

## LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 3 July, 1986.

Time — 8:00 p.m.

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY — COMMUNITY SERVICES

**MR. CHAIRMAN, M. Dolin:** We are on Page 34, Resolution 32, Item 4.(d) Child Day Care.

The Member for Kirkfield Park.

**MRS. G. HAMMOND:** I don't know if the Minister was in the process of answering the question, but I think I'll start anyway. We were talking about private day care and the Minister had indicated that she did not either encourage or discourage private day care, but of course by policy that's exactly what happens, they are discouraged.

I wonder if the Minister has a list of the independent centres I could have.

**MR. CHAIRMAN:** The Minister of Community Services.

**HON. M. SMITH:** We have a complete directory of services, and we're just identifying the page reference. They're scattered. They're identified in the listing with an asterisk.

**MRS. G. HAMMOND:** Is it possible to get a copy of the directory?

**MR. CHAIRMAN:** Does the member want more information than just that information, because that could be photocopied? But the staffperson is saying they could give you the whole thing if you want to wait.

**MRS. G. HAMMOND:** I also wanted to discuss the Minister's words where she said the choice to the haves in the suburbs when we were talking about subsidizing the parents for choice, I would assume that if you have a subsidy, that you're not a have; and you're as poor in the suburbs as you are in any part of town. Although I was not talking specifically of suburbs, I really find that to bring the distinction between suburbs and the centre of the city, we all recognize that there are problems in the core area.

But there are problems in other places too and no matter where you end up living, if you need a subsidy I don't see that it matters whether you choose a private day care centre or a public day care centre or government-funded day care centre. I think that the poor should be able to have a choice, as well as anyone else, and I think that choice would be there. Maybe they would choose the government-funded centres, possibly they would if it was the handiest, and that's what I'm getting at, is to allow subsidies given to the parents so that they will have a choice. I really think it's not fair, or even wise, for the Minister to try and separate the suburbs from the core area in recognition of need.

**HON. M. SMITH:** In fact, the centres and the family day cares are quite broadly distributed geographically,

not only in the city, but throughout the province. I thought that the member, in asking her question, had said something about that there were only centres being approved in the core, and I guess I was responding to that position.

The issue of the parents in need — having access to the money and then choice — there is not enough money in the system at present for all the parents who would qualify on an income base to have enough money to enable them to use the day care, there are not enough day care spaces. Again, the question of choice — I think choice is an important factor and within the range of what's there now there is some choice — but I think it has to be weighed against the reason for going the non-profit and the parent-board approach for the larger centres. It's to protect the children, it's a line of defence, if you like, to ensure that there is good protection.

I know that many people who run centres on a profit basis are skilled and abled and of goodwill. The problem from our perspective is that we can't predict which ones are and which aren't. Licensing is one way in which we can set standards and monitor them, but in our experience it's not sufficient. The presence of the parent boards, we believe, is an essential extra way of protecting youngsters.

Now we may just have to agree to disagree on the approach to the development of the day care system, but our policy positions have been taken carefully over time, after looking at the options and trying to weigh the need for day care, the economic need of the families who want it, and the provision of good quality care for the children.

**MRS. G. HAMMOND:** Yes, how many non-subsidized spaces are there in the present day care system, these are in the centres, I'm more interested in.

**HON. M. SMITH:** The total of facilities that are funded is 536, and that represents 9,827 spaces. The total of nonfunded facilities is 209 and the number of spaces is 4,465.

**MR. DEPUTY CHAIRMAN, D. Scott:** The Member for Kirkfield Park.

**MRS. G. HAMMOND:** Mr. Deputy Chairman, in the brief Child Care Challenge for Canadians under Affordability, it says that "parent fees continue to be supported by income-tested subsidies for lower income families". Why has the government not considered charging parents who make a good wage and are taking up these spaces, the \$940 maintenance grant?

**HON. M. SMITH:** The desire and development of day care was to have centres where all groups would, in a sense, mix so that we didn't develop one set of centres for the very low income, another for the middle and another for the upper income. If we charge the full cost and charge the parents who could afford the full amount, we could provide subsidy under our cost sharing with

the Federal Government for the low income but the middle income people probably wouldn't have enough income to be able to afford the full fee, but nor would they qualify for the subsidy. Rather than develop that sort of barbell population in the day cares, we went for the combination of the fee plus the grant.

Historically there was another reason why it developed that way and that is that the subsidy component was cost-shareable. The grant part was a provincial top-up. In a sense, the federal cost-sharing was akin to other welfare level type programs. As the system developed in Manitoba, the decision was made to extend the day cares beyond the welfare level and have them accessible to all income groups. This was the device that was developed.

**MRS. G. HAMMOND:** Do you have a schedule of the rates? Are they in this Child Care Challenge book?

**HON. M. SMITH:** In the Child Care Challenge for Canadians? I think the member has it. Look on Page 15, there are the grants, and then on Page 13 the fee schedule. Again, it doesn't have the '86-87. The 1986-87 maximum daily subsidized fee is 11.65.

**MRS. G. HAMMOND:** Yes, I'm carrying on into the brief. On Page 7 here's a list of categories for the spaces available, and under Nursery School it's top heavy non-funded. I was wondering what would be the reason for that.

**HON. M. SMITH:** When the new act was brought in in '83, it was determined that existing centres would be grandparented and no new funding added unless they qualified under the new program.

**MRS. G. HAMMOND:** Are all the nursery schools then to be grandparented, is that it?

**HON. M. SMITH:** I would just like to correct the previous statement. Nursery school funding was available under the Manitoba Day Care plan until 1977 and then it was discontinued, but the existing places were grandparented.

**MRS. G. HAMMOND:** The occasional day care centres, there are 106 spaces not funded. What is that?

**HON. M. SMITH:** We've had a category of centres that, in a sense, get licensed but which don't offer full-time care. An example would be at a university where the parent is only in attendance for a couple of hours, it may not be even on a daily basis, but just requires occasional care. They're not funded but they do require licensing.

**MRS. G. HAMMOND:** And the category that is the group day care home?

**HON. M. SMITH:** There is an error in the wording of this because it's identical to the family day care home that's just above it. It should read, ". . . in which care is provided for up to 12 children and it's in the home of two adults licensed to provide the care."

This type of care, they find that it's more costly to them if they are funded than if they operate separately, so they're licensed but they haven't required funding.

**MRS. G. HAMMOND:** Could the Minister explain why it's more costly?

**HON. M. SMITH:** The difference is that this would be the equivalent of a profit centre. We don't limit the fee in those centres and they may be so located that they can draw on enough people willing to pay a higher fee and the net revenue for the providers is better than if they were organized under our funding.

**MRS. G. HAMMOND:** The school-age day care centres, how many new spaces will be allocated this year?

**HON. M. SMITH:** One-quarter of the new spaces will be for that purpose, that's 110 out of the 440.

**MRS. G. HAMMOND:** That is the Before Noon-Hour, and After-School Program. Has the day care office notified the centres whether they'll be given more spaces?

**HON. M. SMITH:** No, most of them will hear, though, before the end of July. We're reviewing that allocation at the moment.

**MRS. G. HAMMOND:** Mr. Deputy Chairman, I wonder if the Minister could give the reason for the centres being notified at such a late date.

**HON. M. SMITH:** Basically, it's the late holding of the Session and the finalization of Estimates. Ordinarily, we would be a couple of months earlier.

**MRS. G. HAMMOND:** Does the department not plan ahead, considering that if they're given 100 spaces, this is where they would go; if they're given 50 spaces, this is where they would go?

I find it very difficult to understand why this particular type of care would not know what they're doing now, because parents obviously need to know where their children are going to have care in the fall.

**HON. M. SMITH:** I think there's been quite a few groups finding the late holding of the Session and completion of Estimates or Budget Speech and so on has resulted in a slight delay in the usual notification pattern.

What we're working to is a sort of five- and ten-year framework, but each year the final Estimate figure has to be reviewed and authorized. With earlier Sessions, this should be avoided in future, but this year, because of the timing of the election, has produced some difficulty.

I guess each area of government works on a little different basis, depending on when funding decisions are made, but it had to do this year with the pre-election, post-election activity and late Budget.

**MRS. G. HAMMOND:** Mr. Deputy Chairman, I'm listening to what the Minister is saying but I really feel that it's created a disturbance to the child care community. I was just this morning talking to the Westwood Community Child Care and they really have indicated that the parents are not only calling them every day, but they're calling the child care office and they've got to know where their kids are going to go.

What we have in our area is a request for 11 kindergarten children and 10 school age and there's 16 applied. These children come from across the division, boundaries have changed and it's all part of the French immersions. Here we've got parents who want their children in a course, have applied, and plan to have their children in kindergarten and they have no spaces to go to, and the end of July, if that is the time, it's pretty late to have parents scrambling around trying to find a spot.

I think that no matter when the election was held — they knew there was going to be an election at some time — or the Budget, that there should have been plans that if you're allotted so many spaces, they know where they're going to go. Then to be waiting for the last minute to be able to allocate those, I think is just the poorest of planning on the part of the department and just leaves the parents, the kids and the day care centres in just knowing where they're at, at all, and they're scrambling.

**HON. M. SMITH:** Well, I agree if we were at a stage where we had a universal day care program in place and orderly planning could be achieved, no one would be happier than I. I've said all along that the supply does not match the demand, that there are long waiting lists, that we are leading the country apart from some minor numbers out of Alberta, in the development of this system.

The fiscal climate in which this government has been operating, for the first time in recent memory, we've been receiving downscaled estimates of federal revenue every quarter. Now that didn't used to occur. We used to have firm figures from them but we've had shocks during the year in terms of what revenue we could expect for the current year, let alone the next year. All those factors, plus the shifts in the equalization, the EPF funding and threats of worse to come, aggravate the problem of a provincial government in completing its Budget.

Again, if more had been done in prior years before this government came in, we would be further along in meeting the need. What we're facing is 10 or 12 years ago, we argued about whether there should be day care. Now people expect it and they expect it to be at the stage of universal accessibility. It can't expand that fast. If the Federal Government had advanced their parliamentary committee according to their first timetable, we would be a year and one-half ahead in terms of getting better cost-sharing agreements from that level.

The day care system has been expanded in spite of fiscal constraints. I'd be very happy to get us all to a five-year planning system, too, but some security of revenue from all the sources would certainly help that process.

I think the biggest stabilizing factor that could come into the day care world would be very substantive action on the part of the Federal Government as a result of this parliamentary committee.

**MRS. G. HAMMOND:** Mr. Deputy Chairman, I think the Minister, she's talking about universal day care and about the Federal Government coming in. What I'm talking about is the planning in her own department.

What parents want to know is if there's going to be no extra spaces, they need to know it now so that they can make arrangements for day care of some kind for their children.

So I'm not talking about universal; I'm not talking about the Federal Government. What I'm talking about is the planning in the department and I think it lacks something very drastically. And to talk about a late budget because there's an election, certainly as part of the government you should know those things.

So if there's not going to be spaces for certain day care centres, let them know so that they can say to the parents, look, we can't accommodate you, please find your own space. This is all I'm asking out of the department and it's all I'm asking from the Minister. It would be nice to have the spaces and great if they can get them, but at least let them know what is happening so that they can plan.

**HON. M. SMITH:** They have been informed that the timing of the Budget has made the allocation of the growth in the day care system delayed this year. Now, we could have used the trade-off and told them earlier, if you want to know early then the answer is no, but I don't think that would have been fair.

We've said that we have a much longer waiting list than we have monies allocated. The limit in the growth of the program is the total dollars allocated. A late budget year results in later clarification of what each department budget is at.

The day care group within the department could have used 2,500 spaces immediately in terms of waiting lists. We've always said that that wasn't where the delays were.

Again, we could have given them a firm answer of no earlier, but most of them prefer to wait until the notification is given. Next year, the notification should be several months earlier.

**MRS. G. HAMMOND:** Could the Minister indicate how many part-time spaces are available in the total subsidized day care?

**HON. M. SMITH:** In the part-time pre-school, there's a total of 1,706 spaces but only about one-tenth of those are subsidized spaces because usually there's a parent at home and the part-time care is used as an enrichment for the child rather than as a necessity because the parent is working out of the home. He's putting in a reservation.

**MRS. G. HAMMOND:** Are the centres allocated so many spaces to be set aside for part-time?

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

**HON. M. SMITH:** The centres are allocated full spaces and it's their discretion whether they place two youngsters in one space, two part-time youngsters, or one full-time. The bias is definitely towards the full-time.

**MRS. G. HAMMOND:** When I was talking to one of the directors at a day care centre, that's exactly right, that the bias is towards the full-time because they need

the extra money; but not only that they said there would be extra paper work and lockers and beds that they need, all extra for part-time.

What exactly is the department doing to facilitate part-time spaces, especially since, what is it, about 74 percent of women work part-time?

**HON. M. SMITH:** The centres have the say in the prioritization. From our perspective, in terms of need and trying to identify the greatest need in meeting that first as the system is built, I think the family where the parent is required to be a full-time worker just to put bread on the table, has been acknowledged as a priority. I don't think any of us would deny that there is enrichment in part-time attendance but in this developmental stage of the program, some prioritization according to need is done. In fact, the final determination of the mix is done at the level of the centre.

**MRS. G. HAMMOND:** The parent boards then, are making that decision; is that what the Minister is saying?

**HON. M. SMITH:** Yes, and they may delegate that to the executive director, but it's the boards that are accountable for that decision.

**MRS. G. HAMMOND:** With the enhanced space requirements, did any centres have to cut back because of the space requirements?

**HON. M. SMITH:** The requirement for the space allocation per child comes into effect October '86. Many centres have already made the adjustments and we have been assisting them with upgrading grants. A few are still in the process of making those adjustments. Most of the adjustments are in the range of two or three spaces and what we have done is identify other vacancies in the area so that the dislocation is minimal. There are a couple that will be caught with having to have a reduction in spaces.

**MRS. G. HAMMOND:** Yes, has the Minister or the department, Mr. Chairman, given any thought to giving possibly two or three spaces, depending on the size of the day care centre, possibly it could be more, over and above two part time, when I was talking to — and this was a couple of directors — indicated that there is often two or three children away sick at most times and probably could accommodate some part time children in the centre, is that a possibility and is it going to be looked at at all?

**HON. M. SMITH:** Each board is responsible for determining the mix. If they have parents that are in part-time employment and would need the part-time spaces and they feel that they can work that mix, then they follow that. The risk of having trade-offs with youngsters who may be ill is that illness is not predictable and what we're trying to avoid is overloading of particular centres.

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

**MRS. S. CARSTAIRS:** The Minister has used a couple of words that I'd like to really concentrate on for a few

minutes. One of them is "scarce public funds" which I think we all recognize, and the other is "choice." My real concern about the way that we're functioning the day care system in Manitoba is that we're making choices, and some of those choices are being made in favour of people who have above adequate incomes and that is thereby jeopardizing people with less than adequate incomes, and I will give you an example.

Last week, Friday, was the last day in a private day care for a child who is the daughter of two doctors. She has been taken out of private day care and put into public day care because the public day care will cost the parents less money. Now, that is because the public day care receives salary enhancement, maintenance grants, and whatever, and because they're limited, quite frankly, to charging \$11.65 plus \$1 a day, so the maximum charge can be \$12.65 a day.

Now, it would seem to me that while we want a good mix, and I agree with that, in our day care and we don't want the children all coming from one economic level in a society, that those parents have an adequate ability to pay above and beyond the basic rate, that would thereby give the day care more money for a subsidized space for a child whose parents, to give you the opposite story, cannot find a day care space and has been told by your department that she would be better off to live on welfare which pays her \$940 a month and she can only earn \$800 a month as a salaried employee, and she can't find a day care centre that's subsidized.

**HON. M. SMITH:** Again, economic security issues don't come under my department, but if anyone has ever been told that, I would appreciate knowing, because it's my understanding that's not how people's lives and choices are dealt with.

Our approach as a public policy position on the problem identified by the Member for River Heights is that the best way to recover monies from the well-to-do is through a tax reform and a really progressive tax system rather than trying to do it through sliding scale fees or whatever.

The suggestion that the well-to-do family shouldn't have their child in day care so the other person could have is the other argument. You could if you pushed that to the extreme end up with not a very good mix in the day care. We are building a system, it'll never be as large as the school system or the health system, but it will be a quarter of the size of the school system. We feel it's a very important service that people are going to need in the changing society and it's important that we think carefully about how we fund it and how we build it.

It's our belief, and it's a political, public policy choice, that the pattern we're following gets the best of the mix at the same time as equity and the financing. To make it really effective though, there would have to be tax reform and progressive taxation so that the well-to-do family paid more of their shares through the tax system. To the extent that we have control over the tax system, that's the direction in which we move.

