

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 3 July, 1986.

Time — 2:00 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

University of Manitoba - funding to

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker.

Madam Speaker, there are reports, as a matter of fact, the Dean of Engineering, Dean Kuffel, who is one of this government's appointees to the Manitoba Hydro Board, is quoted as saying that as a result of a \$300,000 budget cut the faculty's professional status is at risk as a result of course reductions and a threat to their accreditation.

I wonder if the Premier is prepared to investigate and personally take action to ensure that the Faculty of Engineering does not lose its accreditation status.

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, the matter of the operations of the university are a responsibility of the Board of Governors of the university. What we are faced with insofar as funding of post-secondary education and health is precisely what this government has been warning for the last two years — two years and more — that by way of reduction, insofar as the rate of growth of established program funding, the reductions in the years to come, there will be a number of strains, Madam Speaker, insofar as the health and the post-secondary education system. The university is an autonomous body. It is a responsibility on the part of the university to attempt to ensure that they utilize the funds that they receive in as reasonable and sound way as is possible.

MR. G. FILMON: Madam Speaker, the government's revenues in the Budget show that the province's revenues are up over 8 percent this year; that EPF transfers from Ottawa are up 6 percent. Will the Premier get involved to ensure that the Faculty of Engineering does not lose its accreditation and stop just responding with fed-bashing?

MADAM SPEAKER: May I remind the honourable member that a question should not repeat in substance a question that's already been answered.

The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, the Premier did not respond to the question that I asked and so I have asked the question: will he get himself involved personally to ensure that the Faculty of Engineering does not lose its accreditation status?

MADAM SPEAKER: I will finish that Beauchesne citation. It also includes, ". . . or to which an answer has been refused."

The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, the Premier did not refuse to answer my question. He did not answer my question; he answered a different question.

I'm asking him a specific question: will he personally ensure this House that he'll get involved to ensure that the Faculty of Engineering does not lose its accreditation status?

MADAM SPEAKER: May I also remind the Honourable Leader of the Opposition of Beauchesne Citation 363, which says, "An answer to a question cannot be insisted upon, . . ."

MR. G. FILMON: My question to the Premier is: is he refusing to answer my question?

HON. H. PAWLEY: Madam Speaker, these are strange sounds coming from the Leader of the Opposition who objected violently to the increased tax, insofar as the banks were concerned in the Province of Manitoba. They screamed loud and heavy, Madam Speaker, insofar as the size of the deficit and said the size of the deficit must be reduced in the Province of Manitoba.

It's strange coming from the Leader of an Opposition whose members have sought, during this Session, increases by way of the spending of at least \$100 million. Madam Speaker, you can't ride both sides; you have to decide where you stand. It is time that the Leader of the Opposition determined that for himself.

MR. G. FILMON: Madam Speaker, are we to assume then that the Premier is on the side of losing the accreditation of the Faculty of Engineering?

HON. H. PAWLEY: Madam Speaker, unlike the Leader of the Opposition who appears to be unable to take a position in respect to the cuts by way of transfer payments from the Federal Government, this government knows clearly where it stands insofar as the university, the autonomy of the university, the fact that this government has provided increases to the university at a rate that is comparable over the last five years to what has happened elsewhere in Canada and at a rate higher than the Consumer Price Index.

MR. G. FILMON: Madam Speaker, in view of the fact that the university, by way of its president, has said

that this government is guilty of hypocrisy by inadequately funding the University of Manitoba, while expressing a commitment to post-secondary education, will he now get involved to see what the problems are and to assure that the accreditation is maintained in Engineering?

HON. H. PAWLEY: Madam Speaker, to operate a responsible and prudent government is not to write out blank cheques.

In addition, it is a recognition that there is responsibility . . .

MADAM SPEAKER: Order please, order please.

HON. H. PAWLEY: . . . at other levels, including the level of the university, including the level of hospital boards, there is responsibility there along with fairness and reasonableness insofar as allocating the resources that are available.

That, Madam Speaker, you can't have it all ways, which the honourable members across the way would like to have it — all ways. We are not magicians. Honourable members may pretend they're magicians, but you can't have it all ways, Madam Speaker.

MR. G. FILMON: Madam Speaker, is the way that the Premier wants it then, that the Faculty of Engineering should lose its accreditation?

HON. H. PAWLEY: Madam Speaker, just so that the Leader of the Opposition can be properly informed and update himself, I would ask the Minister. The Minister of Education will provide the Leader of the Opposition with some valuable information that apparently the Leader of the Opposition has failed to pick up.

MADAM SPEAKER: The Honourable Minister of Education.

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

In reference to the Leader of the Opposition's question, I point out that the \$300,000 figure and the prospect that the accreditation will be in jeopardy again is only a prospect. There have been no final decisions, Madam Speaker, and we're talking about a sum of \$300,000 within a university budget of \$165 million or approximately thereof.

I want to point out to the Honourable Leader of the Opposition and members opposite that the increases to the universities in the Province of Manitoba have been approximately 35.5 percent at a time when inflation is 32 percent. Madam Speaker, we are funding the universities to inflation and better, and I remind members opposite that they were the ones that have sat on their hands when we said that Bill C-96 which proposes GNP, minus 2 percent, was going to hurt the province. I want to point out, Madam Speaker, the Leader of the Opposition . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please.

HON. J. STORIE: . . . has made reference to the increase in revenue to the Province of Manitoba. I'll

leave aside the issue of where that revenue increase came from. It was provincial sources, not federal. I remind the Honourable Leader of the Opposition that apart from the operating increase that the University of Manitoba received, it has also decided to increase tuition which is going to give it an increase in total operating capital expenditure of approximately 3.76 percent.

I point out, Madam Speaker, that we have also provided miscellaneous capital. We have also provided the University of Manitoba with a debenture that's worked through the Province of Manitoba for \$10 million in additional capital, which comes to an increase to the University of Manitoba of 10.7 percent, when you consider all of the revenues that are being transferred to the University of Manitoba or their revenue potential.

So, Madam Speaker, the increase to the University of Manitoba has been fair; no final decisions have been made and they won't be made.

MADAM SPEAKER: The Honourable Leader of the Opposition with a question.

MR. G. FILMON: Madam Speaker, given the answer of the Minister of Education, is the Premier then prepared to accept that position and let the Engineering Faculty lose its accreditation?

MADAM SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Madam Speaker, let me point it out to the Leader of the Opposition, who apparently has not listened closely to what the Minister of Education has informed the House, regrettably, if he has listened will know that this government is not letting the Engineering Faculty lose anything. In view of the fact that we are dealing with \$300,000 of a total of \$165 million allocation, in which the University Board — through the autonomy that honourable members across the way have long shouted about the importance of the autonomy of the university — has the right and the ability to allocate and redirect and repriorize as they deem fit.

MR. G. FILMON: Madam Speaker, if the budgeting process of the university does not allow the flexibility for the Engineering Faculty to get the money that it needs to maintain its accreditation, is the Premier prepared to offer external funding support as was done in 1980?

MADAM SPEAKER: Could the honourable member please rephrase his question? That one was hypothetical.

MR. G. FILMON: In order to address the concerns that have been expressed by the Faculty of Engineering, is the Premier prepared to offer additional external support to the faculty to allow them to maintain their accreditation?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Madam Speaker, the member opposite obviously knows that the accreditation of the

Engineering Faculty has been a question prior to this year; and I point out that this government has provided funding to the university which has exceeded in inflation, something that was not the case when its accreditation was in danger previously.

I pointed out to the member that those decisions have not been made and that within a total budget of \$165 million, if the university, the president, the administration and the Board of Governors believes that the accreditation of the Engineering Faculty is important, it will not be jeopardized.

MR. G. FILMON: Madam Speaker, my question to the Premier is not whether the university thinks it's important, it's whether the Premier and this government thinks it's important.

MADAM SPEAKER: That question asks for an opinion.

Health care facilities - contracting out of services

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you Madam Speaker. My question is for the Minister of Health.

Can the Minister of Health indicate whether contracting out of the various health care facilities throughout the province for services that could be provided in food services, etc., etc., is allowed by his department?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Some contracting out has taken place. The direction that we've given the hospitals, if there was any loss of jobs and that they could not do it without permission of the Manitoba Health Services Commission.

MR. D. ORCHARD: Madam Speaker, given that a number of health care facilities in the province are operating deficit budgets as of last year, and that their increase this year appears to be insufficient . . .

MADAM SPEAKER: Question.

MR. D. ORCHARD: . . . to prevent running a deficit again, will they be allowed to contract out in areas where they can obviously save dollars and reduce their deficits in those facilities?

HON. L. DESJARDINS: We do not feel that there will be savings in dollars without the reduction in standards and in care, and we're definitely very much against this kind of operation at the expense of the workers in the hospitals.

MR. D. ORCHARD: Madam Speaker, contracting out, where it has taken place, has provided the standards set by . . .

MADAM SPEAKER: Question.

MR. D. ORCHARD: Madam Speaker, may I pose a new question to the Minister of Health?

HON. L. DESJARDINS: Go ahead.

MR. D. ORCHARD: Thank you, Madam Speaker.

In facilities which are using contracted out food services, the standards meet the qualifications of his department; the patients are well cared for . . .

MADAM SPEAKER: Does the honourable member have a question? Question period is not a time for delivering information, but to seek information.

MR. D. ORCHARD: Madam Speaker, I believe on a new question, a short preamble is permitted.

A MEMBER: It used to be under the old rules.

MR. D. ORCHARD: Madam Speaker, given that contracting out in facilities where they are undertaking same has allowed food services and other services to meet his commission's standard of level of care and has allowed the boards and the management of those facilities to achieve substantial savings in their budgets, is the Minister now saying that any of those management decisions are now disallowed by this new directive of his department?

MADAM SPEAKER: The Honourable Minister of Health, to the same question.

HON. L. DESJARDINS: I'm saying very clearly that we do not favour privatization in the health field and we never will.

I'm saying that I'm ready to debate that during the Estimates.

Consumer-manufacturing disputes - protective legislation

MADAM SPEAKER: The Honourable Member for Riel.

MR. G. DUCHARME: Madam Speaker, my question is to the Minister of Consumer and Corporate Affairs.

As an alternative to a court ordered settlement of consumer-manufacturer disputes, the Province of Ontario has established the Ontario Motor Vehicle Arbitration Plan, or otherwise known throughout North America as the "Lemon Law." Inexpensive arbitrators and not expensive lawyers are hired under this program and have the powers to make binding decisions regarding alleged defects in motor vehicles.

Madam Speaker, to the Minister, could the Minister indicate whether his government would be prepared to introduce similar legislation to protect the Manitoba consumers?

MADAM SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. A. MACKLING: Madam Speaker, the short answer to that would be certainly we, as a very progressive government, would be prepared to look at

any system that appears to have merit for consumers in Manitoba.

I would also like to point out that in Ontario, of course, they have the insurance jungle that they don't have here in Manitoba, because we have the most efficient and most low-cost automobile insurance scheme in North America.

MR. G. DUCHARME: Madam Speaker, could the Minister please explain in regard to the settlements — this is in regard to the settlements, nothing to do with insurance, this is arbitration of buyers — could he kindly explain why his particular similar legislation has not been considered for the protection of Manitoba consumers, and would he not now give some consideration to such a proposal?

HON. A. MACKLING: Madam Speaker, I gather that the honourable member is talking about an area in respect to the purchase and sale of automobiles. Of course, as I indicated in my earlier answer, certainly we would be prepared to look at any system that is considered necessary to assist in providing fairness in the marketplace.

I would remind members that government interventions by way of regulation are something that you don't do very quickly or half-heartedly, because it's very popular in this country for Conservative politicians to be talking about deregulation rather than regulation.

MR. G. DUCHARME: A final supplement to the Minister, to clarify the question again.

The arbitrators in Manitoba — or when he decides to bring in this type of legislation — will they be able to decide the final settlements and will these decisions be binding?

MADAM SPEAKER: That question is hypothetical.

Legal Aid - welfare recipients re maintenance orders

MADAM SPEAKER: The Honourable Member for St. Norbert.

MR. G. MERCIER: Madam Speaker, a question to the Attorney-General.

Madam Speaker, I would ask him if it is still his policy and his Legal Aid Board not to grant legal aid certificates to recipients of social assistance in maintenance enforcement or collection?

MADAM SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: No, Madam Speaker, for about the last 12 months, perhaps a little longer, we have been granting legal aid on a pilot project basis to do an evaluation of the effect of granting legal aid in this particular circumstance, to address some of the questions that have been asked, to address some of the hypotheses that have been assumed about the effectiveness of granting legal aid in those circumstances.

I expect a final evaluation in the near future and will be able to deal with the matter more fully in terms of

the long-term policy of the department when we get that evaluation.

MR. G. MERCIER: Madam Speaker, a supplementary to clarify the answer, then, of the Minister.

Madam Speaker, is the Minister indicating that a cost benefit study is taking place in order to determine the amount saved on social assistance versus the amount of the cost of providing the service?

