severely hampered by the reduction in personnel. I guess any change or any kind of adjustment in operating procedures and staffing is a guesstimate in anybody's idea and if, quite frankly, the function of the department is seen to be short-staffed ultimately and/or requires additional expertise, then we will have to look at getting that. But for this function, for this merger process, it seems to us, collectively, both the senior management and myself

as the Minister, that the Strategic Planning function will be adequately served by the structure that you see before you in the Estimates.

**Mr. Angus:** Mr. Chairman, I am sure that the Minister will recognize the legitimacy of the question when he well knows what sorts of man hours, cumulative man hours, had to go into economic impact studies on housing developments within the City of Winnipeg as an example. Using that as a simple gauge that we have a common ground on, for understanding, I express some what I consider legitimate concerns in relation to things like free trade, in relation to tourism, and cause and effect. These things are not done very quickly and have them be effective. I am assured by the Minister that he has made a judgment, based on the programs he has in mind, that this is a legitimate number of financial analysts and planners to proceed on that. That is fair ball and I will take that under—we will find out how effective it was.

\* (1630)

Let me ask him this. Does he have a tendering process for getting outside consultants? He said that we may in fact go to outside consultants. If he does have to tender out for outside consultants, is there a policy that governs the effectiveness of his department? I ask that in light of other areas, for other reasons, as other departments within his Government have had to, at least by their mind, ignore the tendering process. Perhaps he can just address that.

**Mr. Ernst:** The short answer is yes. To elaborate a little bit, not so much a tender process. I guess very often for consulting work it is not a process upon which you could tender. But what would happen would be invitations for proposals to conduct studies, which is the way it is normally carried out, so that we we can assess the abilities and expertise and capabilities of those people wishing to undertake those kinds of studies.

From time to time, where it is required on an emergent basis or where the proposal process is either inappropriate or impractical, sole source studies have been undertaken. In my tenure of office so far, we have not done any of that. Insofar as the industry side is concerned and with respect to the tourism side for the appointment of advertising consultants, we did that on a proposal-call basis.

**Mr. Angus:** Advertising and Tourism. Is that discussed here?

**Mr. Ernst:** No.

**Mr. Angus:** I beg the committee's pardon. I am concerned about what topics we are on, and we have gone all the way from CF-18s right to the payroll tax, and I am not sure if those things are in here. I appreciate your flexibility. The Minister may find it humorous to be facetious and then to get off topic and away from the budget but, when he has staff members who are earning \$60,000 and \$70,000 a year sitting around, I think that we should be staying on topic and trying to

discuss with them what the heck the budget means and what they are trying to do.

There is \$1.2 million being spent in this particular department, and the Minister has apparently been able to analyze the market sufficiently to remove or to indicate that they should reduce the payroll tax and yet he does not need any planners to do that. I am wondering if we should not be eliminating the whole department and maybe he can look at contracting out those few studies that he intends to do. That would save him an awful lot of money and we can just sort of eliminate the whole process and save oodles and oodles of money.

Notwithstanding that, let us get into the specifics of Transportation, Communications, Supplies and Service and Other Operating Expenditures. That is down considerably, \$70,000 to \$80,000 from last year. Perhaps the Minister can give us a bit of an explanation as to what transportation uses these are, Communications, Supplies and Services, including rentals and things of that nature, and then we can discuss it.

**Mr. Ernst:** I do not mean to be obstinate, it is just that you have to identify it for Hansard, otherwise they will not know who is speaking.

In terms of specifics, I suppose we could dig up all the information on the specifics of those expenditures, Mr. Chairman, if the Member is that interested. Generally speaking, there is the general outline in the book as to what these particular items covered. Transportation presumably relates primarily to travel. I should point out at this time that the Department of Industry, Trade and Tourism has a significant travel budget overall. The requirements of the jobs are that you travel, so our travel budget is going to be higher. The reason it is reduced from \$46,000 down to \$18,000 is twofold: firstly, the pro rata reduction because of the less staffpeople involved; secondly, two of the people who were transferred out of this division into the Trade Division where you have seen an appropriate increase. Those two economists who were located previously under Strategic Planning now will go directly to the Trade Division and will be dealing with trade-related economic issues.

As far as Communications are concerned, this generally relates to the cost of telephones which are charged to individual branches within the departments—mail, electronic processing, xerox machines, stuff like that, materials and services that are related to the operation of the office. Supplies and Services, again I guess, is Operating Supplies, Rentals of Equipment—\$145,000, I am advised, is for contracted studies, a variety of issues.

**Mr. Angus:** If I may just follow up on that, that was on top of the 15 economists you had doing studies and reports and briefing notes and assessments and submissions? I noticed that you have eliminated 10 of those people but you have not correspondingly increased any in that account. Either you are going to be having less studies or—can you give me just a bit more explanation on that?

**Mr. Ernst:** First of all, recognize that the '87-88 Adjusted Vote and the activities that took place prior to May 9 were those activities of the previous Government. That Government chose to expend a lot of money on a lot of things.

Let me say that the entire anti-free trade road show that was put on by the previous Government was run out of this division of this department. The public hearings, the travel, the posters, the literature, the advertising and all of the things that went with the anti-free trade promotions of the previous Government were in fact run out of this shop and, presumably, a considerable portion of that cost is shown up in the budget for that.

\* (1640)

**Mr. Angus:** This is a paltry sum by comparison to the estimated \$20 million to \$30 million that the federal Government is spending to promote free trade. There should be perhaps some money budgeted here to advise Manitobans of the impact of free trade on Manitobans, whether it be good and what advantages they can take of it and, what is more, whether conversely it may effect them in an adverse fashion and that they can take advantage of it. It appears that this budget is being reduced disproportionately then. If the former administration spent hoards of money to make the public aware and have "a travelling road show" on free trade, they did it all for what appears to be about \$33,000.00. Maybe the Minister could just comment on that.

**Mr. Ernst:** That is a small part of what was expended on that travelling road show. It was run out of this department so that the Strategic Studies, some of the ones that were associated with that, I understand, were produced under this line. But many of the other costs associated with it are spread elsewhere in other budgets.