**MRS. S. CARSTAIRS:** Well, we can't change the federal tax system, as much as we might like to, and we're not going to have universal day care tomorrow, as much

as we might like to. What we, therefore, have to do is work within the parameters that we have. I find it shocking that we, in fact, subsidize a parent who also gets a \$2,000 tax credit for child care, because they earn more than adequate incomes and thereby don't have enough money for funding those parents who have genuine need. Now surely, we can maintain our mix in our day care centres and, at the same time, require, just as we require of those who have low incomes to produce their inability to pay require of those that have an ability to pay, so that they can, in fact, top up what the province is prepared to pay on their behalf.

**HON. M. SMITH:** We're very actively working to change the federal tax system and with it the provincial tax system and haven't given up on that approach either by persuasion or through the ballot box. Again, there is a great deal in the way income is distributed in this society and the way taxes are levied and the impact on different income groups that I find shocking. It's a choice of the tools available to us and the overall direction in which we would like to go. We believe in the combination of tax reform, progressive taxation, with trying to develop integrated day cares.

**MRS. S. CARSTAIRS:** Can the Minister tell us how many infant care spaces are available with subsidies that are not restricted. By that I mean, for example, that the Health Sciences Day Care Nursery is restricted to employees at the Health Sciences Centre; the Civil Service Day Care is restricted to children of civil servants; the University of Winnipeg is restricted to students and staff of the University of Winnipeg. How many infant spaces are there available with subsidy in this city that are not restricted by occupation?

**HON. M. SMITH:** About 45 out of 600 total infant spaces are, as the member has described them, restricted. The University of Winnipeg Day Care does have spaces for area residents. Most of the infant care spaces are in family day care homes.

**MRS. S. CARSTAIRS:** Are there, in fact, any non-family day cares, other than those three, and I know of one which is in fact subsidized which is providing infant care.

**HON. M. SMITH:** Of the total of about 600 infant spaces, about 200 are in centres. There's one city centre that opened this past year that has 24 two and unders. In most rural communities, a centre will have a couple of infant spaces.

**MRS. S. CARSTAIRS:** Mr. Chairman, can the Minister tell me how many day care centres operate to facilitate shift work and weekend work?

**HON. M. SMITH:** This has been one of the areas that still needs development, but what we have to date, we have two centres that offer this care, one in Brandon and one in Portage la Prairie. In the city, we asked Family Services to develop a special program to recruit the homes, and they have done a very extensive recruitment program.

However, when they looked for families that wished to use that care, they haven't been able to locate more

than six. So whether we're not mixing and matching right, that's the current state of the shift care situation.

**MRS. S. CARSTAIRS:** So there are not any day care centres at the present time in Winnipeg which can accommodate the shift worker or the weekend worker that is receiving subsidy?

**HON. M. SMITH:** There are some homes in the city that are providing this service, no centres. There is one in River Heights that is providing that care, but is not subsidized. The Y.W. offered evening care for a period of time, thinking there was an unmet need, but in fact the demand did not materialize so they closed down.

**MRS. S. CARSTAIRS:** I think that the River Heights Day Care, Sandy's, is certainly adequately used for the shift worker and for the night and weekend care to indicate that kind of facility is necessary.

Since there are no subsidized spots within a centre complex, despite the fact that it is against this government's desire, would the government consider subsidizing spaces in private day care in areas that are not adequately covered by public day cares such as the shift work, the weekends, the night care, that type of accommodation?

**HON. M. SMITH:** I did identify the areas where we had attempted to develop the service, and we were finding that the demand was not showing up. There is one group, River Avenue Co-op Day Care that is interested in developing shift, weekend care. That may develop in the next little while. Again, to date I think, the family day care homes have been the ones preferred for this purpose.

Again, I think the assumption or the proposition presented by the Member for River Heights sounds persuasive. Private centres provide the care. If there's one there, why don't we subsidize? Again, there are a lot of unmet needs in the system and, as we have moved along trying to deal with where the need was greatest first and then gradually branching out, that might be one option that we'd look at down the road. But I think in the foreseeable future, the pattern we're following will probably remain in place.

**MRS. S. CARSTAIRS:** When a day care like the Health Sciences Day Care begins — and I wish we could start calling it child care, because "day" is a euphemism I think we could get rid of. When an institution like that decides to go into day care or child care, isn't there an instinctive reaction that obviously this would have to be a 24-hour care centre since the people employed in that institution work a 24-hour day, and that they will require a constant sense of shifting?

**HON. M. SMITH:** When the Health Sciences Centre started up their day care, again this was many years ago and they were short of nursing support and wanted to provide this service to draw more family people back into the working force, they did offer evening and weekend care. But in fact, the demand did not materialize. It seems that people often have spouses who don't work with the same hours, and so are available for evenings or weekends or there are

extended family or neighbourhood arrangements. So the demand doesn't always surface in quite the way one anticipates.

**MRS. S. CARSTAIRS:** What are the policies with regard to the private day care centres and their lack of compliance with rules and regulations?

Again to use an example, I've had a preposterous thing suggested to me, and I say preposterous because I can't imagine an inspector going in and getting a non-compliance order because there isn't a bar of soap by a sink when there's a whole cupboardful of soap. It's shown to them, and they still get a non-compliance order. These things are reported to me, but I find them difficult to believe. Are there a lot of non-compliance orders being issued against private day cares?

**HON. M. SMITH:** Again, our coordinators visit the centres regularly. Also there could be a complaint that would find its way to the day care office and the coordinator would go.

Most of the infractions we find are minor. The coordinator would go in with an attitude of being supportive and persuasive. A licensing order to upgrade would be given to the centre, but they'd be given a time frame, and in some cases, help to achieve that upgrading.

If there were a major infraction and there had been a licensing order and no improvement within an appropriate time frame, their licence could be revoked. In fact, we haven't had to use that power.

We do also rely to a degree on the public health inspectors. The bar of soap story doesn't seem to match any knowledge or any experience that I've been aware of. In fact, when we sign licences, initially there are often provisional licences or interim licences given listing the areas where the centre has yet to comply. Now that wouldn't be on the major issues, but we treat our licensing role to provide a bottom line but also a supportive service to enable centres to build in the safety and the program factors that are required.

**MRS. S. CARSTAIRS:** Many of the private day care operators, as I understand it, will not meet the child care requirements for operating a day care by 1988 unless they go back and take further education and training. Is there any means by which a day care operator who has been in day care for a number of years can be grandfathered without taking the course requirements?

**HON. M. SMITH:** They are eligible for the same upgrading courses and they can get paid and a substitute placed in the centre while they take the upgrading. In terms of the grandparenting and recognizing their experience, we have a competency-based assessment system which does build in recognition for experience. In most cases there are some areas of theory or further training that are required, but there's quite an extensive competency-based assessment to recognize particularly the experience and knowledge gained on the job.

**MRS. S. CARSTAIRS:** My understanding is that they could get a Child Care II through this kind of recognition

of their past experience, but they could not get a Child Care III. A Child Care III is what is required to be the director of the day care. Is that correct?

**HON. M. SMITH:** There is access for anyone who became a director before December, 1984. The Act came in 1983 and then was proclaimed. They are eligible for the upgrading courses to get to the III, but someone who's become a director since then in a sense knew what the requirements were and has some personal responsibility to upgrade.

**MRS. S. CARSTAIRS:** I'm really concerned, Mr. Chairman, about those people who were in fact in day care for 10 or 15 years prior to the new legislation. If I use a similar kind of situation when private schools were required to have certified teachers in order to get granting from the Provincial Government, many who had been teaching for 25 and 30 years were indeed grandfathered and were not required to go back and complete further education requirements. I wonder why the same thing was not afforded to someone who had a proven track record in the day care field?

**HON. M. SMITH:** Again, the courses that are required are shorter and more concentrated for this period, so there's a measure of grandparenting. They are eight-week courses. The other measure of grandparenting is the provision of the competency-based assessment where they can demonstrate through being observed at work and through oral questioning what their level of skill and knowledge is.

We still find that there are some areas where even the most experienced may be lacking in terms of the total day care program. I think we've been quite lenient towards the people in the field, but we do feel strongly about training or about the development of these skills because that seems to be the single most significant issue in guaranteeing the quality of care that the children require.

We're also permitting after October, 1988, that one-third of the staff can stay untrained. In other words, we have a differentiated staffing pattern in the centre.

**MRS. S. CARSTAIRS:** Is it going to continue to be a policy that independent day care operators — or private or whatever we want to call them — will continue to have no representation on the committees that are formulating child care policies, such committees as the Classifications Appeal Board?

**HON. M. SMITH:** There are currently two representatives from the profit group of day care operators on the Day Care Liaison Committee. The Appeals body does not have a representative at this time.

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

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

Some time ago it was brought to the attention of I suppose of the department and those people who are responsible for hiring day care workers that prescreening could not be done. You cannot prescreen to find out whether these new employees have had any

records as far as child assault or sexual offences are concerned. Has the Minister been able to rectify that situation so that this concern is alleviated to some extent? . . .

**HON. M. SMITH:** The way we've been handling that is when someone is employed, they sign a paper that indicates that a condition of employment is that we check the record. If anything is found in the record, the day care board is notified and if they don't take action or if we have a concern, we can revoke the licence.

**MR. A. BROWN:** Do I understand, then, that a new employee would be allowed to work upon employment before the record had been checked?

**HON. M. SMITH:** In fact, it takes about a month to check. The Human Rights Commission would not allow this to be a condition of refusing an offer of employment, so we've complied with the protection needs and the Human Rights as best we can.

**MR. A. BROWN:** I realize that the Human Rights Commission says that a criminal record cannot be used to screen someone from a job opportunity, but by the same token, it seems to me that in a situation such as this where you are not sure whether a person has a record of child assault or a sexual offence, it seems to me that one way of getting around it would be that this person could be possibly temporarily employed or told that he was going to have employment, then do the screening before the person actually starts work. It seems to me that we have to take great care and take every precaution that we possibly can that someone who is a child molester does not infiltrate the system.

**HON. M. SMITH:** At the moment, it's taking us about a month. We may be able to speed up. We've done about 400 screenings since the February requirement was in place. Again, I guess the need of the centres to have enough staff, plus the human rights requirement, has resulted in this policy, but it's one we'll keep under review and I welcome the suggestions and concerns voiced by the member.

**MR. A. BROWN:** The Department of Education is going to be providing some space in new schools that are being built. I don't know if they're doing any additions to other schools but anyhow, the Department of Education is becoming involved in providing space for day care.

Can you tell me how many spaces are going to be provided, let's say within the next year?

**HON. M. SMITH:** There should be a total of around 600 coming on in the next year. Now, that will extend beyond our 440 spaces, but it will be into the next fiscal year. We expect to escalate the number of spaces per year. We did make an election commitment to add 4,000 spaces over four years. One of the reasons for starting slower and moving up is that we also have to synchronize training of day care workers and we're working in cooperation with Education to ensure that that stream of training is also in place.

**MR. A. BROWN:** Six hundred spaces is quite a number of spaces and, quite frankly, I'm a little bit surprised to hear that there's going to be that many provided. Has it been the intention of the Minister to move most of the child day care centres into a school setting?

**HON. M. SMITH:** No, these will be new spaces. In the past, the day care community, in a sense, sought out whatever space was available. There was no Capital program that existed. The Jobs Fund and some Core Area Initiative monies, in fact, have gone for building or renovating space for day cares, but the lack of a Capital program has been a growing problem as other usable space has been taken up.

One of our recommendations to the federal task force was that a capital program be put in place somewhat similar to what happened when they developed Medicare. They put in a 10-year capital program, sort of a rolling fund, to enable provinces to build up their hospital plant.

This is an interim measure, in a sense, that we've developed here in Manitoba. The schools that are being built, or renovated, or expanded, do tend to come in the area where day care needs tend to be high because the number of young families tends to reflect itself in the school expansion. From my point of view, I think it's been a very good coordination between departments.

The actual operating of the day cares and the funding will not be carried out, though, by the school authorities. There will be parent boards and they'll be funded through the Day Care Program.

**MR. A. BROWN:** Would these day care associations, in circumstances such as that, be paying rent to the school district?

**HON. M. SMITH:** There won't be a direct payment of rent but the day care will be responsible for the heat, light, the utilities, the additional costs.

**MR. CHAIRMAN:** The Member for Kirkfield Park.

**MRS. G. HAMMOND:** I was just looking at an amendment, Mr. Chairman, that the former Member for Fort Garry and myself had put in when The Community Child and Day Care Standards Act was being debated. That was for shift work. It was defeated at that time. The amendment was that a director, in accordance with and subject to the regulations, offer payment to the parent of an amount of special assistance toward the financial expense of providing that supervisory care.

Nothing much, obviously, has been done to help the shift worker. It's obvious that from what the Minister has said, by the methods that have been tried and parents haven't taken them up, that most of the parents would prefer, if they work at night, probably to have their children in their own homes. I've mentioned this before but I cannot picture someone going out to work at night, if they're leaving home about four and getting home at two, and taking their kids somewhere. They have to get home at two. The child, obviously, won't be picked up at that time. They'd have to get back to the

I would hope that the department would be looking at some type of subsidy to the parent where they can buy their own day care in the home, whether they consider licensing the care giver in someone else's home or having them register, but I do believe that the need is there and people are certainly providing it but with great difficulty.

I would hope that the department is looking at alternate methods of day care. Everything seems to be geared to the 9 to 5 or 7 to 6, or whatever it is, and nothing for the people that don't fall into that category and there's many of them.

**HON. M. SMITH:** Well, you know, I would never claim to be able to provide complete convenience or solution to poverty problems or to meet all the day care needs. We know we are building a system and we have gone from developing standards and stabilizing the system we had to gradually expanding it with a mix of family and centre care.

Again, the member has an interesting approach to providing shift care. It might be an approach that's better supported through tax credits or something of that sort from the Federal Government end. There are a lot of poverty issues and need issues out there for families; I don't deny that.

Our system doesn't claim to meet all those needs. We're building and we've been prioritizing where we thought the greatest, most pressing need was but we acknowledge that there's unmet need in these other areas. There may be a wider variety of ways to deal with that and we'll certainly take it under advisement.

**MRS. G. HAMMOND:** I thank the Minister for that.

The other area is the rural child care and specifically farm families during their, I guess you'd call it peak times, when they're working long hours and all day every day including weekends. What type of care is being provided and are there subsidies for the rural farm family?

**HON. M. SMITH:** This is an area that we've acknowledged as well as one of the areas of unmet need. It's a complex area because of the distances involved and the seasonality. There is quite a network of family day cares in the rural areas that meets part of the problem.

I think it's an area where we should try to get a few pilot projects working just to see what is the best mode. Maybe there will be no one best way, but I think increasingly fine-tuning programs for the different regional needs are important. As I say, I'd feel a lot better doing that if I had coped with the basic backlog, and that's my immediate goal. However, I think with our goal of expanding by 4,000 spaces over the next four years, it will come a lot closer to being able to diversify and fine-tune.

**MRS. G. HAMMOND:** Is the Minister and the department then planning to use a good number of those spaces to provide alternate methods of day care rather than just the straight day care centres?

**HON. M. SMITH:** We don't have any specific plan to do it. We did, however, in the election promise say that

approximately 850 out of the 4,000 would be special needs children. Now there's many types of special needs, so it could be accommodated under that.

Again, we have been talking wearing another hat. As Status of Women Minister, I know I was urging the rural women to identify some of those possibilities for us and provide some input. I think, again, the networking of group centres and family day care in the rural areas has raised the expectations of a lot of rural women and I think that's all to the good. So, as I say, we have no specific plan at the moment but it is one of those unmet need areas that we are aware of.

**MRS. G. HAMMOND:** Yes, another area that has come to the fore, and I'm sure the Minister is aware of, is the day care services for immigrant women who are taking language training. What kind of services are there for the immigrant women?

**HON. M. SMITH:** There are 30 spaces connected to the Winnipeg School Division ESL language classes and the spaces are available in three separate blocks of time that match the delivery of those language classes.

**MRS. G. HAMMOND:** I understand there's a pilot project in Quebec that is currently dealing with I believe casual care. Has the department investigated that at all?

**HON. M. SMITH:** Again, casual care in Quebec isn't specific enough for us to identify. If it refers to the intermittent care, we do already have a program like that, but if the member has more detail. We aren't aware of a program with that specific need.

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

**MRS. S. CARSTAIRS:** I have a question about special needs spaces. What, in definition of day care, is special needs?

**HON. M. SMITH:** There are really two different areas where the term is used. One is where a mentally retarded or a physically handicapped child requires some special supports to enable them to attend an integrated day care.

The other area where the words are used is if a family or a child has been determined to have a special need, perhaps a social problem, something that emerges through the Child and Family Service or some other system, the family may be subsidized to enable them to place their child in the day care, may provide respite or special support for the child.

**MRS. S. CARSTAIRS:** I have some correspondence here with regard to the Anne Ross Day Care — it's a couple of letters — one with a child with an obvious developmental problem and another with a child who has been the victim of parent neglect. How many day care spaces in the city are actually available for referral by Child and Family Services as these children were referred?