HON. R. PENNER: That's but one aspect of evaluation. Another aspect of the evaluation is subjective in the sense that it asks the question of how many of the applicants for legal aid, because of legal aid, for maintenance really are voluntary applicants, that is, really wanted to take the case to court.

Another aspect of it is the question of whether or not an order, once obtained, is effective. That relates partly to the cost benefit in the sense of realizing anything as against the cost of obtaining judgments of that kind.

Family Maintenance Act - amendments re divorced and separated women

MR. G. MERCIER: Madam Speaker, a new question and final question.

A number of recent reports, including I believe from California and from the Advisory Committee on the Status of Women in Manitoba, have given some evidence that a woman's financial and economic circumstances after separation or divorce is much worse than the male spouse's economic situation. Is the Minister examining those reports with a view to introducing amendments to The Family Maintenance Act in order to improve a woman's financial circumstances after separation and divorce occur?

HON. R. PENNER: I believe there is some evidence that situation is also true in Manitoba, namely as a result of court awards, it is quite often that the relative positions of the spouses favours the male spouse in cases of a separation or divorce as a result of the kind of maintenance awards that are made. We're certainly cognizant of that and one of the studies we have underway through our Research and Evaluation Department is looking at that.

There have been suggestions for changes in the legislation which raise some problems in terms of to what extent you completely fetter the discretion of the court, which is a matter to be considered, but we have come to no conclusion as yet as to the way in which we should address the problem. We believe the problem is there. We believe that it's a serious problem. We believe that something should be done. We're prepared to do it, but it will take a little longer to evaluate just exactly the best approach to make sure that this doesn't continue to happen.

MR. G. MERCIER: I know I said a final question, but the Minister's answer requires another question.

As I indicated in my question, Madam Speaker, I believe a report from the Advisory Committee on the Status of Women in Manitoba pointed this out last Fall. Is the Attorney-General indicating that despite a number

of studies, including the one in Manitoba that show a woman's position to be much worse economically and financially after separation and divorce, that the government will not be introducing legislation at this Session to attempt to ameliorate this situation?

HON. R. PENNER: As I said, Madam Speaker, we're aware of the problem. The exact solution doesn't spring that readily to mind. We are working on it. I would hope that by the next Session — it won't be this Session, to answer that question directly — that by the next Session we'll be able to introduce some legislation which ought to get at the problem.

55 Plus Program

MADAM SPEAKER: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Employment Services and Economic Security.

A 55-Plus program introduced earlier in this Session is one of great interest to all of us. Can the Minister explain why each single person will receive \$94 each quarter, but each married person will receive \$101 each quarter?

MADAM SPEAKER: The Honourable Minister of Employment Services.

HON. L. EVANS: Thank you, Madam Speaker.

First I should point out to the honourable member that those figures that she's quoting are the maximum amounts, but this is — (Interjection) — because when you look at smaller figures you get smaller numbers. But the fact is, Madam Speaker, what the member refers to is an anomaly that has existed for over a decade. It's existed for many years, including the years when my honourable friends in the Opposition were in government.

At any rate, Madam Speaker, it's an anomaly that is regrettable, but it exists. To eliminate it would cost the taxpayers of Manitoba approximately .5 million a year on an annual basis.

MRS. S. CARSTAIRS: First of all, this is a new program which has only been introduced in this Session, so I don't know how it can be going on for a decade. Is it not a violation of the Charter to be treating single and married persons differently?

HON. L. EVANS: Madam Speaker, as I indicated earlier when we made the statement, what we were doing was doubling the benefits that were available previously. We've carried on in the same proportion as in the past.

MRS. S. CARSTAIRS: A final supplementary question to the same Minister, Madam Speaker.

Could the Minister explain to the House why it would cost .5 million to correct this anomaly?

HON. L. EVANS: Unless the honourable member is suggesting we reduce the benefits to the married people — we surely don't want to do that — but to bring the single people up to the same level as the married persons, our best estimate is it would cost at least .5 million per year.

Manitoba Hydro - employees from Southern Man. re Limestone

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Madam Speaker, I direct a question to either the First Minister or the Minister of Energy and Mines.

Madam Speaker, in the last few weeks, I've been getting a growing number of complaints from residents of the Interlake particularly, and indeed other parts of the province as well, about the lack of any job opportunities for them at Limestone. Madam Speaker, while we have been basically supportive of the Northern Hiring Preference that is instigated by the government — and that's my question, Madam Speaker — is it not now an opportune time to open up the job opportunities for all Manitobans?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker.

The majority of the people working at Limestone are indeed from southern Manitoba now. That doesn't mean that we won't do everything we can to ensure that we move more of those jobs into the North, especially for Native Northern Manitobans who come from communities in many instances where up to 80 percent and 90 percent of the people are unemployed. We do have to set some priorities, keeping in mind as well, Madam Speaker, that in terms of employment spinoff created, much of that will be created in southern Manitoba.

I give you the example of the offsets for the work that is being done by Canadian General Electric. For every job created in Central Canada to produce their equipment, there will be a job in Manitoba. In all likelihood, those jobs will be right here in southern Manitoba.

We want to ensure that there is a fair sharing of the employment created, and we have done that. To the best of our ability, we have ensured that a far greater proportion of employment created at this dam is for Manitobans than in any dam in the past.

MR. H. ENNS: Madam Speaker, let me ask a specific question.

My information has it, and I'll use a specific example, Mr. Roy Sveinson from Moosehorn who has worked on previous projects, Kettle, Long Spruce, Jenpeg, is being told at the Manpower offices that, because he lives south of the line that's drawn for the preferential hiring policy, he will not be given an opportunity to work at Limestone. Is the Minister confirming now that that line has been dropped, and that I can assure Mr. Sveinson that he can go to Limestone and take his chances about getting a job?

HON. V. SCHROEDER: Madam Speaker, the hiring offices of the various firms involved — I wouldn't suggest that people go out there, they could go to Thompson, they could go to Winnipeg — as the Honourable Member for Lakeside has indicated, CEIC,

a federal agency, is involved with the hiring and ensuring that it is done also in accordance with the collective agreement which is currently in effect.

I would point out that, if all those people who had worked on the previous dams were put ahead of others for work on this particular dam, if that experience was not utilized for other things and the advantages gained by them should now be gained by them again on this dam, that would leave absolutely no room for Northern Natives. We're certainly, as a government, opposed to that notion.

But in terms of individuals, as I've indicated to the Member for Lakeside, over half the people working at the site now are from southern Manitoba.

Manitoba Hydro - out-of-province employees re Limestone

MR. H. ENNS: A final supplementary question, Madam Speaker.

I ask the Minister of Energy and Mines whether he considered it to be fair and equitable that out-of-province people, retaining their union membership on file in the Winnipeg office, are currently being hired on the Limestone project while Manitobans are being denied the opportunity to work at Limestone?

MADAM SPEAKER: The honourable member is seeking an opinion. Would he like to rephrase his question? Whether the Minister considers it fair or not's irrelevant.

The Honourable Member for Lakeside.

MR. H. ENNS: Madam Speaker, I simply ask the Minister: is this practice occurring? Are out-of-province residents being hired on the Limestone project while, at the same time, Manitobans are being denied job opportunities?

HON. V. SCHROEDER: Madam Speaker, there may well have been some former Manitobans among the 50,000 or so more Manitobans who are here today than there were when we took office who are working at Limestone.

But the fact of the matter is, there's a very small percentage of people working at Limestone who are from outside of Manitoba, an exponentially smaller proportion than on any of the dams on which my friends on the opposite side were involved in, because we're making sure that doesn't happen where there are qualified Manitobans available.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

HON. V. SCHROEDER: We all, I am sure, want to see Manitobans working at that site and on the spinoff jobs, rather than outsiders. We're doing our best to achieve that; we've done better than in the past. We will try to do better than we've done up until now, but let us not pretend that somehow the opposite side, when they were building dams, were doing as good a job of making sure that Manitobans were working there; they did not.

Lake Manitoba levels

MADAM SPEAKER: The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Thank you, Madam Speaker, to the Minister of Natural Resources.

Lake Manitoba at this point is extremely high, and there's a concern amongst the farm community that a lot of hay land will not be able to be made hay on because of the high water level. There's an extremely large amount of shore erosion because of the high water level and, at some time a few years back, the Manitoba Water Commission set minimum and maximum levels for the Lake Manitoba. My information is that the maximum level is now being exceeded on Lake Manitoba. Will the Minister verify that fact?

MADAM SPEAKER: May I remind the honourable member that it's his duty to verify facts that he brings to the Legislature.

The Honourable Member for Portage la Prairie.

MR. E. CONNERY: Will the Minister inform the House that the level is above the maximum.

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Madam Speaker, there's a regulated maximum on Lake Winnipeg. I'm not aware of a regulated maximum on Lake Manitoba.

MR. E. CONNERY: Madam Speaker, it's unfortunate that the Minister doesn't know . . .

MADAM SPEAKER: Question.

MR. E. CONNERY: Well, we'd like an answer, but if they don't know. But I'll ask another supplementary question, Madam Speaker.

Fairford Dam

MR. E. CONNERY: My information is that the Fairford Dam is wide open. Is this a fact? Is the Fairford Dam wide open?

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Yes, Madam Speaker, to the best of my knowledge the Fairford Dam is completely open at this time.

Lake Manitoba levels

HON. L. HARAPIAK: With respect to the question that was raised earlier, I will take that as notice to determination whether the water levels are within the regulated limits.

MR. E. CONNERY: Did the government then err in assessing the amount of runoff into Lake Manitoba

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from the watershed and, therefore, not lower the lake adequately early enough so that we would not be exceeding the maximum levels that we are exceeding today?

MADAM SPEAKER: Order please.
The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Madam Speaker, I want first to be able to verify the information provided by the Member for Portage la Prairie as to whether or not the level is within the acceptable limits, so it would be somewhat presumptuous of me to start to indicate whether or not the government erred, or whether in fact, their judgment was very good prior to knowing what level the lake is at presently. I will again indicate that I've taken that as notice and when I've had a chance to verify that with departmental staff, I will respond.

MR. E. CONNERY: Last supplementary, Madam Speaker.

Once the Minister has had the opportunity to verify that they've erred, will the government assume responsibility for loss and damage because the lake is above the legal limits?

MADAM SPEAKER: That question is hypothetical.
Does the Honourable Member for Portage la Prairie have a new question or want to rephrase that one so it's not hypothetical?

MR. E. CONNERY: We assume in the spring if there's going to be runoffs, we have to make decisions, and this is just . . .

MADAM SPEAKER: Order please.
This is question period. You ask questions, you don't argue with me.

ManOil - production revenues

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker.
The Member for Morris asked the other day about the amount of oil produced by ManOil in 1985, and they've produced approximately 1,200 cubic metres which works out to about 7,500 barrels of oil for which they received \$239,969 in revenue net after the royalties which are paid out to the owners. This represents the corporation's proportionate share of production from 12 wells, most of which were brought on production late in 1985. All of the corporation's production to date is operated by joint venture partners and, therefore, shows up in the Department of Energy and Mines oil activity review as being produced by those particular operators.

Seven Regions Health Centre, Gladstone

MADAM SPEAKER: The Honourable Member for Gladstone.

MRS. C. OLESON: Thank you, Madam Speaker. My question is to the Minister of Health.

Since the Seven Regions Health Centre in Gladstone is now left with one doctor to serve a large area and the emergency services have been cut in that area, could the Minister tell us if his staff is working with the board of Seven Regions to obtain a doctor as soon as possible?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, I'm very sorry, I didn't hear the question.

MRS. C. OLESON: The Minister has acknowledged that his colleagues are noisy. I repeat my question. Since the Seven Regions Health Centre in Gladstone is operating now with one doctor and emergency services in the area have been cut, could the Minister tell us if his staff is working on getting another doctor for that area as soon as possible?

HON. L. DESJARDINS: Madam Speaker, one must remember that the responsibility is not solely that of the Department of Health. The communities recruit their doctors but we have a former Minister of Health, Dr. George Johnson, who is doing quite the job in trying to promote and work with the communities in recruiting the doctors.

Pay equity - legislation re rural areas

MADAM SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Madam Speaker, through you to the Minister of Municipal Affairs. I would ask the Minister of Municipal Affairs when he will be imposing pay equity legislation on the rural municipalities in the province?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, there is no intention on the part of this government to impose pay equity on municipalities. We fully anticipate that municipalities and local governments will willingly want to introduce pay equity.

Manitoba Telephone System - access to board meeting minutes

HON. A. MACKLING: While I have the floor, Madam Speaker, I would like to answer a question that the Honourable Member for Pembina asked, I believe it was last week, in respect to minutes of the Manitoba Telephone System. I inquired of the Telephone System, and I'm given to understand that, some time ago, guidelines were adopted by the corporation that provides that minutes of the board of directors' meetings are available for public inspection and for information taking. Minutes are not supplied, they are

maintained. Notes can be taken of the information, but there's no release of the minutes.

