

LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, 27 June, 1986.

Time — 10:00 a.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, the Committee of Supply has adopted certain resolutions, directs me to report same, and asks leave to sit again.

I move, seconded by the Member for Thompson, that the Report of the Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

I wish to table the Supplementary Information for Legislative Review, 1986-87 Estimates for the Manitoba Civil Service Commission.

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Yes, Madam Speaker, I have a statement. I'm pleased to announce that the passenger-carrying phase of the rail-bus demonstration project commenced yesterday on the C.N. rail line between Thompson, Pikwitonei, and Thicket Portage. Passengers will be carried free of charge over the next 16 weeks.

The rail-bus project has been funded under the Canada-Manitoba Sub-agreement on Transportation signed in 1984. This project arose from a Manitoba suggestion during the Canadian Transport Commission hearings on the future of VIA Rail's Northern Manitoba passenger services. Initially passengers will be carried in the WCSS Rail Bus manufactured in Winnipeg, by Winnipeg Coach Sales and Service. Passengers will then be carried in a BREL or a British-Leyland rail bus which was designed and manufactured with United Kingdom conditions in mind. The 16 week demonstration will finish with the WCSS providing the service for the final seven weeks.

The WCSS rail bus was developed as a pre-prototype vehicle to test the concept and to obtain operating information to assist in the design of an advanced Canadian rail bus based on a Manitoba-built Motor

Coach Industries highway bus. It is naturally pleasing to see the rail bus project reach a stage where it is carrying passengers. These passengers can now describe the extent to which the rail bus will meet their needs.

Manitoba has always viewed a rail bus designed to operate in remote areas of Canada as a vehicle which, not only has the potential of improving transportation services to remote communities on existing rail lines, but also has the potential of reducing the cost of providing these services.

I look forward to hearing from the people in these northern communities, the reaction to the service and their suggestions. It is our hope that if the rail bus proves successful, that service could be continued and will be used as a major means of transportation in other northern remote communities. Manitoba has a long-term commitment to the rail bus as a means of relieving isolation in the remote areas of our country. The province was involved in this project from its inception and, in the Canada-Manitoba Subagreement Project, committed itself to contribute to the development of Canadian rail bus technology beyond the initial prototype vehicle.

MADAM SPEAKER: The Honourable Member for Pembina.

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

Madam Speaker, it is with a great deal of pleasure that I reply to the Minister's statement this morning on the rail bus project. I rise with that pleasure because it was in 1981 during the Canadian Transport Commission hearings on VIA's northern passenger service that I made that suggestion to the Canadian Transport Commission . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. ORCHARD: . . . to provide rail bus service as an alternate to the rather expensive passenger service that VIA was then providing at that time and were attempting to discontinue.

I want to state, from the onset, Madam Speaker, that it was not my idea of rail bus passengers service, but the technical staff in the Department of Transport, in the Division of Transport research in the Department of Highways that did the original research of Dr. John Richot. That proposal was put forward from the standpoint, Madam Speaker, that passenger service must be maintained for northern Manitobans to serve that area of Northern Manitoba from The Pas to Churchill, and in view of the rather expensive current service, and often inadequate current service, offered by VIA Rail, the rail bus alternative was investigated by the department and proposed, as I said, in 1981 at the Transport hearings.

We thought at the time that the rail bus system could provide a double opportunity (1) it could provide renewed and expanded and better passenger service

to Northern Manitoba as a goal which we at that time sought, and was joined in seeking that better passenger service for northern Manitobans by the MLA's in the North at that time; and (2) we saw it as an opportunity to pioneer technology in rail bus transportation so that Winnipeg could maintain and enhance its lead in innovative transportation systems. It has taken some five years to get to where we are today, but I'm sure that all the residents of Northern Manitoba served by this new rail bus service will find it to be very beneficial and, hopefully, it will expand into other areas of Northern Canada to provide similar rail bus passenger services and develop another industry in Manitoba.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

HON. V. SCHROEDER: Thank you, Madam Speaker, I would like to table the 1984-85 Annual Report of the Manitoba Development Corporation and, as well, I have a statement.

Madam Speaker, despite the current oil glut, the availability of secure, inexpensive energy resources should remain a subject of global concern. Eventually our primary energy sources — oil and natural gas — will become depleted.

It is therefore crucial for Manitoba to explore every energy option. Developing our natural hydro resource to bring long-term economic benefits is one important goal we are pursuing. The other part of our strategy is to explore alternative sources of energy and to develop energy conservation techniques.

Canada and Manitoba previously signed the Conservation and Renewable Energy Demonstration Agreement: CREDA, which expired in March of last year. The success of its many and varied programs led us to sign an interim agreement in August to complete CREDA's work. Both CREDA and the interim agreement explored ways to use non-renewable energy resources efficiently and to develop renewable sources of energy. These continue to be among our objectives.

For this reason, Madam Speaker, I am pleased to announce today that the Governments of Manitoba and Canada have progressive another step on Manitoba's energy-efficient path. We have signed the Canada-Manitoba Agreement on Conservation and Alternative Energy.

The agreement provides for expenditures of \$8 million during this fiscal year and the next. Under the agreement, some activities will be conducted jointly between the Federal and Provincial Governments. In other cases, Manitoba and Canada will each carry out separate but complementary activities. Consultation and information exchange between both parties will ensure we do not waste valuable time and funding by duplicating programs or services.

Activities will be grouped in five sectors. In the renewable energy sector, we will explore exciting possibilities in the areas of groundwater heat pumps, ethanol from cellulose, biomass fuels and combustion, and solar and wind energy. Canada will launch a number of strategic demonstration projects to help Manitoba's remote communities develop energy-efficient housing, and Manitoba is considering a similar initiative on non-Status Native housing.

In the transportation energy sector, Canada will continue its pilot "Pro-Trucker" program. A demonstration program involving hydrogen fuel may be considered after a federal/provincial study on hydrogen development is completed. Canada will administer Project MILE, or Methanol as a Fuel in Large Engines, as well as a number of methanol fuel blend demonstrations under fleet testing conditions. Projects will also be developed for municipal planners and engineers on urban transportation systems, traffic signal control, and truck routing.

In the industrial and commercial sector, Manitoba and Canada will develop and implement new demonstration projects in areas such as pastureland rejuvenation, motel and hotel energy conservation, steam conservation in the food industry, infiltration reduction in light buildings, and restaurant monitoring, among others. Manitoba will continue with the Energy Bus Audit and Business and Community CHEC programs.

The existing housing sector will also include demonstration projects. Some possibilities are energy conservation in low-rise apartments, high energy-efficient furnaces, and natural gas furnace retrofitting. Canada will continue to produce consumer information materials, and Canada and Manitoba will undertake educational activities like home shows, do-it-yourself workshops, and first-time home buyer seminars. Manitoba will revise its Home CHEC-UP and CHEC loans programs, and will launch a "hands-on" home energy workshop program. We will continue operating the Energy and Mines Info Centre.

In the fifth sector, new housing, Canada will continue with its Super Energy Efficient Housing Program, and will embark on a Flair Homes demonstration project, with Manitoba's input. The Flair project will look at different wall/envelope construction techniques and heat recovery and ventilation system alternatives.

In conclusion, Madam Speaker, we are committed to a balanced approach to energy production and consumption. The Canada-Manitoba Agreement on Conservation and Alternative Energy is one manifestation of this approach.

We see an important role for Manitoba in the field of developing conservation and alternative energy technologies. We want to encourage the development of these new technologies to a point where they can be marketed and widely adopted. In this way, Madam Speaker, we can enhance the provincial economy and work toward a secure energy future for Manitoba.

It is therefore with great pleasure, Madam Speaker, that I table this agreement.

Thank you.

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. I thank the Minister for his statement this morning.

We're pleased to see a continuing ongoing commitment on the part of the Federal Government and the Provincial Government, to looking to the future for our energy needs in Manitoba and in Canada. Indeed, we know that the various reports that Manitoba Hydro has in their possession, including the Cavanaugh

Report, recommended that Manitoba Hydro and Manitoba consider alternate energy forms and, indeed, consider particularly all of the potential benefits of conservation of energy as part of their overall energy development and plans for the future, that this was an area that had been neglected and was being ignored as an opportunity by the government in the past.

We hope that this study and this further development will lead toward ensuring that that neglect is overcome and that Manitoba does, indeed, include conservation and all the alternate energy forms as part of their future planning.

Madam Speaker, the technology, the technical feasibility of all of these various alternate energy forms has been known for some time. Indeed, heat pumps are installed throughout Manitoba. All of the energy conservation buildings that have been constructed over the past while, all of these things are established in a technically-feasible form.

What we need to know now, of course, is how we can establish them in an economically viable form of delivery so that they can be within the means and the economics of the people of Manitoba who may want to go to these alternative forms of energy for the future, so we thank the Minister for the statement. We compliment both the Federal and Provincial Governments in pursuing further these goals of alternate energy development because they will be important to our people in future.

MADAM SPEAKER: The Honourable Minister of Housing.

HON. M. HEMPHILL: Thank you, Madam Speaker. It's my pleasure to table the Supplementary Information for Legislative Review, 1986-87 Estimates for Manitoba Business Development and Tourism.

MADAM SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. R. PENNER introduced, by leave, Bill No. 36, The Real Property Act and Various Other Acts Amendment Act; Loi modifiant la Loi sur les biens réels et diverses autres lois.

ORAL QUESTIONS

Manitoba Hydro - Dominion Bridge contract re Limestone

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, my question is for the Minister of Energy and Mines.

Recognizing, as we have said previously, that all Manitobans would prefer to see the Limestone Generating Station projection result in jobs for Manitobans and work for our Manitoba companies, I wonder if the Minister has now investigated and can report to us what Dominion Bridge's original sealed bid was for the intake gates contract that they were awarded.