**HON. M. SMITH:** Approximately 15 percent of our subsidized families would be there on some form of referral. So that's about 600 spaces.

**MRS. S. CARSTAIRS:** In the new day care spaces which will be announced, the 400, 450 for this upcoming year, my hope would be that a large percentage of them would be, in fact, given for this kind of referral. Does the Minister have any data to date about the influence in that area?

**HON. M. SMITH:** There are some top-up funds available if one of the spaces allocated was used by a referred youngster. The centres have been good in responding to that. Over the following years we'll be working more with youngsters with behavioural and emotional difficulties.

**MRS. S. CARSTAIRS:** I guess I wanted a more specific answer. That is, of the 450 spaces that are going to be granted this year, will a good number of them in fact be awarded to day cares like the Anne Ross that can, in fact, provide this obvious specialized service?

**HON. M. SMITH:** Well, there are quite a few centres that can provide. Again, we don't designate spaces specifically, but we have a referral system where they get a good prioritization. There are other factors besides the Anne Ross specialty, sometimes it's convenience to the home, whether or not they have transportation and so on. So the way we handle it isn't by designating spaces. It's that we have a referral system that in fact has access to spaces that are there. We seem to have found a system that's working reasonably well, but we just need more of everything.

**MRS. S. CARSTAIRS:** Well, we do. You were obviously in the process of making decisions about where these spaces are going to go. I mean, I know of a number of day care centres that have applied for additional spaces. They're obviously not all going to get them, because there isn't enough money to give them to them all. I guess what I'd like is some assurance that a lot of them will go in areas where a lot of referrals are being made.

**HON. M. SMITH:** We do lean towards the areas of greatest need.

**MR. CHAIRMAN:** 4.(d)(1)—the Member for Ste. Rose.

**MR. G. CUMMINGS:** I wonder if the Minister could tell us what criteria is used for offering into established day care in conjunction with the schools in the province, now that there's been a thrust made in that direction. What is the criteria that's used in order to establish whether that would be established in a particular school?

**HON. M. SMITH:** The arrangement we have with Education and the Public Schools Finance Board is, that where there is a new school, an expansion or a renovation, that the school board may opt for the addition of daycare space. Should that be determined, then a group of parents in the community would be involved in setting up a board, and they would get help from one of our coordinators to get a day care going.

But the school board, in a sense, has to approve the extra space, but the operating costs and ongoing

program development and monitoring is carried out through the day care department.

**MR. G. CUMMINGS:** The school board would make the approach first, or it would be from an organization within the community that would initiate the program?

**HON. M. SMITH:** It could be initiated either way. Again, we have an agreement with Education that we approve only when we can guarantee that there will be spaces. In other words, we are coordinating this at the approval end to ensure that we don't end up with spaces built, where we can't approve the spaces. But the initiative could come from either direction.

I think initially, because schools haven't done this sort of thing before or school boards haven't been involved and because they don't necessarily know the day care program and the funding agreements, there's sometimes some apprehension because they think they may be left down the road with the expense of running the day care.

Again, unless one was in an area where there was a rapidly diminishing and aging population, our reading is that the day care expansion is going to carry on for quite some time and is going to be a permanent part of our social life. Again, I'm not a crystal ball reader, but I would say for the next 10 to 15 years that's going to be very much a growing service.

**MR. G. CUMMINGS:** Would the school board have the final decision?

**HON. M. SMITH:** It would not be imposed on a school board. If they indicated an interest, again they wouldn't have the final approval. That would depend on what priorities we were able to negotiate back and forth between education and the day care office here, because we don't want to have more expansion going on than we can fund through the day care program. But we would not enforce a local school board, that didn't want day care space, to accept it.

**MR. G. CUMMINGS:** Is there a number of concerned requests that would come from the community, is there a magic number that says when the program would be instituted, something similar to special programs within the educational field itself whereby a specific number of parents can request and achieve their results by legislation, if you will, or regulation?

**HON. M. SMITH:** Economic viability of a centre in a school base is around 40 spaces, so there would have to be some determination of need of that order. Those would be figures that relate to the day care program, not to the usual school class. They have other criteria, I think, in the educational system.

**MR. CHAIRMAN:** I think the member's question was regarding the initiatory process, as to how many parents would it take, would they go to the school board? That was the question?

**MR. G. CUMMINGS:** Yes, that's correct. If a group of parents were to initiate a request, what numbers are involved before that becomes a reality or departmental initiative.

**HON. M. SMITH:** One family, if it were big enough. Basically, they'd have to demonstrate a capacity, or demand in the area of 40 now. A lot of the school-based day cares, some would be for pre-schoolers if the demand was there. Again, in rural areas, where you're probably already getting a form of before-noon and after-school programming just because of school busing and so on, you may have a different situation.

There has to be a demonstrated need for about 40 youngsters on an ongoing basis.

**MR. G. CUMMINGS:** Just so that I have it . . .

**HON. M. SMITH:** Well, the families could approach us directly, or they could go to the school board, and then there'd be a series of negotiations. The bottom line is that we wouldn't force it on a school board against their will and that even if a school board requested, we would have the final say and approval because we're the gate keepers, in a sense, at the rate that the total system expands.

**MR. G. CUMMINGS:** Just so I have it perfectly clear in my own mind, if a school board were to not approve, what would happen?

**HON. M. SMITH:** Then the project would not go forward. Now, if there were a group of parents in the community that wanted a day care, then they would be dealt with the way we normally deal with them. They'd scout around and try to find a place that could be adapted or used. We've had some start-up grants, and so on.

We're hoping, in time, that we might get a Capital program in cooperation with the Federal Government, but that's down the road.

**MR. G. CUMMINGS:** One last question on this area from me. I admit to being one of those skeptical trustees who would be concerned about what is down the road with this program. I wonder if you could be a little more specific about the division of responsibilities once the program has been established in a school.

It's very easy to say, you know, the caretaking and the staffing would be handled under Community Services, but there's a lot of things that go on around school divisions which could have a cost factor, plus a lot of pressures that are put on local authorities vis-a-vis busing and that sort of thing. Now, I realize you're talking about very young people. Busing may not enter into it, but all the peripheral problems that come with playground space and staff rooms, all those different things.

What assurances has the Minister got for the school divisions who may be faced with this down the road, that in fact this will not become a local tax responsibility?

**HON. M. SMITH:** Well, they say death and taxes are the only sure things. The assurance I could give the member and, again, if I ran the school board, I would ask those very same questions, is that I guess we go from the experience we've had, where we've had day cares operating in schools. Sometimes it's been because the school is shrinking in size and we've been able to get space there.

The type of arrangement worked out with the school is that the day care system provides the basic sort of rent, utilities, minor maintenance. Some schools do provide some of the caretaking and that's worked out by the groups.

The play space has to be negotiated. There has to be a certain amount of play space available for the children. Usually playgrounds adapt fairly well to this. Sometimes there's a separate entrance and so on.

The criteria are based on what our experience has been in combining a day care program with the school in other areas. As I said, I think the only risk might be if there was a rapidly declining population in an area and there weren't going to be any young children. Usually a place where they're building a school, or renovating, or expanding, there usually is a pretty steady flow of youngsters.

Our government is committed to developing day care and to continuing the support of it. We've given it high priority through what's almost been a depression and we'll continue to do so, but I can't give the member assurance beyond that. I think the type of social change that we're experiencing right across the country augers well for the development and support of day care but I can only give the assurance from where I sit.

**MR. G. CUMMINGS:** I guess that begs another question. I could draw parallels to perhaps the driver training program whereby it's probably not any secret that the Department of Highways would be quite happy to have the schools make this a credit course and thereby pick up the expenditures associated with it.

I see some parallel situations with day care attached to the schools, that there are regulatory changes and policy changes that can soon impact on the best of intentions from all departments.

If I could ask, and this goes back a little bit, I guess, in your Estimates, but if I could ask one question. An unusual incident was related to me and I can't verify it although I was told it as fact, but I have some concern about whether or not it would be correct. Is it possible that when you increased the salary through your special grant in the past year, to staff, that some staff members may, in fact, not have been able to receive that increase because the charge per day at the day care was, in fact, not raised to a predetermined level that the department had chosen, or established?

**HON. M. SMITH:** There was some criteria in the provision of the grant. Eighty percent of the maximum allowable fee charge was one of the special criteria. I gather that there was a centre in your area that did not have a fee at that level so they were not eligible.

Again, I suppose it's like any funding program, there are criteria, there are parameters.

**MR. G. CUMMINGS:** Then this begs the question about who has the responsibility in the employ of these people, the local board or the province? The province, if you could draw a parallel to the Department of Education, there would never be a stunt like that pulled with the staff there.

**HON. M. SMITH:** Way back when, when health and education services were developing, there was very little

unionization or collective bargaining such as they now have in both those systems. Day care is at a very rudimentary stage of development. Very few centres are organized. Pay levels are traditionally very low. They are very low partly because of the historical pattern that when women started performing outside the home, the kind of activity they used to do in the home for free, whoever was setting up the pay schedules, made them very, very low.

Now, the enhancement grant has been recognition by this government that there's some unfairness there, but I don't think there was ever an intention to achieve parity of salaries in this system with other systems where people have organized and had to struggle. We're trying to close the gap somewhat.

There was also an incentive element for people who upgraded, because we're trying to get a somewhat better trained staff working in the day care, so the grant was also tied to the upgrading.

**MR. G. CUMMINGS:** It's my understanding in this particular case that the standard of the staff was not the problem, it was the fee that was charged to the children who were coming into the program. Was there any thought on the part of the province to prorate the percentage of funds that were available?

**HON. M. SMITH:** No, we didn't approach it that way. It was a board decision there, what level to set the fees. Now, again, having not always spent my life in the city, I know that there are often different economic standards, needs in different areas. I don't know whether the board's decision was based on a realistic assessment of people's ability to pay, or more the traditional view that you don't charge a lot for looking after kids because it used to be done for free in the home. I don't really know enough about your particular situation.

When we make grants available, especially when we put it in partly as an incentive for people to take the upgrading, I think it was within our prerogative to set some criteria. I can appreciate that, particularly for people who fall outside, they are not happy with that. On the other hand, for us to make it completely open-ended with no accountability or parameters, I think would be irresponsible as well.

You know, again I'd be interested in knowing, at some other time perhaps, whether that particular centre felt they had very different circumstances than elsewhere. I don't know that. Our system, quite frankly, I couldn't say it's got that degree of fine tuning in it yet, but I don't know what the thinking of the board was in that case.

**MR. G. CUMMINGS:** I think the concern that I'm trying to express is where the responsibility for the operation of the local program, particularly in the smaller communities, does lie and what autonomy they have. Given these circumstances, it would seem to me that they are being given the day-to-day housekeeping responsibilities but, after that, perhaps they're not given the same responsibility that perhaps I would have deemed appropriate.

**HON. M. SMITH:** I think it's a shared responsibility. I think local groups who organize on their own and want

to do something, I guess, have complete autonomy unless they want public funding or, in this case, the reason that the government got involved at all, quite apart from the funding in the licensing, is that there is some risk to young children being put together in large groups without adequate supervision, play space, support services. It's that concern for the well-being of the children that really has led to our Community Child Day Care Standards Act and the policies that we're adopting.

Again, I haven't yet heard any explanation as to why circumstances would be significantly different in Ste. Rose. I'm open to hearing that, but we felt that, in a sense, because we've seen child day care as a shared responsibility between the public and the family, we have recognized that some family effort is required.

I know some people envision a time when there's universal access and free day care for everyone. That may emerge way down the road, I don't know, I know that, in the current fiscal climate, I think the way we're approaching it is responsible. I think the principle of sharing responsibility with the family and the public is a sound one. Just where the trade-off should be, or the balance, is obviously debatable, but we've certainly put some thought into the development of the system.

**MRS. G. HAMMOND:** Mr. Chairman, I'm just curious. I was looking at the day care information and under Standards, one of the regulations indicates the maximum number of children who may play together in a group. What does that mean?

**HON. M. SMITH:** One of the needs of young children is interaction with other people. Now there's some interaction with the child among the children. There's also interaction with an adult, because that's where a lot of language is learned, it's where some of the security and affection and so on are provided.

In studies done in day care, it's found that, even more important than the total number of children in the centre, is the size of the little reference group, the play group that relates to one staff. If you go into a day care centre, you'll find groups of youngsters all over and usually one staff with six or eight children. So there's more intimacy and it's more like a family setting. One of the very strong needs of young children is for this interaction, affection and support. So that's how the centres are set up and the groups are organized.

**MRS. G. HAMMOND:** The news release on the national day care system as proposed, it's the two day care associations receiving grants. I probably should know this, but what is WATCH?

**HON. M. SMITH:** It's the relatively new organization of family day care providers, Women Attentive To Children's Happiness, WATCH. They're a very innovative group, and they're beginning to look at training opportunities and so on — (Interjection) — PATCH.

**MRS. G. HAMMOND:** I'm wondering, since it is a new group, how did they get started and how many are involved?

**HON. M. SMITH:** They've been going for about two-and-a-half years, and they function primarily as a group

of volunteers, but they did a lot of work on providing group insurance and disability insurance for their members. But they got to the point where the effort of maintaining that solely on a volunteer basis became difficult. The monies had been allocated to the two groups in proportion to their membership, so the other one is what? — five times more numerous in its membership.

**MRS. G. HAMMOND:** So one would get 25 and the other would get five. Is that approximately what we're talking about?

I wanted to ask the Minister about the brief that she submitted to the Child Care Committee, and ask how many of the provinces are in sync with what Manitoba is suggesting.

**HON. M. SMITH:** I don't have a complete cross-Canada breakdown, but I have some highlights. Saskatchewan has favoured the non-profit pattern; the Ontario Liberal Government has stated that any further expansion will be in the non-profit area.

The figures that I have on the proportions: Quebec has about 15 percent profit; Alberta is the one really different one and they have 85 percent in the profit area or the commercial; Ontario is currently at 50 percent, but their expansion is going to be in the non-profit area.

Some of the provinces think that the Canada Assistance Plan is adequate. No other province has addressed itself to the national issue in quite the way we have, so although there has been a lot of data compiled both by the Social Service Ministers and the Status of Women Ministers and through the Katie Cooke Task Force, I think we're the only province that took an active role in trying to design, or propose a design, for the federal level.

**MR. CHAIRMAN:** 4.(d)(1)—pass; 4.(d)(2)—pass; 4.(d)(3)—pass; 4.(d)(4)—pass.

4.(e) Family Dispute Services—the Member for Rhineland.

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

Since this is a relatively new program, I wonder if the Minister would like to enlighten us as to how she's coming along with this program and how the program has been coming along this last year.

**MR. DEPUTY CHAIRMAN, D. Scott:** Madam Minister.

**HON. M. SMITH:** Yes, this is a new grouping of services. There's basically a program direction for the Family Conciliation Services of the Family Division of the Court of Queen's Bench. There's also a coordination through this group of the Family Violence Program for the province. It's the wife abuse, the child abuse, dealing with abusers.

The staffing has gone from 9 in 1985-86 to 10 in '86-87. The increases during the year: 2 staff year for the family violence enhancement, it was started in '85-86 during the year but it shows up a full year cost this year; 1 new staff year to carry out the expanded work from the new divorce act, the federal divorce act. Our volume increase is uncertain from that act. We also

have some assessment backlog at the court, so we're hoping to catch up on that. We'll be watching closely to see how quickly that volume develops.

There's \$20,000 included to coordinate the development of the women, or the Human Resource Centre thrust announced during the election; and \$33,900 for a general salary increase.

The new staff is in the family conciliation counsellor. The staffing in the area is made up of a director of Family Dispute Services, Shirley Smith, over to my left; a coordinator of wife abuse programming; a coordinator of Family Conciliation Services; a coordinator of program of Family Violence; trainers to help people who are working in the field of family violence; a counsellor for the wife abuse unit; a legal advocate for the wife abuse unit; a family conciliation counsellor, and two clerical support.

We have 15 staff working in the Family Conciliation Services. They show up in the Regional Services that we did earlier on, but their program is supervised and coordinated from this group. Of that 15, 9 are professionals who deal with the counselling and 6 support staff. There's 2 additional people who work in the region, to enforce the reciprocal enforcement of maintenance orders.

Again, this is a coordinated approach on the family conciliation side to, where possible, keep couples together, but where they are determined to break up to try to make it as constructive and reasonable as possible and to deal with the custody of children and so on in as constructive a way as possible. I understand that the Family Court people are extremely pleased with the development of this unit and the way it compliments the particular service that they are providing.

There are services through the external agency listing whereby a lot of our services are delivered. There's an extra 285,000 in the Family Violence enhancement. There's monies available for the women's resource centres and a small general operating increase for agencies.

(Mr. Chairman, M. Dolin, in the Chair.)