**Mr. Angus:** Has the Minister considered the total elimination of this department and contracting it out? Has he measured the benefits of doing that?

**Mr. Ernst:** Mr. Chairman, yes, I have considered that.

A number of the activities, I suppose, if one was prepared to wait for some considerable length of time, and to be able to search out in the private sector the expertise required to deal with specific issues, I suppose a good portion of the balance of the department could be contracted out.

Some of the areas of briefings relating to a variety of things I do not think can be contracted out. I think it has to be a small in-house department. That is, in fact, what we have, a small in-house department. There are certain things that can be done better, more quickly internally because of either the size of the activity or the expertise required or the analysis required or the ongoing involvement, because the staff are not only doing the economic research. They are involved in many of the intergovernmental operative committees.

So from time to time they are running across the country meeting with their counterparts elsewhere to



deal with specific issues that you would find difficult to hire for on a contract basis because people are not always available at the time you need them to be available, nor are they particularly interested, I suppose from time to time, in some of the shorter-term kind of activities that are involved. So I think we have a reasonably tidy little unit here.

We hope and we think it will operate successfully. The people who are involved in the senior administration of the department feel that it is adequate to meet their needs. So we are advancing that in an expectation that it will be able to carry out the needs of the department. If it does not, then we have other alternatives. I suppose we can either do some contracting out if it is necessary or hire more people.

**Mr. Angus:** A final question on this area, as eliminating expenditures by the Government departments is not something that we should be considering, I would like to know how the Minister is going to measure the effectiveness of this department in terms of real results.

**Mr. Ernst:** The economic development, in general terms, is difficult to measure because sometimes the work that you put in now comes to fruition in five years time. (Interjection)- Except in that case, it did not. The Member for Brandon East (Mr. Evans) indicated that he said it came to fruition now. It was stalled in 1987 and never went anywhere during the last year of their administration because they could not get along with the federal Government. It took a change in Government to get the matter started up again, to get the matter happening and to have that economic development activity happen in Manitoba. So let not the record show anything else but the facts.

**Mr. Angus:** The way the Minister makes it sound, we perhaps do not need the administration at all. All we have to do is have the right Governments at the right locations at the right time and everything will magically fall into place. I hope that continues.

The question was: How do you measure the effectiveness of this department? How do you measure the effective results?

**Mr. Ernst:** As I said, in terms of economic development it is sometimes very difficult to measure success rates. In terms of strategic planning within the Government, I guess that measurement is done by the quality of work they turn out, the kind of information that they can provide, the speed with which they can provide it and the kind of general job that they do.

Much of that information is reviewed on a constant basis by senior management. It is provided, in fact, as information to senior management for line-type activities in certain cases, and again for the kind of briefing information and background information with respect to major issues that are occurring across the country. I guess in part 2 will be that if the information provided is measured up against the information provided to other provincial Governments.

In those interprovincial conferences that are attended and interprovincial meetings, you get a perspective of

where everybody is coming from and what information they have developed on their own. If we see ours is woefully inadequate, and so far it has not been—it has been excellent—but if we see it becoming inadequate, then we have to take measures to correct that. In terms of actual measurements, you are not able to say that 3,000 widgets were produced this week and 3,000 are produced next week. I think the Member for St. Norbert (Mr. Angus) understands that.

**Mr. Angus:** Mr. Chairman, I recognize that it is very difficult to measure the effectiveness of these types of departments, and that is why I find it quite surprising that, arbitrarily, the Minister has just at the snap of a finger decided that he does not need 10 of the planners and why he picked, you know, at that level. Notwithstanding that, he did allude to briefing notes and he alluded to briefing notes on various departments and studies. Are these briefing notes on activities within the department available to elected Members of the Legislature? Can they be made available? Is it a legitimate request?

I ask that in that I find myself being invited to talk on issues that affect this Minister's department and I find myself in a position of trying to, as opposed to give information about what departments do, trying to politicize the event and talk about things that I really have a limited amount of knowledge on. So, I wonder if briefing notes are available to other elected Members of the Legislature.

**Mr. Ernst:** Mr. Chairman, the short answer is no.

**Mr. Angus:** So much for openness. Mr. Chairman, I do have another question on this and maybe he can direct me. Is this the right place to ask the question as to whether or not they have done any studies on the impact of free trade on the economy of Manitoba?

**Mr. Ernst:** The short answer is no. When we get to the Trade Branch, that is the area that is dealing with those.

I just want to make one other comment in terms of Strategic Planning. Other departments of the Government all have Strategic Planning branches. The Department of Finance produces a great amount of information and statistics with which other branches—not all of the information is produced of all of the Strategic Planning Departments. Much of the information is produced in other departments and is available to ours in order to use that information to build into their operational plans.

**Mr. Angus:** I appreciate the fact that the Minister is relatively new in the job and this is his first process in catching the bullets, but undoubtedly it is a lot easier to throw the bullets than it is to catch them, so I appreciate that. If I appear to be antagonistic, it is not my natural desire to be antagonistic. It is a desire to find out how we should be tackling this sort of thing. On one hand, he suggested that the free trade road show comes out of this particular budget. When he is challenged on it, he says, oh, no, no, there are other budgets that it comes out of. This is only a part of it.

On the one hand, I stand up and ask him what these people do and he tells me they do financial implication studies, they do planning, they do this and that sort of thing, and the first question I stand up and ask him about strategic planning he says, oh, that really does not get done down here. People come in and say they want to build widgets but then they go off someplace else and get money. Then I stand up and I say, okay, wait a minute, there are things that you do; is this the sort of generally public information, and he says, no, it is not; it is strategic information.

I am having difficulty in finding out where the Minister is justifying any expenditures out of this department because they all appear to be fragmented through the rest of his department. Now that may be as a result of him amalgamating the departments when, in fact, it may have been a bad idea. I am having difficulty getting to the bottom of it. It was, I think, intended to be a positive move in the right direction and I applaud his initiative to try and do that but, unless he gets a better handle on what the reporting relationship is, what the value of this particular department is, what it is exactly supposed to do and how he is going to measure the effectiveness of it, then perhaps we should be looking eliminating it.