There has been concern since those guidelines were adopted in respect to matters that deal with personnel and commercially competitive matters which they believe should not be open to the public. So, those guidelines are being looked at with a view to making revision, to make clear that in respect to personnel matters and matters where the corporation, or the MTX, is involved in competitive bidding or contracts, that those portions of the minutes would not be available because that could be detrimental to personnel or to the corporations in their competitive position.

MADAM SPEAKER: The time for Oral Questions has expired.

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, I'd like to indicate to members of the House that we will be having Royal Assent previous to Private Members' Hour on Bill No. 2 just recently passed by the House yesterday. So we will be going into the different committees, but we'll be coming back. The committee in the Committee Room will be adjourning a few minutes early to come back here for the Royal Assent, if that's agreeable.

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

MATTER OF GRIEVANCE

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.

I notice that inquiring look on your face and it is my intention to exercise my right to a grievance today and am prepared for that.

Madam Speaker, I have to indicate that it is with sort of a heavy heart and a deep regret that I intend to exercise my right to a grievance. I intend to deal with the concerns within the Department of Natural Resources.

It is for this reason I have been affiliated with the Department of Natural Resources since 1977 when I had the opportunity to be a Legislative Assistant to the then Minister, the Honourable Brian Ransom. It's consequently from him the Member for Lakeside, and I have had the opportunity to serve as critic for the Department of Natural Resources for a number of years now. I have a very deep affiliation and a deep feeling of concern for the Department of Natural Resources, and I think all Manitobans do when we consider that Manitobans, as Manitobans when we get out into the rural area, we have the opportunity to look at our wildlife and a number of people that participate in fishing, our forestry, our waters that we have in the province. We all have an affiliation with that and I think take a lot of pride in that.

I think, Madam Speaker, it is actually, as I indicated before, with regret that I rise on the matter of grievance to discuss the inadequacy and the lack of leadership within the Department of Natural Resources. I'm talking specifically about the executive level.

I'd like to give a little bit of a background history as we get into this matter, Madam Speaker. Since this government took over, there's been a deterioration within the department at the executive level. The Member for St. James was the Minister for a number of years and he had a different view of many of the things that were taking place and how things should be run within the department.

Then within little over a year, Madam Speaker, we've had four Ministers involved in the department, and because of those kinds of changes that have taken place, Madam Speaker, there's been a series of bungles, there's been all kinds of problems that have developed. Seemingly, we're continuing on that track and it is for that reason that I want to raise concerns today.

As long as 11 months ago, Madam Speaker, a concern was raised within the department related to the recovery of personal expenses. A number of concerns were at that time brought to the attention of the Minister of that time and this is the third one since that time. The Minister at that time indicated that they were going to look into matters. That was in July of last year.

In January of this year, Madam Speaker, I held a press conference where I brought forward all kinds of information relating to the Department of Natural Resources and the problems that developed in there. At that time, also, the Ombudsman's office had been called in to deal with concerns within the department, specifically concerns or allegations concerning abuse of expense privileges.

After the press conference, all kinds of statements came forward, and I have press releases here where people within the department made remarks calling it pure — one of them says charges are pure crap and there's another one that says civil servant says boss was embezzler. At that time, the press covered various aspects of it and there was supposed to be an investigation, an internal investigation, which was also indicated in the press it was taking place.

Madam Speaker, six months after this, after January, I rose on Friday in this House and raised various questions to the Minister. It is because of the answers that I received from the Minister that I feel I wanted to rise on a matter of grievance. I do that because I feel that the new Minister is getting caught up in something and is going to be part of a situation that is going to make him very uncomfortable.

I spent the best portion of my speech on the Throne Speech indicating concerns to the Minister at that time, indicating the problems that were there, and I had hoped that there would have been some reaction or movement in that direction but obviously that doesn't seem to be the case.

Because he is a new Minister, Madam Speaker, it was twice as hard for me to really rise on a matter of grievance, but after the answers that I've been receiving in the last while on certain questions, he has been — you know, I can understand the Minister taking questions as notice — when he did put some answers from time to time, they were relatively snappy answers.

I feel at this stage of the game that the Minister is possibly getting caught in the same run-of-the-mill things as happened with his previous Ministers in the department. It is for that reason that I feel that it is important that we maybe try and get a little bit of a clarification here.

Madam Speaker, on Friday, I raised questions with the Minister indicating that I had information, specific information, regarding misuse of mileage reports, expense accounts and attendance records of one of the directors within the department, which is a very serious charge. I regard it as a very serious charge because in MPIC the president of MPIC was fired because of that kind of thing. When I raised it with the Minister, he started being part of the cover-up that is going on within his department.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

What bothers me. Mr. Deputy Speaker, is the fact that this Minister and the Ministers preceding him indicated there was an internal investigation and things have been resolved, the internal problems had been resolved. When we asked for information indicating what has happened; what are the findings of that investigation, were the allegations substantiated? And, if so — he says things are looked after internally. That makes me feel very concerned that this Minister is getting to be part of that complex problem that we have.

Mr. Deputy Speaker, if this Minister had been sincere and trying to do a good job within the department, he would have not tried to cover up; he would have come forward with straightforward answers and clarified the allegations within the department once and for all.

They are still there. They are still there and the questions will be posed again and again until this Minister is going to come forward and indicate what his position has been with the allegations, and we have proof here.

Mr. Deputy Speaker, based on what happened on Friday, I have written a letter to the Honourable Minister of Finance outlining what happened on Friday, indicating exactly — I'll read one paragraph of that: "I am now in possession of mileage reports, expense accounts and attendance records which indicate that senior executives in the department have been negligent of reporting responsibilities as specified by the General Manual of Administration. As a result of apparent abuses of expense privileges, the taxpayers of Manitoba, through the department, have failed to recover monies, perhaps several thousand dollars, rightfully accruing to them. These abuses are similar to those that led to the recent dismissal of the president of the Manitoba Public Insurance Corporation."

As outlined before, these allegations were there already in January. In fact, Mr. Deputy Speaker, they first surfaced in July of last year. It is for that reason that I've now written to the Minister of Finance asking him to do an investigation.

I end up: "It is for this reason that I ask for your assistance and request that the Provincial Auditor conduct an audit into the apparent irregularities in mileage and expense reporting practices of the department's senior staff. With the tarnished reputation of the departmental employees and the provident management of taxpayers' money at stake, it is imperative that you act expeditiously to alleviate the concerns now raised."

That is part of the total letter that I sent to the Minister of Finance, and I sent a copy to the Minister of Natural Resources.

Mr. Deputy Speaker, I don't know what we have to do to get this Minister to come forward and once and for all clear the air as to the allegations within his department. It appears that he's caught up in the same type of memory lapse and cover-up that has happened within his own department and that actually stems from lack of leadership right from the Premier on. We saw that with one of his top Ministers, the Minister of Energy and Mines, who got caught with his hands in the cookie jar.

Mr. Deputy Speaker, when you have it happening at the top level, how do you expect staff to be any different? What we're trying to do . . .

MR. DEPUTY SPEAKER: A point of order being raised.

HON. A. MACKLING: A point of order. Mr. Deputy Speaker, I rise on a point of order. The Honourable Member for Emerson, I distinctly heard him say that a member of this House had been caught with his hands in the cookie jar. I ask that that member retract that statement because that's certainly unparliamentary. It's accusing someone of doing something not only unethical but illegal, and I ask the member to withdraw that.

MR. DEPUTY SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Deputy Speaker.

I rarely reply to the Minister of Labour when he gets up as he very often does. The Minister could possibly explain, when he gets up, why the Minister of Energy and Mines has been replaced.

My concern, Mr. Deputy Speaker, is . . .

MR. DEPUTY SPEAKER: Are you speaking to the point of order?

MR. A. DRIEDGER: Mr. Deputy Speaker, I'm continuing with my remarks.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: The phrase "hands in a cookie jar" is not one of those enumerated . . .

MR. A. DRIEDGER: I thank the Minister of Labour for drawing that to my attention and I stay by that statement anyway.

Mr. Deputy Speaker, the concern I have - I have raised this portion that I raised Friday and I hope the Minister will be, somewhere along the line, making a statement and clarifying that, because I intend to raise that in the House at every opportunity until he will come up with the proper answers on that one.

Surely this government, this Minister and the Premier do not condone unethical behaviour such as is implied or alleged in his department, and I have proof.

Mr. Deputy Speaker, the Minister is chatting across from his seat and indicating that, you know, alleged. I have the proof and all he has to do, Mr. Deputy

Speaker, if he was sincere, he should have gone back and checked the records after I raised it in the House.

I can expect that this Minister will get up and say, "Table it," all he has to do is ask his department, but that is where the coverup is taking place, right from the top on, and now the Minister is covering up for the Deputy Minister, who is covering up for the ADM, who is covering up for the Director, and that is why we want the Minister of Finance to do an investigation into that.

MR. DEPUTY SPEAKER: A point of order.

HON. B. URUSKI: Mr. Speaker, I raise a point of order.

Mr. Deputy Speaker, I recall, when this question was raised by the Member for Emerson to the Minister a day or two ago, the Minister specifically asked the member to table his information. He is now alleging that the Minister can go to his department. Mr. Deputy Speaker, he has indicated in this House that he has proof. I request, Sir, your ruling and asking the Member for Emerson to table the allegations that were asked of him several days ago, which he has not done today.

MR. DEPUTY SPEAKER: Is the Member for Emerson willing to table the documents?

MR. A. DRIEDGER: Mr. Deputy Speaker, I will bring forward the documents that I am referring to. I don't have them here right now. I will bring them to the Minister; I will bring them to him today. What bothers me a lot more is the fact that all the Minister had to do was go to his staff and get those records. He is the Minister responsible and he is covering up again. That's the tragedy of it.

Mr. Deputy Speaker, I don't know how . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. A. DRIEDGER: Mr. Deputy Speaker, this is the government and this is the Minister, as well as previous Ministers who indicated they had done an internal investigation. They now waffle on that and say, you know, that maybe they didn't do an investigation. All he had to do is go to his staff, to his senior staff, and tell them, "Get me the records." This is where the tragedy comes in.

I'll get the information to him, yes. I will get it to him, but at the same time, Mr. Deputy Speaker, when I'm going to give him those documents, I expect very definite results from that. It's a poor cop-out and excuse when this Minister says, "Well, table them so I can see them." It's his department and his people that have got the records. That's a poor excuse.

Aside from that, Mr. Deputy Speaker, I just want to indicate to you the many other foul-ups within his department over a period of the last two years.

I would like to deal with the aspect of elk ranching. Mr. Deputy Speaker, when we were government from 1977-81, we initiated the concept of an experimental elk ranch, which subsequently was established under this government, has been in operation for quite a number of years, and the purpose of the elk ranch at that time was to try and see whether guidelines could be established and look at the possibility of establishing

elk ranches in the province. That is a long time ago. Both governments were involved.

What has happened since that time? A lot of confusion. No data has been coming forward and I'm not blaming, Mr. Deputy Speaker, the people that are running the present experimental elk ranch, because they have been prepared to forward the information, but it's been the total goof-up of the Department of Natural Resources in terms of not coming forward and doing their job in letting the people know. As a result, this Minister has got himself into a real dilemma, and he knows he's got himself into a real dilemma, because there's people clammering for elk ranching and there's people opposed to it, and arguments going both ways.

But, Mr. Deputy Speaker, what happened within the department within the last year? I met with a group that met with the Minister as well, that have documentation of people that have got a letter indicating they would be able to proceed with elk ranching. As a result, these people went forward and expended big amounts of money, \$30,000 and \$40,000, buying material and building fences.

My concern at this stage of the game is, and the Minister will have to be making a decision and I was prepared to work in cooperation with him on these things to try and get a happy medium somewhere along the line, but, Mr. Deputy Speaker, he's got problems within his staff. They don't know which way to go and the Minister is going along with it.

We were looking forward to finally having a Minister of strength and integrity in that department and if that is a reflection on some of the other previous Ministers, let it be there, Mr. Deputy Speaker. — (Interjection) — I don't have to be ashamed of that at all, because you were one of the troublemakers in there and I have indicated that many times.

Mr. Deputy Speaker, my question to the Minister, and you know if he wants to respond to some of these things that I raised, if he wants to respond in writing, I would appreciate that, or he can do that whichever way he means, but if he does not respond to these things, they will be raised time and time again anyway.

Who is responsible for the financial aspect of it now — for those people who went and expended \$30,000, \$40,000 to set up fences? Mr. Deputy Speaker, I have seen the letters signed by one of his staff people indicating that they could go ahead, that it would move ahead. You know, he's got a dilemma.

Now those departmental people are getting flack from the other side, now there at a standstill, and the Minister has indicated that maybe by this fall he'll make a decision. Unfortunately, you know, this government has decided that the Estimates of the Department of Natural Resources are going to be one of the last ones up, and that could be, I don't know when, so we have not had a chance to get at him or to discuss these things at a different level, so that is why I want to raise them during my grievance here.