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Thank you, Madam Speaker. No, I haven't gotten any more information since the last time I talked to the Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I wonder if the Minister can indicate whether he has discussed with the chairman of Manitoba Hydro the discrepancy in the statement which he made that said that everyone had been given the opportunity to review their bids, it turns out that at least three of the bidders have indicated they were not given an opportunity to revise their bid. I wonder if he's had an opportunity to check with the chairman of Manitoba Hydro as to the accuracy of his initial statement.

HON. V. SCHROEDER: Madam Speaker, the chairman of Manitoba Hydro told me that Manitoba Hydro had received enhanced benefit proposals from a majority of the firms who had submitted their original tender bids. I don't imagine that he would have, or that anyone would have, approached a firm which was clearly not in the running for any changes. That is, there were several firms — (Interjection) — Well, let me finish. There were several firms which the Hydro staff were saying they were not satisfied that we were going to get the work done on time and their bids were unacceptable, not because of price, but because of those other issues. It wouldn't make a great deal of sense to go to a company like that to say "send us another package" when that fundamental block was in place.

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate, since three of the firms — an Argentinian firm and two Canadian firms: Canron and Versatile — have indicated that they were not given an opportunity to revise their bid, after the bids were open, whether or not he has established the veracity of that statement.

HON. V. SCHROEDER: Madam Speaker, on the Argentinian firm, although I haven't had a chance to talk with the Chairman of Hydro since the article appeared in the paper, my understanding is, from previous discussions, that the proposal they had, which would have seen Manitoba work, was higher than certainly the bid that they're talking about and quite a bit higher than the bid that was eventually accepted by Manitoba Hydro.

I emphasize that there were three factors involved in awarding the contract to Dominion Bridge. There was the lowest production scheduling risk, which is a very important thing, and this particular firm is located right here in Manitoba; we know its background and previous results; they are experienced gate fabricators and have provided the gates for Long Spruce and the spillway gates for both Spruce and Kettle; and, of course, there is very high Manitoba economic content in employment, and it was the lowest acceptable price of \$19.6 million.

MR. G. FILMON: Madam Speaker, given that we seem to have a credibility gap here where the Chairman of

Manitoba Hydro has indicated that firms were given the opportunity to adjust their bids, after the bids were open; has he asked the Chairman whether or not those three firms that claimed they were not given such an opportunity, and had been lower bidders than Dominion Bridge, had they in fact been given that opportunity to revise and lower their bid after the tenders were open?

HON. V. SCHROEDER: Madam Speaker, I don't know what the process was. What I've said is that Manitoba received enhanced benefit proposals from a majority of the firms who had submitted their original tender bids, whether that was on invitation or otherwise for all, or some of those firms, I don't know.

I point out again that there's not much point in asking a firm to resubmit in terms of numbers when we're not prepared to accept them on the basis of scheduling risk.

I point out as well that when it comes to credibility, Madam Speaker, the Leader of the Opposition, the last time we discussed this and areas surrounding it, suggested to the House that his candidates in the North were saying that they supported Native hiring preferences, and that is not correct, Madam Speaker.

I have a copy of a letter here I would like to . . .

MADAM SPEAKER: Order please, order please. Answers to questions should be as brief as possible, should deal with the matter raised and should not provoke debate.

The Honourable Leader of the Opposition.

MR. G. FILMON: Madam Speaker, I have a copy of an article that says "Natives Denounce Hydro Award" about the award that he said that the Natives supported for Manitoba Hydro on Native hiring practices . . .

MADAM SPEAKER: Does the Honourable Leader of the Opposition have a question?

MR. G. FILMON: Madam Speaker, my question for the Minister is, he has indicated that several firms were not asked . . .

HON. L. DESJARDINS: That's not a question, it's a statement.

HON. G. FILMON: Yes, it will be followed up with a question directly. Larry, you're not the Speaker.

In view of the fact that he has indicated that several firms were not acceptable because of scheduling purposes, does he say that Canron and Versatile were not acceptable because of scheduling purposes, because they are two who claim that they were not given an opportunity to revise their bids?

HON. V. SCHROEDER: Madam Speaker, we have accepted the lowest acceptable price of \$19.6 million. That has the major Manitoba economic content, and that is what we have been attempting to achieve with Limestone from start to finish, and that's what we are achieving.

Just as one example of that, some numbers I saw earlier this week indicated that, of all the employment

at Limestone, less than one-half of 1 percent was from outside of the province, at that particular plant by April 1 of 1986. So those kinds of things have been happening. We've been doing a very good job of ensuring that we have that Manitoba content and that Native northern content, which has been so crucial to us, and which the Leader of the Opposition said that he wanted to change.

MR. G. FILMON: Madam Speaker, I have not said that I wanted to change the Native northern content of Manitoba Hydro. When have I said that, Madam Speaker?

MADAM SPEAKER: Order please. The Honourable Leader of the Opposition asks the questions, he does not answer them.

MR. G. FILMON: Madam Speaker, recognizing that you would not want to answer that question, I will pose a question to the Minister.

Given the credibility gap that exists in the statements that have been made by the Chairman of Manitoba Hydro on some very important issues here, I wonder if the Minister would agree to reconvene the Hydro committee to allow for a full and complete discussion and examination of Manitoba Hydro's policies with respect to tendering practices.

HON. V. SCHROEDER: Back on Wednesday, October 23, 1985, Mr. Ken Biglow said at a nominating meeting — he was the Tory candidate in Thompson — "The only positive thing I can say about the NDP Government is the Limestone success."

MADAM SPEAKER: Order please. May I remind the Honourable Minister once again that answers should deal with the matter raised.

The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Madam Speaker, I was getting to that. It was just a bit of a preamble. The leader asked when he had said that he wanted a change in the policy. I just wanted to give you the background, Madam Speaker. This is what Mr. Biglow was saying at a meeting where the Leader of the Opposition was present.

MADAM SPEAKER: Order please, order please. Order please. I ruled the comments of the Honourable Leader of the Opposition out of order and, frankly, I do not want the background. Could the Honourable Minister answer the question as it was put?

The Honourable Minister of Energy and Mines.

HON. V. SCHROEDER: Madam Speaker, the Manitoba Hydro-Electric Board received a recommendation from its senior Hydro management. I have no reason to believe that there was any dissent in that management group. Their recommendation was, notwithstanding any suggestions to the contrary, very specifically to award the contract on the intake gates for the Limestone Generating Station to Dominion Bridge of Winnipeg. The board of the Manitoba Hydro-Electric operation supported that recommendation and the government

of this province fully supports the board and management of Hydro.

MR. G. FILMON: That being the case, Madam Speaker, then why won't he reconvene the committee to allow for a complete examination of that?

HON. V. SCHROEDER: Madam Speaker, I've explained to the House. Our purpose is to provide a good investment for Manitoba and jobs for Northern Manitobans, jobs for northern Native Manitobans, jobs for Thompson southern Manitobans and investments that make sense.

The committee has already met, Madam Speaker. They had all the opportunity to ask questions about that investment, the logic of that investment, the strength of that investment, we went through that. The jobs, we had the opportunity to discuss those jobs, and we had the Leader of the Opposition instead saying in Thompson that he wanted to change those hiring policies.

Regional Services Branch, Department of Natural Resources - investigation of

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker, my question is to the Minister of Natural Resources.

I gave him written information regarding the questions yesterday. My questions pertain to the Regional Services Branch of the Department of Natural Resources. They are based on the allegations of professional financial misconduct against senior departmental executives in January.

It is my understanding that the executive of the department conducted an internal investigation of some sort. I wonder if the Minister could indicate whether that kind of an investigation took place. If so, who participated in the inquiry? Who did they report to?

MADAM SPEAKER: The Honourable Minister of Natural Resources.

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

I want to thank the Member for Emerson for having given me written notice on this question yesterday. He is absolutely correct, there were allegations made with respect to the Regional Services Branch. By way of the media, I think people were generally aware of the issue, and I think people are aware, as well, that there was and is an investigation being conducted by the Ombudsman into this matter. I have been told that, as recently as Monday of this week, there were discussions with the Ombudsman. The investigation appears to be nearly completed, so we anticipate that in the not too distant future we will be getting a report on this matter.

As well, there were management initiatives within the department to address the question. I don't want to leave the impression that there was a formal inquisition, as might be implied by the terminology used by the Member for Emerson, but certainly, as part of management responsibility from the department, they did look into the activities in the branch. They have

looked at redefining roles; they have looked at reorganization; they have looked and have made provision for personal counselling for some of the people involved in this issue. We're looking as well in the longer term of perhaps reassignment of responsibilities.

So I feel confident that the matter, by way of the Ombudsman inquiry and the initiatives from the management of the department, are addressing the issues, and that the long-term activities of the department and the branch of Regional Services will be well-managed.

MR. A. DRIEDGER: To the same Minister then, could the Minister indicate that, in their review, what the findings were? Is he going to let the people of Manitoba know what the findings of that investigation within his department were?

HON. L. HARAPIAK: Madam Speaker, I want to indicate to the House, again, that this matter is still under review by the Ombudsman, and I would not want to make any specific comments which would, in any way, impact on that report. When the report is submitted, that information will be shared. Then any other information that we can share with the members opposite, we'd be glad to do so.

MR. A. DRIEDGER: Madam Speaker, to the same Minister, I just want to indicate that the Ombudsman's review and the internal review are not the same thing. Is the Minister satisfied that the internal investigation that he has completed, or apparently has been completed, and that the allegations against his staff have been adequately dealt with?

MADAM SPEAKER: Order please. That question asks for an opinion. Would the honourable member like to rephrase his question?

MR. A. DRIEDGER: Is the Minister satisfied that he has dealt with the internal investigation properly and with the allegations that have been made against his department?

MADAM SPEAKER: Would the honourable member please rephrase his question? Whether the Minister is satisfied or not is not in order.

MR. A. DRIEDGER: Madam Speaker, I would like to ask the Minister whether he is satisfied that the internal investigation — has the matter been dealt with to the satisfaction of the Minister?