\* (1650)

So if he has any response to that, I would be pleased to hear it. If not, I suspect we have little to do but pass this on because there apparently are no answers in this department.

**Mr. Ernst:** Mr. Chairman, first of all, the Member for St. Norbert (Mr. Angus) ought to understand—and, yes, I admit freely that I am new at the job. I have been here three-and-a-half months, but let him not leave on the record the fact that it is fragmented, that it is not doing anything, that I do not have a handle on my department, that I do not understand what is happening, and that I am giving him mixed answers, because that is not the case, Mr. Chairman. That is not the case at all.

Let him understand that much of the questioning that he has been putting to me was for activities that took place not under my tenure, that I should not be expected to answer for the previous Government. I was not the Minister at that time and, quite frankly, also we are dealing with the Estimates of this year's expenditures. The questioning that the Member has provided has related little to this year's expenditure. It has been related to what happened last year, what happened in the '87-88 Adjusted Vote. That is where the majority of the line of questioning was coming from, as to what happened, who did this, why, what this expenditure was on and so on. And that is quite legitimate, that the Member needs to understand and find out where that information is coming from, but quite frankly I am not always able to answer those things because I was not the Minister at the time, nor was our Party in Government at the time. So the initiatives, actions, expenses incurred, etc., that were incurred under a previous Government, I cannot answer for and I do not pretend to be able to, Mr. Chairman.

With respect to the question of the free trade road show, it was run by Mr. Adams, who is the Executive

Director of this department. He was the principal actor for the administration and, by that, I am saying that was where it was run from, this area. Not to say all expenditures incurred in this area, it was run from this area is what I said and Mr. Adams was the person who was charged with that responsibility by the previous Government.

**Mr. Angus:** With respect, I think by examining what the department did in the past and relating it or trying to relate it to what the department is expected to do this time is very relevant to this year's budget or under this Minister's budget. I also would hope that when he stands up and says this is a strategic planning department, and this is a long-range planning department. He quotes things like economic environment and maintains and provides information of a general economic nature that we would be able to get some answers.

If he says that this is not the department that does it, he has a whole different department that does it on free trade and the impact of free trade on jobs, well then I come back and say well, what have you got these guys here for? Do you have different people in different areas of the Government running around doing different planning things? Is this particular think tank of people, who I am sure are qualified and I am sure provide a valuable service, but it seems to me, Mr. Chairman, that maybe just briefing notes to the Minister's press releases is not worth \$1.2 million.

**Mr. Evans:** Just to follow up the line of questioning by the Member for St. Norbert (Mr. Angus). The Minister is contradicting himself. He made a case about the—he referred to it as a road show, I would like to think it is more than a road show. All the analysis, I understood from his comments, on the impact of free trade was done in this branch. Now if that is the case, why can he not supply this committee, the Member for St. Norbert, the Member for Brandon East with what was requested which was, as I understand it, a copy of a report on the impact of the trade agreement on the province's economy. If that work was done, we would like to have a copy of it. I think that is what the Member for St. Norbert was asking. It is a legitimate place to ask it because the Minister just finished describing the work that was done on the whole trade debate out of this branch. Either it is done out of his branch or it is not. If it is done out of his branch, is a report available? I think this is the appropriate place to ask for that report right here under this branch.

**Mr. Ernst:** I will take the question as notice. I will investigate, and I will report to the next meeting of the committee.

**Mr. Evans:** We look forward to that. I have another specific question, and that is with regard to \$154,500 that is shown as Other under Salaries, and there was no item in this category in last year's Adjusted Vote. So I ask the Minister what is the \$154,500 of new expenditure for? I would wonder whether this is contracting out. I do not know what his answers were to contracting out, but it seems there is money for contracting out if that is what he desired. But there is

a large amount of money. Could he explain to the committee exactly what he is going to do with that money?

**Mr. Ernst:** Last January, the previous Government signed an agreement with the Manitoba Government Employees' Association that gave them job security until 1991. Those people awaiting redeployment within the department whose jobs have become redundant as a result of the restructuring of the department still have to be paid under that agreement. This money pays those people.

**Mr. Evans:** I thank the Minister for that information. Is there no money there available in this particular appropriation for contracting out for economic research? The Minister shakes his head in the negative. That means there will be no contracting out research in this particular appropriation of the department. Is that correct?

**Mr. Ernst:** Other than the \$154,000, no. The \$154,000 is the cost of those employees who are waiting redeployment in part because it is part-way through the year. There is no SY related to them, because there are no more SYs in the department, so to pay their cost while they are waiting up to and including the time that they are redeployed.

**Mr. Evans:** I understand that, but is there any—I do not see any money, and this is what I am trying to get a clarification of, to provide for contracting out by this branch. So therefore I would assume that there would be no contracting out of economic research by this branch inasmuch as there is no money provided for that.

**Mr. Ernst:** Under Supplies and Services, item under Other Expenditures, refer to that documentation, is \$198,000.00. Has the Member found that? Yes, there is \$140,000 contained in there for outside work.

**Mr. Angus:** Let me see if I have got this straight in my very simple economic brain, and those are my own words and I am sure they will come back to haunt me because that is the type of pie I find myself in on a regular basis.

We are paying \$154,500 to get rid of 10 economists—and maybe you can just explain to me how that works or why that works. Are we paying them to do nothing? Are they sitting around waiting for deployment? What are the circumstances on that? The second part of that question is we have an additional \$140,000 budgeted for the possibility of contracting out if we need it, again a \$290,000, close to let us say \$300,000, investment to get rid of 10 economists when it is a questionable move in the first place. That is where I am coming from.

\* (1700)

**Mr. Ernst:** It is an unfortunate area that you are coming from because what happens is, in this situation we have, those people were employed in the department from the first of April, the start of the fiscal year, until

the first of August, which was the date upon which the department was restructured. They have to be paid for that period of time. This is the money that pays them for that period of time. After that point, they are transferred to the Civil Service payroll, and then they are redeployed throughout Government. A number of them have been redeployed already into other departments. Some have not and will take some time to redeploy. You cannot compare one lump sum versus another.