Some of the groups that work under the external agency area: there's the Thompson Crisis Centre; Osborne House; the Manitoba Committee on Wife Abuse; 21 non-residential domestic assault programs — there were 14 in '85-86 — we now have funding going on in 7 regions. There's Family Violence enhancement monies for a coordinator at the Ma Mawi Wi Chi Itata Centre to initiate the development of culturally appropriate services. There's monies for the development of the Urban Therapy Program in cooperation with Klinik — this is the one we call EVOLVE where the abuser, abused and children in sort of the total family is counselled — and there have been some services purchased through Fort Garry Women's Resource Centre and Family Services.

There's increasing attention being given to services for batterers. In Portage la Prairie, they are working with probation services. Family Services of Winnipeg is delivering a service and also Klinik. What we'll be doing is evaluating the different services to see, not just which is better, but which is perhaps more appropriate for particular target groups.

There have already been programs available with probation services in Thompson and Selkirk. There was

an amount of money put in to waive the fees of women in crisis shelters. These were women who might not qualify for social assistance, but who had very definite needs and would be impoverished by paying the shelter fees.

The wife abuse unit at the Public Safety Building consists of a social worker and a lawyer, and that unit provides legal information, referral service and crisis follow-up when people come into that building.

Again, we're trying to develop a many-sided approach to the problem. We've only added specific programs when we've carefully assessed the need and the best way to deliver the program, so we're really developing a province-wide network of response, working very much in cooperation with local groups.

**MR. A. BROWN:** The Minister has given us a list of some of the family dispute services in some of the centres, but we don't have a list of all the crisis centres. I wonder if the Minister would be able to provide us with a list of all the crisis centres throughout the province and the amount of grants that would be available to each one of these shelters.

**HON. M. SMITH:** We'll make that available tomorrow.

**MR. A. BROWN:** Thank you. I have a number of questions which are going to be coming as a result of that particular area. I'm just wondering about one thing.

As a result of this new federal act regarding divorce, has there been a decided increase in divorce proceedings since this new act has come into force?

**HON. M. SMITH:** Yes, already. It was just proclaimed on June 1, 1986. We're anticipating an increase of up to 130 percent. The court has received a 60 percent increase of divorce applications. Again, we aren't yet sure quite what the impact will be on our particular services. It's a little too soon to tell.

**MR. A. BROWN:** This was going to be my question: how is the Minister's department involved with those particular proceedings? These I'm sure would be proceedings which had started a year or so ago, possibly. How is the Minister's department involved with these proceedings?

**HON. M. SMITH:** Again, the Family Conciliation Program, over 50 percent of the referrals originate through the legal system, the court and lawyers.

There's been a total service workload of 900 cases in 1985, addressed by an average of seven counsellors. The one additional Family Conciliation counsellor will assist. Again, the referrals come from the court and lawyers. Sometimes it's required that a couple go through this process. In other cases they choose to, to see if they can resolve some of the points at issue in a peaceful way rather than a litigious or adversarial way in the court.

**MR. A. BROWN:** How close is the department working with the police force? I know for instance in the rural areas, they must be working very closely with the police forces in the various areas because that's where most of your complaints on spouse abuse would be going to in the first place, I would expect.

Now is this indeed the case, that most of them are referred to the police first or, in the city for instance, are they referred to other areas?

**HON. M. SMITH:** There is close cooperation with the police. We did, as a result of our work with them, during 1985-86, add two positions to staff the wife abuse unit located at the Public Safety Building, and that's where there's immediate help given to people who come in through that system. They may arrive there through a variety of ways. The police may bring them; they may be referred from the crisis lines or from the shelters. They may be self-referred.

**MR. CHAIRMAN:** The time is now ten o'clock. What is the wish of Committee?

**MR. A. BROWN:** Committee rise.

**MR. CHAIRMAN:** Committee rise.

## SUPPLY — MUNICIPAL AFFAIRS

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

This section of the Committee of Supply has been dealing with the Estimates of the Department of Municipal Affairs. We are now on Item No. 4.(a), Municipal Assessment, Salaries; and 4.(b), Other Expenditures.

The Member for Charleswood.

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

I believe just at the supper hour break we were talking about a uniform assessment department, and I believe the Minister was in the process of answering when he was interrupted. Perhaps he could start over and refresh my memory at the same time.

**MR. CHAIRMAN:** The Minister of Municipal Affairs.

**HON. J. BUCKLASCHUK:** Yes, I was prepared to answer that question at four-thirty.

The assessment reform process very heavily involves both the provincial assessment staff and city staff and it's been a cooperative effort. I don't, at this time, see any value in having one assessment body for the whole province. I think that the existing system can work quite effectively.

We will also be operating under a single assessment act. The manuals have been jointly developed — a single assessment act. I don't know what the value would be in having one authority.

**MR. J. ERNST:** Mr. Chairman, to the Minister.

I believe the recommendation of the Weir Commission was a single assessment authority. However, I tend to concur with the Minister that I don't know that there's a major benefit in having a uniform department.

With the mandatory reassessment taking place in Winnipeg next year, has the Minister in his studies, Mr. Chairman, any indication of how anticipated appeals will affect the whole process in terms of delay, in terms of the provincial education support levy and things of that nature?

It's my understanding that the process works as follows: that once the reassessment has taken place within the department and assessment notices sent to the property owner, the property owner, when receiving his assessment notice, has 30 days within which to appeal.

Given that the whole basis of assessment is going to change with this reassessment, it would appear reasonable that a significant number of appeals, particularly those on a commercial basis, would be generated particularly because the mill rate will no doubt change as a result of the change in value base for the assessment in any event.

Does the Minister have any information on the anticipated appeals, how that appeal process will affect the whole question of taxation really, I guess, is the end result.

**HON. J. BUCKLASCHUK:** Yes, as the member is likely aware, last year this House passed Bill 83 which set up a uniform process in both Winnipeg and rural Manitoba for the appeal of assessments. It would certainly be my hope that there be a fairly intensive public education program as to what the reassessment means; that is, if we're going for 20 percent of 1975 values, I think that some program ought to be developed so the public clearly understands what that assessment figure means. The property owners will then have the appeal to the Court of Revision and if they're not satisfied with that outcome, then they'll go to the Municipal Board.

Frankly, I haven't given it much thought, as to the numbers of people that may be appealing. I think we can avoid the situation if there is something that has been done in the past, I understand, to meet the assessor day, where those that have an interest in the subject meet with the appropriate staff and have explained what the process is; raise questions, and hopefully receive answers. But in terms of whether we can anticipate 500 or 1,500 or 5,000 people to appeal our assessments, frankly, I haven't given much thought to that. I should mention though, just before I forget, I think we recognize that there is a potential problem; and again, in discussions with the Mayor and Mr. Stephenson this morning, we dealt with that and we realize that we're going to have to take a look at that issue.

**MR. J. ERNST:** Is the Minister indicating then that there's some anticipation of a public education process becoming involved? Are you considering contributing towards that or assisting towards that or pushing the city into it, or whatever? It's difficult, I appreciate, Mr. Minister, because it may well fall under the purview of the Minister of Urban Affairs, under his Estimates, if that were to take place, but you might comment or he might comment . . .

**HON. J. BUCKLASCHUK:** There is no particular allocation in the Municipal Affairs budget for the public education program. I would think that the city might be prepared to find the funds to do that, however, we'd be very prepared, as a department, to provide the city with whatever assistance we could in developing the program. I think the Mayor made a point of saying that

probably the most effective means of getting the message across would be something that was tried I think in Alberta or British Columbia — TV commercials, a very effective medium. This is something we'll be looking at the next time we meet with the Mayor and members of his council.

**MR. J. ERNST:** I can just see the television commercials, you know, "From those wonderful folks who gave you the tax increase."

Mr. Chairman, the Minister has indicated that again assessment reform and so on is not going to take place until 1989 now or perhaps beyond that. Could he indicate how many municipalities have been totally reassessed on the new value base and how many remain yet to be done?

**HON. J. BUCKLASCHUK:** In response to the question, I'm advised that all municipalities in Manitoba have been reassessed to provide us with assessment figures based on 20 percent of 1975. I might also refer the members to Page 64 in the supplementary booklet. You'll note the municipalities in the year in which assessment was first used and the schedule for 1985-86 all the way to 1990. But the information for all municipalities, 20 percent of 1975 value, is available at the present time.

**MR. J. ERNST:** For all municipalities?

**HON. J. BUCKLASCHUK:** Yes.

**MR. J. ERNST:** Could the Minister then advise us for how long all those municipalities have been assessed? When was the last one done?

**HON. J. BUCKLASCHUK:** Again, I would refer the member to Page 64. If you look at the right-hand column, you'll notice that the R.M.'s of Bifrost, Cornwallis, Glenella, Harrison and so on are being assessed in 1986, and the villages and so on. There's also a listing of those R.M.'s and villages, LGD's, towns that have been assessed in 1985 and so on.

**MR. J. ERNST:** I'm sorry, I don't have the book with me.

**HON. J. BUCKLASCHUK:** It's quite a lengthy table. It's on Page 64 of the supplementary.

**MR. J. ERNST:** Given, Mr. Minister, that it would appear, and again I just had a quick look at the information — and as you've said, all municipalities are now assessed based on 1975 values. There were a relative few assessed in 1986. What really bothers me is that we don't seem to be able to get a handle on the kind of information that's needed, and we're projecting now another three or four years of waiting for assessment reform to take place. The information is all there; it's been done. The assessment has been done on all of those properties. Surely to goodness it's not going to take three or four years for people to have computer runs to decide upon what format assessment reform is going to take place, whether classification apportioning is going to take place, when in fact all of

the province, not only all of the rural municipalities, towns and villages, but the City of Winnipeg will have been completed by the end of this year, by the end of 1986. Surely to goodness we can start implementing something in 1987, based upon the fact that all of those properties have been reassessed.

The Minister has indicated, through the line of questioning by almost every member on this side of the House, that it's going to be in 1989 or 1990 or sometime later before it's implemented.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** The Member for Charleswood has the floor.

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

The concern I have is this, that there's a delay going on somewhere. There is a reason for it and I don't see that there is a major sustained reason for the kind of delays that are taking place with respect to this issue.

As I indicated earlier this afternoon, Mr. Chairman, the members opposite are the government. They have claimed that; they have told us that they won the election. Well, if they won the election, let them act like they won the election. Let them assume the responsibility; let them get on with the question of assessment reform and deal with it in the Province of Manitoba.

From what I've heard, Mr. Chairman, it seems to me that the government doesn't really know what to do about it.

Mr. Chairman, it seems to me that there is a real, either lack of understanding, lack of concern, or a lack of a will to carry out assessment reform immediately. Given that mood is present within the government, is the Minister prepared now to introduce legislation at this Session that would postpone the reassessment of the City of Winnipeg until such time as they are ready to implement province-wide assessment reform?

**HON. J. BUCKLASCHUK:** I suppose it would be nice if we could delay the day of reckoning. However, there is a court order, as the member knows, that the City of Winnipeg must have its reassessment in place by the end of this year, but we can't move until we have all that information which we can combine with the information for the area outside of Winnipeg, put all information together, evaluate it and then make some decisions.

It may seem like a very small job, and I'm told that there are about 500,000 properties that are on the rolls and each one has about 200 bits of information about it. There's a tremendous amount of information that has to be manipulated or amassed and then put in such a form that responsible, reasonable decisions can be made.

I can assure you that I keep pushing staff, and I think they'll verify it, that I'm the one who keeps saying, let's get that information, let's take a look and see where we're at, but it is a monstrous chore. As I mentioned just before the break, we're just being provided with information. Some information trickled in this morning; some two or three weeks ago; some a month ago and, until we get more and more information, we just can't

make the kind of decisions that we have to make in a responsible manner.

I can appreciate there will be some. Let's say that with the reassessment in this year for the City of Winnipeg, there will be some impact on next year's taxation. If we bring in assessment reform based on province-wide reassessments in '88 or '89, they'll be another problem, a lot of questions and so on — it's not something that I particularly look forward to — but I think that we're moving along as fast as we reasonably can in a responsible manner.

**MR. J. ERNST:** Mr. Chairman, the Minister has indicated throughout the line of questioning, ever since his Estimates have come before the House, we have to deal in terms of assessment now, uniform across the province, fair across the province; there'll be uniform assessment manuals; we want to deal on a uniform basis; we want to bring in classification and portioning on a uniform basis across the province.

Why then would he want to proceed with a reassessment situation knowing the kind of information that he knows and knowing the kind of impact that's going to come about within the City of Winnipeg when in fact he's not intending to bring in any other assessment reforms until 1989 or later?

Why would he not introduce legislation? Why would he not come forward and say look, I appreciate there's been a problem. And in fact I don't even think he needs to introduce legislation, he needs to continue, or I suppose the judge now has ruled that the legislation was faulty that is now in place so he very likely needs to introduce that legislation, but he could well bring it in to freeze the assessment this time on a proper basis until such time as he's ready to deal with the whole province on a uniform, equal and fair basis.

**HON. J. BUCKLASCHUK:** Well, the Member for Charleswood would lead one to believe that we closed off the options of introducing legislation to deal with whatever problems we foresee but that may take place next spring. As I indicated, I would hope that there would be sufficient time in the next session to introduce legislation, if need be, to deal with severe hardships that may result from this reassessment.

On the other hand, one has to look at what has been happening in the rest of Manitoba. The province has been, on a regular basis — I don't know the cycle, whether it's seven or eight years — reassessing property in rural Manitoba. Rural property owners have been paying their taxes based on an assessment of 20 percent of 1975. The city residents, because of the inadequate — I shouldn't say that — because the assessment has not been carried out properly for the last 20 or 25 years, I think that those persons who have possibly been paying more than their fair share deserve to have their property reassessed to a level of, let's say, 1975, so that they can benefit from that. I don't know why we would want to deny them that when that has been taking place in rural Manitoba.

**A MEMBER:** When?

**HON. J. BUCKLASCHUK:** When?

**A MEMBER:** In rural Manitoba?

**HON. J. BUCKLASCHUK:** The properties in rural Manitoba are assessed on an annual basis. I'm told that we do about 15 percent of . . .

**MR. C. BIRT:** I happen to live in your constituency and I think you're wrong.

**HON. J. BUCKLASCHUK:** Well, I recall quite well in 1982 when I was first elected and the St. Clements' people had their property reassessed and I believe the R.M. of Gimli was done the next week, next month or next year.

**MR. C. BIRT:** What was the time frame then?

**HON. J. BUCKLASCHUK:** I believe that it was. I think that St. Clements may have been 12 years, I'm not too sure.

But certainly if one looks at page 64, one will see that the major cities in Manitoba have been assessed in the past four or five years. Thompson was reassessed in 1981. I note that Brandon was reassessed in 1983; Flin Flon reassessed in 1984; Dauphin in 1985 and so on. So certainly the Provincial Assessment Branch is carrying out its responsibilities of reassessing properties on a fairly regular cycle. I believe it's around eight years.

**MR. J. ERNST:** The Minister indicated that by waiting until next spring, they did not foreclose any options in terms of introducing legislation. It does foreclose one option. That option is the question of freezing the assessment at current levels until they're ready to proceed province-wide. Once the reassessment is done by the end of December, the roll is closed and the assessment notices go to the taxpayers. Then it's too late. There is no opportunity in the spring once that assessment is in place, I wouldn't think, to freeze assessments at levels that were existing prior to that period of time because there will be a whole slew of new properties in the interim. I think that one option is foreclosed.

But the question of whether or not other municipalities were assessed or not, we're talking on dealing with 60 percent of the province — I'm not sure it's 60 percent of the assessment, it may be more, it may be less, but really you're dealing with 60 percent certainly of the population of the province in attempting to implement assessment reform.

If the Minister believes in assessment reform and believes it should be uniform and province-wide and believes that it should be fair and equitable to all of the citizens of Manitoba, then he ought not to ignore the 60 percent of the people who will be judged differently effective the end of this year.

**HON. J. BUCKLASCHUK:** Well, I would suggest that the member is not taking into account those persons who are probably paying more than their fair share of taxes at this time. I think that the expression is: "How long is long enough?" Certainly there's an expectation from those persons that inequities be removed as soon as possible.

**MR. J. ERNST:** The Minister has indicated that I'm not concerned about those people who are paying more

than their fair share. For your information, Mr. Chairman, let me tell you that the people who are based on the preliminary information that's available, that are paying more than their fair share are the corporations, commercial businesses and industry. They are the people who are paying more than their fair share at the moment. They are the people who are going to get a tax reduction in the event of reassessment in the City of Winnipeg. So homeowners, where the taxes are going to go up, they're the people who are going to pay, they're the people who are going to be affected.

I'm more concerned, quite frankly, about the homeowners than I am about the businesses and industry and so on that may be paying somewhat more than someone deems that they should based on their assessment.

**HON. J. BUCKLASCHUK:** I'd like to assure the Member for Charleswood that I'm equally concerned about the plight of the homeowners, but once we have the information — and I don't have that information yet — as to what reassessment means in the City of Winnipeg, we can take a look at each of the classes and see if there are options available to us that will perhaps maintain the potential tax revenue from residences and find some ways of maintaining the tax revenue from those commercial or industrial or whatever so that there is no undue hardship on homeowners.