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Madam Speaker, matters of this sort, I would like to suggest, must always be looked at in the management of a department. Given the size of this particular department, and I'm sure in any organization, whether public or private, there will from time to time be issues that have to be addressed by management. So I do not want to suggest to the member opposite that, because this issue has been addressed, we would no longer be considering any other aspects of management.

Management is an ongoing issue, so we will continue in our efforts, given that we have a very effective and dedicated group of employees, there will be instances that have to be addressed. So this issue is being addressed, and we will continue in our efforts to make it more effective.

Budworms

HON. L. HARAPIAK: Madam Speaker, while I have the floor, I would like to provide some information on a question that I took as notice from the same member on June 23 in regard to the Jack Pine Budworm Spray Program. There are some 2 million hectares of jack pine that have some degree of infestation. There were 30,000 hectares that were designated for spraying, and 90 percent of that area, 27,000 acres, were sprayed.

So the spray application has, for this year, been completed, but there will be some degree of follow-up to determine the effectiveness of the spraying. The amount budgeted for the spray program was \$600,000, so 90 percent of it was expended. But I wouldn't want to leave the impression that \$60,000 would be remaining, because there would be some fixed costs that would have to be met whether or not the spray was applied. That would give you some understanding of the extent of the spray.

The Patent Act - amendments re pharmaceuticals

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Thank you, Madam Speaker, I have a few questions directed to the Minister of Health.

The Federal Government is proposing to amend The Patent Act in order to protect manufacturers of prescription drugs from competition. One consequence of this is the negative effect of increasing — (Interjection) — this is the preamble, one-sentence preamble. One positive negative effect of this is increasing the cost to Manitoba consumers of about 12 million. Can the Minister of Health assure this House whether he has any kind of assurance from the Federal Government that Manitoba consumers will be protected from this increase in costs?

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: No, Madam Speaker, as I stated previously, there were representations made by myself and other Ministers of Health to the federal Minister by the Attorney-General, formerly the Minister of Consumer Affairs, and the present Minister of Consumer Affairs. We've met with the Federal Minister also. We have no assurance at all, quite the contrary, and we're all concerned.

I know that other people share that concern. Yesterday, I attended the award dinner of the Society for Seniors, courtesy of the Leader of the Liberal Party who agreed to pair with me. I was assured by the seniors and informed that they were quite concerned, and that they had made a — (Interjection) — Well, I know you

don't really care what the seniors are saying about that. That's right, you don't really care.

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.

HON. L. DESJARDINS: Madam Speaker, I know that they're quite concerned, and they've made representation also to Ottawa.

As I've said, if that goes through — (Interjection) — Well, I've always cooperated with the Speaker, I want you to know.

Madam Speaker, this is something that we hope . . . I understand that it might be introduced today and then the MP's will have time to discuss with their constituents. I hope that some solution will be found that will not affect and penalize all the people in Manitoba, for instance, especially our senior citizens.

MADAM SPEAKER: The Honourable Member for Burrows with a supplementary.

MR. C. SANTOS: Thank you, Madam Speaker.

Given that this negative implication to Manitoba consumers has no job creation value, can the Minister inform this House whether he will contact the Federal Minister of Corporate Affairs to register the opposition of Manitoba?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, as Minister of Consumer and Corporate Affairs, I want to confirm that, through both the Minister of Health and the Ministry of Consumer and Corporate Affairs, very strong representations have been made with the Federal Government as to the effects of any change in the drug patent laws, and the effect that they would have on Manitoba consumers.

The previous Minister, Mr. Penner, when he was Minister and the present Minister of Health, had sent a very vigorous submission to the Federal Government. I have continued to indicate our very strong concerns in respect to that question.

MADAM SPEAKER: May I remind honourable members that we do not use honourable members' names in the House?

General Manual of Administration - expense account abuse

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Madam Speaker, my question is for the Minister of Finance.

The Minister provided a copy of the General Manual of Administration, wherein departmental responsibilities for the claiming of personal expenses and use of government vehicles are clearly outlined. Could the Minister of Finance indicate that there are sufficient

checks and balances in the General Manual of Administration to prevent expense account or government vehicle abuse by senior civil servants?

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

I believe that the process that's in place through the General Manual of Administration, and other accounting practices, would ensure that there is a responsible mechanism for dealing with employee mileage and employee expenses, but there's no guarantee under any system that, if somebody wanted to abuse a system you can catch every single possible situation.

If the member has a specific situation he would like reviewed, I would ask him to bring it to my attention.

MR. D. ORCHARD: Madam Speaker, a supplementary to the Minister of Finance.

Given the expense account approval process wherein Deputy Ministers are ultimately responsible, are there any circumstances where senior civil servants, other than Deputy Ministers, have the ability, according to the General Manual of Administration, to approve their own expense accounts or have subordinate members of their staff approve their own expense accounts?

HON. E. KOSTYRA: I don't believe so, but again, if the member has a particular situation he would like to bring to my attention to be investigated, I would ask him to do so.

MR. D. ORCHARD: Madam Speaker, following the Minister's answer, a final supplementary.

Are there policy guidelines as to disciplinary action for senior civil servants who have fallen afoot of the General Manual of Administration guidelines in filling out their expense accounts?

HON. E. KOSTYRA: There is a process in place, through the departmental management and the Civil Service Commission, with respect to that area. If the member has a particular situation that he wishes to bring to my attention, I would ask him to do so, either here or privately.

Teacher's Library - summer hours

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Education.

Today is the last day of the school year for thousands of Manitoba children. Can the Minister explain, therefore, why the Teacher's Library at the Department of Education, 1181 Portage has been on summer hours since June 1st, thereby denying teachers access to materials after school each day?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: No, Madam Speaker, I cannot explain that. I was not aware of that. I will take the member's comments and investigate.

Adoption - Native children

MADAM SPEAKER: The Honourable Member for Kildonan.

MR. M. DOLIN: Thank you, Madam Speaker. My question is to the Minister of Community Services.

In the Estimates yesterday, the Minister noted some figures which I find very concerning, that there were 70 children of Native ancestry waiting for adoption and there are 222 parents who have been approved of Native ancestry. Could the Minister explain to the House what is the problem of putting these children together with these potential parents?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Yes, one of the key problems in the placement of Native children with Native families who would like to adopt them is the funding issue. There is, as people have been aware, a great concern that the funding of Native child and family agencies and special care adoption, and so on, on reserves has been very much underfunded by the Federal Government, even according to the agreements on funding that were entered into, not to mention emerging needs. So it really has retarded the placement of many of these Native youngsters.

MR. M. DOLIN: A supplementary, Madam Speaker.

Does the Minister have any idea of the time frame when these children can be put together with these families, and arrange for the appropriate mix between the adoptive parents and the adoptive children?

HON. M. SMITH: The success of placing children for adoption has, in the past, depended a lot on the will of individual agencies, and their records in that regard have been quite varied. The purpose of putting permanency planning within a tight time frame into the new act, which was proclaimed this spring, was precisely to deal with this issue and require much more action on the ground at the level of the agencies. The Native issue would get the biggest boost, if there were action taken by the Federal Government to provide adequate funding to the agencies on the reserves.

MR. M. DOLIN: A final supplementary, Madam Speaker. Has the Federal Government indicated when action will be taken to resolve this problem?

HON. M. SMITH: To date, Madam Speaker, all we have heard is the second-hand report through the media that the Auditor has been asked to come up with a solution. We have had no direct indication of the time frame during which we can expect a solution. The situation is getting quite severe with the reserve agencies, and indeed, on the broader issue of adequate funding for the bands.

Natural Resources - investigation of

MADAM SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Madam Speaker. My question is again to the Minister of Natural Resources, based on the questions that I had before.

Based on the allegations that were made and based on the answer by the Minister of Finance regarding procedure in terms of expenses being approved, did the investigation within the department of the Department of Natural Resources clear the allegations that were made against senior officials in his department; and, if so, could he table those findings?

MADAM SPEAKER: The Honourable Minister of Natural Resources.

HON. L. HARAPIAK: Madam Speaker, I am not aware that there were any allegations that were not addressed, but if the member has some specific issues he would like me to make an inquiry into, I would be pleased to take those as notice and address them. But, to my knowledge right now, there is not an issue that is outstanding that has not been addressed in terms of expense claims.

MR. A. DRIEDGER: Madam Speaker, my next question would be to the Minister of Finance, and it's based on the fact that I raised this issue six months ago with the Department of Natural Resources.

Madam Speaker, I have expense reports, mileage records and attendance records which obviously had irregularities and inconsistencies that lead me to believe that certain allegations made against the director in January are true. The Minister indicates that the investigation has cleared everything. I'm asking the Minister of Finance whether he would undertake to have the Provincial Auditor investigate the matter and see whether we can deal with it in that respect?

HON. L. HARAPIAK: Madam Speaker, as I indicated, the issue had been looked into. If that information can be given to me, as the member has indicated he has it available, I will look into whether there were some directions given with respect to those specific claims.

MR. A. DRIEDGER: Madam Speaker, his staff looked into that allegation six months ago. I'm asking the Minister of Finance whether, based on the information and evidence that we have, he will authorize the Auditor to investigate that department.

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Madam Speaker, as indicated by the Minister in his answer to the previous question, he indicated that he will re-review that matter, and I certainly will assist him with that review.

MADAM SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Madam Speaker, a question to the Minister of Natural Resources.

In view of the fact that these allegations were made some six months ago, and the Minister has indicated to the House today that the investigation by his senior

departmental staff did not confirm any of the allegations which now appear to be true; will the Minister of Natural Resources undertake to determine why his senior staff, his Deputy Minister and his Assistant Deputy Minister, failed to completely investigate that matter and those allegations?

HON. L. HARAPIAK: Madam Speaker, I think the member opposite is misrepresenting my statement. I did not, at any point, indicate that none of those were confirmed. What I had indicated, the matter was looked into and I indicated that it had been addressed, but I did not, in any of my comments, indicate that any of those specific allegations had not been dealt with and that no corrective measures had been taken.