I think it is unfortunate that the Member for St. Norbert (Mr. Angus) would want to make that comparison when we are dealing with a situation like this. These people legitimately worked for the Government, carried out legitimate activities within the Government, and quite legitimately needed to be paid by the Government according to the terms of their contract. The money has to be provided for. Because the department has been restructured and those staff years are no longer contained within the hierarchy of the department, the money has to be shown in a separate category from salaries relating to SYs.

**Mr. Angus:** I appreciate, Mr. Chairman, and if I may be able to just paraphrase for my own clarification, this \$154,000 legitimately probably would have been under professional and technical categories as an investment for the first part of this year when they were working in the department. It certainly makes me feel an awful lot better. I was a little concerned that there was a questionable cost, so I thank the Minister for that enlightenment.

Let me just get back to the \$140,000 for contracting out. The Minister did allude to the fact that there is a—I cannot remember the exact words—procedure for letting contracts out. I am not sure what that criteria is. I do know that, as opposed to a general tender, you have to sort of direct it into those people who have the expertise to be able to provide it, but I would like to be assured. I do not know if it is going to be made available to the committee or not, what the policy or the procedures for letting those types of tenders out. It should be fairly generic and general information. That is the first question.

The second question is: How do people get on that list to be able to bid on that work when they feel they have a degree of expertise in that area?

**Mr. Ernst:** First of all, generally speaking, the criteria is not hard and fast. We are not bidding on two-by-fours and cement. We are bidding on expertise of companies, people, individuals who have understanding of specific issues, particularly Economic Development issues, Tourism issues and things of that nature. When you go out to determine who can best supply your needs, you generally ask for proposals. Those proposals generally indicate the kind of expertise that a company has, what its abilities are and whether it can carry it out. Of course, with respect to the cost, generally speaking, those cost estimates are also provided. Of course, any contract over \$5,000 is approved by Treasury Board and ultimately Cabinet, so that there is not the small contracts that, contained within department, are at ministerial approval. The larger ones are by Treasury Board.

In terms of how you get on a list, most people who deal in those areas are known to the department. There are not a great many and very often they are seeking us out even if we do not have any work. It is not difficult to get on any list associated with the department. They generally notify us that they are available and if we need their expertise, we call on them.

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

Committee rise. Call in the Speaker.

## IN SESSION

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

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

**MOTION presented and carried.**

## PRIVATE MEMBERS' BUSINESS

### ADJOURNED DEBATE ON SECOND READING

#### BILL NO. 2—THE BUSINESS NAMES REGISTRATION ADMENDMENT ACT

**Mr. Speaker:** Debate on second readings, on the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 2, The Business Names Registration Amendment Act, standing in the name of the Honourable Attorney-General (Mr. McCrae), the Honourable Minister of Finance (Mr. Manness).

**Hon. Clayton Manness (Minister of Finance):** Would you leave that Bill standing in the name of the Attorney-General but, if there are any other Members of the House who wish to speak to it . . . .

**Mr. Speaker:** Agreed? (Agreed) The Honourable Member for Lac du Bonnet.

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Speaker, I certainly appreciate the opportunity to speak on this particular piece of legislation, as it is one that certainly has been discussed in great detail in this House.—(Interjection)—I believe this is Bill No. 2 we are speaking on.

One has to certainly identify a problem that has occurred in our province in the last number of months with the Brick Fine Furniture (sic) and the Brick family furniture. The Member for Elmwood (Mr. certainly shares a concern that we all have over what has happened in this particular matter, and this legislation is his proposal to us to settle the matter.

There are a number of concerns that I have with it that would indicate the haste with which this legislation was introduced to the House. In paragraph 3(1) of this

particular Act, I note that in Subsection 3(1)(e) there is not a verb in that particular paragraph, and it would be with great regret if this House were to pass this particular piece of legislation without at least those errors being corrected.

I think what gives me the greatest concern about this particular piece of legislation is it is designed to solve a problem that exists with one specific situation. The retroactivity which it introduces to solve that problem should give us all concern because, often when Legislatures pass legislation retroactively to solve one problem, we can create a host of other problems for those who have operated under the rules prior to this legislation being enacted. I think we have to move on this piece of legislation with great concern and I would hope, should this House decide that this Bill must go into committee, that the errors that I have pointed out, such as the lack of a verb, are corrected.

\* (1710)

As well, I think we have to give a great deal of thought to whether or not the provisions, which are rather onerous on a lot of operators who are not causing difficulty in the province, we are imposing retroactively would be onerous on them. So those are a number of the thoughts that I have at this time that I wanted to put on the record. I appreciate the opportunity to do so.

**Mr. Speaker:** It has been agreed that Bill No. 2 will stand in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 3, The Corporations Amendment Act, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

#### BILL NO. 13—THE MANITOBA HYDRO AMENDMENT ACT

**Mr. Speaker:** On the proposed motion of the Honourable Member for Flin Flon (Mr. Storie), Bill No. 13, The Manitoba Hydro Amendment Act, standing in the name of the Honourable Member for Transcona (Mr. Kozak). The Honourable Member for Transcona.

**Mr. Richard Kozak (Transcona):** I adjourned debate on this Bill on behalf of the Honourable Member for Niakwa (Mr. Dreidger), and I ask that he now be recognized and given the floor.

**Mr. Herold Driedger (Niakwa):** I believe that we have had in this House several questions directed to the Government with respect to certain aspects of the Free Trade Agreement, which are going to be coming into effect when the Act is signed.

I believe we on this side of the House have mentioned quite a few times and asked several times the wisdom of including, if not directly then by implication, the fact that certain of the energy supplies that we have, which we have from the few resources that we have, ample amounts of the water that we had talked about, which

was not specifically excluded in the Free Trade Agreement, other goods besides services which would end up having to be provided according to some proportionality. In this instance we also looked at the free trade Bill as it might affect the ability of Manitoba Hydro to make sales not only domestically, interprovincially, but also outside of the country.