But I can't make any of those decisions until such time as I have the information that is being gathered by the department at this time. The department can't provide me with that information until such time as they've been provided that information by the city. That's in the process.

**MR. J. ERNST:** A final question then to the Minister, Mr. Chairman.

Will he then give us an undertaking that he will use his best efforts to introduce whatever legislation is necessary so that there will not be significant shifts of taxation on to single family homeowners in the City of Winnipeg?

**HON. J. BUCKLASCHUK:** As I've indicated, we will do whatever we can to ameliorate undue hardships, but I think one has to also recognize that where you have an assessment that is 20-25 years out of date, you will still have shifts within a class.

Even if we maintained the tax revenue potential, I suppose, let's say from residential, that doesn't mean that there won't be shifts within that residential class. There may well be some dramatic changes, but again we will have to see what steps can be taken to soften that blow. One can't make any decisions until such time as one has information.

**MR. CHAIRMAN:** 4.(a) — the Member for La Verendrye.

**MR. H. PANKRATZ:** Mr. Chairman, I've got a question. That is, in regard to assessment, let's use an apartment block, two identical apartment blocks, and one has rent control and one does not. How would the assessment vary? Let's assume that they're both equal types of units.

**HON. J. BUCKLASCHUK:** Whether the apartment block is under rent control or not is irrelevant. The assessment is based on the market value of the building.

**MR. H. PANKRATZ:** My next question then is: will that not have a direct relationship on the value of the building?

**HON. J. BUCKLASCHUK:** Perhaps I'll put on my old hat of Housing. The fact that there is rent control, I don't see how that would impact on the value of the building. Rent control is a mechanism to ensure that both the landlord and the tenants are treated equally or fairly. — (Interjection) — No, it certainly does not. The landlord has a legitimate cost that he can pass on. There is an economic factor that is used in the calculations. — (Interjection) — Pardon me? If I had the money, I might. It seems to be a good business; that's why they're building in Winnipeg in record numbers right now.

I don't know how you would have two apartment blocks that are identical and one being under rent control and one not, unless you're talking about one being in Manitoba and one being in a non-rent control province, but within the same province, no. — (Interjection) — Different age? Oh, one year apart. It may well be that in the first five years there might be a difference, but after five years, when they're both under rent control, there shouldn't be any material difference.

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

**MR. J. DOWNEY:** Mr. Chairman, I think we're in somewhat of a situation where we could be in a lot of trouble. The Minister does not understand that if a building has rent control on it and it eliminates the profitability of it, it will have an effect, an impact on the assessment. I think we're in a lot of trouble.

In fact, when we look at the case that was presented to the assessment board, the appeal, it's a direct relationship to the purchase price, and the value of the land, the productivity and everything, is what the case that the province has made as far as the increased assessments are concerned, the ability for it to generate income directly. So if it's in a controlled situation then it has an impact on it and will in fact reduce the earning power as far as the assessment's concerned.

Mr. Chairman, I want to just deal with this one case specifically. If I remember the Minister correctly, he said he was prepared to meet with the Member for Ste. Rose to deal with the appeal that took place in the Lansdowne municipality. I would urge that the Minister proceed to have that done as quickly as possible and, as well, have representatives from the municipality to explain his position because after reading this whole case, the whole situation, there is an unfair assessment on the properties that have increased compared to some of the neighbouring clays that are in that particular community.

I think that the Minister would want to read it very carefully, and I'm not satisfied that the landowners have been treated fairly by the board decision. So I would urge as quickly as possible that the Minister proceed to review it and make sure that fair justice prevails in this particular case.

Mr. Chairman, I think that we've got a situation here where we've heard the Member for Charleswood, we've heard the Member for La Verendrye bring before the

committee a concern about this whole assessment question. I brought it before the committee, our concern, and the Minister just seems to be sweeping it along in front of him, not having a clear understanding of what is really happening out there, and the kind of assurances that we got here today and that we got yesterday aren't good enough. They're not good enough.

My recommendation to the Minister would be to take the whole of it and deal with it aggressively. It's been bungled for the last four years under the last two Ministers. If he's going to continue on that same path, it's not going to be good enough.

So, Mr. Chairman, we certainly cannot support this resolution, this expenditure, dealing with the assessment portion of his Estimates. We do not agree with the passage. If the Minister wants to proceed, then he's doing it against the wishes of the committee on this side. We do not agree with the passage of his Estimates on the assessment because he's doing a very poor job. He's doing a poor job, the former Minister was incompetent and incapable of dealing with it and the Minister before that was a total washout.

Mr. Chairman, we won't support the passage of this assessment portion of his Estimates.

**MR. J. ERNST:** Mr. Chairman, the statement by the Minister a few minutes ago that he didn't think that rent control had anything to do with the relativity of assessment on a building shows, I think, a lack of understanding by the Minister with respect to the assessment process and how it works.

It's based primarily on market value. The market value of apartment buildings is established on the basis of its income stream. If its income stream is altered artificially, such as under rent control, it's going to affect the capital value of the building and if it affects the capital value of the building it affects the assessment.

I'll give you two good examples within sight of this building, No. 1 and No. 7 Evergreen Place. No. 1 Evergreen Place sold in 1985 for \$35,000 a suite. The building next to it, No. 7 Evergreen Place, was constructed in 1985 at a cost of \$67,000 a suite. Now tell me that the five-year difference in age in those two buildings should mean a 50 percent difference in the value, except one is under rent control and one is not, and that's the difference and that's how your taxes are affected by that. Mr. Minister I think you should perhaps seek a better understanding from your officials with regard to that.

**HON. J. BUCKLASCHUK:** As I listened to the Member for Arthur and the Member for Charleswood, I realize that in fact rent controls may have some — some — bearing on the assessed value of the building. The example the Member for Charleswood provided I don't think is related to the issue of rent control as much as what has happened to the cost of construction over the past number of years.

However, certainly the market value of a building is determined by the revenue flow within that building and rent control may depress the market value, therefore depress the assessment a bit — to what degree though is hard to say — so I suppose I stand corrected a little bit. You know, that's just one little item in a much bigger, bigger problem.

**Thursday, 3 July, 1986**

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**MR. CHAIRMAN:** 4.(a)—pass; 4.(b)—pass.

Resolution No. 113: Resolved that there be granted to Her Majesty, a sum not exceeding \$4,602,400 for Municipal Affairs, Municipal Assessments, for the fiscal year ending the 31st day of March, 1987—pass.

Is it the pleasure of the committee to adopt this resolution? Is it agreed?

The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I'm not clear as to what you're proceeding with here.

**MR. CHAIRMAN:** There is a resolution which is on the floor. We're voting on it.

**MR. J. DOWNEY:** Mr. Chairman, we're opposing that and would like the Committee Chairman to count the votes on it.

**MR. CHAIRMAN:** This is the procedure that is laid down in the rules, Section 7.1: "When immediately following the taking of a voice vote, two members demand that a formal vote be taken, the members shall be called in. Both sections of the Committee of Supply shall meet together and a count-out vote shall be taken." Is it the wish of the member that there be a count-out vote?

**MR. J. DOWNEY:** Voice vote.

**MR. CHAIRMAN:** All those in favour of the motion of the resolution, please say Aye. All those opposed say Nay. In my opinion the Ayes have it. I declare the motion carried. The resolution is therefore passed.

The next item under consideration is Item No. 5.(a), Systems Services, Salaries; 5.(b) Other Expenditures—the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, the Minister has again reduced the Services, the Other Expenditures, to the municipalities and to the services, what areas is he cutting? What is he reducing? What type of service is he reducing?

As well, I asked the Minister in my opening comments for him to deal with the question of sending out all of the legislation and the information to the municipalities in both French and English. During every municipal meeting I was at there was a request, a resolution put forward, asking the Minister not to go to the expense of sending all the documentations in both languages, that one single copy would do to serve the needs of those municipal councils. Is he dealing with it? What is his response? I would hope that the Minister would have some response for us here and for the municipal councillors. Is he listening to what they're saying?

**HON. J. BUCKLASCHUK:** Yes, on the matter of providing literature to municipalities in both languages, I wasn't aware that we were doing it. I do know that we are forwarding legislation in both languages, and the member well knows that was a decision by the Supreme Court of Canada. I'm asking, is he suggesting that we defy the law of the country?

The Supreme Court has stated the format for legislation, the way it must be printed, side by side, in

parallel columns. That is not something that we have initiated on our own. It is in compliance with a court decision and the municipal officials are well aware of that because I know that the president has read correspondence from the Deputy Minister at every meeting that I've been at, I believe.

On the matter of a reduction in expenditures for the section on Systems Services, in fact the department is able to provide the same output at less cost, and I might be able to identify a number of areas where there has been considerable savings.

If members will refer to Page 32 in the supplementary booklet, you will notice that there's a decrease in computer utilization from \$733.9 thousand to \$624.8 thousand, and I believe that's because there is a decrease in Manitoba Data Services rates and the department has purchased two micro-computers which then require less draw on the main frame. That is a basic reduction. It's roughly about \$100,000 reduction in that one item. So the amount of output is still the same or possibly even larger, but the cost is lesser.

**MR. CHAIRMAN:** 5.(a)—pass; 5.(b)—pass.

Resolution No. 114: Resolved that there be granted to Her Majesty a sum not exceeding \$1,091,500 for Municipal Affairs, Systems Services, for the fiscal year ending the 31st day of March, 1987—pass.

The Member for La Verendrye.

**MR. J. DOWNEY:** No, Mr. Chairman, there's one further question here that you missed.

**MR. H. PANKRATZ:** Excuse me, Mr. Chairman, you're just going far too fast. You should give us fair warning before you pass it that quickly.

In regard to water billing, what is that referring to? Would the Minister be able to explain that to me, please?

**HON. J. BUCKLASCHUK:** Yes, it's a service provided by the department to municipal bodies throughout the province in the issuance of water bills, and it's a full cost recovery service.

**MR. H. PANKRATZ:** This is provided for all the communities on water billing, and it's charged back to the community. Is this right?

**HON. J. BUCKLASCHUK:** Yes, it's a service provided to the towns or villages at their request. In turn, they are billed back for the service.

Now my understanding is that Steinbach was on this system until such time as they purchased their own computer. I believe they're doing their own billing at this time.

**MR. CHAIRMAN:** Resolution 114: Resolved that there be granted to Her Majesty a sum not exceeding \$1,091,500 for Municipal Affairs, System Services, for the fiscal year ending the 31st day of March, 1987—pass.

Item No. 6.(a) Municipal Planning Services, Salaries, 6.(b) Other Expenditures — the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, again we see a major reduction in the Planning Services, the Other

Expenditures, a reduction to \$342,200.00. What service is the province now not providing to the municipals dealing with their Planning Services?

**HON. J. BUCKLASCHUK:** Perhaps I could refer the member to Page 34. The main reduction has been in the assistance provided with the formation of planning districts. You'll note that last year some \$71,400 was provided for in the budget. In fact, the Expenditures were something in the neighbourhood of 17,000.00. This year, being an election year, I'm told there are only one or two planning districts that are being formed, and the \$11,900 is considered to be a more realistic estimate of the anticipated expenditures. That's about a \$60,000 reduction if one adds that on. There's a slight increase.

**MR. J. DOWNEY:** Maybe this is the wrong part to ask it. What implications, if any, will the proposed amendments to The Planning Act have dealing with the expenditures within this department, both the staff and the other expenditures?

**HON. J. BUCKLASCHUK:** There are no financial implications with the new legislation, with the amendments.

**MR. H. PANKRATZ:** Mr. Chairman, on Page 33, the Grants to the Planning Districts, and that's been cut by about \$60,000.00. Now could you elaborate on that?

**HON. J. BUCKLASCHUK:** Yes, if I could refer the member to Page 34. As I indicated just a few moments ago, last year the vote was 71,400.00. Only 17,000 was spent, therefore, it's felt that the 11,900 is a more realistic figure for this year's anticipated expenditures, this being an election year, and also we only see one or two planning districts being formed.

**MR. J. ERNST:** I just have one question in the area of municipal planning, Mr. Chairman. Could the Minister advise if the planning districts in rural Manitoba pay a fee for the services of the provincial planning department?

**HON. J. BUCKLASCHUK:** I'm advised that there is some financial assistance provided for the preparation of the development plan. I believe the municipalities involved levy 1 mill for Planning Services, and there is some share of the cost in the Engineering Services that may be required in the development of the plan.

**MR. J. ERNST:** So I can be sure of the answer, Mr. Chairman, those revenues then that you spoke of, Mr. Minister, through you, Mr. Chairman, accrue to the provincial planning department or to general revenue or whatever, accrue to the Provincial Government as a result of Planning Services provided for those planning districts?

**HON. J. BUCKLASCHUK:** No, the province is not the recipient of that levy. The levy is for the purposes of paying for the services that are required in the development of the plan.

If one again goes back to Page 34, one will note that, in the development of the Souris-Glenwood

Planning District, the province contributed some \$5,400.00. Presumably, the rural municipalities that are involved in that planning district also levied 1 mill to assist with the costs that are incurred in the development of a planning district.

But the question being, is the province the recipient of the levy, the answer is no, that stays with the planning districts.

**MR. J. ERNST:** Perhaps we should back up for a minute then, and get back to the basics here. The provincial Municipal Planning Services Department provides planning services to the planning districts in rural Manitoba, yes or no?

**HON. J. BUCKLASCHUK:** Yes.

**MR. J. ERNST:** Do those planning districts pay for the service?

**HON. J. BUCKLASCHUK:** The planning district does not pay for the advisory service, but does contribute towards the cost of the preparation of the development plan.

**MR. J. ERNST:** To be absolutely certain then, the cost of the normal ongoing planning process in a planning district is provided by the department at no cost to the planning district and the municipalities associated therein.

**HON. J. BUCKLASCHUK:** A planning service, or an advisory service, is provided to the planning district by the province, and it's by, I believe, an agreement that is renewed on an annual basis. It's provided as an incentive to municipalities to form planning districts to plan in an orderly manner.

**MR. CHAIRMAN:** 6.(a)—pass; 6.(b)—pass.

Resolution 115: Resolved that there be granted to Her Majesty a sum not exceeding \$2,937,600 for Municipal Affairs, Municipal Planning Services, for the fiscal year ending the 31st day of March, 1987—pass.

Item No. 7.(a), Provincial Planning, Salaries; 7.(b), Other Expenditures — the Member for Arthur.

**MR. J. DOWNEY:** Again, Mr. Chairman, could the Minister indicate if there have been any changes or will be any changes in light of the proposed legislation that's being introduced or any other major changes dealing with planning within his department?

**HON. J. BUCKLASCHUK:** No, there are no implications on this department with respect to the amendment to the legislation.

If the member has read the legislation, he'll note that it's basically a rearrangement of some of the clauses and so on to make the thing more readable and understandable to the public.

**MR. H. PANKRATZ:** Yes, Mr. Chairman, my question. Can the municipality have its own planning statement?

**HON. J. BUCKLASCHUK:** Mr. Chairman, the answer to that is yes. I might refer the member to Page 45

through 59 in the supplementary here which indicates the status of the planning programs in various planning districts.

Specifically, one could take a look at Page 56 and one will notice that the R.M. of Hanover has a municipal basic planning statement, so it is one municipality in this whole statement.

**MR. H. PANKRATZ:** Mr. Chairman, then there's been no amendment to the original act which stated, though, I think, that two or more municipalities had to combine in order to form a planning district. Am I right?

**HON. J. BUCKLASCHUK:** I'm advised that there is no single municipality that in itself is a planning district.

**MR. H. PANKRATZ:** Let's take in the case of the town of Steinbach. Would that be possible that it could form its own planning district?

**HON. J. BUCKLASCHUK:** No, in itself it could not be a planning district. It would have to join with some other municipal body to form a planning district, two or more.

**MR. H. PANKRATZ:** A land use policy which we have in the Province of Manitoba, how firm is that? Or how should I put it? What teeth does it have? Maybe that isn't the right word either; I'm not sure.

What I'm trying to ask you, Mr. Minister, is if it states a certain thing in a land use policy, how firm are you that you'll stick by the guidelines of the land use policy?

**HON. J. BUCKLASCHUK:** I suspect the member knows that the policies, the provincial land use policies, were adopted some time ago, or approved by Cabinet, in 1979. It is these policies that are used by staff in dealing with subdivision applications. They interpret the policies and, on the basis of those provincial land use policies, approve or disapprove applications. Applicants then have recourse to the municipal board if they should wish to appeal that recommendation, that decision.

**MR. H. PANKRATZ:** Is it fair for me to assume then that on that basis your appointed board will make its decisions on any type of subdivisions?

**HON. J. BUCKLASCHUK:** That is correct. As I indicated, the staff, when they review an application, and it is their assessment that the application is inconsistent with the provincial land use policies, that application will be declined. The applicant can then refer the matter to the municipal board who will again review that application in light of the provincial land use policies and make a decision, yes or no, as a recommendation.