So I again indicate, as I had earlier, if there are those specific issues that they want to present to me, I will look at them, but I do not accept the statement made by the Member for Pembina, that they have not been dealt with or there is some lack of competence on the part of the deputy and assistant deputy in my department.

MR. D. ORCHARD: Well, then, Madam Speaker, would the Minister of Natural Resources be prepared to table, for the information of the House, the internal investigation and the conclusions arrived at from that internal investigation made by his Deputy Minister and Assistant Deputy Minister?

HON. L. HARAPIAK: Madam Speaker, as I had indicated in an earlier response to the Member for Emerson, that there was not, if you like, a formal board of inquiry, a formal commission, as I think the wording from the Member for Emerson may have implied. What I did indicate, that, as part of the responsibility of the management of the department, this was addressed.

MR. D. ORCHARD: Madam Speaker, since the Minister has confirmed that these allegations were investigated and the matter was addressed, then I simply re-ask my question. Is he prepared to table the investigation undertaken by his Assistant Deputy Minister and Deputy Minister for the information of the House?

MADAM SPEAKER: Order please. A question should not repeat in substance, a question already answered or to which an answer has been refused.

MR. D. ORCHARD: Madam Speaker, on a point of order, if I may.

In answering my question, the Minister introduced new information, which begged the question to be posed again. He indicated clearly in his answer that the investigation was completed and done.

MADAM SPEAKER: Order please. The honourable member does not have a point of order.

Telephone Exchanges - Minnedosa and Boissevain

MADAM SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Madam Speaker. My question is to the Honourable Minister responsible for the Manitoba Telephone System.

There are technological changes taking place in the system in Western Manitoba that's going to affect employment in Minnedosa and Boissevain. There are alternatives to the proposal that's being put forward and I wonder if the Minister could confirm there will be a loss of jobs in the Minnedosa and Boissevain office; and, if so, if he will look at the alternate possibilities of retaining the employment in those offices.

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Thank you, Madam Speaker. I think the honourable member is referring to the use of staff in exchange, training and the assistance of new equipment that has been provided in an exchange area.

I believe that he should have received a letter from me confirming those temporary arrangements in respect to staff being repositioned for a period of time. There's no loss in employment in the process. It's a deployment for a specific period of time to facilitate the introduction of new equipment.

MR. D. BLAKE: I received that letter, Madam Speaker. That's not my understanding.

I have a communication from the chief steward of the union that outlines what changes are taking place, and it would indicate there will be a loss of employment in Minnedosa and the Boissevain office, and they outlined several alternatives that would provide additional employment, or provide full employment for those people who will be displaced with the new technological changes.

MADAM SPEAKER: Is that a question?

MR. D. BLAKE: That's a question. I wonder if the Minister would take steps to ensure that those alternates are looked at.

HON. A. MACKLING: I would appreciate if the honourable member would table the letter to which he has made reference.

In response to his concerns, I believe the matter has been satisfactorily responded to, but I will look again at the questions that the member raises, to see whether or not there is any problem there.

I can speculate, Madam Speaker, that there may well be instances where, with the introduction of new equipment, new exchange equipment throughout the province, there may be some reduction in staff. I don't think that's the case here, but that may be possible. I will make further inquiry about it.

Manfor - percent of sales to U.S.

MADAM SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Madam Speaker. I direct my question either to the Minister of Trade and Technology or the Minister responsible for Manfor.

Today's headline in the Globe and Mail indicates that Canada has lost round one in the soft lumber trade

dispute with the United States, whereas the powerful International Trade Commission unanimously voted that our soft wood exports to the United States are injurious to their market.

Furthermore, there are powerful forces within the U.S. market who are calling for a 27 percent countervail by October.

My question to either of the Ministers, what percent of Manfor sales are directed to the U.S. market, and what contingency plans are in place should this countervail come into place later this year?

MADAM SPEAKER: The Honourable Minister of Industry, Trade and Technology.

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

I'm pleased to see that the Member for Morris and members of the Opposition now realize the seriousness of this situation. They didn't allow me a pair to go to Vancouver to discuss a strategy with the Federal Government and the other provinces with respect to this issue just about a week ago.

Sixty-five percent of the lumber produced by Manfor goes to the United States. That's a fairly significant portion. We have several other companies, such as Southeast Forest Products and others who produce almost all of their lumber for the U.S. market. There are some who produce very little of their lumber for the U.S. market, but it is a very serious issue.

We were expecting this decision. It is not a decision that is a surprise, but we are working together, the provinces, the Federal Government, the unions and the industry, to develop and continue our legal case. We believe we have a strong legal case, which we are all working on together but, at the same time, Manitoba and others are suggesting that we look at the other track of seeing how we can fix this problem for the future so that it doesn't keep coming back every few years as protectionism gains strength gains strength in the U.S.

MADAM SPEAKER: The time for Oral Questions has expired.

ORDERS OF THE DAY

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker, would you call Second Reading on Bill No. 8, and follow that with the calling of the bills listed for Debate on Second Readings starting on Page 2 with Bill No. 3, and continuing on Page 3 through, inclusive of Bill No. 25.

MADAM SPEAKER: The Honourable Opposition House Leader.

MR. G. MERCIER: Madam Speaker, I wonder if I might be allowed to ask a question of the Government House Leader relating to government business.

I would ask him, Madam Speaker, for the record, to advise the House when Interim Supply will have to be passed and when he expects to call Interim Supply next in the House?

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: It's my understanding that Interim Supply has to be passed from the middle — sometime before the end of July, and I would like to sit down in the near future with the Opposition House Leader, as we've done in the past, to determine when would be an appropriate time to call it, with the purpose in mind of trying to enable sufficient debate on the issue to allow members opposite to voice their concerns and, at the same time, expedite the business of the House so that we can pass it in the manner in which we have, in most instances in the past, with some expediency and effectiveness of the use of time in the House.

SECOND READING

BILL 8 - THE REAL ESTATE BROKERS ACT À LOI SUR LES COURTIER EN IMMEUBLES

HON. A. MACKLING presented, by leave, Bill No. 8, An Act to amend The Real Estate Brokers Act; Loi modifiant la Loi sur les courtiers en immeubles, for Second Reading.

MOTION presented.

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

HON. A. MACKLING: Madam Speaker, I rise to offer a brief explanatory comment on the main principles of the provisions proposed in this bill.

I have a couple of copies of these notes that I will be referring to, to assist me, Madam Speaker, and I'd like the Page to leave them with the critic, and perhaps the House Leader of the Opposition.

The purpose of this bill is to make a few useful and relatively minor changes in The Real Estate Brokers Act. Some of these result from formal recommendations made to the Manitoba Securities Commission by the Manitoba Real Estate Association and the Credit Union Central of Manitoba. Others are primarily technical or housekeeping in nature.

The proposed bill corrects a technical error in the current definition of fraud, in sub-clause 2.(j)(IV) of the present act. It is intended that a registrant be required to disclose to clients whether the registrant is acting as a principal or as an agent.

POINT OF ORDER

MADAM SPEAKER: The Honourable Member for St. Norbert on a point of order.

MR. G. MERCIER: Madam Speaker, I appreciate the notes the Minister has provided, but I would point out to you that introduction of a bill in Second Reading should deal only with the principles of the bill, not with the technical sections of the bill.

MADAM SPEAKER: The member has a point of order. Could the Minister please continue with his introduction without referring specifically to . . .

HON. A. MACKLING: Thank you, Madam Speaker. The honourable member is right in principle, but wrong on this occasion.

SOME HONOURABLE MEMBERS: Oh, oh!

HON. A. MACKLING: The reference that I just made was not to a specific section of this bill, which he is correct to suggest would be out of order; but what I'm referring in my remarks are the specific sections of the present act, which is in order, Madam Speaker. So the point of order is wrongly raised and is without foundation.

It is quite in order at any time during the course of debate on second reading to refer to specific provisions of existing acts, but not to the specific sections of a bill that is being proposed; so with that understanding, Madam Speaker, I will continue. I thought I'd just clear up the misunderstanding that the Opposition House Leader has and that the Speaker seemed to have accepted.

MADAM SPEAKER: Order please. It was that I did not seem to accept; I did accept and we should not have any reflection on the decision that I made.

HON. A. MACKLING: I want to speak on the point of order. Madam Speaker, you didn't allow me the opportunity to speak on the point of order.

MADAM SPEAKER: Unless the Minister has a new point of order to raise, I have made a ruling on that particular point of order.

HON. A. MACKLING: Well, Madam Speaker, I insist that I be allowed to ensure that work in this House not be frustrated on the basis of rulings which would do so. I would like to . . .

MADAM SPEAKER: Order please, order please. The Honourable Minister knows that he cannot reflect on a decision of the Chair. If he is implying that the Chair is frustrating the business of the House, I would like him to withdraw that implication immediately.

The Honourable Minister of Consumer and Corporate Affairs.

HON. A. MACKLING: Madam Speaker, if your ruling is that I cannot . . .

MADAM SPEAKER: I would like the Honourable Minister to withdraw any implication that I am frustrating the business of the House, with no explanation, only a withdrawal.

HON. A. MACKLING: Madam Speaker, I want to assure you that it is not my intention to frustrate the work of the House or to frustrate the work of the Speaker.

It is my concern that we be enabled to work within the rules and have the work of the House move with dispatch. If any of the words that I have addressed thus far have inadvertently strayed from the norm that I ascribe to, then I withdraw all those words.

MADAM SPEAKER: I will ask the Honourable Minister of Consumer and Corporate Affairs, for the last time,

to remove any reference that the Chair has frustrated the work of the House.

HON. A. MACKLING: Madam Speaker, I have not said that Madam Speaker is frustrating the work of the House.