We have seen recent editorials which pointed out that, because of Manitoba's rather unique position vis-a-vis the rest of the country, in comparison, say, to Quebec which does have big export sales to the U.S., the northeastern States of the U.S., we find that they are in a much better position to be able to supply these energies because, in the market that they are trying to invade or that they are actually competing in, they find that the alternate sources of fuel are very, very expensive. Consequently, they are able to negotiate quite favourable rates for their export sales.

We here in Manitoba being centrally located, the American market which we could conceivably compete in is reasonably sparse. The competing fuels with which we must strike deals are in plentiful supply and, because they are in plentiful supply, they are able to generally undercut anything we are able to come up with. Since, in general terms, hydro-electric stations tend to offer their firm power rates or their rates of power at about 80 percent of the cost of the alternative fuel.

We find that the Americans are able to, in this instance because coal prices have dropped considerably—when the firm power agreement that comes into effect in 1992 with NSP, the Northern States Power company, we will find that the revenues that we are going to get from them are going to be considerably reduced, considerably less. In that instance then, the Bill that we have here in front of us which asks, particularly in some of the sections that we are to be charging the American customer or the other country customer more than the price charged to purchasers in Manitoba and Canada under equivalent conditions of supply, is already something that cannot happen.

This particular Bill, some of the sections thereof, indicate that we are trying to close a barn door after the horse has already escaped. Although I applaud the direction that this particular Bill is attempting to strike out, because we on this side of the House wish to have Canadians be in total control of the resources that we sell, in total control of the people to whom we wish to sell, and also total control over the prices we wish to charge, this particular statement tends to tie our hands.

Furthermore, some of the aspects of this particular Bill that I am speaking about here, particularly Section 16.1(2) which indicates that "the corporation shall at all times ensure that the demand for power by Manitobans and the obligation to supply power under contracts to purchasers in Canada are met before meeting the obligation to supply power to a purchaser outside Canada," is again hastily drawn in my opinion. We have to take into consideration the fact that we, with hydro-electric stations, will never be able to actually produce 100 percent of the capacity of the generating station. This is due to a rather strange peculiarity of the way we generate the power. It depends entirely on the amount of water supply.

In very, very good years when there is ample water in the system, the generating station could probably produce 80 percent to 85 percent of its capacity. But under normal conditions, this tends to reduce to about 60 percent and, under dry conditions like we have right now, we probably would only be able to produce half of the capacity that the station is rated at.

When you say that the demand of domestic users is to take precedence over any external firm power sales, we have to ask ourselves a question about what is meant by a contractual obligation. When we state—and we did state that firm power sales to NSP for 500 megawatts of power—if the power is not there to supply, this is still a firm contractual obligation. We will have to meet this obligation before we tend to look to cutting back, say, on delivery of power to domestic users.

"Firm" means exactly what that word implies. You do not deviate from the number. These are the two sections within this particular Bill which I tend to find just a little bit restrictive of our ability to choose the buyers of the power which we may find available for sale.

Something else that tends to come up in this particular Bill which perhaps is a fault of my not having legal training, I seem to understand that at this moment in time sales of surplus power which are surplus to our present needs are frequently put up on the open market and sold as interruptible power to whoever wants it at the time. This power comes to very, very small numbers of dollars because it is a situation of you are competing and you undercut whoever else can supply the power and you sort of bid your price down. This is happening at this moment in time.

\* (1720)

When I read the original Act, it seemed that the requirement for Hydro to meet the costs of its production to be covered in the costs charged to the people it supplied the power to, that these particular costs—this was an instruction, but it did not cut out or did not deny the ability of the utility to try and get whatever it could for what surplus power it had at the time because, if you did not produce the power, then at that particular point in time you would probably spill water over the dam and not be producing any power at all. So you may as well get some monies from what you sell. If we go back to the instruction of this bill which says that the price to be charged to external buyers must always be higher than the price charged to domestic purchasers, it puts us again in a position where we may not have this flexibility. Rather than spilling water, surplus power could be sold on the open market for whatever we could get. This then is interruptible power and not firm power.

Furthermore, in taking a look at this particular bill as to the intention that it is to try and prevent us from making export sales to the U.S., it does again, as I said earlier, tend to tie the hands of the utility, it tends to tie the hands of the Government. Rather than giving us a maximum number of options, it tends to reduce them, and this is an area in which I would not want to see our Government or the utility to be placed. Yes, I

agree with the intent. We must clearly see to it that we have total control, particularly after the free trade Bill has been passed, if it does come to pass, that it will become the law of the land, that we do have the right to charge what we want, to sell to whom we want whenever we want for how much we want, and that also we have a way of getting out of these particular agreements.

This particular bill, as it is presently worded, has two sections in it which I think tends to deny us this flexibility. I am sure that other speakers, when they have the opportunity to speak to this, may wish to either introduce an amendment to this to take care of that, but I will leave this to them to do. Thank you.

**Mr. Harry Enns (Lakeside):** Unless anybody else wishes to speak, I would like to move, seconded by the Minister of Agriculture (Mr. Findlay), that the debate be adjourned.

**MOTION presented and carried.**

**Mr. Speaker:** On the proposed motion of the Honourable Member for Elmwood (Mr. Maloway), Bill No. 16, The Real Property Amendment Act, standing in the name of the Honourable Attorney-General (Mr. McCrae). (Stand)

### **BILL NO. 18—AN ACT TO INCORPORATE THE MANITOBA MOTOR LEAGUE**

**Mr. Speaker:** On the proposed motion of the Honourable Member for Gimli (Mr. Helwer), Bill No. 18, An Act to amend An Act to Incorporate the Manitoba Motor League, standing in the name of the Honourable Member for Assiniboia (Mr. Mandrake).

**Mr. Ed Mandrake (Assiniboia):** We, in the Official Opposition, do support this Bill and we reserve further comment for committee consideration. Thank you.

**Mr. Darren Praznik (Lac du Bonnet):** Mr. Speaker, as the Seconder of this Bill, I would like an opportunity to say a few words.