**MR. H. PANKRATZ:** I'd like to ask the Minister then: can your board overrule the land use policy?

**HON. J. BUCKLASCHUK:** Provincial land use policies are adopted and approved by Cabinet. A board of government cannot overrule a policy or a position that is taken by government. All they can do is interpret it.

**MR. H. PANKRATZ:** Mr. Chairman, I'm not sure whether I'm making myself clear because I'm not getting the answer or the response that I'd like to get.

If a parcel of land is zoned agriculture and it states that's the use of the land and the land use policy, can a politically appointed board go ahead and overrule that policy, that usage of that land? That's what I'm referring to.

**HON. J. BUCKLASCHUK:** Perhaps I should ask the member what kind of an answer he wants.

However, I guess it would be difficult to answer the question unless one knew the specifics of the application, but certainly there may well be situations where agriculture has commented on that. As you know, when an application goes forth, there are a number of departments that provide comment and there may have been some objections by agriculture.

However, it is possible that the municipal board, when it is reviewing during the appeal, for whatever reason may feel there are other factors that are more important than a subsection and may in fact approve the application.

**MR. H. PANKRATZ:** I think I have to sort of disagree with the Minister on that because here's some people that have basically no interest in the community.

I'd like to give you, as an example, the Town of Steinbach annexed quite a number of years ago, and it was made quite loud and clear that we were trying to annex apparently too much land, so it was cut down; naturally we expected that. When we were going through our planning statement, the last couple of years we haven't been able to come to an agreement because what we want as commercial, which is within the Town of Steinbach, seems to me some members possibly don't agree with all of that land going for commercial, and here did we get an application outside of the town limits, which is agricultural land, and that a board — I don't know whether they'd ever heard of Steinbach before — the members — but they can make the ruling and rule that this agricultural land on the highways — which is outside of the Town of Steinbach — becomes commercial land.

I would seriously like to see the Minister respond to a situation like that and maybe he can reverse the decision of the board, because it's a political body appointed by the Minister and it serves actually no more value as to possibly make errors, like what it did in this case. I wish, Mr. Minister, that you'd look into this situation and that's basically what my question is: when the land is zoned agriculture, how then a political body like this can just overrule the decision that the government puts in black and white in their land use policy?

**HON. J. BUCKLASCHUK:** Well I would appreciate having that matter drawn to my attention. I don't know the specific application, but I should tell the members that I'm not in a position to change that decision.

**A MEMBER:** Yes, you are.

**HON. J. BUCKLASCHUK:** No, I'm not. It is the board that makes the decision and we have to go with it. I'm rather surprised the comments I'm hearing about the competency of the board to deal with situations like this. It seems to me — at least I believe — there would

have been a municipal board during the previous administration, during the Lyon administration. If this was a process that is found to be so wanting, then I'm curious as to why it hadn't been changed at that time. — (Interjection) — Oh yes, I'm talking of the process. I wasn't talking about the members of the board. I find it rather odd that there should be this concern about competency of the board to make these kinds of decisions.

**MR. H. PANKRATZ:** I can't help but get back to — here we have a booklet, "Land Use Policy," in which municipalities, communities are supposed to guide by for the Province of Manitoba, and here a political body will overrule it and the Minister tells me that he cannot reverse the decision. I feel that there's something definitely wrong somewhere down the line, if a political body can make those decisions like that and the Minister in charge cannot overrule it.

**HON. J. BUCKLASCHUK:** I'd like to take a look at that specific one and see what the problem is.

**MR. CHAIRMAN:** 7.(a)—pass; 7.(b)—pass.

Resolution No. 116: Resolved that there be granted to Her Majesty, a sum not exceeding \$371,100 for Municipal Affairs, Provincial Planning, for the fiscal year ending the 31st day of March, 1987—pass.

Item No. 8.(a) Surface Rights Board, Salaries; 8.(b) Other Expenditures — the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I want to spend some considerable amount of time on this particular section because representing an area in the southwest — and I'm pleased to see that the First Minister is in committee tonight, because it's extremely important that this matter which I'm about to bring to his attention, the rest of the people of Manitoba should just know precisely how serious he is when he responds to the public of Manitoba.

I've been sent a file from a constituent, through my colleague from Virden, Mr. Adam Turbak, who has had some considerable amount of difficulties with the surface rights, the oil industry, and the consideration on behalf of the farm community. I'm going to make my first reference, Mr. Chairman, to a letter that went to the Premier of the Province of Manitoba, following an invitation by that great Premier to an individual in Elkhorn.

Mr. Turbak was invited by the First Minister — (Interjection) — that's all right, it'll be on the record. This invitation came to Mr. Turbak on November 15th, and I'll read the first part of the letter because I want to spend a bit of time, and this goes to the Premier, "On Thursday, November 15, 1984, I responded to the invitation of the host of CKX out of Brandon, on which you were the guest. I asked you a number of questions concerning surface rights. The response was not very satisfactory, even to yourself and the host, since you and he both invited me to write to you and would discuss it with the Honourable Mr. Parasik. I am now doing so." That's November 19, 1984.

Mr. Chairman, I am in receipt of a letter from that same individual dated May 6, 1986 and here's what the opening of this letter says. "I am sending you copies

of letters to Mr. Gerry Forrest, dated February 4, 1986, April 3, 1986, and Mr. Forrest's answers. The Deputy was kind enough to respond, dated March 17, 1986 and April 22nd, 1986; also a letter to Mr. Premier Pawley, dated November 19, 1984, not answered." — not answered! The big fluff was on a CKX radio show — and I've heard him before, that great handwringing and, oh yes, I would be pleased to hear about it — here's a constituent that sent him a full explanation as to the difficulties he had and he didn't have the common courtesy to answer that letter, Mr. Chairman, didn't have the common courtesy! A big front and a big show and that's all it was.

The people in the southwest corner of the province, Mr. Chairman, are disgusted and frustrated to no end over the activities of the Surface Rights Board and his handling of the legislation. I would request that the Premier have the courtesy to apologize to these individuals and get on with the kind of government that should be given to those people. He didn't even have the common courtesy, Mr. Chairman, to answer a letter, after telling everybody in the southwest over this radio show that he was going to be wanting more information. Well here, Mr. Chairman, is a two-and-one-quarter page letter to the Premier that he didn't have the common courtesy to answer. So much so — (Interjection) — you bet I'll table it. I sure will table it, Mr. Chairman, the Minister of Labour or whatever his portfolio now is — he's had so many you'd need a bookkeeper to keep up to the trail of these that have been around here. You know there's always the statement made about why Ministers change portfolios. It's either that they can't handle the ones that they're in, Mr. Chairman, or they are so capable that they can handle them all. Well when you look at Natural Resources and you look at some of the other departments, it's not because he's capable, Mr. Chairman; he's on the move because of his incompetence.

Mr. Chairman, so I ask the Premier to look back in his files — and I'll apologize to him if this is not correct information — but at least he should have had the common courtesy to personally respond to that individual, particularly when he made such a big to-do of it.

But let's deal with the real issue, Mr. Chairman. Let's follow along and I made reference to some of the other letters. How many years of frustration? — that was 1984 — the individuals — and I have a whole file here — of individuals writing from that part of the community, wanting some justice out of the Surface Rights Board and out of the Surface Rights legislation. The Act was implemented to help the farm community but, Mr. Chairman, it hasn't helped the farm community one iota. In fact it has caused no end of hardship and concern and costly court appearances, but here's even a greater problem, Mr. Chairman. The Premier of the province was going to solve all the problems. He was going to get right involved, yes, the Minister was going to get right involved. What did they do? They moved the office of the Surface Rights Board from the region in which it was working to where? — to Winnipeg — so much for his support for rural Manitoba and government offices outside. He moved the Land Titles Office out of Boissevain; he's moved the Surface Rights Board out of Virden. Mr. Chairman, so much for his support of rural Manitoba. So much for his responding

to those constituents who are in dire need of somebody to take control of their concerns. No, Mr. Chairman, he isn't capable or competent — demonstrated daily in this Assembly, demonstrated by the kind of information that's being provided in these Estimates.

Mr. Chairman, I ask the Minister of Municipal Affairs, why was the board moved to Winnipeg? Was it to convenience the board members? They fired many of the ones who were very capable people, fired them because for some unknown reason there was never an explanation given as to why there was an Order-in-Council just absolutely dismissing qualified and capable individuals off the Surface Rights Board.

Mr. Chairman, he has a mess on his hands. I made the statement the other day that it appears where the government has a direct gain in the use of the land of people, whether it's the Natives in the North and putting hydro plants on it and flooding it for the revenue in which they're talking about for the province, or whether in fact it's for the development of the oil industry where a major revenue-bearing source comes to the province, then it's not quite so important to make sure that justice prevails.

We just went through The Planning Act. You know, my colleague from La Verendrye makes the example that talks about some of the approvals that take place. Well, I can tell you it's a lot tougher to get a piece of agricultural land zoned and prepared for housing or something else because immediately one department or the other of government say they need it for some government purpose.

Do you know how long it takes to get an entry onto the land to drill an oil well, Mr. Chairman? Just like that — because there's revenue-bearing coming back to the province; four sites per 160 acres taken off a farmer's property without true justice prevailing.

There have been many hearings where in fact the Surface Rights Board are providing a poorer settlement than what the oil companies provided willingly without having to go to the board, Mr. Chairman. Now is that justice? Is that justice, Mr. Chairman?

I ask the First Minister how he would like his farm to be tramped upon by the oil industry. Yes, Mr. Chairman, and go to the Appeal only to find that it was not going to do him or her any good. That's not in the best interests of the surface rights' owner. The people who asked for the Surface Rights legislation had a backlash on them.

I'll go again to the letter, Mr. Chairman, and it seems to be — and I'll quote directly from the letter: ". . . that it's not so much the legislation as in fact the board itself." To my knowledge — and the Minister can correct me if I'm wrong — there haven't even been regulations drawn yet to give the board guidance. I stand corrected if in fact there have been regulations drawn to give the board guidance; further policies to go along with the legislation.

Mr. Chairman, I would think that when you establish a board it's a politically appointed board. I know that they've strived and they've tried to make the thing work but haven't been able to. I know that many farmers have spent thousands of dollars and years of frustration going to appeal in court some of the decisions made by the board.

It is an utter mess, Mr. Chairman, it is an utter mess. Why won't the Premier — well, I guess I know why he

won't, Mr. Chairman, he doesn't even have the common courtesy to respond to a letter in which he committed to do. Now I'm sure that it's an oversight. I'll give him the opportunity to have an oversight, but you know we've had too many typo errors and oversights. My former colleague from Swan River caught him with a major constitutional change and you know who took the rap? The poor secretary in his office; that's who took the rap; blamed his incompetence on one of the staff in his office.

Who is he blaming this incompetence on? Well, I think he better take a look in the mirror, Mr. Chairman. He's been the Premier now for a second term. The legislation was developed and started by the former administration because there was the Nugent Report which truly demonstrated the need for legislation to protect the farm community on surface rights.

Yes, there were presentations; we sat in committee. But oh no, the government couldn't listen to some of the common-sense suggestions that came from Saskatchewan, very qualified legal people hired by the Surface Rights Association — yes, Mr. Chairman, very qualified — making the suggestions that it happened, putting the experiences of Alberta and Saskatchewan before the committee.

But no, Mr. Arrogance and Mr. NDP Premier and his Cabinet at that time couldn't listen to anyone else. They were breaking new ground; they were doing tremendous things in their own minds. But the people who are suffering the consequences, Mr. Chairman, are totally frustrated.

I'm sorry I don't have before me the report of the Ombudsman. I would ask that the Minister take a look at the report of the Ombudsman that came out last fall, I believe it was, condemning the activities of the board. It seems, Mr. Chairman, the only positive thing that has come out of this is that they have taken the board out of the community where people could deal with it. I shouldn't call it positive, maybe positive in his mind, but I can't see any particular thing that would give anyone any comfort as far as the future is concerned in the oil industry.

We want the oil industry. Yes, the people of the southwest would like to see the oil industry continue to develop because it has major implications for job and for revenue for individuals and for those people who are getting revenue from it. But there are a tremendous amount of people, Mr. Chairman, who lose probably 3 acres for every well site and 4 well sites per quarter section, which is 12 acres to the oil industry.

It puts a road up the middle of your field and, yes, you bury power lines; you do all those things and, yes, Mr. Chairman, it's fine to have all the benefits. But for all those benefits there are losers and the losers are not being protected by the legislation that well could work.

I know — it's been stated to me privately — that the board itself has felt it have not been able to do the job without the kind of regulatory guidelines that are needed. I would request that we get some commitment from this new Minister tonight.

**A MEMBER:** Well, the Premier.

**MR. J. DOWNEY:** The Premier, certainly. But he won't even respond to a letter so how could we get any

response from him here tonight in a responsible manner?

Mr. Chairman, I would ask the Minister who is familiar, should be familiar. I know that he's certainly been in that community. He's seen some of the difficulties that have been imposed upon some of the landowners. He must have some idea. And if he hasn't, I would ask — in fact, I would challenge the Premier and the Minister who is responsible for the Surface Rights Board to take another visit to the community of Waskada, to Virden, to Pearson, those old home-town familiarities, you know, of Woodnorth or Cromer in there — you could do some good family visiting while you were down there.

Mr. Chairman, what I'm suggesting is not unreasonable. I think the Premier owes it to the southwest corner of the province to take a visit to see what the specific problems are in the surface rights areas. He certainly pretends that he's a great communicator and that he's a great caring and sympathetic person to the needs of people. Well, there are people out there who need some concern and some care. — (Interjection) — well, Mr. Chairman, I would ask the Premier. I would ask the Minister of Municipal Affairs; I would hope he would get into the debate.

I would hope the Member for Brandon East where Brandon has some support. Brandon has some support from the oil industry. There's an impact there; there are a lot of people who do business in the community of Brandon. Why doesn't he as a Minister of the Crown stand up on behalf of those people? But you don't hear of him, Mr. Chairman.

**A MEMBER:** Just at election time.

**MR. J. DOWNEY:** Just at election time. I am extremely disappointed and disgusted, particularly when we have the Minister of Municipal Affairs stand up and pound his chest, the Premier stands up and pounds his chest, and say how great we are, we gave the people Main Street Manitoba.

Main Street Manitoba — the biggest farce that hit this province, as far as I'm concerned, in creation of jobs.

**A MEMBER:** Oh!

**MR. J. DOWNEY:** Yes, I say it's the biggest farce as far as the creation of jobs in this province. How many long-term jobs has putting a new main street down the front street of any town, given any community on a long-term basis, tearing out concrete three feet deep to put in zipper blocks that you break your ankle on if you step improperly on it, these elderly people who have trouble with some of their walking?

Yes, Mr. Chairman, that's long-term creation of employment? Balderdash! Long-term creation for employment is the development of oil and agriculture working together with proper legislation in place where fairness and equity is applied. But you'll never get it, Mr. Chairman, from this kind of a Premier and this kind of a Minister who really don't get down to the bread and butter issues — cosmetic. The cosmetic crew, I think, would be a good name. We call them the cosmetic crew of New Democrats.

Mr. Chairman — (Interjection) — I tell you, the former Minister of Municipal Affairs flew out to the one in Melita

and, if I hadn't have been there, he'd have been all by himself, Mr. Chairman. I just want to show how warm and hospitable the Member for Arthur is — (Interjection) — oh, I'm sorry, there maybe were two others there. I stand corrected, Mr. Chairman.

It isn't a laughing matter, because we're dealing with the livelihood of the people of the oil industry. There's nobody been happier to see the development of oil and the jobs related to it in southwest Manitoba. There have been hundreds of spin-off jobs. It's been good. But there has been a price that has been paid by farmers who have not been treated fairly with the Surface Rights Board and with the Surface Rights legislation.

As I have indicated, I've had a plea to the Premier from November of 1984, and I know that the mail is slow but it's not quite that slow, Mr. Chairman. I could have carried the letter out for him, walked all the way, Mr. Chairman, in that period of time, but he didn't give it to me, you see. He didn't ask for the support of the Member for Arthur.

Well I'm asking this Minister for a commitment tonight before we move any further in these Estimates that he'll take ahold of it; that he'll clean the board up; that he'll consider putting the board back in the community. Yes, stand up for the people of Manitoba, because there are millions of dollars.

The Minister of Finance takes the revenue from the oil patch. I would hope that he would show some concern for those individuals, because farmers pay taxes too. It doesn't only come out of the oil industry. Let's give the people of the southwest some fairness and some equitability.

Mr. Chairman, there's another major concern that has surfaced. This again comes from one of the individuals who the Premier was so hard and calloused and fired. Yes, he and his Cabinet fired them. This concern came out at a meeting which I was at in Virden, and this was the first part of May, where in fact there was an application to the Energy Board in the province to reduce the spacings that an oil well could be on a farm from one every 40 acres to one every 20 acres.