I indicated that I had a concern and it's a continuing concern that the rules we work by and the adjudications that are made have not the effect of frustrating the work of the House. That's a legitimate, ongoing concern. That is not questioning the ability or the rulings of any Speaker.

MADAM SPEAKER: I do not consider that a withdrawal of the implication that the Speaker has been frustrating, by her rulings, the proceedings of the House.

HON. A. MACKLING: I categorically and abjectly withdraw, Madam Speaker.

MADAM SPEAKER: Thank you. — (Interjection) — I do hope that it was the Honourable Government House Leader that the Honourable Minister was referring to.

The Honourable Minister of Consumer and Corporate Affairs may continue with his remarks, in a general way, on Second Reading of his bill, without mentioning specific amendments.

The Honourable Minister.

HON. A. MACKLING: Madam Speaker, the provisions of this bill are so intricate and so finite that I'm sure honourable members will have no difficulty in understanding and appreciating, and therefore I will just very briefly touch on the significance of these provisions.

(Mr. Acting Deputy Speaker, M. Dolin, in the Chair.)

I believe that before the point of order was raised, that I questioned, and for which I withdrew my questioning, after a decision had been rendered by the Speaker, that I had proceeded down to concern about dealing with some words in the present act that have to be changed. Now maybe that's a bit precise, Mr. Deputy Speaker, so maybe I shouldn't refer to the term "broker" or "agent" because that is being a bit precise, but that's what part of this bill proposes to deal with.

Then there is another provision in this bill dealing with "authorized official" and if that is a bit too precise, to deal with those precise words, then I apologize for that too. But that is not a general principle. It deals with a precise problem with some verbiage in the present act and for which I have a general principal concern.

The bill also deals with other very significant matters of like nature, and because I don't want to stray into dealing with precise words, as against very broad principles, I won't refer to them.

However, those words have been considered very important to the Securities Commission because they do involve principles, but I won't deal with them, Mr. Deputy Speaker.

The bill also expands a reference to partnerships, in order to accommodate the increasing number of limited and corporate partnerships and that is a very significant principle that I would like to draw to the attention of members of the House and to the people in the gallery.

The bill also provides the furnishing of a new surety bond which is considered to be a very important principle in the operation of the Securities Commission dealing with real estate brokers.

There are two general changes recommended by the Manitoba Real Estate Association, recommendations concurred in by our Securities Commission. The principle of the first change is designed to provide grounds for an experienced requirement which the Commission would impose as a prerequisite to the granting of a registration of a broker.

The other one — and I won't go into the detail there because that's much too specific, Mr. Deputy Speaker. The principle behind it is to facilitate registration of brokers, Mr. Deputy Speaker, and it deals with qualifications in respect to those brokers; that's the general principle.

The second change recommended by the Real Estate Association will permit a Manitoba broker to pay a fee to a foreign broker. Now I know that is a specific, but it involves a principle of being able to share a commission with a non-resident broker. That is the principle that's involved in those recommendations. This, by the way, will put our regulation on par with the rest of Canada pretty well.

Another principle will be to allow credit unions in Manitoba to have the same stance or footing as banks, insurance companies and trust companies. That's the principle involved in the recommendation there.

Now another provision of the bill merely substitutes the new name of another statute; namely, The Mortgage Dealers Act. The principle there is to clear up the obfuscation or confusion that once existed or exists in this Act, which we inherited from the previous administration. — (Interjection) — That's true. There's a long chain of inheritance here, Mr. Deputy Speaker. — (Interjection) — Well I'm trying to make sure that I don't refer to any specific section, or any specific recommendation for that matter.

Another provision of the bill deals with the principle of providing for some exemptive power for the Securities Commission to deal with the requirements of the Act, and so long as the commission doesn't consider those exemptions to be prejudicial to public interest, the commission could make those exemptions. I won't deal with the exemption because that would be a bit specific. — (Interjection) — I dealt with the principle already. I think, Mr. Deputy Speaker, having furnished notes to the Opposition House Leader in providing sufficient detail so that there would be no question about all of the specific details in this, that it's unnecessary to me to indicate further, but I can assure the honourable member that I won't send him specifics again. Thank you.

MR. ACTING DEPUTY SPEAKER: The Honourable Member for Riel.

MR. G. DUCHARME: Thank you, Mr. Deputy Speaker.

The specifics that are mentioned aren't quite too clear. I would like some information in regard — or a clarification of the real estate-related background who will make that judgment.

HON. A. MACKLING: Yes it's a detailed manner that I don't know whether I should refer to, but if the

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honourable member reads the notes, it's obviously the Securities Commission.

MR. G. DUCHARME: No, it does not say that in the notes.

HON. A. MACKLING: Mr. Deputy Speaker, I'm sure that if I provided much more detail or specifics, that I would have been challenged in providing so much detail.

MR. G. DUCHARME: I then further ask: was this a recommendation of the Manitoba Real Estate Board?

HON. A. MACKLING: I think the specifics of the notes speak for themselves, Mr. Deputy Speaker.

MR. G. DUCHARME: I'll wait for Second Reading to ask my questions.

HON. A. MACKLING: Right, read the notes first.

MR. G. DUCHARME: Adjourn debate.

MR. ACTING DEPUTY SPEAKER: Adjourned in the name of the Member for Riel, seconded by the Member for Ste. Rose.

MOTION presented and carried.

MR. ACTING DEPUTY SPEAKER: Debate on Second Readings, on the proposed motion of the Honourable Mr. Cowan, No. 3, The Credit Unions and Caisses Populaires Act; Loi sur les caisses populaires et les credit unions, standing in the name of Mr. Pankratz.

MR. H. PANKRATZ: Stand.

MR. ACTING DEPUTY SPEAKER: Stand. On the proposed motion of the Honourable Mr. Uruski, No. 4, The Family Farm Protection Act; Loi sur la protection des exploitations agricoles familiales.

MR. G. MERCIER: Mr. Deputy Speaker, could I ask that all of the bills stand in the names in which they presently are? (Agreed)

MR. ACTING DEPUTY SPEAKER: The Honourable House Leader.

HON. J. COWAN: Mr. Deputy Speaker, I move, seconded by the Minister of Labour, that Mr. Deputy Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - COMMUNITY SERVICES AND CORRECTIONS

MR. CHAIRMAN, M. Dolin: Committee, come to order. Page 34, Resolution 32, 4,(b), Child and Family Support.

The Minister of Community Services.

HON. M. SMITH: I do have a copy of Directive No. 18, The Native Placement Procedures, and I did just want to comment on the Health Sciences Centre Child Protection Centre.

Yesterday, I reported in error that I hadn't received a copy of the proposal. I did, in fact, receive an executive summary as an attachment to a c.c. on a letter to someone else. I was correct to have been stating I hadn't been asked by the centre to provide comments on the proposal. Here's the directive.

MR. CHAIRMAN: The Member for Rhineland.

MR. A. BROWN: I just wonder, Mr. Chairman, are we having some trouble with sound. It's very difficult; I could hardly hear the Minister. Are the mikes not on?

MR. CHAIRMAN: It seems to be.
The Member for Rhineland.

MR. A. BROWN: This is precisely the question that I was going to ask. Just exactly what happens when, let's say, a child is put up for adoption or up for a foster home in the city and put back out on the reservation. Under whose responsibility, then, does that child come once it's on the reservation? Do we have a number of these cases? I suspect that there would be.

HON. M. SMITH: There are procedures for transferring youngsters from one agency to another, and since the reserves have agencies, there would be an agreement between the agencies. The placement procedures identify the steps that must be taken in placing a Native child and, in fact, many youngsters have gone back to the reserves. The reserve agencies operate under our legislation although they are federally-funded.

Some of them would like to have a national Child Welfare Act under which they would come instead of our provincial, but until such time as that develops, if it ever does, they do come under our legislation. They have these tripartite agreements but they are accountable to us. So they operate like a provincial agency; it's just that they get federal funding.

MR. A. BROWN: That was the one question that was bothering me because I didn't know whether the Federal Government then was picking up the tab for them or whether it still remained a provincial responsibility. I notice that there has been — I'll be leaving this area very shortly. I notice that there have been substantial increases in some of the grants . . . especially the one to the Ma Mawi; there has been an increase from 500,000 to 867,000.00. I wonder if the Minister can explain why we have the huge increase.

HON. M. SMITH: Ma Mawi is a new agency. It is not what we call a mandated agency. That means it doesn't do the legislated adoptions or taking children into care. It's a front-in service agency that provides service to families. When we regionalized in the city, you may

recall that one of the underlying problems was the feeling of the Native people that they were having very little influence over what happened to their children, and the absence of any Native-oriented services. The negotiation and so on, leading up to regionalization produced this Native family service, not mandated service, but supports to families agency.

Its expansion is basically relating to increased staffing for the extension of off-reserve services.

MR. A. BROWN: Well, it seems to be a rather inordinate increase when you almost double the money. I also notice that later on that Native agencies there was a huge increase of \$200,000 to \$592,000.00. Are we running into all kinds of problems with the adoption services that the Native agencies provide? The reason why I'm rather concerned about this and I've been told that to process one Native child, the cost is about 300 percent higher than a child not of Native descent. I wonder if the Minister can give me some indication that if this really is the case, is it that expensive to process a Native child as compared to any of the other children?

HON. M. SMITH: Before I answer that question, I'd just like to provide an answer to a question given yesterday by the Member for St. Norbert. I have a handout on the way but it's not here yet. Ten Native children were adopted into non-Native homes last year.

Back to the increase on the Ma Mawi and the Native agency. I explained the increase at Ma Mawi. It's because there are many liaison services off reserve where Ma Mawi, in a sense, provides some of the services in order that children get, I guess, dealt with by the reserve agencies. Because there are many more youngsters going back to reserves and there are family services being given because there's a lot of back-and-forth migration, that has proven to be the best place to provide those services.