Mr. Speaker, it is certainly an honour for me to have the opportunity to second this particular Bill, moved by my colleague, the Member for Gimli (Mr. Helwer). The Manitoba Motor League has certainly played a major role in the lives of Manitoba motorists for many years. I think the essence of this Bill is to remove, under their particular piece of legislation, the limitation on the amount of business that this particular corporation can do. We certainly know that the limit that was in place under the existing legislation has probably been far exceeded by the Motor League over the past number of years, and now is a fine opportunity to update the legislation to accommodate this most noteworthy organization.

For those of us who have had the privilege of being members of the Manitoba Motor League and utilizing their service, whether it be for an unexpected tow job or whether it be for travel assistance or any of the other services that they offer, we certainly know that

they are fulfilling their mandate to Manitobans in the work that they do, so I would certainly hope that the Members of this Assembly will support this particular legislation to update the statute for the Manitoba Motor League. Thank you, Mr. Speaker.

**Mr. Harry Harapiak (The Pas):** I would like to move, seconded by the Member for Churchill (Mr. Cowan), that debate be adjourned.

**MOTION presented and carried.**

### **RES. NO. 3—SOURIS RIVER DAM PROPOSALS**

**Mr. Speaker:** On the proposed Resolution No. 3, Souris River Dam Proposals, the Honourable Member for The Pas.

**Mr. Harry Harapiak (The Pas):** Mr. Speaker, I am pleased to present the following Resolution, seconded by the Member for Churchill (Cowan).

WHEREAS the proposed Rafferty and Alameda Dams on the Souris River will affect water quality and water quantity on the river; and

WHEREAS a Souris Basin Development Authority Liaison Committee was set up in 1986 by Saskatchewan, with Manitoba naming representatives in May of that year; and

WHEREAS after over two years that Committee has still not had an initial meeting; and

WHEREAS the Manitoba Government formally requested the federal Government to ensure that Manitoba's technical concerns over the dams be met before any approval of the project; and

WHEREAS the federal Minister of State for External Affairs stated that his Government would ensure these concerns would be met; and

WHEREAS the federal Government invited Manitoba to nominate members to the Canadian delegation that will negotiate with the United States regarding the international component of the project; and

WHEREAS the Province of Manitoba, as a downstream recipient of the waters of the Souris River, has every right to be concerned about water quality and quantity; and

WHEREAS the Souris River is the main surface water source for the southwestern corner of Manitoba; and

WHEREAS the current drought affecting large portions of rural Manitoba makes the issue of water quality and quantity extremely important, both for the agriculture industry and for residents of rural Manitoba; and

WHEREAS despite the need for full environmental studies on the impact of the proposed dam, the federal Government has suddenly approved the project without demanding environmental studies; and

WHEREAS the Manitoba Government has refused to take a public stand on this issue of importance for the environment of this province.

Thursday, August 25, 1988

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba call on the Government of Manitoba to demand that the federal Government call full public environmental hearings on the impact of the proposed dams on the Souris River; and

BE IT FURTHER RESOLVED that the Assembly direct the Clerk to send a copy of this Resolution to the Federal Secretary of State for External Affairs and the Federal Minister of the Environment.

**MOTION presented.**

\* (1730)

**Mr. Harapiak:** I am pleased to have an opportunity to speak on an issue that is important not only to the citizens of Manitoba but also it affects the quality of water in the Province of Saskatchewan and also the States. It not only affects two provincial jurisdictions but it also affects two countries.

All citizens are concerned about issues involving the environment. However, it is only people in positions of authority who can enforce the environmental laws and ensure that all citizens have access to water that is safe to drink and that businesses operate in a manner that does not pollute the environment and that the workplaces are made safe for the employees who operate in those plants in this province.

When I first raised the issue of the Rafferty-Alameda Dam on June 23 of this year, I was surprised that the new Minister of the Environment (Mr. Connery) knew very little about the project. We tried then, as we have done since on a number of occasions to bluff the problems, that he has tried to bluff his way, that there are no problems and everything is under control. So we need not worry about the Rafferty-Alameda Dam.

Perhaps even more surprising was the fact that he had no excuse then and even less of an excuse today for his lack of knowledge. The previous administration had over the two-year period, prior to the new Government taking over, the previous administration had been negotiating with the federal Government and the representatives of the Manitoba Government for over a two-year period.

If the Minister had been consulting with the environmental groups, as we had suggested earlier today that he consult with the environmental groups and set up a good working relationship, then he would have known then or possibly even his department could have informed him of the concerns of the project of how it will be affecting the water quality and water quantity that is coming into this province. He should realize that the water quantity will be reduced when this project goes into effect. Certainly, it will result in higher concentration of pollutants in the water and that includes agricultural chemicals, sewage disposals, and also there will also be increased algae growth in the water as well which would cause greater problems along the way.

It was for these reasons that the previous administration had consistently requested the federal Government to protect Manitoba water quality and

quantity in all the discussions that we had taking place with the federal Government. As a matter of fact, my colleague for Dauphin was assured on a number of occasions by the federal Minister of State for External Affairs, the Honourable Joe Clark, that Manitoba's interests would be protected.

As a matter of fact, the Minister then responsible for the Department of Natural Resources wrote to Mr. Clark on December 21 of last year telling him that we were pleased with the role that External Affairs and the Environment Department was playing in bringing the two countries together in negotiating to make sure that the concerns of both the United States and Canada would be expressed and given an opportunity to share their concern.

There was a lot of cooperation going on with both the federal Environment Department and the United States Department that were involved with the negotiations, and we felt that things were going quite well, especially when we received assurance from the Secretary of State, the Honourable Joe Clark, that he understood fully the interests of Manitoba and that he was concerned. He shared the concern that we, as a downstream recipient of the water that would be coming from the United States and from Saskatchewan with the new projects in place, that there was some concern for the quality of water.

So he assured us that all of our areas of concern will be taken into consideration before any approval was given to the project to proceed. I guess that is what surprised us when we learned a few months later that, on June 22, the federal Government had silently approved the Rafferty-Alameda project, that the Minister of the Environment (Mr. Connery) for this province accepted that approval without raising any concerns for the citizens of the Province of Manitoba. He accepted that decision without raising any concerns for the province.