Mr. Deputy Speaker, I have covered just two aspects of the problems that have arisen within this department. I want to deal now with the illegal policies and procedures that have come out of this department in the last little while. I want to list them.

One deals with the migratory birds — with the hunting of migratory birds by Native people. Mr. Deputy Speaker, I have seen a directive sent by the Deputy Minister to

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staff in the field saying if there are any charges laid under this Act, that they should be forwarded to the Minister's office, where a decision would be made as to whether charges would be laid. I have seen a copy of that letter, Mr. Deputy Speaker. That was sent by the Deputy Minister incidentally.

MR. DEPUTY SPEAKER: The Minister of Natural Resources, point of order being raised.

HON. L. HARAPIAK: I would challenge the Member for Emerson to table again that document, which will show that the matter was to be referred to my office.

MR. DEPUTY SPEAKER: Is the Member for Emerson willing to table the letter?

MR. A. DRIEDGER: Mr. Deputy Speaker, I indicated I had seen that letter. I will try and get a copy for the Minister as well.

This is a Minister who has a very . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: The Member for Kildonan.

MR. M. DOLIN: On a point of order, please. My understanding is that any member can request that a document referred to be tabled. I think it is information that should be available to all Members of the House, not privately to the Minister. I would like to see these alleged documents. My understanding of the Rules is that they should be tabled in the House, not given privately to the Minister. I want to see those documents.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. A. DRIEDGER: I'll table that stuff, you know, it's like taking a steer and knocking him over the head; it doesn't register with you first.

DEPUTY SPEAKER'S RULING

MR. DEPUTY SPEAKER: Order please, order please. According to Rule 29.1, "Where in a debate where a member quotes from a private letter, any other member may require the member who quoted from the letter to table the letter from which he quoted, but this rule does not alter any rule or practice of the House relating to the tabling of documents other than private letters".

In other words . . .

MR. H. ENNS: That sounds pretty good, Conrad. We can go along with that.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: In other words, if it is a document which is a departmental document . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. DEPUTY SPEAKER: . . . it can be tabled, but if it is a private letter that it be tabled.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: My interpretation of that ruling is it appears to me that the ruling says the Speaker may require . . .

MADAM SPEAKER: Order please, order please. The Honourable Member for Lakeside.

MR. H. ENNS: On a point of order, Madam Speaker. I appreciate that you were just in the process of resuming your duties in the Chair when the Deputy Speaker ruled on a particular matter of business in the House, and any further reflection on the part of any member is in fact a reflection on the ruling just made.

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Yes, I certainly defer to the experience and wisdom of the Member for Lakeside. I was not clear on what the ruling was. I would just like an interpretation.

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Madam Speaker, I would like some clarification too; that is, when is a document not a private document? Is a letter written to a private citizen or another person, which is not publicly available to us, not a private document?

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: On the same matter, to further assist you, Madam Speaker. I appreciate that you are being placed in a difficult situation inasmuch as Madam Speaker was not in the Chair when the incident arose.

I just want to assure you, Madam Speaker, to us the ruling of the Deputy Speaker was absolutely clear and we have absolutely no confusion about the ruling and are prepared to accept it.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, speaking on the point of order, I think it would be helpful to the House if Madam Speaker would take under advisement the question as to the rule in respect to tabling of documents generally, because while our rule specifically refers to letter, I believe that the practice in the Mother Parliaments in England and the Parliament in Ottawa is much broader and refers to documents as well. I would like to know whether or not we're restricted by our rule or whether the practice of this House, by precedent in the past, has been larger than that, to include both letters and documents referred to in debate.

MR. C. MANNES: On a point of order . . .

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: I would just ask, Madam Speaker, whether it's within the Rules of the House to ask for a retroactive ruling on a decision that has already been made with respect to the item under discussion.

MADAM SPEAKER: Order please. We've had several pieces of advice to the Chair in terms of the interpretation of the ruling that the Deputy Speaker gave. I would prefer to take that under advisement and check as to whether the — although I did hear most of what the Honourable Member for Emerson said — I'm not sure as to whether he was referring to it as a document or whether it was a letter addressed to him or to an individual. So I would prefer to take that under advisement and report back as to whether the Honourable Member for Emerson is required to table the particular piece of information, whatever it happens to be.

The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker.

I could have probably clarified the whole thing to some degree by indicating I will table every document that I can lay my hands on. I don't have them all here. I made the commitment to the Minister that I would, but again, Madam Speaker, by drawing these things to his attention, all he has to do is check with his staff and find out, because his people report to him. Maybe they don't, maybe that is where the problem starts, and that is maybe where the whole realm of problems within the Department of Natural Resources has stemmed from, that nobody tells this Minister anything, and he doesn't want to enquire. Maybe his senior staff are the ones who are leading him down the garden path, possibly. Maybe that's where he should have a talk with them.

Madam Speaker, I made reference to a letter that I had seen or an indication, and I also saw some documentation where legal opinion indicated that they should not do this, that there should not be special provisions or special regulations for certain people in this province. I have seen a legal interpretation and if the Minister hasn't seen that either, I will try and get a copy of that as well.

MR. H. ENNS: Does the Minister expect you to run his office for him?

MR. A. DRIEDGER: Well, I would be pleased to. I would take great pleasure in it really.

Madam Speaker, another irregular illegal policy, and I was referring to a series of illegal policies . . . Madam Speaker, by the way, I hope that the time that was taken arguing about this thing would not necessarily be taken from time. Could you maybe indicate, Madam Speaker, how much time I do have left?

MADAM SPEAKER: The honourable member has 11 minutes actually remaining. I'm not quite sure how much time was taken with this thing, quote, unquote.

MR. A. DRIEDGER: Well, Madam Speaker, the other illegal policy that I wanted to deal with is the Treaty Indian license fee exemptions for fishing purposes. Again a regulation that was brought in with this department, with his staff, which is an illegal policy.

We have the same thing applying with the wild rice quota allocations, which are unconstitutional. You know, when does this ever stop in this department, and I have just scratched the surface yet of the problems that we're facing here.

They keep bringing forward regulations that are not thought out and I'm hoping that somewhere along the line maybe the Premier can get somebody to babysit this department on a better scale, so that we don't have these kind of things coming forward all the time.

We had the same thing happen, an illegal policy, last year with the Liquor Surrender Program, again an unconstitutional thing that had to be withdrawn.

Madam Speaker, one that I thought was sort of interesting, they raised the fees for the Wildlife Certificates last year; they raised them from - I forget the exact figures - and I had indicated once before I questioned the then Minister of Natural Resources, the Minister from Brandon East, when this regulation had been passed. I wrote the letter on January 3; I got a letter back two weeks later saying that on February 6 the regulation had been passed. So for six months they collected all kinds of money illegally. You know, they raised it without regulation and all of a sudden they realized another boo-boo, then they go back and pass the regulation.

These are the kinds of things that create concern about the staff - and I'm not talking of the people underneath there - there the ones that are being hurt, those are the people that are getting the criticism to some degree and the criticism should be right at the executive level.

Madam Speaker, last year in the Estimates, with the then member for Lac Du Bonnet being the Minister, I raised the question about the closing of the Birds Hill Tree Nursery. They said, "We're closing it because we can buy the trees cheaper elsewhere." What has happened this year? They're back opening it again because it's cheaper to take and raise them themselves.

That's the kind of inconsistencies that take place. In fact, Madam Speaker, I understand that they've opened it at the cost with two managers getting \$30,000 each; again, doing the job that was the responsibility at one time of one individual. Maybe by closing it now, they've got two guys getting \$30,000.00.

Another thing, Madam Speaker, just to show the inadequacies within this department, they still haven't announced the water fowl seasons. We have lodge owners all over the province waiting for bookings and still no water fowl seasons.

It goes on and on and on. Madam Speaker, that is the reason why I thought it was time that I aired a grievance and hopefully maybe something or somebody is going to pull this department together and start making some rational decisions.

I raised the point already once before in question period, Madam Speaker, where within the Silviculture Program in the Southeast, they hired 22 people on Monday morning. On Monday evening they got severance slips already. They were hired for 13 weeks and the same day in the evening, another boss comes

along and says "Well, another two weeks and you're gone." I raised it then, so then they've jockeyed a little bit now — they let them plant trees for a little while — a lot of these individuals are trying to get in their 13 weeks so that they can draw unemployment at least. That was the understanding. They are frustrated right now; they don't know where they're at because this department still doesn't know whether they're coming or going.

Madam Speaker, then I want to raise — I'm rushing along already at this stage of the game — Parks Administration.

MADAM SPEAKER: He does have 5 additional minutes that were taken up with the points of order.

MR. A. DRIEDGER: I appreciate that, Madam Speaker, because I think it is important that we get these things out on the record and maybe by using this approach with the Minister, maybe there's going to be some response and some positive action coming forward from there.

I'd like to talk a little bit about the Parks and just touch on it. There's been a deterioration of the maintenance of parks in all areas. All people who have cottages in parks attended a meeting in Moose Lake on Sunday. People expressed concerns there where they want at least a \$13,000 lawn mower which has been cut off this Minister's budget again — or I don't know whether he's intended to give it to them — they're out there; mechanics working on Sunday trying to get some of this equipment repaired so that they can do some of the mowing. There's cutbacks all over the place.

One thing this government does in this department, they come through with regulations; whether they're legal or not, they have regulations.

I'll table this, too — Outrage in the Park. This is where people are talking about the new provincial regulations that could be in effect as early as next month. "What we're dealing with is an administration that knows nothing about cottages," said one frustrated cottage owner who wanted to remain unidentified. The cottage owners say that the new rules are the Parks Branch's way of covering up its own mistakes and infractions of the guidelines. Another prime example of what's happening. There seems to be a total lack of coordination within this whole department.

Madam Speaker, then I want to touch just briefly on the Northern Flood Agreement Land Transfers that I made reference to. We raised it in the House a few times. There seems to be a buck passing between, as it were, two brothers, possibly — not passing the buck, but they both want the responsibility of transferring the lands — and I did some research on this, Madam Speaker, and the Northern Flood Agreement Land Transfer. There was an agreement made approximately 10 years ago. I would like to actually quote from the time when Ed Schreyer was the Premier, where he indicated at that time, "The province considers this exchange . . . — this is talking about the Land Transfer Exchange, the 4 to 1, 4 acres for 1 — ". . . this exchange to be excessive and unreasonable and has so informed the Prime Minister of Canada. We have submitted to this exchange only because we have

been subjected to an unreasonable procedure by the Federal Government who have insisted that the Northern Flood Agreement will have a veto power over the program if we do not yield to its demands. As between the alternative of stubbornly resisting such demands which we were sorely tempted to do and thereby incurring additional legal expenses and further uncertainty as to the ultimate result of legal proceedings, the province, under protest, accepted this formula."

Maybe that explains why after 10 years, only 1 percent of the transfers have taken place. Maybe, I don't know. With this department we don't know.

Madam Speaker, then I want to make reference to the TIP Program — Turn In Poacher Program that was initiated last year, I think, with very much support by the Wildlife Federation; all the wildlife associations. The only ones that had some reservations on it were the departmental people but they instigated the program. Then what they did; they had this number out all over the place, in fact, Madam Speaker, I have a cap that says TIP on there with a phone number on there — Turn In Poachers. So if you found out somebody was poaching illegally, you'd phone this number and they'd try and get on top of it and nab the poacher. What happened was that you got an answering machine. Poachers usually poach evenings or early mornings. By the next morning, the guys come in and read off the tape machine and it says that somebody was out there poaching at night. It's a tragedy.

Under a lot of pressure, the Minister announced in this House that he's got the program back on track; that they'd have somebody answering it during certain working hours and after that it's going to be the machine again. It shows the concern that they really have about these kinds of things.

Madam Speaker, I want to touch on the commercial fishing aspect of it briefly. There's just realms and realms of stuff here that has to be drawn to the attention of the people of Manitoba. We have a possible closure of Lake Winnipegosis, while on Lake Winnipeg, the quotas keep increasing. Biological advice that has been given to him from time to time, he and his senior staff, they ignore that. I don't know how, within the department, never having had the opportunity of having been a Minister, Madam Speaker, how a Minister or senior staff arrive at decisions. Do they not base it on the support information they get and then make decisions on that?

Again, I suppose when you consider that this is the fourth Minister in a little over a year, that the department has an opportunity to do as they wish and things become a little rampant.

I'd like to indicate to this Minister, if he wants to check the record again, I hope he does check some of these things, just prior to the election in the southeast area where there is a lot of pressure on the forest industry, any individual could just about go up and pick up a 100 cord permit for cutting up pulp wood or whatever the case may be. After the election, of course, that has now been stopped. But who makes these kinds of decisions and regulations? Where do they come from? I would be frightfully upset if I was a backbencher on the government side and a Minister came up with those kind of illegal regulations as I've indicated before; a variety of them.