With regard to the other number, the increase from \$200,000 to \$592,900, \$281,300 is attributable to volume increase, \$100,000 to additional agency funding and \$11,600 to a general operating increase. Basically this pays supervision fees to all Native Child and Family Services Agencies for the care of children who are a provincial responsibility. The components are an extension of fee payments to West Region Tribal Council and Fort Alexander and volume increases experienced over the past year.

CAS Winnipeg provided practically no family services or prevention services to Indian people. That's basically why the Ma Mawi Service has needed to be built up; so that Indian people would get equal services in Winnipeg to non-Indian clients.

MR. A. BROWN: The Minister has not answered my question and she may not have the figure at her fingertips but it was brought to my attention that the cost of administration or processing one Native child is about 300 percent higher than Ma Mawi. Can the Minister confirm this or is she going to take a look into this situation to see whether this indeed is true and whether we can get a little bit more accountability?

HON. M. SMITH: Well the allegation, to our knowledge, is just simply false. If the member has a specific

allegation to make, I would look into it but nothing in our bookkeeping would indicate that's the case.

What I said was that there are new services being given to Native families to bring them on a par with non-Native families. Those services were simply not there before.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, with respect to adoptions, I have a question that relates to the act that was passed and proclaimed, I believe in January. Previous to that legislation, as I understand it, a mother of 16 years of age or older could sign the necessary documentation to place a child for private adoption. The legislation increased that to 18. Could the Minister explain the rationale for that change?

HON. M. SMITH: I think I've got the problem and the solution clear. Under the old act, a young woman could place a youngster with another family, but it couldn't be made legally valid until she achieved the age of 18. As a result, there were youngsters placed. There was no supervision and no legal validity.

Under the new act, again the age of 18 for legal consent is recognized. If the young woman wishes to place a youngster, it would have to go through some kind of more formal procedures so that the child, in fact, was being supervised until she achieved 18. She could place the child for adoption, and there would be a legal supervision occurring. It's to overcome that period of time where a child was in limbo, and also to remove any possibility of coercion or persuasion of a minor.

MR. G. MERCIER: Mr. Chairman, could the Minister indicate how many private adoptions have occurred over the last number of years? Are those statistics available?

HON. M. SMITH: Yes, in 1985-86, there were 141 agency adoptions, 110 projected private adoptions that were being processed, 67 de facto adoptions, and 48 parents' own adoptions. I do have a fuller sheet of information which I'll have distributed.

Just to revert to the previous issue, a young woman can still place a child in an extended family and the family adoption route is still open.

MR. G. MERCIER: Has there been a trend to more private adoptions over the last few years?

HON. M. SMITH: The trend in all four areas is down and that's the trend that's going on right across the country. Looking at the mathematics, I can't come up with a quick figure. I think the agency adoption is down marginally more in a proportion sense than the private, but the same trend is showing everywhere.

MR. G. MERCIER: Mr. Chairman, there were reports earlier this year with respect to the fact that it takes up to six weeks to find out that a newly hired — I guess this would relate to day care — I'll have to defer that.

MR. CHAIRMAN: The Member for River Heights.

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

I'd like to go back just a little bit with regard to the private adoptions. Last year I was contacted by a family whose daughter was 16, and who had been told by the child care agency that she could not allow her child to go the private adoption route because she was 16 and not 18. Is that correct?

HON. M. SMITH: Yes, and remember that our new act wasn't in then, but that was the practice before. It couldn't be legally completed until she was 18.

MRS. S. CARSTAIRS: Well, I understand that it couldn't be legally completed, but if she could have put her child with an extended family, the inference given to this young woman — and, by the way, the reason she wanted the private adoption route was because she wanted to see to it that her child was with a Catholic family — was that she was in fact told that the child was not hers to in fact make any decisions about at all.

HON. M. SMITH: One reason we put in extended family placement and tried to sharpen the rules and regulations around adoption was because the prior situation did have gaps. The extended family placement just became legal March 1, 1986.

The staff assure me that, to their knowledge, a request for a Catholic home placement would be respected. Again, not knowing the specific case or whatever, we would look into it, but as far as we know, the way the system is working is as we have said.

MRS. S. CARSTAIRS: What is the situation then with regard to the 16 year old? I'm really just asking for clarification. If she wants to place her child in a private adoption situation, she can do it through an extended family and then legally give that right at the age of 18, is that correct?

HON. M. SMITH: She could place the child under the new law in an extended family, or she could place the youngster in a family which would have to apply to the court for a guardianship order and then that could be finalized as an adoption when the mother reached the age of 18.

MRS. S. CARSTAIRS: With regard to the Child and Family Services Community Outreach Grants, is this an appropriate time to deal with those?

HON. M. SMITH: Yes.

MRS. S. CARSTAIRS: There seem to be Outreach Grants for those agencies that actually operate within Winnipeg and the environs. What about agencies in other parts of the province? Are they not getting Community Outreach Grants?

HON. M. SMITH: As we've been building the new Winnipeg system, it's true that in some areas the city agencies have been getting grants that haven't been applied across the system. It is our aim over time to bring equity right across the system. By their nature, most of the other agencies were doing a fair bit of

outreach because they tend to cover small towns, smaller city areas, and they have had a fair degree of stability. But it is true in the transition that there have been some unequal patterns.

MRS. S. CARSTAIRS: Is part of the function of the Outreach Grants to, in fact, develop a prevention system?

HON. M. SMITH: Yes, and to network with other community groupings — education, community centres, churches and so forth to strengthen action in a community to deal with a great range of preventive and developmental activities.

MRS. S. CARSTAIRS: Mr. Chairman, can the Minister tell us if there are in fact any prevention grants for the present time going to the City of Brandon?

HON. M. SMITH: Brandon, in a sense, would fall under the statement that I made before, that there is some inequity at this point between the non-Winnipeg agencies and the Winnipeg ones.

There has been in Brandon, however, a special arrangement where Education and Community Services have shared the funding of two special workers in the schools, so they have certainly performed some of the function of outreach and prevention.

MR. G. MERCIER: I have a question with respect to the legislation that was passed with respect to people seeking out their natural parents or their natural children. Legislation was passed last year with respect to that matter, and I'm wondering if the Minister has any statistics that would indicate the number of people who have used that new legislation in an attempt to seek out the natural parent or the natural children, and what the results are of those requests.

HON. M. SMITH: We'll phone and get the information, because the proclamation date of the act was just March 31 of this year. We haven't a full-year record, but we're going to call and see if we can get a number. We're guesstimating it's around 100 that have requested active search.

MR. G. MERCIER: Mr. Chairman, I would expect there would have been perhaps a significant number of people who have been aware of the fact that the legislation was coming into effect, would have placed requests on file. I would like to know the number of requests, the number of times as a result of those requests the parent and child have been put in touch with each other, and the number of times that a request has been rejected by one or other of the parties.

This would obviously be handled centrally. Who does carry out this work? Because I think it is an improvement in the whole process certainly, it avoids the actions of individuals doing this on their own which can sometimes have not the happiest of consequences. I think it was an improvement to put a trained person in this role. I wonder if the Minister could indicate who is carrying out and doing this very sensitive work.

HON. M. SMITH: The process will be coordinated under our adoption coordinator, and we did add a small group

of staff to carry that out. Again, we'll be monitoring the volume.

It's probably too soon to evaluate results. What we do know is that jurisdictions that have been operative in this field like Nova Scotia and Saskatchewan to a slightly lesser extent — they don't have quite as active a registry as Nova Scotia — have been pleased with the results. But again, we'll be monitoring closely.

I guess the safeguards built in have been that the priority will go to the adoptee who chooses to pursue reunion, and the natural parent will have the option of refusal.

The argument in favour has been that dealing with the reality of the knowledge and the encounter is usually helpful to people, but it does need some supportive counselling to ensure that it is that. I suppose, what we're encountering is a very different approach to adoption to what existed decades earlier, where it was thought that complete secrecy and cutoff was wiser. I think we've tried to build in as many safeguards and supports as we can, so that reunions are helpful.

Ontario has just announced that they're going to do the same thing as we are, in other words, active for the adoptee but not for the natural parent. That's according to an article in the Globe and Mail. We haven't had any official notification from Ontario.

MR. CHAIRMAN: 4.(b)(1)—the Member for Rhineland.

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

Last year, I made the Minister aware of a case of the Fever family. This was a case where the family had difficulty with their son who was stealing and it got to be such a proportion that, after talking to the Child and Family Services, the decision was made to post this child as a ward of the Child and Family Services. Now the understanding that Mr. and Mrs. Fever were under that this was going to be for a period of about three weeks, that there was going to be extensive counselling and that, hopefully, after three weeks period of time, this child would be returned back to them.

The last time I talked to Mrs. Fever, the child had been under the care for seven months, had received about 15 minutes of counselling, not by a professional. He had been shunted from one foster home to the next foster home. The family was very distraught. They had been trying to get the boy back into the family circle again, but Child and Family Services refused to put him back with the family because they said that his counselling had not yet been completed.

I wonder, can the Minister tell me if this case has been resolved. Is this boy back with the family? Or what has happened with this particular case?

HON. M. SMITH: It would be my preference not to deal with individual cases in this setting. However, since the member has raised it, I just want to say that we did follow up on that. Our knowledge is that the counselling was not done by a non-professional, that the youngster was in a group home, not in a series of foster placements. I can only guess at what the reason would be for non-return of the youngster. I'd just like to say that these cases are not simple and the end result cannot always be forecast at the beginning.

Counselling youngsters who are upset or have been having a difficult time in their family, it's not like being

treated for a cut or a bruise where there's treatment and then the person is fixed up and returned. You're often dealing with deep-seated developmental issues, relationship issues and so on. So again, I'd be happy to ask for an update from my department on that case and talk to the member privately, but I'd prefer not to deal with individual cases in the public forum to the greatest extent possible.

MR. A. BROWN: That will be fine. I'll be waiting to hear about this particular case.