I was extremely surprised that the Member for Arthur, the Minister of Northern Affairs (Mr. Downey), did not raise any concerns because, prior to us forming Government, he was the person responsible for several meetings that were held in his area, talking about the effect that this project would have on Manitoba. As a matter of fact, he said it would be unacceptable to have any reduction in the water quantity that is coming into the community of Souris so, when he was a Member of the Opposition, he fought that very strongly. He was concerned at the time, and I am wondering what happened to that concern after he became a Member of the Cabinet in May of last year.

Since then, there have been numerous occasions in which the Minister has had the opportunity to either raise the concerns of the project or else to try and reverse the position that the Manitoba Government had taken or the support they had given the project, but he has refused to act on the behalf of Manitobans.

According to the Minister of the department, I guess he is saying, by his lack of action, there are no concerns to the province so they are going to go ahead. Since that time, there are several issues that the Minister of the Environment (Mr. Connery) has not taken due

consideration for, on behalf of the people of Manitoba. On each of these occasions, the response has been that either the Members of the Opposition are fearmongering or else they are trying to score political points by raising issues that are of grave concern for the environment, of grave concern to many citizens of the province. I think that it should be recognized, when Members of the Opposition are raising these issues, that they are not doing it because they are wanting to fearmonger or make political points. I think it is of grave importance to Manitobans, and that is why we are raising those issues.

According to the Minister, the department can run itself. His downgrading the department or amalgamating it with other departments has given further evidence as to the lack of concern he has for the environment of Manitoba. I think it was further shown that he has a lack of concern for the environment when they fired a very competent Deputy Minister who was very knowledgeable about environmental issues in the province. They let him go and they replaced him with one who is not as aware of the environmental issues as the previous Minister was.

On all these occasions, the Minister has always tried to bluff his way out by saying that the environmental issues are not—he is deeply concerned. That is all he is saying about them, he is deeply concerned, but his actions certainly have not supported his words. I think that he better take the time to inform himself.

\* (1740)

He has displayed a lack of genuine action on the Rafferty-Alameda Dam. We have raised that on several occasions and he has displayed a lack of concern on that issue.

He has also displayed a lack of concern on the transportation of the processing of hazardous waste. He brought up the fact the other day that the oil spill in The Pas had taken place and, even though the land was very porous there and he was concerned about it spreading, he says that I should have been aware of it earlier because it had been happening. If it had happened two months ago, what has he done about making sure that the water for the nearby community of Umpherville is not being affected?

He has not moved in any action and I would suggest that the best thing that the Minister could do is resign, as I had suggested to him earlier in the day. If he has a lack of concern for all areas concerned in environment, then he should be resigning and letting someone—and I think that the Premier should look into this—

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

**Mr. Harapiak:** I think that the Premier (Mr. Filmon), who is a former Minister responsible for Environment (Mr. Connery), should take a greater interest in this area of the environment and check what his Minister is doing. I think that he should be aware that Manitobans are deeply concerned about environmental issues. I would suggest that he would hand out one of those pink slips that the Minister has been going around and

threatening his staff with. I would suggest that the Premier would give the Minister of Environment the pink slip that he was giving to many members of his staff.

The Rafferty-Alameda project will significantly alter the water flow of the Souris River. It will affect both the quality and the quantity of the water flow. The recent report of the U.S. Army Corps of Engineers rejected the study that the Saskatchewan Government had done on the water quality as it being highly simplified, lacking in credibility and that we are drawing the wrong conclusions.

We have copies of the study that was done by the U.S. Army Engineers and it shows in there that there is a need for Manitobans to be concerned about the discharges that will be happening in—that points out all of the area that we need to be concerned about, how the water quality and quantity will be affected. They are saying that they have concerns about the water going into the United States and, as a matter of fact, they point out that Manitoba should be concerned about the water quality that is going to be coming into this province. When a group of this sort comes out with a study and the conclusions that the water quality and quantity is going to be affected, then why should we as Manitobans not be concerned as well.

So I think the Minister should be calling on a complete review, environmental review, on how Manitoba's waters will be affected. The U.S. Fish and Wildlife Service has determined that the water quality of the Souris River will be severely affected as well. It says by building up the Rafferty Dam and the reservoir, the report states it has concerns over the effect of the project and water quality leaving the States for Manitoba. The U.S. fishing and wildlife, as well, has carried out a report which shows that there will be an effect on the water quantity in the Souris River basin.

The project will break the Boundary Waters Treaty which calls for nondegradation of water passed to Canada. It is absolutely appalling that a Manitoba Cabinet Minister would continue to support such a project. The Army Corps of Engineers report stated that any future conditions under which the Canadians exercised their right to 50 percent of the basin run-off would result in a radical change to the totally dissolved solids loading regime downstream from the project. Furthermore, any change in the quantity of water will again affect the solids that are going to be going down through the water supply. Some of these major pollutants of the water will include sulphates, sodium, chlorides, carbonates, potassium, magnesium and silica.

It is expected that the pools will degrade quality in the form of increased neutrates (phonetic) loading as a result of the project, and the effect on Manitoba will be similar. The Boundaries Water Treaty calls for nondegradation of water passed to Canada. This requirement will not be satisfied when decreased water flow regimes take place in practically 10 months of the year. There will be—Mr. Speaker, I just want a minute to complete my words.

**Mr. Speaker:** Does the Honourable Member have leave, one minute? The Honourable Member's time has expired. The Honourable Minister of Natural Resources.



**Hon. Jack Penner (Minister of Natural Resources):** It is certainly interesting to look at the resolution that the Honourable Member has put before the House. I find it rather interesting that the emphasis that the Member has put on the quality and quantity of the waters that will be flowing down the Souris River.