This all started a few years ago and the member that started it is sitting back there and happy that he doesn't

have to accept that responsibility. We've had the member for Lac Du Bonnet since; we've had the member for Brandon East since; and now we have the member for Swan River and nothing has changed. You would have thought, Madam Speaker, that somebody would have finally picked up the initiative and tried to bring order and some semblance into this. At least when they came forward with very serious charges within the department the other day, that instead of the Minister trying to affiliate himself with those charges would have made an effort to check that out and come forward with a statement stating exactly where he was; either defending the people in there and saying it's a clear record — which he obviously can't do because of information that I have — and then maybe have indicated what kind of action they took against these people.

As I indicated before, the President of MPIC got fired because of these kinds of things. What has this Minister done with his department?

Madam Speaker, as indicated right in my opening remarks, I feel regret that I had to use a grievance for this purpose because I have a very close kinship to the Department of Natural Resources. I think we have great people working in there and they take it as a very personal thing when they've worked with the Resources for all the people of Manitoba to have a few individuals spoiling it, even by allegations that cannot be cleared up, is a tragedy.

This Minister is again pointing his finger. For that reason, Madam Speaker, this subject is not closed yet. I might have used my grievance but I'll tell you something, the questions will still have to be answered by this Minister.

Thank you.

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Madam Speaker, as a newcomer to this Chamber and not having had an experience with this particular issue, I would like the opportunity to respond to some of the points raised.

MADAM SPEAKER: I'm sorry, that is not in order. We have a motion on the floor. Unless the honourable member wants to use his grievance time, he can do that at this point.

The Honourable Member for Emerson on a point of order.

MR. A. DRIEDGER: Yes, Madam Speaker, I believe it is my understanding that any member is allowed a grievance on either side of the House.

MADAM SPEAKER: But I did indicate that the honourable member could use his grievance, but just to get up and respond is not in order.

Does the Honourable Minister want to speak on his grievance at this point?

HON. L. HARAPIAK: Madam Speaker, I take that as instruction from you that I can use my grievance at this time to respond to the points raised.

MATTER OF GRIEVANCE

MADAM SPEAKER: The Honourable Minister of Natural Resources. Order please.

The Honourable Minister has the floor.

HON. L. HARAPIAK: Madam Speaker, in listening to the grievance lodged by the Member for Emerson, he indicated that it grieved him to do so, that somehow his heart was heavy in having to raise these points. I suggest to you that he relishes in this kind of activity.

I have to, in my initial remarks, make reference to a point that the Member for Emerson made in closing. He praised the efforts of the people in the department, having cast all kinds of dark statements about the department, he then comes back and suggests that the department is really a very good department, and that there are only a few people — let me say in closing — he said that there are people who are spoiling things by allegations that cannot be substantiated. The very essence of what he was doing was making allegations that he has not, to this point, been prepared to substantiate. But he has indicated now, and I take him for his word, that he will bring forward the statements that he has referred to.

As the critic for the Department of Natural Resources, it seems that he is trying to demonstrate some expertise by going on a fishing expedition, and not being able to substantiate it. But I will accept that he is prepared to table the statements which will give some credence to the statements that he has made.

I want to refer to some of the areas that the member raised. Let me refer to the question of elk ranching, which he indicated both the Conservatives when they were in office and this party when they formed government had the opportunity to deal with elk ranching. But I want to point out to the Member for Emerson that, when he made a press release in January indicating that there was some real difficulty in the department, and he cited the question of elk ranching, he referred to illegal activities in elk ranching. Subsequently, he had communication with the people who were involved in the elk ranching project, and the press release that appeared subsequently was altered.

So I say that the Member for Emerson himself had to change his position, having first made a statement that it was an illegal elk ranching activity, he then in another press release, having had some reminder, shall I say, from the people who were involved in the project in the Minitonas area, had the statement changed. So I say to you that it demonstrates that, in that particular instance again, the Member for Emerson was too quick to strike out and cast this particular image of wrongdoing, and had to retract from that position.

He made reference to the TIP Program. The TIP Program, as he indicated, was very well received in full support from the Wildlife Federation. It was very effective and he had raised a question in this House that I had responded to, indicating that it served a very useful purpose.

It was an experimental program and during the winter months there was an attempt to try to address the concerns of people by way of an answering service, as he had indicated and that met some criticism, as I had indicated in the House quite clearly here. Some members of the Wildlife Federation were not happy

with that arrangement. But we said, let us try different kinds of arrangements in this experimental period to see how we can address the concerns well and address them effectively.

That program has been altered further so that during those periods in time when people were not there to answer the phone directly, the calls were being taken, not by a recording but by an answering service which indicates — just as many people do in the city in terms of running their business — they are accessed by way of an answering service not, as the Member for Emerson would suggest, that the call is on a recording and it is not tended to until the Monday following.

So I think if the Member for Emerson wants to criticize, as well he should because that is the role of the Opposition. He should be forthright in his criticism, and not try to cast an image that the department is totally out of control. It is the criticism of the department that is somewhat out of control.

He makes reference to the court cases, and he refers to these as being illegal, just a question of the wild rice quota. Certainly this is before the courts, and undertakings of various departments of various governments will be from time to time, challenged; that is the purpose of a court, to determine whether this is acceptable within the law. Should not the activity of government be subjected to that same kind of scrutiny?

But I say to the Member for Emerson that he is prejudging what is happening. These issues are before the courts and he is saying that they are illegal. I hope you can stand by your statements at some point in the future.

There is reference to my responses on Friday. I, in no way, have tried to avoid addressing the issues that the Member for Emerson has raised. I hope that, at no time in my tenure in this Chamber, that that will be the case. But if I do not provide him with the answers that he thinks are the appropriate answers, I don't think that justifies and then say that I, as the Minister responsible, have not dealt with this correctly. I may not have dealt with it correctly in your judgment, but that does not mean that it should generally be accepted as being dealt with inadequately.

I want to make reference to a couple of other items that the member referred to on Friday and referred to in his comments again today, and that is the reference to the Ombudsman. On Friday, I did indicate there were certain aspects of this that I was reluctant to speak to, to any great extent, because that investigation by the Ombudsman is ongoing. I did not, in any way, want to appear to be trying to influence or prejudice the inquiry by the Ombudsman.

I have been advised that the Ombudsman will be having his last interview perhaps by the end of this week; and very shortly after that, the Ombudsman's Report will be tabled. I want as well to point out to the Member for Emerson and this House, in that he implied that we were trying to withhold information, that the Ombudsman, as part of his inquiry, asked the Provincial Auditor to look into the allegations of misuse of funds and fraud.

I'm pleased to advise the Member for Emerson, and indeed the House, that we do have information from the Ombudsman, that having had the report from the Auditor, there is no substance to the charges of any irregularity or fraud.

I want to indicate as well to the Member for Emerson that the letter he had delivered to the Minister of Finance this morning, will be responded to. The letter is being drafted this afternoon and will be signed by the Minister of Finance; so the issues that you have raised will be receiving a written response this afternoon.

So in concluding my comments, Madam Speaker, I just want to indicate that I, too, have a heavy heart, as the Member for Emerson said that he did, but for a different reason; recognizing full well that the role of the Opposition is to criticize, I, as a newcomer to this Chamber, am somewhat disappointed that there is an element of what I see, irresponsibility in the criticism directed by the Member for Emerson.

The Member for Emerson, should, after he has tabled the material that he claims and having had the information that I can share with the House today, that the Provincial Auditor at the request of the Ombudsman, did in fact substantiate there was no indication of fraud or irregularity, I think the Member for Emerson should then come forward to this House and make another statement revealing, quite correctly, what has been happening in the department.

I will say, as I have said at other times, given that the department has in excess of 1,500 people employed on a full-time basis within it, that there will be differences of opinion from time to time, as there are differences of opinion in any kind of organization where there's human interaction. But we will continue in our efforts to deal with the issues that are raised. It makes it much more effective if these issues are raised in a responsible manner, rather than in a manner which casts a shadow on people who have no direct affiliation with the issues that the member raises.

So, Madam Speaker, I close by stating that the Member for Emerson appears to have adopted a style of over-statement and I look forward to the resolution of those issues that he has raised and I look forward to the receipt of the documents he makes reference to, in terms of the expense claims and also the document that he claims makes reference to matters being referred to this Minister with respect to illegal activities. I look forward and I would like to see those resolved.

MADAM SPEAKER: The motion before the House is that Madam Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Municipal Affairs; and the Honourable Member for Kildonan in the Chair for the Department of Community Services.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - COMMUNITY SERVICES

MR. CHAIRMAN, M. Dolin: We are on Page 34, Resolution No. 32, Item 4.(c) — the Member for River Heights.

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

We were, at break yesterday, discussing the admission policy with regard to Seven Oaks. I am concerned about the young people who are not admitted to Seven Oaks as much as I am about those who are indeed admitted to Seven Oaks.

I think the Minister was explaining, in fact, the decision to allow, for example, a 16 year old to go into a hotel or be on their own activity, as opposed to being admitted to the Seven Oaks Centre.

MR. CHAIRMAN: The Minister of Community Services.

HON. M. SMITH: There are also reception centres that were set up with the demise of the CAS Winnipeg. The decision as to how to handle the reception function in the system had not achieved any resolution, so the decision was to put a government-sponsored organization in place while that discussion took place, Winnipeg Receiving Resources Incorporated; and those resources are available to take the youngsters who don't require a secure placement by virtue of their acting-out behaviour or their self-destructive behaviour.

As the system evolves, how that receiving function will be dealt with will emerge from the joint efforts of executive directors and presidents of each organization, in dialogue with us.

The need for a secure receiving home will, in a sense, be dealt with the same way. There is considerable pressure on it in terms of occupancy. On the other hand, we don't want to go so far into the secure custody function that we, in a sense, create more problems than are necessary.

In some jurisdictions, in other provinces, they actually don't have secure custody or a receiving function at all. We believe there's need for some and the actual need levels will emerge.

MRS. S. CARSTAIRS: I do know that there is a considerable amount of strain on the Seven Oaks Youth Centre. Certainly there seems to be close to the maximum at almost all weekends, in any case.

Therefore, I'm somewhat surprised there's been no increase in the Other Expenditures item here. I would have thought that additional requirements for food and that type of thing would have been required.

HON. M. SMITH: This budget item was underspent last year so, in fact, we think this will be adequate.

MRS. S. CARSTAIRS: So the 277,500 budgeted for last year was not indeed spent?

HON. M. SMITH: That's correct.

MRS. S. CARSTAIRS: Thank you.

MR. CHAIRMAN: The Member for Rhineland.

MR. A. BROWN: Is all of the 1,193,300 going towards Salaries?

HON. M. SMITH: Yes, there is a breakdown; \$134,000 of that accommodates five SY's that were approved without dollars in 1985-86. In other words, it was on

a find within basis. There has been one new SY added for vacation relief, coming in at 17,100 and 60,500 for a general salary increase, totalling 211,600 increase year-over-year.

MR. A. BROWN: Could we have a breakdown then of the Other Expenditures? I find that rather a small item if we're going to look after that many youths who are in that centre.

HON. M. SMITH: Auto mileage, related costs, 11,500; transportation for other than employees, 2,000; postage and telephone, 12,000; freight, express and cartage, 2,000; medical services and supplies, 1,000; miscellaneous, 12,300; subsistence, 86,100; printing and stationery, 10,000; building material and routine maintenance, 14,500; furniture and furnishings, 17,000; building maintenance supplies, 20,000; equipment other than medical or autos, 22,000; furniture and furnishings for the office, 1,500; professional fees, 12,000; publications and subscriptions, 1,000; education assistance, 5,000; clothing, 16,600; wages and other assistance, 21,000; contract employees, 10,000.00.

The Government Services budget will contain the cost of heating and building maintenance. That's the way we handle these types of operations.

MR. A. BROWN: But this expenditure does include room and board then, does it, food and the cost of . . .

Can the Minister tell me what are her future plans for this facility? Is she thinking of expanding or keeping on the same?

HON. M. SMITH: Well, I think, I responded to that issue at the beginning of the Session. I said that the mix of secure receiving function and open will depend on the joint planning with the executive directors and presidents of the agencies and the need as it evolves.

We don't want to expand the secure custody beyond what is needed because if the beds are there, there's a tendency to overuse them but we are working closely with the people in the field and increasingly, as we get our computer system functioning fully, we'll have a very close monitoring on the need level and can pick up any changes that occur during the year.

MR. A. BROWN: Pass.

MR. CHAIRMAN: 4.(c)(1)—pass; 4.(c)(2)—pass.
4.(d) Child Day Care—the Member for Rhineland.

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

I wonder if the Minister — we're going into a large section of her department at the present time — whether she would like to make a statement before we proceed.

HON. M. SMITH: The Child Day Care Program has been undergoing steady growth since we've been in office. It's a program that started over 10 years ago and since 1983 has been governed by The Community Child Day Care Standards Act.