My next question would be is how many group homes do we have that are operated, first of all, in the City of Winnipeg by Child and Family Services, and next, in Manitoba?

MR. CHAIRMAN: If I remember correctly, I believe that was distributed, was it not? The member has that in printed form.

MR. A. BROWN: Okay, then I missed out on that one. We used to have a fairly adequate way of treating problem children. There was a reform school in Portage la Prairie for boys and for girls. Later on it was called the home for girls and the home for boys.

And the Minister of Education is laughing. I don't think he's going to laugh by the time I'm going to be through with what is happening now.

I wonder if the Minister could tell me what is happening at the Agassiz Centre, and how many boys do we have at that one, and do we have any facility for the girls. I'm not quite sure about that.

HON. M. SMITH: The question the member is asking is more appropriately dealt with under Corrections. I'd just like to draw a distinction between child welfare or child and family service group homes where youngsters are taken in because of emotional or social or abuse-neglect types of problems and the correctional system where youngsters are, in a sense, being dealt with because they've broken the law. There are often overlapping problems but the basic reason for them coming into contact with program people is different, so that is better dealt with under Corrections.

MR. A. BROWN: I suppose you could deal with it under Corrections, but yet some of these children have not been sentenced. Some of them run away from home, get in with the wrong gang, and it's those types of people that I'm referring to. I'm talking really about the Tough Love group. I don't know if the Minister is aware of this group and the problems that this group have.

Would their problems come under Corrections or would we discuss them here? Because they are not really criminals, these children; they have not been sentenced.

HON. M. SMITH: Again, if I can draw the distinction, we don't have young people in Agassiz which is a custody in the correctional area. Youngsters there have broken the law in some way.

If we can get back onto the child welfare side, I agree that there's often great overlap. The Young Offenders Act that governs young people who have broken the law has introduced the philosophy of more responsibility

by 12- to 18-year-olds for actions they've committed; at the same time, a recognition of their immaturity and their need for supportive settings.

Back over to child welfare, I don't know the particular problems. I've heard the title "Tough Love" and I've heard some indications of their philosophy, but I'm not aware of problems they may be having of an organizational or funding or philosophical nature.

MR. A. BROWN: I attended one of their meetings because they requested me to come and find out what the problems were, the problems that they were encountering. I was absolutely amazed at the lack of attention or the lack of direction which we seem to be giving to these families that do encounter difficulties with their children.

If I may, Mr. Chairman, I would just like to read a letter that I received from one of those parents, which is going to illustrate some of the difficulties that some of these people run into. Incidentally, Mr. Al Mackling received a copy of this letter and Mr. George Minaker received a copy of this letter because one of them is their member of Parliament and the other one was their member of the Legislature.

"Dear Mr. Brown" — and when I attended their meeting there were so many problems, I said, well, why don't you put some of them down in writing and send them to me. So I did get a lot of responses. I'm just picking out one letter.

"As per your request at our Tough Love Meeting, we are writing to you concerning the Social Services. We are definitely not very pleased with the present system. It is not geared to assist our young teenagers to accept their responsibility as teenagers and allows them far too much freedom. Also, the consequences when they break the rules are not stiff enough to warrant a change in behaviour.

"Our daughter has been in a receiving home now for two months as of May 2, 1986. She was a runaway and we could not control her at home. She got herself involved with a 'bad crowd' and one thing led to another and finally she ran away. The location as to her whereabouts was a front for stolen goods and drugs, among other things. The fellow in charge of this dwelling would harbour any runaway. We would not allow our daughter to stay outside the home in an environment such as this; therefore we had no other choice but to put her in care of the Family Services.

"There are several points of interest and concerns we have as parents to the system:

"Our daughter was in care for 10 days before a worker was sent to see her. She could have given our daughter a call on the phone to introduce herself.

"The workers are only available from 8:30 to 4:30 Monday through Friday; weekends is left to the receiving homes and the staff.

"Our daughter ran each weekend for the first six weeks." — ran away, I suppose, each weekend for the first six weeks — "The consequences were just grounding for 24 hours, usually on a Sunday. What's to do on a Sunday?

"Each time our daughter ran, as it didn't appear that much was done in finding her, they just let her wander in whenever she felt to do so. The last three times I followed up her whereabouts just by using the phone.

They tell you they don't have the staff to look for these girls. All they need is a finger and a phone and a who-called-me book plus your regular telephone book. What's so difficult about this?

"A note of interest, all teenagers run on the weekends when the workers are not available.

"Parents either place the child in temporary guardianship or go to court and sign over guardianship to the Family Services. I think the Family Services, and most of all the workers, should read up on what 'guardianship' really means.

"There are too many agencies involved instead of one main body, like an octopus, and the teenagers are suffering from it. Most of them get worse before getting better and they must mentally suffer. Some of the children are placed in homes in the North End and if they weren't street-wise, learn within the first two weeks. I realize the system can't be perfect for all, but surely it could be a lot better.

"Basically, where we stand as the parents' point of view, the teenagers' best interest is not a priority. The resources to help counselling, either by a worker or professional help, is very limited. We are to be counselled by a psychiatrist as a family unit, while our daughter's main problem is what happened to her after she left home and kept close contact with a group of undesirable young friends, and where they hung out was a front for stolen goods, drugs, and more than likely prostitution.

"The fellow in charge of this house, I am finding out from other sources, has been around for quite some time, conning our young teenagers into an early life of crime. Our daughter, we believe, has gotten herself into a lot deeper than what she cares to admit, and she is a very sensitive girl, and no way is she going to open up to a psychiatrist with us there.

"She should have counselling with him on a one-to-one basis for now, and the three of us later, but apparently the psychiatrist does not operate that way and he has his own private practice and works with all the Family Services, the six units around greater Winnipeg, and does some out of town.

"Now, our teenager's best interests are not being taken care of. One professional for how many teenagers? Not only that, we are supposed to take time off work for this, plus be counselled by the worker, who has agreed to early evening appointments, at five-thirty.

"Then the receiving homes and group homes have regular house meetings during the day and we are expected to attend. But we also have three other children whom we need a babysitter for if we do anything after the supper hour. We are willing to attend as many meetings as possible, but we have to have some time for the others, and mostly ourselves, we are getting worn out.

"I feel very strongly that Family Services should have to attend Tough Love meetings and see just what we parents are aiming for. They should work with us, not against us. And the Minister of Community Services, there is no reason why she has to be so ignorant on the status of the Family Services and other agencies involved.

"At this particular point, I will state that after complaining and being extremely demanding and somewhat of a nag, the worker has taken a better

attitude with us. We don't always agree, but that's expected.

"One thing that was extremely hard to take was when the worker was demanding over the money issue, and another, that quite a lot of people don't realize, we did not use a group home as a threat over our daughter's head, like some parents have, and just because our daughter is in this situation does not mean that we have given up on her. We still love her very much and her well-being is still our main concern.

"Thank you for taking time out of your busy schedule . . . "and so on.

I'll present a copy for the Minister.

When I attended that meeting, there were many parents. There must have been about 20 parents, and the story was pretty well the same, that there was absolutely nothing done to try to get the children into the mainstream of things where, again, they would be behaving like normal children ought to, that they could come and go out of these groups homes as they pleased. They did not have to attend school. They received spending money. They received their clothing; they received their allowances. They run around, and absolutely nothing is done in order to try to get them back as quickly as possible in with their families.

This is very disturbing. This, I would like to say, is one of the reasons why you have such tremendous caseloads coming up in the Children's Aid Society, because so very little seems to be resolved, especially when these cases take up to months, and years probably, before a case is resolved, whereas these should be given special priority to try and reunite these children with their families as quickly as possible.

I would appreciate very much, Mr. Chairman, if the Minister would make a special effort to look into the concerns of these parents and, hopefully, come up with some sort of program where we can give more attention to the problems that these families have.

HON. M. SMITH: The entire budget in this part of the department is devoted to resolving just those problems, but the problems aren't easy. When parents have raised the youngster and I know, I've raised four, and I had my ups and my downs. I'm sure the member has raised youngsters and knows that even in homes where everything is going for them, the development of youngsters and living through teen years in our society today is not an easy issue.

I can speak with some heed, having been a counsellor who got involved a lot, working with parents and larger groups of teenagers at the school where I worked. We started out, after we got to know one another, trying to break down the notion that it was only an individual kid who tended to not be normal and behaving the way people thought they should.

We acknowledged that almost all teenagers and their parents have to go through the conflict areas of homework, friends, drugs, sex, alcohol, spending money, decision-making, freedom, and hours and so on. Those are common problems that every family and every developing teenager has to resolve.

Now, it's true that it doesn't work in some families and the families, for whatever reason, either by choice or because they can't contain their teenager, are faced with their youngster being under the care, for a period

of time, of an agency. For some youngsters, a good, skillful counselling session with the parents does provide a quick resolution and many youngsters are, in fact, returned quickly. For other youngsters, it is a much longer process.

I submit that the description that the member has given about a particular youngster and a particular set of parents' views of the system is their view, but if we sat down and dialogued back and forth on the particular issues, we could probably resolve most of them and we might come down to some very basic issues such as: Did the child want to go back home? If not, what was the reason? If the child was returned, was there any way to keep that child there?

In other words, in the final analysis, a youngster is a growing being who is going to make decisions and choices, some of them wise, some of them not so. Our goal as parents, and as agencies, is to help those youngsters gradually make wiser, more constructive choices.

I submit that all the groupings of services that we have are devoted to that end. There are some differences of opinion about how to raise children and how to get through adolescence. There are very tight discipline approaches, discipline interpreted in different ways, and there's the school of thought that says just love them and let them work their way through it the way a lot of other folk have.

I think most agency professionals will take a middle line. They will say, yes, there has to be some toughness and parameters, some consequences for action; there has to be love and caring and support. But you don't change a child's pattern quickly. In some cases, it's not that there's something wrong with the youngster, it's the very society they live in that presents the great many difficulties for an adolescent.