Well you can imagine the immediate response of the farmers who haven't been treated fairly when there's an oil well placed on every 40 acres. To now see the kind of injustice take place on every 20 acres just doubled the problem in their minds. If you're not getting fairness and treated equitably on a piece of property where there's an oil well on 40 acres and immediately there's an application to reduce it to 20 acres, then what are you going to feel towards the system? I'm talking about the system which is controlled by this Minister.

You're not going to welcome them in, particularly, Mr. Chairman, when down the road a town may want to develop, but there's an agriculturalist in the committee says oh we can't use good agricultural land to build houses on, yet you can put four oilwells on every quarter-section to take up the land without even so much as a fair hearing to the people who own the land.

How would you like an oil rig dumped on your front lawn without the proper right of appeal or compensation? I'm sure, if you owned the oil rights, you'd give a little bit more consideration to it. But it's not very nice if you look out your front window and you see a whole mess of earth being worked up and

the — (Interjection) — I call them scars, because they are scars that are on the agricultural land.

Mr. Chairman, I'm not criticizing the oil development. I'm not criticizing the farm community. What I am criticizing is an incompetent government that hasn't given fair and equitable justice to the people of southwest Manitoba. That's what I'm criticizing.

Mr. Chairman, I would ask that the Minister take as a priority item, if he knows how to do something like that, and wake up to the fact that there are some injustices taking place within his department because, if he doesn't, then he and anyone who ever intends to run for the New Democratic Party in the southwest corner of the province might as well save their money as far as running. Yes, Mr. Chairman. After the Minister of Labour is through imposing all of his wishes, I'll tell you, they won't have a hope in any part of Manitoba, Mr. Chairman.

But I do in all sincerity ask the Minister, the Municipal Affairs Minister, if he is preparing regulations. If they are prepared, maybe they're in place. Is he prepared to meet with us? Mr. Turbak has asked to meet with the oil industry, to meet with the farm community, to meet with the councils to put in place the proper kind of regulations and legislation. That's all they're asking for. Listen to them. Don't put a Winnipeg-based board in place and say, these are the rules.

As the Deputy Minister of Municipal Affairs writes back and says, he is not prepared to intervene in the board hearings, in the board outcome. Well I don't blame him. He shouldn't wear the responsibility of the Minister, particularly an incompetent Minister in government. I don't blame the Deputy at all. I wouldn't step into that one either, Mr. Chairman — (Interjection) — that's right. They're going to shoot the messenger.

But he did respond. He had the courtesy to respond, you see. Good manners applies in that particular situation. Maybe he could teach the Premier a lesson or two. Maybe we should have special lessons on responding to letters from the Deputy of Municipal Affairs to the Premier.

Mr. Chairman, I gave them every benefit of the doubt to stand up and correct me, but he didn't stand up and correct me. Why did he not stand up? If I was wrong, why didn't he immediately jump to his own defence? Why didn't he immediately jump to his own defence?

I'll tell you what's happened, Mr. Chairman. Every time a Premier does something like this, what does it say to the whole system? It says the Premier can go on a radio station, say what he thinks the people want to hear, hang the phone up, and come back and that problem's behind him. Well that problem isn't behind him. It caught up with him tonight, Mr. Chairman.

The people of the western region will hear about this all day tomorrow — I'll see to that, Mr. Chairman — and all day Saturday and all day Sunday, until I get some response from this Minister of Municipal Affairs that he is going to aggressively take into hand the problems the Surface Rights Board and the legislation have caused those people.

We'll have to discount the Premier. I'm sure that's not hard to do for the majority of people in Manitoba anyway, to discount the Premier. Who really is the power broker in the Cabinet of the NDP? Is it the Minister of Finance? Is he now the power broker? I would hope,

Mr. Chairman, that particularly — (Interjection) — well you see, I can go into a multitude of issues.

I said to the Minister of Municipal Affairs and the Premier, come out to the southwest. Well I should qualify that. You maybe should fly, Mr. Chairman, because the bumps in the air aren't near as bad as the bumps in the road. You see, we have not had any road development there. We've taken all the revenue out for the province from the oil industry, but haven't put anything back to speak of — (Interjection) — pardon me?

**HON. J. BUCKLASCHUK:** Isn't there something happening to No. 1?

**MR. J. DOWNEY:** Oh yes, Mr. Chairman, there are a lot of oil flows up and down No. 1 out of the oil patch. The oil happens to come from the south part of the province up to the dump at Cromer. There's a pipeline been put in place which has alleviated some of the problems, but the terrible roads are still there.

Mr. Chairman, will the Municipal Affairs Minister take ahold of his department, and do something that will alleviate the injustices that have been carried on in the oil business and the oil patch not only for the farmers but for the oil companies. Let's have fairness and equity.

Will he move the office back into the community in which the problems are? Let's get a better understanding by the board members; let's get a better handle on what has to be done. Let's not turn a hard calloused side to this whole issue because, Mr. Chairman, justice and fair treatment have to apply to everybody in this province.

I ask the Minister to give serious consideration to these accusations and to take some corrective measures. — (Interjection) — Yes, they're truths.

Mr. Chairman, if the Minister would give us some assurance, I'm sure he'd find some cooperation in proceeding with the completion of the Estimates. But if he doesn't, we could be here for a long time, Mr. Chairman.

**MR. CHAIRMAN:** 8.(a) . . .

**A MEMBER:** Pass.

**MR. J. DOWNEY:** Well, Mr. Chairman, I'm not going to pass it without the Minister giving us some response.

Does he not have the intestinal fortitude to stand up and defend, Mr. Chairman, the people of which he's supposed to be representing?

Yes, Mr. Chairman, stand there, sit there with his colleagues and laugh about the injustices that are taking place in the oil industry, in the farm community.

I challenge him to stand in his place and stand up and laugh at the people who aren't being treated fairly, Mr. Chairman. I challenge him.

**HON. J. BUCKLASCHUK:** I want to assure the member that I wasn't laughing; I was sort of grimacing in pain because my eardrums are vibrating so much from that frothing and foaming from across the way.

Just before I respond to some of the concerns that have been raised by the Member for Arthur, he's made some reference again to Municipal Affairs. I would

suggest that perhaps after this session is over tonight that he contact his colleague, the Member for Virden, and ask him what he said about this program at Hamiota some ten days or two weeks ago. — (Interjection) — Yes, it was the Main Street opening, and I recall very well that his colleague had indicated considerable pleasure that the province had come up with this program which had improved the appearance of Hamiota considerably, and I can assure the member there were several hundred people out to celebrate that occasion. — (Interjection) — Well it's apparent that the mayor of Melita doesn't share the member's feelings about that particular program.

Onto the Surface Rights Board, I am certainly aware that there are — well, Mr. Chairman, the member asked me to respond to his comments and I am trying to do that, and I hear this chattering by that same member. Apparently he's not interested in what we propose to do in this particular area.

I do want to indicate — (Interjection) — all right, let's cooperate.

**MR. J. DOWNEY:** Mr. Chairman, on a point of order.

**MR. CHAIRMAN:** A point of order.

**MR. J. DOWNEY:** I was dealing with the Assistant Clerk, Mr. Chairman, in the tabling of a letter which I indicated I would do. I was not neglecting what he was saying. I was trying to listen at the same time and, as well, making sure that Hansard got the proper spelling of a name which I used.

**MR. CHAIRMAN:** That's not a point of order; it's an explanation.

**MR. J. DOWNEY:** I want to indicate that that was a point of explanation.

**HON. J. BUCKLASCHUK:** Mr. Chairman, I'm very aware of the concerns of southwest Manitoba residents with respect to matters involving the surface rights issue. I can perhaps start off by saying — I'll raise a question — and that is twice today we've heard from members opposite calling for more regulations. We had the Member for Riel this afternoon asking the Minister of Consumer and Corporate Affairs for regulations, now we have the Member for Arthur asking for further regulations. I'm having some difficulty in understanding the Opposition with their requests for more and more regulations.

My feeling about this is that without the regulations, in fact the Surface Rights Board can provide more opportunity for persons who have reason to appear before the board to make a comment on applications than if we had regulations in place. Because if regulations are in place, then this provides opportunities for the other parties to question whether or not the comments that may have been made within the regulations, and it can get bumped to higher courts, I believe that with a properly run Surface Rights Board there need not be regulations as long as it is properly administered.

I want to indicate that I have full confidence in the membership of the Surface Rights Board and in the

chairmanship of Mr. Jack McNairnay. For those members who may not know Mr. McNairnay, he has served the province for many, many years as a Deputy Minister of Municipal Affairs. He's well acquainted with rural Manitoba. He has served as a chairperson of the Public Utilities Board. I think he has demonstrated his competence over the years and I have every confidence that he will do a very commendable and competent job in that position.

Other members of the board I think have a feeling for rural Manitoba. I note that the mayor of Melita is one of the members.

**A MEMBER:** Good mayor.

**HON. J. BUCKLASCHUK:** He also likes Main Street Manitoba. We have Howard Nixon . . .

**MR. J. DOWNEY:** I asked you how many jobs, long-term jobs Main Street Manitoba . . .

**HON. J. BUCKLASCHUK:** How many long-term jobs are there in the construction of a home?

We have a lawyer, I believe from Brandon, on the board.

**MR. J. DOWNEY:** Has he been to any meetings yet?

**HON. J. BUCKLASCHUK:** Have they had any meetings? Yes, I'm advised that he has been.

**MR. J. DOWNEY:** Oh, good.

**HON. J. BUCKLASCHUK:** The department assumed responsibility for this board following the Ombudsman's report. I believe that was last September or last October. The majority of the recommendations by the Ombudsman's report have been adopted.

There has been a number of references to the lack of communication between persons who have an interest in this area and government. In fact, my Deputy Minister has met with the association executive twice, once at Virden, once at Waskada. The gentlemen that wrote the letter, Mr. Turbak, I believe, was in attendance at both of those meetings. So whatever views he had to relate to government I'm sure were listened to by the Deputy Minister.

The Deputy Minister has also attended the annual meeting of the Surface Rights Association and has also met with the association in Winnipeg to discuss executive and association concerns. I should also mention that about a month ago at the time that the Keystone Agricultural producers were in Winnipeg meeting with the members of the Cabinet, and I believe with members of the Opposition, that Mr. Murray Lee — is that the name? I believe he's on the executive of the Surface Rights Association — did leave some correspondence with me which we have responded to.

I note there will be further communication with Mr. Lee and with the association over the next number of months. I should also indicate that I have, just in the last month, corresponded with the president of the Manitoba Surface Rights Association dealing with a number of issues, and I've indicated my willingness and my hope, indeed, to be able to meet with the association

over the next number of months to examine in greater detail the concerns that they've expressed to me. I have met with the chairperson of the board.

I think the concerns that have been expressed by landowners in southwestern Manitoba are valid concerns. I've asked the Deputy Minister and the chairperson of the board to meet with the officials in Saskatchewan and Alberta to see how they operate, to see if there are parts of their process that we can incorporate into our process in Manitoba to make it more effective.

I'm most anxious to hear views, either tonight or at any time in the future from members opposite, as to how we can so arrange things that the interests of both land owners and the industry are being looked at. I fully appreciate the concern that some land owners have about the board not making decisions with respect to compensation that would be closer to those made by the industry, where there's simply a two-party negotiation. That is a matter that will be looked at after the Session. I would hope in the Session next spring, that we will have some amendments or some additions to the existing legislation to make it more workable and to deal with some of the issues that have been expressed.

**MR. CHAIRMAN:** 8.(a)—the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I take the Minister at his word. I hope he is sincere when he has said that he would like to meet with the Surface Rights Association, the farmers, and the oil industry, and I would hope that he would proceed to go to Waskada, or to Virden, or to a community which is right in the heart of the province, take some time and go out into the field and see some of the difficulties that are being caused. And I take him at his word and I'll proceed to allow this to be passed, Mr. Chairman, on those comments, because I think he is sincere.

The statement I will make will be that the Minister has an appreciation, hopefully, of the problems that they are encountering, and that he is prepared to move into the field, to move out and do what he can to resolve the issue.

I don't expect him tonight to do anything more than that. It's that commitment that we will hold him to and with that, Mr. Chairman, I would ask that we pass this. But some of my colleagues have . . .

**MR. H. PANKRATZ:** I have one.

**MR. A. DOWNEY:** My colleague has one. But I'm taking the Minister at his word and if he isn't prepared to live up to it, then he can look for no end of friction in this area.

**MR. H. PANKRATZ:** Thank you, Mr. Chairman. My question would be that years ago, and I believe it must be about 12 years ago, there was a mineral tax applied to agricultural land and that was removed, but at the same time it also stated that people who wouldn't be paying this tax would forfeit their rights.

My question now to the Minister would be, has any of those rights been forfeited?

**HON. J. BUCKLASCHUK:** Yes, that's a matter that our department is not responsible for, that's within Mines

and Energy I believe, and that would be the appropriate place to raise that question.

But I just want to comment on the remarks made by the Member for Arthur. I certainly do intend to make this a priority area and, as I indicated, if there are any suggestions that the members opposite have to make in this area that might make things work better — (Interjection) — Yes, indeed, if the member opposite would like to spend a part of a day with me — (Interjection) — Well, in cooperation . . .

**A MEMBER:** Put him on the board.

**HON. J. BUCKLASCHUK:** I'm not prepared to cooperate that far but, certainly, if there are some . . . I believe we have placed the former Member for Turtle Mountain on one of our housing authorities in Souris-Killarney.

But yes, I'd appreciate hearing their concerns.

**MR. CHAIRMAN:** 8.(a)—pass; 8.(b)—pass.

Resolution 117: Resolved that there be granted to Her Majesty a sum not exceeding \$135,600 for Municipal Affairs, Surface Rights Board, for the fiscal year ending the 31st day of March, 1987—pass.

Item No. 9.(a)(1) Expenditures Related to Capital. Capital Grants: Main Street Manitoba.

The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I made some comments earlier, which I stick by. The comment I made, and I want to make the record very clear, my criticism of Main Street Manitoba was this: the Main Street Manitoba Program, to my knowledge, has not created one long-term job. The tearing out of solid, thick concrete, to replace it with some kind of a zipper-lock block, and then go away from it, Mr. Chairman, to me doesn't create a long-term job and that's the point I'm making. Sure, it put some nice fronts on buildings. It dressed up the towns and there's certainly nothing wrong with that. But when they blow about the long-term job creation, it is phony, Mr. Chairman, it is phony. — (Interjection) — That's the other question that I asked and I'm glad the Attorney-General reminded me of it.

I asked the Minister who was the supplier of all the blocks across this province, and was it contracted by the Department of Municipal Affairs? How were they bought, Mr. Chairman, how were they bought? It would be interesting. I asked him earlier in Estimates to provide that information, and I would hope the Minister has all that information.

I would like to know the whole exercise of providing, was it a Municipal Department program? Did they do the hiring of the contractors? Did they do the contracting for the block? Or how did that come about?

I would just like to know for general information sake because I'm sure there was a tremendous amount of it that sold, which again created some short-term jobs. But there wasn't one long-term job created in that program. So it's all a bunch of cosmetics to beautify Manitoba. You starve to death in a beautiful world, you know, that's just about the way we are; that's just about the way it is. — (Interjection) —

At least you have it dressed up, dress it up to go in to pay your unreasonable taxes that are imposed,

whether it be payroll tax, increase in sales tax, increase in education taxes, all those taxes. At least you have a nice Main Street to drive in on to go and pay your taxes. — (Interjection) — That's right, you have to crawl there because there are no highways to get to town on. But you've got a nice street once you get there — (Interjection) — Well, you can walk down it without breaking your leg, that is.

Mr. Chairman, as well he has indicated that the Main Street Manitoba Program will be replaced by a grant, or some program, to help with infrastructure. Now, I think it will take a lot more money than \$2 million to provide the replacement of infrastructure, or the development of infrastructure, whether it be for bridges — and I know there are a lot of municipalities waiting for some further announcements dealing with support to build bridges — because the building of bridges is probably one of the biggest imposition of costs on the municipal road systems.

You know, here's the big issue. They make this federal-provincial story. They're always going after the feds because the feds are transferring responsibilities on to the province, or at least they say that's what's happening, which certainly has never been substantiated by any member of this government in a way in which it would sell to anybody.

But what are they doing by not building provincial roads and not keeping the provincial roads up? It's transferring traffic, Mr. Chairman, on to the municipal roads, which is an imposition on the municipal level of government, as is the Minister of Highways transferring the direct cost of controlling of grasshoppers on to those municipalities when they spray provincial highways. For goodness sake, Mr. Chairman, what kind of tongue talks on both sides of their mouth? It's forked, Mr. Chairman. That's what they're talking about. They're transferring responsibilities of the province on to the local governments, on to the local municipalities.

They're not clean, Mr. Chairman, by any sense of the imagination; they're not clean. They can't speak because they live in a glass house, Mr. Chairman. They live in a glass house and they can't throw stones, or shouldn't.