The role of the Child Day Care office is to license and provide grants to day care facilities. As you can

see, the budget increase is 23,841,900 for '86-87 over 20,991,000 in '85-86; an almost \$3 million increase because of the expansion and enhancement of the program.

This section of the department has the same number of staff as last year — 32.5. We recover 9,050,000 from Canada. There is assistance provided through this office to both providers and users of day care services for children up to age 12. All day care facilities providing care for more than four children must be licensed. Again, that's on a regular basis and four children in addition to one's own.

Care provided to more than five pre-school age children or more than eight children of any age under 12 must be licensed as day care centres. Funding in the form of both grants and fees is provided to eligible non-profit organizations operating licensed day care centres.

The maximum fee which provincially-funded day care centres and homes may charge is set by regulation. There's no limit on the fee which independent or commercial day care centres may charge. Again, they're required to be licensed, but there's no limit of the fee they may charge.

Subsidies are available in provincially-funded day care centres and homes based on the family's need for the service. Factors that would be looked at would be employment, education or special needs and the family net income.

There have been some adjustments to the 1985-86 Printed Vote. In the Other Expenditures category, it was at 145,800; and it's been increased to 265,000 due to the transfer of 19,200 from child day care subsidies. We did have subsidies and grants in one line; we've now divided them into two.

Again, I think we've discussed the day care policy and principles of this government on many occasions. We've played an active role in submitting proposals to the federal child care committee, the parliamentary committee, and I have copies of the submission that we made available. We are committed to continued expansion and improvement of the provincial day care system, in both the group centres and the family day care.

Some of the areas where we have a particular unmet need is in the provision of infant care and care for children of parents who are on shift work. We're also interested in promoting more active involvement by employers in setting up day care. The current program is a long way from meeting the need in the province; however, we believe that an orderly development is still the wisest course. Not all day care is good or healthy day care and we're committed to building a system in which the children, the parents, and the workers themselves all get their needs met in a healthy and qualitatively sound way.

MR. A. BROWN: I thank the Minister for that opening statement. I would just like to express some of the concerns I have with this particular program.

We have made great strides in Manitoba in the last number of years in child day care and I share the Minister's pride in this fact. However, we still have so many children that we cannot look after and I suppose they will always be there. But I fail to see why the

Minister would not encourage private day care agencies to also go into this field because at the present time there is no way that the government can look after all the children which do require care. So it seems to me as if there is a great need for private day care centres and have them do the job.

The Minister has had one unfortunate episode, I suppose, with a private day care agency but that is only one isolated case and we certainly cannot judge all private day care facilities by that one particular instance.

The Minister says that the private day care agencies are not supplying the same quality of care that the other day care centres are supplying, those that are government-run, and of course there's a reason for that, because they're not getting the same kind of funding that the public day care centres are receiving.

So I wonder if the Minister would reconsider her decision not to provide the same kind of funding for private day care centres as for public day care centres, and treat them both equally. It seems to me that there is going to be nobody that is going to run away with huge profits in day care. At best, they could possibly walk away with a half decent salary. There is no such thing as huge profits that can be made.

It seems to me that the private day care agencies and those people who are willing to take children into their homes or facilities, whatever they have, that they are certainly being discriminated against.

HON. M. SMITH: I think it's very important to start off by saying, looking at the day care system as private and public is really not too helpful. The differentiation that we would like to make is profit and non-profit. All of the day care systems which receive public funding, either by grants or subsidies for qualifying families, are not run by the government. None of them are run by the government. They are run by community groups, community boards, or families, because in the family day care field, we don't require a family board.

It looks on the surface as though, what we will call supporting and what I'm going to call the profit day cares, would help the supply. Let it be very clear that we neither encourage nor discourage the development of profit day care. We do require that they be licensed in order to protect the children. We don't set a limit on the fees. We do, in a sense, acknowledge that they have a right to operate.

The reason that we don't put the public dollars into them is if the total amount of public money that's available that is limiting the supply, the expansion of public dollars is the rate at which the new spaces will be created. If we shifted to a policy of the same funding for the profit day cares as for the non-profit, there would not be one extra space created.

What we are undertaking to do is to take scarce public funds and make them available in the way where we think we get the best mix of protection for the children with both licensing and parent boards or in the family day care situation, and the best support for families that need financial help.

It's been suggested by some of the profit day cares that the publicly funded or the non-profit should take all the subsidized families and the profit centres should take all the people who can afford to pay their own

way with an unlimited fee level. That would really lead us down the path of two-tier day care in Manitoba, one type of day care for the people who can afford it and another type of care for the so-called poorer families. We don't believe that's a good pattern of development.

It's true. We've made a conscious policy choice to put the scarce funds into the non-profit side and the family day care.

The only difference between a profit day care and a non-profit would be that someone who wanted to offer day care in their family home, provided they meet our numbers, there's no problem, they can operate a family day care. There are still problems trying to decide whether it's a business or not with federal revenue and so on, the tax issue, but that's not tied in too much to the provincial side.

The only difference is where there are larger groups of children, a person who wishes to deliver day care, if they incorporate it and there was a parent board, they could then deliver day care and act as a hired executive director. If they were good quality and met with the confidence of the parents, they could then draw a reasonable salary.

We think that there still is too much risk in the human service field, particularly when we are dealing with small vulnerable children who can't speak for themselves, relying solely on a profit-making day care operator. We think the temptations are there even though we all know that the economics of day care don't offer much profit. Quite frankly, we don't see where there can be profit. If anything, the system needs to be better funded to bring wages up to par for people who have similar training and for similar responsibility. Most of the money is in salaries and the other areas, expenditures areas, are in equipment and food. So we don't want to see skimping on that side of the ledger either.

Again, it's because of our joint concern for the most effective use of scarce public dollars and for protecting the children with the double support of regulations, licensing and community boards that has led to our going the route we have.

MR. A. BROWN: Well, the Minister partially addressed the concern that I have, but I would like to ask her:

Does she have any indication at all that these so-called for-profit agencies are making more profit than just possibly a reasonable salary out of looking after children? Is there any indication that there is a substantial profit?

HON. M. SMITH: I did refer to the temptation being there. I do have reference to a report done by a Professor Bagley — not Badgley of the federal study but a Professor Bagley in Alberta — that shows great concern with the standards that are occurring in the commercial centres there.

There have been studies, certainly, written in other parts of the world where the commercial option has developed much further than ours that do raise the concern. I guess it's because child care doesn't easily lend itself to marketplace assumptions and procedures. I mean the children are not commodities and the people who need the service, the parents, in general, don't always have the money to be able to afford it. So we feel there has to be some system of fee subsidy.

Looking at all the concerns, the economics of the situation plus the need to protect the children, we really believe the wisest path to follow is the one that we are charting.

MR. A. BROWN: Is the department still licensing new for-profit agencies?

HON. M. SMITH: They are required to be licensed if they exceed the numbers that I read out at the beginning. If they have children in full-time care, if they have more than five children — just a minute now. All day care facilities providing care for more than four children must be licensed. Care provided to more than five pre-school age children or more than eight children of any age under 12 must be licensed as day care centres. The gap between those two can be licensed as family day care homes which is a form of, I guess, private offering of care, and we think that's appropriate for the smaller numbers of children.

MR. A. BROWN: Are any new private day care centres being established?

HON. M. SMITH: Two since last fall.

MR. A. BROWN: Does the Minister have any idea of how many people we would have — private homes I suppose that these would be mostly — who have under the four that do not need to be licensed? Do we have any statistics of those ones?

HON. M. SMITH: No. Again, when we're looking at the care of children we acknowledge that a lot of families will care for their own children, will use part-time help of neighbours or friends. We acknowledge that informal network and as far as we're concerned that's a healthy, normal part of parental planning for their children. It's only when there are more than four children being kept full time in a facility that we feel the licensing requirement should kick in.

MR. A. BROWN: Are these receiving any funding — under four people — are they receiving any funding whatsoever?

HON. M. SMITH: We have no knowledge of that side. We do acknowledge that many families will prefer informal arrangements. We feel that the public responsibility for protecting the children that we needn't be active until there's a certain collection of children — more than four, and for full time. Because someone took five children one afternoon a week, sort of a neighbourhood co-op arrangement, we wouldn't be involved. There's a lot of opportunity for informal arrangements with extended family neighbours and so on, and we see that continuing.

The most we ever expect to cover under a day care system would be a quarter of the age group and that's a long way down the road.

MR. A. BROWN: In other words, then, if a single parent wanted a neighbour lady across the street to look after her child, or their child, whatever, in order for them to be able to go to work, they could not apply for a subsidy

under the government? There would be no subsidy available for them?

HON. M. SMITH: Not under our program. Again, if the Federal Government chooses to move into funding day care and starts to use the tax system, possibly with credits or realistic exemptions or credits for the real cost of looking after children, they could get a subsidy that way, but right now any subsidies that currently exist via the tax system are really token amounts in terms of the real cost of child care.

MR. A. BROWN: Well, I know that there are some of the other members that do have a lot of questions in this particular area and I will have some later on too, but before I pass this on to somebody else I would just like to say that we will want to have a detailed description of Item No. 3 and also Item No. 4, the subsidies and the grants. The staff, if they don't have it ready, then maybe they can make that available for us.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: Yes, Mr. Chairman, I'd like to deal with the private or profit, as the Minister was discussing, and she said that not one extra space is created if you fund private operators. But I don't think that's so because if the parent was given the subsidy and they chose a private operator, then that would leave still the maintenance grant to the day care and that would be one way the money would be saved.

I believe that — I know we're probably never going to agree on this — it's a matter of choice, and not only for the parent who may be able to choose a day care that is much closer to home, because the subsidy is based on the parents' needs and allows them something that might be more realistic.

When I'm reading the day care information for parents, and it refers to choosing, very often from when you're talking to operators, there certainly isn't a choice for parents because there isn't room, and I wonder if the Minister would indicate how many people, parents, are waiting for spaces.

HON. M. SMITH: I think the fundamental flaw in the member's argument is that she assumes that right now the only thing that's blocking the number of spaces is who gets the money. We're saying that the limit is the total amount of money. If we took the current almost \$24 million in the system and spread that equally among all the eligible parents, most who need day care wouldn't have enough to be able to pay for day care because the total amount of money — we're only at around 13,000 spaces, there are 200,000 children roughly speaking in Manitoba under 12 — we're aiming at getting up to say, 50,000, which is a quarter of the total age group, but we're only at a little over a quarter of that now. So there are people who may choose day care, want it, but can't find it.

Now, the rate of expansion is based on the total amount of money in the system. If the Federal Government chooses through the tax system to make a realistic allocation to all parents on some kind of equitable basis, then there would be so much more

money in the system and we could start looking at some more variations. But our analysis of what we're facing in the next 10 years is that money is going to be tight; that to expand the system we're going to have to be prudent about where the money is spent. It's our determination that the system that we have in place is the most equitable.

It provides the most spaces for the amount of money available and the best quality, because we are not advocates of day care of any sort. We do believe that a higgledy-piggledy system of day care, underfunded, casual, unmonitored can actually be dangerous to children. That doesn't mean that all parents will place their children in dangerous situations, but it means that some will just because of the difficulty of monitoring what goes on all day with your child when you're off at work and the fact that the children are little and not able to speak up for themselves. So it's those policy considerations.

Again, if the Federal Government infused four times as much money into the system, a lot more choices would be available. But until, if we ever face that situation, we believe we have to go the route of prioritization and careful building of the system.

MRS. G. HAMMOND: Did the Minister not indicate that the private day cares are licensed as well?

HON. M. SMITH: Yes.

MRS. G. HAMMOND: Well, then I don't see where the higgledy-piggledy part enters into it. I think when parents choose a private day care, they know they're licensed; they know there are regulations, and they have to live up to them.

The other point that the Minister made when she was talking about people running their own day care centre, and said that they had a choice to incorporate and have a parent board. Well, the choice that's taken away from them in this case, of course, is that this is something they want of their own. This is something they want to do on their own. And whether the Minister indicates that this is government-run or not, of course it is, because nothing is more regulated than day care and nothing should be more regulated than day care. But to say that this is a choice, it's not a choice; it's a choice of having your own small business where a person wants to run a day care, can adequately run a day care, but can't get any of the people who get a subsidy.

I think the government and the Minister should consider using some of the funds so that people will be able to have a choice, because to me it's very foolish in cases where someone has — and I use this again and again — where you have a profit or private day care centre right next to you or right in the immediate vicinity, but then you have to because of the way the government funds things and so much of the funding goes into the core area — and I'm thinking of people who don't live right downtown — that they have to hop on buses with their children to get them to a day care and there's no convenience in this type of a program.

I think those are things that should be looked at too, not just what's convenient to the government but what's convenient to the parents. I think that's probably one

of the best reasons for giving a subsidy to the parent and letting them shop in certain cases for day care, if there are centres in the area.

HON. M. SMITH: Again, if we took the current amount of money in day care and divvied it up equitably among all the parents of children under 12, no one among poorer families, or single parents, would have enough money to buy day care.