I, however, do agree with the Honourable Member that there will be an effect and that there is an effect, but I think you need to go back in history a wee bit. If you look at the drought situation of similar proportion that we are incurring today, that we incurred during the Thirties, you would realize that the Souris River probably did not flow any water and that the communities that now exist along the Souris River would be either hauling water, and the farmers that farm along the Souris River Valley would be hauling water to supply their livestock and other needs. I say to you, Mr. Speaker, that if we are going to raise the kind of anxieties and concerns that have just been expressed by the Honourable Member via introduction of the resolution that he has just put before this Assembly. If those same kinds of anxieties had been allowed to persist when previous and prior projects were constructed, the Town of Souris would not have water today.

If it were not for the existence of Lake Darling, a man-made lake that allows the flow of water to be regulated down the Souris River, and it allows for at least 10 cfs. of water to flow via the 1959 agreement down the Souris, we would have a situation bordering on disaster. I would suggest to you that the quality of water that is retained in sloughs and little ponds that are prevalent on the Souris, that are used by farmers, if and when they become stagnant, the quality of water deteriorates very quickly. I would suggest to my honourable friends across the way that the deterioration of stagnant water should be of a much more serious concern to this Assembly than the construction of another structure that will retain water and drought-proof an area.

\* (1750)

We have simply in this province, as has Saskatchewan, not paid enough attention in the past to constructing those kinds of water retention mechanisms that we should have to drought-proof the southern portions of the Canadian Prairies. Had we done that we would not face the disastrous sort of situations that we might well face if we have another winter without snow, another spring without river flows and another summer without rain.

I would suggest to the Honourable Member that the concerns he has expressed about the quality of water and the quantity of water are valid concerns, and I have those same concerns. For that reason, we have made every effort to assure ourselves that the quality and quantity of water that is flowing and will flow down the Souris River will be of such an extent and quality that we can live with and that our communities can exist on.

My staff has met on numerous different occasions. It surprised me that the Honourable Member indicates

in his resolution that Manitoba is not involved in the discussions. If they were not, then I simply do not know why some of my staffpeople have made three different trips on three different occasions since I came into office to discuss the very matter that is at hand here.

If the Honourable Member would have paid some attention, while he was in office in the previous administration, to maintaining and assuring themselves that they would have representation made at those levels where the decisions are made either on the American side or the Canadian side, he would not express the concerns that he does today.

There are again, as I said before, concerns on this side of the House, and we met only today with the Deputy Premier of Saskatchewan and his staff to discuss those very concerns. We discussed on numerous other occasions with Canada our concerns regarding the quality and the quantity of water. I find it difficult to listen to the criticisms that are continually being extended to our Government and especially the Minister of the Environment (Mr. Connery).

On this matter, first of all let me say that Manitoba has the ability and will have the ability to expect larger flows of water and better controlled flows of water down the Souris River, if and when the Rafferty-Alameda project is finished, because there will be another dipper full of water that we can draw from.

An indication of that is, just about two months ago—not quite two months ago—the towns and villages along the Souris River were, as I said before, without water or virtually without water. We asked our American friends whether it would be possible for them to increase the flows. You must remember that we have an agreement with the Americans that will give us a maximum of 10 cfs. flows during some parts of the year and less in other. Well, our American friends conceded that we were in trouble and actually flowed 30 cfs. of water down that stream which recharged, refilled those retention areas that those communities and individuals, farmers, could again draw water from.

I find it difficult to accept the arguments that have been made based on a statement made here a little while ago, that the U.S. Fish and Wildlife indicated that the water quality would be seriously affected. The correspondence that I have—and it appeared that he was reading from the same document that I read from. The correspondence that I have received indicated that the U.S. Fish and Wildlife Association indicated that there might be some deterioration of quality. There might be some.

That does not appear to me to be of a serious concern. That should not deter us as Manitobans from doing everything in our power to assure ourselves that the quality of the water that comes into this province is of such a nature that we can use it in comfort. For the Honourable Member opposite to expect us to expend large amounts of money to do another environmental impact study—which will accomplish what? I ask you, what would it accomplish in the final analysis when we already know that our North Dakota friends are doing exactly that kind of an environmental impact study which will be finished at the beginning of September?

I fully believe that our American friends are as concerned about quality of water and quantity of water as we are. I think it is about time that we on this side of the border accept the fact that we all want to exist in an environment that is safe. For that reason, I have full trust that the Americans, in the environmental impact study that they are about to complete, will indicate that the water quality in the Souris River is going to be of such a quality that we can accept. I assure the Honourable Member again, that we will do everything in our power to assure ourselves of the quantity of water down that river basin.

However, Mr. Speaker, I think it is time that we recognized one other aspect in regard to this resolution. The Honourable Member has referred, in one part of the resolution, to the extreme drought situation that we are incurring. I want to remind our honourable friend across the way that they had six years, six years, to put in place a structure on the Souris River that would have stored water on the Souris. They have had six years to do an environmental impact study, two whole years to initiate it on their own, because we knew two or three years ago that the Rafferty-Alameda project would proceed and we did not do anything.

Now within three months they want us to have done everything. We are going to and I say to you, Mr. Speaker, that we have probably done more in the last three months than our honourable friends across the way have accomplished in six years. I want to say to our honourable friends across the way that we are moving towards exactly what I said a little while ago,

drought-proofing, and putting in place a water strategy and a soil strategy of which all Manitobans will be proud. The environmental impact and the impact studies that our friend in his resolution has referred to will be addressed.

There are other things that I think we could speak long and loud about, but I think it is time that we recognized the economic dilemma that those of us face who live in a drought-stricken area, and the people in the Souris River Valley are some of those people. The people of the Souris River Valley simply deserve to have a properly regulated and a guaranteed flow of quality water to supply their communities.

**Mr. Harold Taylor (Wolseley):** Mr. Speaker, I note the hour is very near six o'clock.

I move, seconded by the Honourable Member for Transcona (Mr. Kozak), that debate be adjourned on this resolution, being Resolution No. 3.

**MOTION presented and carried.**

**Mr. Speaker:** Order, please. Is it the will of the House to call it six o'clock? (Agreed) When this matter is again before the House, the Honourable Member for Wolseley (Mr. Taylor) will have 15 minutes.

The hour being six o'clock, this House is adjourned and stands adjourned until 10 a.m. tomorrow morning (Friday).