Mr. Chairman, so I ask the Minister, where is he going to get the money? Where is the money for the program that he has been talking about, where the Premier announced during the election campaign of a 50-50 cost sharing of bridge upgrading, of water systems upgrading, of road upgrading to help municipalities. Where is he going to get the money because he's made it very plain that the Main Street Program will be transferred into this new program.

**HON. J. BUCKLASCHUK:** I'm again pleased to be able to stand up and speak about the Main Street Manitoba Program, the program that has been bought by 41 communities, which has helped beautify Manitoba.

**A MEMBER:** How many?

**HON. J. BUCKLASCHUK:** Forty-one and dozens on the waiting list. The province provided financial assistance through this program in the amount of \$7.9 million, which has generated some \$12 million worth of economic activity, which I probably think would create about 500 person years of employment.

The question has been raised a number of times as to where do we get the bricks from. I don't know. Ask the municipalities, because they take on the responsibility of tendering the contracts. All the province does is provide some advisory service and considerable funding, but the tendering of the contracts is a municipal responsibility and I'd suggest that if you don't like the bricks, interlocking bricks at Melita, perhaps one could ask the Mayor of Melita.

There's a \$2 million allocation in this year's Estimates for the Main Street Manitoba Program and that is to honour those commitments that have been made by Cabinet for funding in this fiscal year. There are about a dozen or so applications that have been approved by a departmental committee, that have not yet reached Cabinet level, and those persons have been advised that we will not be making any further commitments this year, but it would be my hope that when the guidelines for the fund for rural development, whatever the name will be, have been established, that they would qualify for assistance under that program.

There is no figure in this year's Estimates for that program because it's not anticipated that the program will commence until April — (Interjection) — Well, I meant to make reference to this thing. There was an election promise made four months ago and it's not being fulfilled until April 1 of 1987, which is one year later, and everybody goes up the wall.

I can think of governments that have made election promises that have never fulfilled them in their four-year term, so what is so alarming about an election promise that isn't fulfilled for a year? Pardon me? Yeah, go back to the Lyon administration and it was right there in black and white.

So the fund for rural development program will show up in next year's Estimates, but the \$2 million that's in there at the present time is for those commitments that government has made for about half a dozen or a dozen communities, I think. We'll see those projects ongoing.

I think those are the comments on that.

**MR. J. DOWNEY:** Mr. Chairman, I guess the big question is why was the commitment made if it in fact wasn't going to be lived up to? I know exactly what happened in Swan River, and the Premier went in with all the fanfare, the NDP signs and the cameras and rushed into a council meeting, told the council he wanted to meet with them, set up the political display in a municipal office, went in with a piece of paper, made an announcement and said, "Wham bam, thank you, Ma'am" and left. Yes, took advantage of the Municipality of Swan River; yes, Mr. Chairman, with the TV cameras for his own political advantage and announced this program.

There are municipalities sitting out there waiting to get some programs in place. The bridges are breaking down. The infrastructures need the support. There is some urgency. If he's going to just say, we're going to stand up and make election promises and not live up to them, well of course, Mr. Chairman, I'm wrong. They were the government that broke all those election promises — 1981, remember, no one would lose their farm, you know; no one would lose their business because of high interest rates. So it's not uncommon

for this government to break their promises. The record speaks very clearly to that.

**A MEMBER:** Signed by Howard A. Pawley.

**MR. J. DOWNEY:** That's right; that very stern looking person. But what I'm saying, Mr. Chairman, is I would think the Minister, as well, would want to get on with it because he has whet the appetite of a few municipalities; and it is, in my estimation, a place that could work.

I'm not being critical of it. I think that there's certainly a lot more long-term benefits to help communities and to do the things that are necessary than the Main Street Manitoba Program and I say that very clearly. I think there are some dollars that could be spent.

Mr. Chairman, so I do urge the Minister to make this one of the election commitments that he made come good, not like many of the ones that he's made in other years that never will be able to be lived up to.

**HON. J. BUCKLASCHUK:** Well, I'm indeed pleased that we were able to make an election commitment that a fund for rural development would be developed.

I should mention to the Member for Arthur that the first letter that I received as the Minister of Municipal Affairs commanding the government on this proposed program was from the R.M. of Edward. I look forward to the development of this program over the next number of months. I know there is certainly a need there, and I would hope that whatever the program is, whatever may be included in it, that the municipalities, or the towns, or the villages will be able to determine their priorities to what they see as being most beneficial to their residents.

Certainly those municipalities that have applied for the Main Street Program, as I indicated, about \$2 million worth of funding is being provided this year; those that are temporarily on a hold basis will be reconsidered once the guidelines for the program have been developed and it will be the municipality's decision as to whether they go ahead with that program at that time or not.

I would hope that the guidelines for the program will be ready within a number of months and a figure will appear in the Estimates at this time next year and we will have an opportunity to debate that program. We have every intention of seeing that this particular election commitment is going to be met, as will all the others that we have made.

**MR. CHAIRMAN:** 9.(a)(1)—pass. 9.(a)(2) Urban Transit Bus Purchases — The Member for La Verendrye.

**MR. H. PANKRATZ:** Yes, Mr. Chairman, I have one question.

First of all, I do want to make one comment, and that is in regard to this Main Street Manitoba. I hope those blocks come from the Constituency of La Verendrye. I wouldn't doubt it if 95 percent of them do come from there. — (Interjection) — That's right.

My question I have basically in this Urban Transit Bus Purchases, is the Handi-van grant that some communities get to purchase Handi-vans, does that come out of this funding?

**HON. J. BUCKLASCHUK:** The Department of Municipal Affairs only assists the City of Brandon with transportation, with the transit bus costs. The Handivans are financed through the Department of Highways and Transportation, or assistance is provided through that department.

**MR. J. DOWNEY:** Mr. Chairman, could the Minister explain why Brandon, why just Brandon in this program? Why is there \$150,000 last year, \$150,000 this year? Is it an assistance program per bus, or is it an operating grant, or what is the money spent on?

**HON. J. BUCKLASCHUK:** I'm advised that Brandon is the only city that has its own public transportation. Flin Flon and Thompson systems are owned by the private sector. There's some historical basis to this, too, for whatever reason it was in Municipal Affairs and it stays there. The figures, incidentally, last year it was 67.2; this year it will be \$150,000.00.

**MR. CHAIRMAN:** 9.(a)(2)—pass.

Resolution No. 118: Resolved that there be granted to Her Majesty a sum not exceeding \$2,150,000 for Municipal Affairs Expenditures Related to Capital for the fiscal year ending the March 31, 1987—pass.

Now we need to go back to Budget Item No. 1.(a) relating to the Minister's salary — the Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I would hope that the Minister could stand up and justify why the taxpayers are going to spend their precious money to get so very little as to what they're going to get in the next year.

He's done very little to satisfy this committee, dealing with the assessment question that anything is going to progress in any way that's meaningful; that the whole question was not answered very satisfactorily. My colleagues, I'm sure, have further comments to make in this regard.

We haven't been given the assurance that he's going to proceed fairly and equitably with this whole question of assessment and the other areas within his department. I would hope that he is prepared to, and certainly he has given us the commitment to meet with my colleague from Ste. Rose dealing with the assessment problem there and those individuals who are concerned with the increases and certainly should have some consideration when land prices have gone down to see a reduction in the assessments.

The whole area of living up to the commitment to meet with the Surface Rights people, get on with that; the whole question of developing this program that he's touting I'm sure will have a lot of meaning for the municipalities, that we see some detail on it before very long that's acted upon and that he truly carries out the job of being Minister.

I have to question, Mr. Chairman, as to whether or not we now have two Ministers of Municipal Affairs; one at \$55,000 a year running around the province campaigning for the next election within the municipal councils and doing all those kinds of things and then again, being asked to spend the kind of money we are for this Minister's salary.

I'll say that we'll be watching his activities as well as I'm sure my colleague, the Member for Springfield, will

be keeping a close eye on the other one to make sure, Mr. Chairman, that the taxpayers are getting their worth for the money that's being spent.

I question for sure the \$55,000 one, you as the Minister, Mr. Chairman, will have to prove in your actions to this Assembly and to the people of Manitoba that you're worthy of the pay which you're asking for. I ask the Minister, how does he really feel that he qualifies to ask the taxpayers for the kind of money which he's asking for?

**MR. CHAIRMAN:** Are you ready to pass this item? The Member for Charleswood.

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

My colleagues have sat here diligently listening to the responses of the Minister dealing with the Estimates of his department. I presume that the Minister's answers should be sufficient to inspire confidence in members of the committee in dealing with the Minister's salary and that it would in some way justify our continuing such an exorbitant amount dealing with that additional sum for the Minister.

The concern that I have as we've gone through these Estimates — we've gone through the Municipal Board where we had all kinds of problems brought up by members of the committee dealing with that particular issue. We've seen concerns expressed by myself in particular dealing with that particular department that you have appointed officials overruling those elected in the democratic process which I find abhorrent and I think ought to be discontinued. But the Minister gave no indication that he was going to even consider that.

We had the Municipal Advisory and Financial Services section of the Estimates which dealt with grants in lieu of taxes and we saw that that area had a disastrous effect on municipalities because the grants in lieu of taxes nowhere near met the demands placed on the services of those municipalities.

We saw a number of other areas; we saw a 3 percent increase in that department where in fact increased costs in municipal government and school divisions far exceed that amount throughout the whole of the province.

Municipal assessment has been a total unmitigated disaster up to this point. No Minister yet has dealt with the question of municipal assessment in a reasonable or forthright manner; in a manner that said I'll stand up; I'll take charge of that issue; I'll confer with them; we'll solve the problem and get on with it. No Minister has done that yet. This Minister certainly had no answers to come forward tonight to answer to that particular situation.

In addition to that he couldn't indicate either whether he bring in legislation that would resolve some of the anticipated problems dealing with reassessments and assessment reform as proposed.

We've heard a number of other problems, Mr. Chairman, dealing with the Surface Rights Board, with Main Street Manitoba. Main Street Manitoba, here is a program that the Minister claimed was fantastically successful. Forty-one communities in this province grabbed hold of that program, embraced it, took the money and spent it. It was so successful, Mr. Chairman, that they cancelled the program. So successful that

they cancelled the program. That is supposed to inspire confidence in the Minister and this side. That's amazing.

Mr. Chairman, I'm afraid, unfortunately, that I've not had my confidence bolstered by the Minister's responses, and accordingly, I would like to move that the Minister's Salary at Budget Item Line 1.(a) be reduced to \$2,060, which amount represents 20 percent of 1975 level of value.

Mr. Chairman, I'd like to request a voice vote on that.

**MR. CHAIRMAN:** The question before the committee is as follows: That the Minister's Salary at Budget Item Line 1.(a) be reduced to \$2,060, which amount represents 20 percent of 1975 level of value.

The members know the rules, according to 65(9)(a)(a.1): Where the Committee of Supply, or a section of the Committee of Supply, is sitting after 10:00 p.m. on any day, the Chairman or the Deputy Chairman of the Committee shall proceed to put motions as the course of the business of the Committee dictates but shall not accept any vote that defeats a motion approving an item in the Estimates of the government, or any vote that passes a motion varying an item in the Estimates of the government; — (Interjection) —

A voice vote has been requested for this motion. Those in favour of the motion, say aye; those who are opposed, say nay. The nays have it; the motion is defeated.

The Member for Morris.

**MR. C. MANNESS:** Thank you, Mr. Chairman.

I also have to rise and indicate that I, too, haven't been terribly impressed with some of the answers that the Minister has offered with respect to the assessment question, and as members opposite have indicated on several occasions, Mr. Chairman, this is the third Minister in a very short period of time who has attempted to commandeer this process to some type of conclusion, and yet here we are again, trying to convince the Minister of the urgency of moving expeditiously, moving to a quick resolution of the problem.

Mr. Chairman, what we have had occur over the last two days of questioning, at least in my presence when I have been in committee, is a situation where the Minister does not fully, in my view, comprehend the problems, and certainly does not understand the whole system of assessment.

Therefore I question whether he understands the whole urgency of the problem at hand.

Mr. Chairman, I can't help when I look at the Minister, also I look at the former Minister of Education, and ask the Minister of Municipal Affairs how long his government can continue to allow this inequity to take place with respect to education taxes on property. How long can this government continue to see great inequity, major increases increasing at a rate, Mr. Chairman, that is just destroying the intent of some of the legislation that the Minister of Agriculture is bringing forth.

We have a three-ring circus at work. We have the Minister of Agriculture introducing legislation to try and safeguard some of the family farms within the province. We have a Minister of Education today who is following in the footsteps of the former Ministers who seems to

be totally oblivious to what is occurring within the farm community, particularly with respect to education taxes.

Yet, we have Dr. Nicholls in his report that he released about three years ago at the request of the government and the Department of Municipal Affairs to move on with this whole system of reassessment, to move on with this whole problem of attempting to relieve this major tax burden from many Manitobans, but particularly the farm community.

Then we have the Minister of Municipal Affairs, the third one I may say in the last four years, who really is not prepared to quickly resolve that problem. Then we go back to the Minister of Agriculture who tells us how bad the problem is and, therefore, we have to bring forward some new legislation dealing with it. It's a three-ring circus, Mr. Chairman, and it has to come to some conclusion. The answers that we received over the last two days from this Minister does not inspire us at all that, indeed, that there's any resolution coming.

I take some solace from the fact that the Minister has indicated that he is prepared to at least sit down with us, hopefully within the month, and show us specifically where this whole process is at this present time, so that we can monitor more closely. Instead of coming to this House one year hence and going through the Estimates and having the Minister say well trust us, it's continuing, we're on our critical time path, in another three years this process will be complete, we're doing it. I say it's incumbent upon the Minister to show members of the Legislature within the month, specifically, where this process is so that we can monitor and request of him three months, five months down the pike as to what progress is occurring.

Mr. Chairman, there was one question I missed of the Minister. I hope, even though that staff is absent, that he could answer it. I would ask him why the municipal board is giving up jurisdiction under Bill 9 — Bill 9 is a change in The Public Schools Act — with respect to endorsing any by-law of a municipality that requests funds in the form of debenture for the purposes of education within any of the municipalities. Under the existing Public Schools Act, the municipal board had to be given notice and had to ratify that by-law. That's being removed from The Public Schools Act under Bill 9. We have not received a proper explanation of that change from the Minister of Education. Can the Minister of Municipal Affairs tell us why the municipal board is no longer sharing its responsibility in that matter?

**HON. J. BUCKLASCHUK:** Yes, I have a few minutes to make some concluding remarks.

Let me just respond to a few questions or concerns that have been raised. There was certainly a question raised by the Member for Charleswood about the grants in lieu of taxes. That is something that I will have to look into because the figures that were provided to us by the Member for Charleswood certainly are at variance from those that we have on our books.

I recall that the member had indicated that he felt that some Crowns were not paying their fair share. I remember the reference to MPIC and I think a \$66,000

figure. In fact, the Manitoba Public Insurance Corporation paid out over \$377,000 to the City of Winnipeg this year in taxes and contributing somewhere close to \$500,000 in total to Winnipeg and other communities of Manitoba.

The fact remains that the Province of Manitoba contributes somewhere in the neighbourhood of \$22 million in grants in lieu of taxes. Reference being made that they're inadequate, but the grants are at exactly the same level, in most cases, as taxes that would be paid on that property.

Considerable comment and concern about the issue of municipal assessment and assessment reform. I'll be one of the first to admit that it is a very serious problem. It's going to take a lot of thought to resolve it. I think that while we have the problem of trying to resolve the issue, I would say the Opposition has a problem because I hear the rural members asking the government to move on it more and more quickly and tonight the Member for Charleswood asked us to put a further freeze on. So, — (Interjection) — Yes, freeze assessment so that — (Interjection) — I'd say that if I have a problem, you also have a problem. — (Interjection) — I do welcome the opportunity to have staff from Municipal Affairs make a presentation to both sides of this House, hopefully, within the next month to six weeks, so that all members can be better informed as to the complexity of this problem.

With respect to the question from the Member for Morris with the change in the jurisdiction of the municipal board, I'll have to review that. I hadn't noted that. I'll take a look at that.

Finally — and I know we're all anxious to get away — the Surface Rights Board, the members opposite do have my commitment that this will be a matter that will be reviewed this forthcoming fall and, hopefully, there will be some changes in legislation at the next sitting to deal with some of the concerns that have been expressed.

Those are my final comments.

**MR. CHAIRMAN:** 1.(a)—pass.

Resolution 110: Resolved that there be granted to Her Majesty a sum not exceeding \$1,051,900 for Municipal Affairs, Administration and Finance for the fiscal year ending the 31st day of March 1987—pass.

Committee rise.

Call in the Speaker.

**IN SESSION**

**MR. DEPUTY SPEAKER, C. Santos:** The Honourable Minister of Finance.

**HON. E. KOSTYRA:** I move, seconded by the Minister of Business Development and Tourism, that the House do now adjourn.

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