I mean, choice and convenience sound very nice, but if the poorer people and the single parent people, and even the working poor don't have the luxury of enough money to have a choice, what we're really doing is putting in a system that gives choice and convenience to the haves and the well-to-do suburbs, and none at all, almost a negative situation to the others.

We're saying that in time we would like to get from the point where there was no day care available to a point where we meet about a quarter of the total need, because we still assume some families will make their own private arrangements or raise their own children entirely? But how do we get there? You're still assuming that there's a universal program in place. Day care is not yet; it's a long way from being a universal program. I doubt if we'll even get there. There's 200,000 children that age. Thirteen thousand are currently covered. We're building faster than any other province other than — Alberta has squeaked somewhat ahead of us on the spaces but they are having a lot of trouble on the quality side because they haven't built, at the same time, the coordinators, the support people. You can have regulations and licensing but if you don't have an effective way of making them stick — our experience with day care is that a coordinator who visits even monthly is not able to monitor — they can monitor what's going on that day, or while they're there. They can ensure themselves, certainly, that there's space and certain of the physical facilities, but the program, the discipline, all the other things really cannot realistically be monitored in that way.

We believe that having the parent board, even though some people may think it's a bit of a drag to have that extra obligation, our experience is that parents appreciate it. They get involved in setting the philosophy of the centre, in learning about and determining the behaviour management types of approaches, looking at the program. There's an immediate front-line way of dealing with problems as they come up. There's a lot of two-way learning, so that it's much more a cooperative activity between the care givers and the parents.

The small-scale profit operator can function as a family provider and if they choose to go into the larger centre, they can function but they are not eligible for the grants.

Shifting the money to them won't add any extra spaces in the system. That's the dilemma. If we were all rolling in money, maybe the extra choice convenience factor could be given a higher weighting but we believe, in the short run, it's a conscious policy choice, to try to put the scarce money where it's most needed.

MR. CHAIRMAN: I'm interrupting the proceedings for the arrival of the Lieutenant-Government, which will be followed by Private Members' Hour. We will reconvene at 8:00 p.m.

SUPPLY - MUNICIPAL AFFAIRS

MR. CHAIRMAN, C. Santos: Committee of Supply, please come to order. This section of the Committee of Supply has been considering the Estimates of the Department of Municipal Affairs.

We are now on item No. 4.(a) Municipal Assessments, Salaries; and 4.(b) Other Expenditures — the Member for La Verendrye.

MR. H. PANKRATZ: Thank you, Mr. Chairman.

I'd like to ask the Minister — yesterday I had asked some questions and I'd like to continue on them. Would you be willing to tell us what the total assessment of the land in the province is and what the total assessment of the residences would be?

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Yes, I just happened to have that information in my back pocket. I'll take that question as notice and perhaps that's something we could raise at that meeting that we proposed later on — the technical information session.

MR. H. PANKRATZ: My question to the Minister is do you feel that farm buildings should be paying municipal taxes? — (Interjection) — Okay, a clarification on farm buildings. No, I'm not referring to the residence. I'm not referring to residential buildings. I'm referring to farm buildings, general farm buildings, with the exception of the homes.

HON. J. BUCKLASCHUK: Yes, as I've indicated a number of times, the whole purpose of assessment reform is to develop some sort of system that is fair and equitable. Until all the information that is required to make those kinds of decisions that will have to be made is available to me, I simply am not in a position to indicate what we propose to do. That information is being amassed and evaluated at the present time. Once I've had the opportunity to review that information, then I'll be able to give some thought as to the direction we'll be moving in to deal with this assessment-taxation issue.

MR. H. PANKRATZ: Well, Mr. Minister, I'm not going to let you off that easy, because I . . .

MR. CHAIRMAN: Would the member please address the Chair?

MR. H. PANKRATZ: What's that?

MR. CHAIRMAN: Would the member address the Minister through the Chair.

MR. H. PANKRATZ: Okay, Mr. Chairman. My question to the Minister is would you believe that they should be paying some municipal taxes? I feel I'd like to get from you at least an indication as to whether you're considering it. I'm not trying to state to you that you shall have the formula, but I still believe you should give us some indication whether you believe there

should be some taxes, maybe not all, maybe a portion; and naturally once you've got all the figures and all the documentation, maybe you want to accept the equation different — because then naturally you'll know the figures. Is it your belief that farm buildings should be paying some, a portion, or all municipal taxes?

HON. J. BUCKLASCHUK: Admittedly, the Member for La Verendrye is asking a difficult question. As I've indicated, until the information is there, I'm not in a position to make a definitive statement; however I do recall that when we travelled around the province and held hearings that certainly there appeared to be some support — and since then too — of removals of some of the taxes from farm land. I believe the previous Minister has indicated that, and I would support that, that the pool of taxes from the rural sector, from the farm sector should not increase. If you decrease the taxes on farm land — if that should come to pass — then likely there would be some offset that might involve the taxation of farm residences or farm buildings, and/or farm buildings. In some municipalities that would not create a large problem, I suspect in the situation of municipalities in La Verendrye a goodly portion of residences are already being taxed. I certainly know the ones neighbouring Winnipeg, you may find 70 percent or 80 percent already paying taxes. So, I suppose, to answer that question, if there is a reduction in one area, there may be a slight offset in other areas.

MR. H. PANKRATZ: Mr. Chairman, I'd like to ask the Minister though, I'd like to get your personal feelings of it, whether you believe — I'm not asking you to give me what formula, by no means what percentage or anything of that nature — but do you feel that, and I can go on, whether your agricultural lands should be paying education tax? I'm not trying to state whether it should be wiped out completely, just what your personal feelings are, whether there should be some adjustment and whether it should be less. I'm not trying to put you on the line, I just want to get whether you would agree with the concept, in total, not necessarily once you've got the figures, naturally then I will get the equation and it will be worked out, like you indicated before. But do you believe that farm land maybe should pay less education tax or maybe even none? I'm not trying to get you to commit yourself as to what amount, it's just in principle.

HON. J. BUCKLASCHUK: Well certainly, in view of what is happening with the agricultural economy, and what will likely happen over the next number of years, I would think that a reduction in education taxes on farm land would be something that would be worthy of consideration. I would hope that the province would be in a financial position to be able to move in that direction. The question is, what is my personal position? Yes, I would like to see some reduction on the education tax on farm land.

MR. H. PANKRATZ: Mr. Chairman, the Minister indicated, as far as the economy of the agricultural sector, I would wish it would be a matter of trying to be fair, rather than to apply it to the farm economy. I want to get the Minister's feelings as to how he feels,

should farm homes, the residence, be assessed the same — I'm referring to assessment value now — be taxed the same as urban area homes?

A MEMBER: Long questions.

MR. D. ORCHARD: Why is it taking the Minister so long to answer them?

HON. J. BUCKLASCHUK: The Minister is taking so long because you are asking very difficult questions and, besides, I was just trying to think of another way of rephrasing a previously given answer.

Insofar as the assessment of farm homes, again, assessment to be understandable has to have some relevance to market value. I don't think that farm homes are going to be assessed in any different way than they would be assessed in the village or town of Steinbach or Portage la Prairie. Whether they are taxable or not then at the present time, of course, depends on the income of the resident. If a greater part of the person's income is off farm then it becomes taxable. Now it may well be, as I indicated before, that if there are adjustments to be made on the level of taxation or the type of taxation of farm land, all farm residences may be taxed. That doesn't deviate from what had been said during the committee hearings a year or two ago.

MR. H. PANKRATZ: My question to the Minister is: do you support exempt properties?

HON. J. BUCKLASCHUK: I think that was a matter that was addressed by the Weir Commission. My preference would be the fewer the exemptions the better because one exemption naturally leads to a request for further exemptions. I think the preferable way would be to assess and tax as much property as possible, and if there are fiscal requirements that the organization or whatever have, that that tax be rebated by the municipal body, but the idea, I think, would be to have as few exemptions as possible.

MR. H. PANKRATZ: Mr. Chairman, to the Minister. Could we expect that if you could cite the inequities in our assessment once you got the figures that you could make some of these adjustments before 1989?

HON. J. BUCKLASCHUK: I am just wondering if the Member for La Verendrye would clarify what he meant by adjustments.

MR. H. PANKRATZ: I am referring to, for instance, the educational tax on farm land and let's say no municipal taxes on farm buildings, the lack of educational tax on the farm homes and maybe the exemption on some churches or something of this nature. I'm just bringing them all out. I'm not identifying them as such; I'm just trying to just as for an example of some of the . . .

HON. J. BUCKLASCHUK: Yes, as I've indicated before, it certainly would be my hope that we could implement aspects of assessment reform within the next two to three years. Certainly, these kinds of policy changes or taxation changes would be brought in at, or possibly even before if at all possible, but I think all these things will basically come at the same time.

MR. H. PANKRATZ: Mr. Chairman, to the Minister. Each municipality or the province as such has to generate a certain volume of money. It's a matter of just readjusting them, isn't that right, in order to make the assessment a lot more fair to whoever is being penalized in one sense?

I think, Mr. Minister, you are totally aware of the inequities that are lying out there and, if you aren't, I just hope some way we could draw that to your attention because if we have an inequity, we shouldn't have to wait two years if the assessment figures have been calculated.

HON. J. BUCKLASCHUK: I'm very aware of inequities that exist both within the city and in rural Manitoba. These inequities did not start yesterday; they've been around for a good number of years. It was the realization that this problem had to be addressed that led to the formation of the Weir Commission.

The work has been ongoing since the receipt of that report and I think that the province is moving as fast as we responsibly can. We just, in the matter of the last month or two, have received considerable information from the City of Winnipeg.

As I've indicated previously, when we're looking at the issue of classification portioning, it will be done on a province-wide basis so that the assessment is fair both within and outside of the city. These things do take time and I would hope that we can move as quickly as possible.

MR. CHAIRMAN: The Member for Charleswood.

MR. J. ERNST: Thank you, Mr. Chairman.

The Minister has indicated over the past little while that reassessment will not be implemented until 1988 or 1989. The former Minister, in indicating when reassessment was going to take place, indicated that it was going to happen at the latest by 1988. Now I appreciate that the Estimates and so on are difficult to make, predictions are difficult to make.

The problem is that for the first time under this proposal we're now going to be faced with a reassessment situation that is arbitrary somewhat in nature. In the past, assessments have been based primarily on market data information that has been gathered and the forces of the market were at play in dealing with those situations.

Come "assessment reform," as it's called, we're going to be faced with arbitrary decisions in terms of classification and portioning that will determine at the whim of some government, based upon whatever information they decide to use, that in fact those will have some effect on assessment and hence property taxes that previously has never been in place.

Given the state that we're in at the moment, that information is being sought after and so on, we're also being faced with a couple of other decisions. One is that the City of Winnipeg, for instance, will now be legally bound to provide reassessment in 1987 when in fact it's been indicated by the Minister during the Estimates process and at other times that we're not going to see province-wide reassessment until 1988 or 1989 or perhaps after that.

Given also that by the time it's implemented on a province-wide basis, the 1975 level-of-value data base

is going to be 14 or 15 years old. We've seen major inequities now dealing with that particular situation where, for instance, farm land based on a 1975 data base when there were all kinds of offshore buyers running in and snapping up farm land and driving prices right out of sight have in fact now retreated and those values, because of the farm income conditions, cost price-squeeze and things of that nature, have driven that value back down again. In the meantime, we've gone through that kind of assessment situation, Mr. Chairman, and we're going to have 15-year-old data come the implementation of "assessment reform."

I appreciate that data is required and so on. It's a difficult topic to deal with. Any government, regardless of its political stripe, will have difficulty in dealing with that particular matter but not the same.

We collectively, the members of this House, ran one side or another to form a government, and the fact of the matter is the government now has to deal with this assessment situation and deal with it immediately. It can't be left for 1989 or 1990 or after the election after that or whatever.

The fact of the matter is we're being forced into a situation by the courts for 60 percent of the population of the province that that assessment is going to take place in 1987 and none of us can do very much about that.

With that kind of a situation, through you, Mr. Chairman, to the Minister, I would hope that he could give us some further indication that he could deal with the matter more quickly than what he's proposed up to this point.

HON. J. BUCKLASCHUK: I think the Member for Charleswood has some idea of the difficult situation that exists. But I should mention that we really are dealing with two separate issues.

We're dealing with a court ordered reassessment for the City of Winnipeg which has to be in place effective December 31 of this year; and the second issue is taxation reform or assessment reform which is a province-wide issue.

I'm aware of the difficulties that property owners — well I shouldn't say difficulties — but I'm aware of the concerns that have been expressed about what may happen in the City of Winnipeg. As a matter of fact, just this morning I and the Minister of Urban Affairs met with the Mayor and the Chairman of the Finance Committee to discuss this very issue and we are shortly going to be in a process where we will have some information that will give us a better idea of what the impact will be.

As I've indicated before, the province will look at whatever options may be available to deal with situations that do create hardships. However, I suppose because of the failure to carry on the assessment process on a regular basis for the past 20 or 25 years, these are the kind of problems that eventually result.

On the matter of the assessment reform which flows from the Weir Commission, some reference is made to assessments being arbitrary in nature. Not at all. The assessments are related to a percentage of the market value, 1975.

A MEMBER: The classification is arbitrary.

HON. J. BUCKLASCHUK: The classification is arbitrary? It's a matter of classifying all properties into one of nine different classes, and certainly the portioning that will take place eventually is a very arbitrary decision. There's no question about that. But when assessment reform is being implemented, it would be my hope that we'd be using even more current values than the 1975 values. We probably will be in a position to use a 1984 benchmark.

The province has considerable information on sales data, 1984-85, and it's not a great onerous undertaking to adjust the 1975 market values to '84 market values. The city has considerable sales data information. It's been asked to provide that information and, hopefully, by the time assessment reform is implemented, we will be able to use a percentage of '84 market values as a benchmark throughout the province.

MR. J. ERNST: I'm pleased, Mr. Chairman, to see that some other benchmark level of value other than 1975 is being anticipated. Therefore we're going to have to wait for some period of time before assessment reform is implemented.

While I agree with the Minister that it's two separate subjects, one is a court order reassessment, the other a question of assessment reform, they are intricately tied because to implement one without the other, in my view, I think the view of the city and the view of the City Assessor who certainly is more knowledgeable than probably all of us collectively sitting here today, is that there will be major shifts take place in value; and without some form of assessment reform being implemented at the same time as the court order reassessment, then we're going to see significant problems arise which are going to cause a great deal of heartache, in my view, right across the city and it's going to cause that heartache in many quarters, quarters that heretofore had not even been considered.

Areas of the core area, for instance, who had anticipated with reassessment that their assessments and taxes would go down, in fact may well be facing a tax increase because of the kind of situations that exist without some form of adjustment to the normal situation that has existed up to this point.

They can blame provincial governments, municipal governments and anybody else that's within hearing distance, with respect to why it hasn't occurred, but it hasn't; and notwithstanding the fact that it hasn't, we've got to do something about it.

You on that side are the government; it is your job to do it. It's your job to face up to the problems that are facing the City of Winnipeg, certainly, and as well as other areas of Manitoba, and it's your job to implement that kind of process.

We've had in the past a number of members opposite standing up and saying, "We won the election." Well, that's fine; I agree; you won the election. Now live up to the mandate as a government, to deal with those matters that a government is supposed to deal with and not shirk them off or postpone them to some future time.

We may get into some of the detail of the question of assessment, Mr. Chairman. Can the Minister respond, that with respect to the mandatory reassessment in Winnipeg during 1987, does he have any information

how it's going to affect the Provincial Education Support Levy, the balance between the city and rural Manitoba?

The Weir Commission pointed out that there was about an \$8 million inequity in that the City of Winnipeg was paying approximately \$8 million more toward that Provincial Support Levy than it ought to have been, based upon assessments of the day. Can the Minister indicate if he has any information as to how the reassessment is going to affect that situation?

HON. J. BUCKLASCHUK: Mr. Chairman, I just want to assure the Member for Charleswood and all members of the House that in fact we are dealing with this issue, I think, as expeditiously as is possible.

The decisions that have to be made will impact on everyone and for that reason decisions have to be delayed until such time as we have as complete and as accurate information as is possible.

I also want to indicate that there was reference made to the City Assessor being knowledgeable and having certain views as to what will happen. I feel very confident that we do have very competent and knowledgeable staff in the department and I will be relying very heavily on the advice and the options that they provide to me.

Insofar as the matter of education taxes on property, the department does have the statistics by school division. They are presently reviewing those figures and I suppose determining what the impact would be on an individual home. I have not yet received a report. I'm told I should be getting a report in a matter of two or three weeks. That's another issue they'll have to consider.

But I hope the member appreciates the complexity of this process and the information that one must have available before one can even have a reasonable idea of where one is going on this matter.

MR. J. ERNST: I can assure the Minister that I fully appreciate the complexities of the matters dealing with assessment. I've been a real estate appraiser for the last 22 years and I deal with that type of matter every day. I don't want to at all ever call into question the abilities or the integrity of his staff in the Provincial Assessment Department.

However, I do want to question him perhaps, that while they're dealing with reassessments throughout Manitoba, they're not dealing specifically with assessment in the City of Winnipeg. That is the purview of the City of Winnipeg Assessment Department, under its Chief Assessor, Mr. Funk, and it was he that I referred to in dealing with those particular problems and with that particular data base, which his staff may not be familiar with.

But the Minister didn't really deal with the question of whether that inequity is going to be corrected, the inequity of the provincial education support levy. Has he got any information? Has he had a study done yet that will indicate whether that inequity will be corrected with the quarterly assessments?

HON. J. BUCKLASCHUK: Just in response to the first comments, I want to advise the members that in fact the province and the city assessment staff have been working very closely in the past couple of years, and there has been a joint evaluation manual that has been

developed for use throughout the province so that residential properties in Winnipeg are assessed on the same basis as those outside of the city. That is presently being tested, and I believe that staff are working on a manual for commercial property, and then I believe another one as well. So the yardstick or the evaluation process will be uniform for the first time.

With respect to education taxes, until the equalized assessment freeze is removed, there should not be any major changes in the relative share of education taxes. As I indicated, I believe, to the Member for La Verendrye yesterday, the only adjustments that are made are where you have the demolition of existing buildings or where you have the addition of new properties. But until we have assessment reform in its entirety, there will not be any thawing of the equalized assessment.

MR. J. ERNST: Mr. Chairman, the Minister indicated to a question I had asked him earlier in the month in the House about classification and portioning in his statement that classification and portioning, in his view, was not going to have any material effect on the anticipated taxation or reassessment problems in the City of Winnipeg. The Minister indicated that he didn't see any particular reason to hurry with that legislation, in proclaiming that legislation, because he didn't feel that there was going to be a material effect or a need to see any control of shifts in value as a result of reassessment in the City of Winnipeg.

Presumably the Minister didn't think that up just out of the blue. Obviously, he had some data base or some information that assisted him in coming to that conclusion. Could the Minister then provide the House with that information or table the report, whatever he has, dealing with that particular subject so that all members are aware of the reasoning behind his conclusion in that regard?

HON. J. BUCKLASCHUK: I think it's acknowledged that, with an updating of the assessment that is anywhere up to 25 years out of date, there will be shifts within a class. But the idea of classification and portioning is that we look at a class on a province-wide basis. Therefore, I guess to make a decision as to what portion a particular class will have to raise in taxes, we haven't had that information. That will be available in due course.

But I think it would not resolve the problem to make a decision on portioning. It would not resolve that problem only within Winnipeg. We're dealing only with one municipality. In fact, the portioning should be applicable to all 200-and-some municipalities in Manitoba. That will come about when assessment reform is being implemented.

I don't have a report. It's just some discussions we've had. I don't see that determining what the portions are at this point would deal with the problem that will likely exist in Winnipeg next spring when it comes to the taxation based on the assessment that has been court-ordered for the end of this year.

MR. J. ERNST: Mr. Chairman, the Minister, if I heard him correctly, just admitted that he anticipates now there will be a problem in Winnipeg in the next spring. Can he answer that question?

HON. J. BUCKLASCHUK: I do not at any time recall indicating there would not be some problems that we have to deal with. There may well be a number of ways that the province and the city can deal with shifts that will exist because of the court-ordered reassessment. But I have always indicated that I don't see that portioning is the resolution to that problem.

MR. J. ERNST: Mr. Chairman, given that the Minister has indicated that classification and portioning, in his view, is not the mechanism to offset some of these shifts and the anticipated concern that shifts will take place and that there will be significant impacts on particularly residential property owners in the City of Winnipeg, what other legislation, what other methods has the Minister and his government come up with in anticipation of that occurring, given that perhaps the Session may last only another couple of months and that, if additional legislation is necessary, it will have to be introduced pretty quickly in order to have it in place for that reassessment that's going to take place starting January 1, 1987?

HON. J. BUCKLASCHUK: We have not yet determined what these options are. It's certainly something that is under review at the present time. However, if there are major shifts that have to be dealt with, I would think that there would be sufficient time next spring in the Session to bring in whatever changes and legislation would be necessary to ameliorate the hardships that may exist or may take place. The assessment notices will likely go out later this year or early next year. I believe tax notices don't go out until about May or June — May? By that time, we will certainly have the information — we will have it later on this fall, we hope — the information that will give us a good idea of what can happen, and fully review the options that are available to both the province and to the city.

I have indicated to the mayor this morning, with my colleague the Minister of Urban Affairs, that we are quite prepared to sit down with the city as soon as we have some good handle on what the situation may be, and take a look at whatever can be done to ameliorate undue hardship to Winnipeg, particularly residential property owners.

MR. J. ERNST: Mr. Chairman, on March 13, 1986, the City of Winnipeg provided via letter from the Chairman of the Executive Policy Committee to the Premier, an outline of the kind of impacts that had been anticipated dealing with reassessment in 1987, and what the impact would have been had that been in place for the 1986 taxation year.

That information was provided some four months ago, three-and-a-half months ago. The kind of impacts anticipated there were in the vicinity of 24 percent, 34 percent, 12 percent, in one instance as high as 306 percent, obviously not a good example, particularly, but certainly large portions of the City of Winnipeg are going to be faced with the kind of increases well in excess of 20 percent.

Those, in my view, certainly are significant and I would hope that the Minister, if that information isn't adequate, that he'd better get a quick handle on what other information he requires because those kinds of impacts

on property owners in the City of Winnipeg, are going to create a small riot, if not a large riot. There are going to be, I suspect, a great many property owners wanting to know why the government hasn't acted, why it hasn't anticipated these kinds of problems, why it hasn't brought forward legislation and why it's taken five, six, seven years to come up with virtually nothing in terms of how to deal with those kinds of shifts in property assessments.

I would hope that the Minister is able to come up with, if that information isn't adequate, to come up with other information that will deal with those kinds of problems.

A couple of other questions I had, Mr. Chairman, dealing with assessment. Part of the tax or assessment reform legislation, or proposed, the report of the Weir Commission indicated that a joint assessment branch, or a joint authority for assessment across all of Manitoba would be desirable. The Minister has indicated to us that he's had his staff and the staff of the City of Winnipeg, the two assessment authorities presently here, have had meetings and have produced a joint manual and a number of other areas of cooperation.

Can the Minister indicate if a joint assessment branch is in the offing, if it is, when it's anticipated it would come into place, and what would happen to the staff of both departments should that occur?

HON. J. BUCKLASCHUK: Yes, Mr. Chairperson, with respect to the letter that the Member for Charleswood referred to, dated March 16, I'm quite sure that the information provided in that letter was based on very preliminary data.

Since that time, more and more information has been gathered and provided. I don't believe there was any reference to the impact of school taxes when that particular prognostication was developed. I indicated about a month-and-a-half ago, we received considerable information from the city. We've received information just as recently as this morning, I'm advised, and I think the more information that is available to staff, the more accurate staff can predict what the impact will be.

I want to assure the member that our department has been working very closely with the City of Winnipeg Assessment Department so that we are both satisfied at the provincial and municipal level as to what the impact will be of the court ordered assessment.

MR. CHAIRMAN: I am interrupting the proceedings of the committee for the Royal Assent, which will be followed immediately by Private Member's Hour.

The committee will return at 8:00 p.m.

Call in the Speaker.

IN SESSION ROYAL ASSENT

DEPUTY SERGEANT-AT-ARMS, Mr. A. Roy MacGillivray: Her Honour, the Lieutenant-Governor.

Her Honour, Pearl McGonigal, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne:

Madam Speaker addressed Her Honour in the following words:

MADAM SPEAKER: May it please Your Honour:

We, Her Majesty's most dutiful and faithful subjects, the Legislative Assembly of Manitoba in Session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and Government, and beg for Your Honour the acceptance of this Bill:

Bill No. 2 - An Act to amend The Real Property Act (Air Rights); Loi modifiant la Loi sur les biens réels (droits aériens).

MR. CLERK, W. Remnant: Her Honour, the Lieutenant-Governor, doth thank Her Majesty's dutiful and loyal subjects, accepts their benevolence and assents to this bill in Her Majesty's name.

Her Honour was then pleased to retire.

HON. J. COWAN: Madam Speaker, after consultations with . . .

MADAM SPEAKER: Order please.

HON. J. COWAN: . . . the Opposition House Leader and the Member for River Heights, it's been decided that we would not proceed with Private Members' Hour today, but would meet again at eight o'clock and continue the discussion of the Estimates.

A MEMBER: Call it 5:30.

HON. J. COWAN: 5:30.

MADAM SPEAKER: The hour being 5:30 then, I am leaving the Chair with the understanding that the House will reconvene at 8:00 p.m. in Committee of Supply.