I don't feel defensive about the system. I think it's doing a very good job with a very difficult set of circumstances. There is a lot of heart-searching. The move to a very heavy reliance on group homes a few years ago has now shifted to much more foster care home because it was felt that the more intimate relationship possible in a foster home setting seemed to produce better results. Again, any constructive criticism of the system, I think, is appropriate but I think a wholesale condemnation and an expectation of miraculous, quick results is just going to lead to frustration because the nature of the territory just does not permit that type of result.

MR. A. BROWN: I realize that these cases are not easy to deal with. If they would be easy to deal with, they wouldn't be there in the first place. It's only after a family has given up and can't cope with the situation anymore that these situations do occur. But to me it seems as if there must be a better way of handling situations such as this then.

Just putting these children into a group home and then giving them some counselling, let's say, but not being able to really look after them, it seems to me that somewhere along the line you have to teach these children what is expected of them as far as citizens are concerned, and sometimes that can be done much better in an outside setting. For instance, getting up at a certain time in the morning and having breakfast

at a certain time in the morning rather than letting them come and go as they please — these sort of things you know — just the ordinary discipline type of things which most families do have at home and which possibly could be if they are problem areas, could be enforced in a better way than what we are doing at the present time.

It really is a great concern of mine and I hope that the Minister is going to pay just a little bit more attention to this particular area because it is a great concern of mine because we seem to be getting more caseloads all the time. I hope the Minister would probably resolve these situations as quickly as possible.

HON. M. SMITH: I think the member would be very surprised if he went to a group home and spent a week there or 24 hours or 5 hours and saw the programming and the type of guidelines that are in place. The range of disturbance of youngsters that shows up there is quite extreme, but usually the type of behaviour he's describing is dealt with. I just don't recognize from any direct knowledge I have with groups, the type of situation that he's describing. I think there may be a distraught parent here that is entitled to some dialogue. But as I say, I think we're all committed to building an effective system and I'll certainly take his opinion and concerns into account.

I'd just like to answer an earlier question under the new act how many active searches have there been under the Adoptive Registry. We've had 36 requests from adult adoptees for an active search since April 1.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I wonder if this is the appropriate area to discuss the reporting system for suspected cases of child abuse. Is this the area we can discuss the reporting system?

MR. CHAIRMAN: It's been done at some great length as a matter of fact. This is the area if you wish to bring up some new questions, I'm sure the Minister will entertain them.

MR. D. ORCHARD: Thank you.

Well, Mr. Chairman, I just want to explain my understanding of the system within the system of reporting as it applies to, for instance, the school system and if my understanding is incorrect, the Minister can clarify it for me.

It's my understanding that if a case of suspected child abuse is reported to a teacher or to a member of school board, etc., that the act provides that it must be investigated, that the moment they become aware of it they must initiate investigative procedures, and a report is then made by the investigating officers of the department. Is that process basically correct?

HON. M. SMITH: I've handed out once again the guidelines on identifying and reporting. The process is substantially correct. Someone from our department would go first for a medical examination if that seemed to be appropriate and then involve the police and they themselves would carry out an investigation.

MR. D. ORCHARD: I had a specific circumstance that came to my attention a short while back, where allegations were made of suspected child abuse, and when the investigation was undertaken there was no substance to the allegations and I think that's not all that uncommon a circumstance.

The difficulty, Mr. Chairman, I think the Minister's system has is that following that investigation there are two areas. First of all, there was a great deal of difficulty for the parents and, indeed, the accused child of finding out what actually was reported on the case, that information — and I tried personally to track it down on behalf of the family and the child who was accused — is very difficult to come by and I can understand, in that instance, where you have to have some checks and balances; but what was even more disturbing to me was that the child's name remained and the case remained on the Registry and on the records even though there was no substance to the allegations.

I think, and probably this has been subject to discussion time and time again. But I think that is a major potential flaw of the Minister's reporting system, because the individual's name, No. 1, they don't know what is said about their particular case and the allegation that's made against them; and No. 2, that's kept on file. It would almost be perceived by an outside layman that you have a presumption of permanent guilt by having that child's name not being able to be expunged from the record.

I don't think that that is a fair way to proceed. Has the Minister considered making changes so that allegations, when not proven true, do not have the child's name permanently recorded in any manner?

HON. M. SMITH: I have described several times over the processes involved and the names that get on the registry and what some of the problems are in these cases. Because no one is generally present when abuse occurs, there's no absolute way of determining guilt or innocence. We have also had problems with the court system which to date — and possibly it will change if the Crosbie Bill goes through — but uncorroborated evidence of the child was not admissible. If that changes, then there will be another tool in the hands of the investigators.

When there are allegations, they end up sorted out into three layers. The bottom layer is where there seems to be absolutely no evidence or suspicion of wrongdoing. The middle group are those where there is not sufficient evidence but still a strong feeling of suspicion or concern for the well-being of the children. Some of those do get on to the registry. The final layer is where the abuse has been proven according to judicial rules.

Now, we've had a group working on this for 18 months. We were looking at a system which would allow names to be deleted on some agreed basis. The problem that has arisen — and again, I've read this into the record before — is a legal problem. All child abuse allegations are protection cases under Part 3 of the act. The files maintained under this section are exempted from Freedom of Information sections because their files maintain to enforce the law, as much your driving record remains on the books in the province. If clients were allowed to challenge their names being recorded on a Central Registry, that's

currently available only to the police and Child and Family Services agencies, all protection records would be vulnerable to legal challenge.

What we've done to try to protect the rights of individuals is we've taken steps to assure clients they're notified of a registration. All parents who are investigated are to be informed that they're registered on the registry. One of the problems occurring — this is our study and our tentative recommendations — in anticipation of this requirement, agencies and their lawyers have been more reluctant to register cases when there was not provable allegation or remaining serious suspicion. Information on protection cases is still accessible between agencies.

Again, the difficulties are there. We're trying to balance the rights of the individual and the rights of the child. I suppose the short answer would be, if there is no real abuse and a person's name is wrongly on the list, there would not likely ever be any subsequent case. So it wouldn't be a problem, but I appreciate that people are sensitive to where their names are listed and why.

Again, any suggestions from the member as to how he would see the appropriate balance being achieved would be welcome.

MR. D. ORCHARD: Well, Mr. Chairman, before we adjourn, the Layer One allegations, do those names appear anywhere in the permanent records of the department?

HON. M. SMITH: The agency will keep a record of their work but they don't report those cases centrally. That accounts for some of the difference in numbers that were being discussed earlier this year.

MR. D. ORCHARD: I guess that begs the simple question that if the Layer One there are no suspicions and no proof of any wrong-doing, why are the agency files even maintained? Why wouldn't that file simply be closed?

HON. M. SMITH: The practice is to close those files, but they are not destroyed.

MR. D. ORCHARD: I suppose we maybe would have to discuss this later, and if there was a page or two in the Estimates that I could read over the weekend, that might shorten up my questioning. Because you may well have answered these questions and I apologize for not being here if you did.

But that still begs the question of why you would even want to maintain closed files. It leaves those children who are involved and their parents involved with a great deal of concern that government has information on them that is incorrect. Why would you even want to keep information that had no substance? It doesn't appear to anybody who logically looks at it that the Layer One, as the Minister describes them, should have any files maintained, closed or open.

HON. M. SMITH: In this phase of the development of protection for children against child abuse, we believe that retaining these files has a utility because our experience with abuse is, often on the first go-around,

there is not any substantiation. I guess if the individual feels they are falsely accused and they're not doing anything wrong, they have very little to fear.

As I say, over time, there may be precise schedules developed that would call for destruction of files; but at this stage of the development, we think it's better to lean over on the side of trying to protect the child. There would be no liability to any family if there weren't repeat problems.

I think anyone who works in Child and Family areas realize that there is often a lot of accusation and blaming in a stressed family situation so I don't think the judgment is that because there's an allegation, you know, where there's smoke, there must be fire. There's often equal concern for what would lead a youngster to make an allegation so that I think the fear people have that somehow their privacy has been invaded and that they're going to be subject to dreadful recriminations in future is overstated. But we're sensitive to it and we've been trying to find what the best resolution to the problem would be.

MR. D. ORCHARD: One final question. Can a person who is in that Layer One peruse his file which is closed but yet maintained?

HON. M. SMITH: The line that we have to observe, at least at the current stage of practices, is that files that are maintained to enforce the law are not open, not subject to perusal.

MR. CHAIRMAN: I see the member has a number of more questions. Perhaps we could continue this line of questioning when we sit again.

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 Estimates of the Department of Municipal Affairs. We are currently on Item No. 3.(e) and (f) Centennial Grants, Police Services Grant — the Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, if I remember, the Minister's statement on the centennial grants was the fact that there aren't too many municipalities that are this year celebrating their centennial year. Was that the reason for the reduction and the costs of such are reflecting that fact?

As well — that's okay, I'll let the Minister answer.

MR. CHAIRMAN: The Minister of Municipal Affairs.

HON. J. BUCKLASCHUK: Yes, Mr. Chairman, that is the reason why there has been a reduction. As I indicated yesterday, the only ones that I'm aware of at the present time that may be eligible for grants are Binscarth — I believe their celebration is being held on July 11 — the R.M. of Gimli, which has applied for a grant but they will not be holding their celebrations until starting January 1 and; Odanah. I believe there's one other one up in the Dauphin area somewhere too.

It's a matter of three or four that will be eligible for grants for this year.

MR. J. DOWNEY: Just for the information of the committee what does the department do on municipal 100's? What is the program or what is the money spent for? Is it a per capita grant for some special project or what are the guidelines dealing with this program?

HON. J. BUCKLASCHUK: Yes, the grants that are provided to the municipal bodies, they can do with them whatever they wish at a level of \$2 per capita and, in addition, the department provides a plaque to that municipality.

MR. J. DOWNEY: Mr. Chairman, on the Police Services Grant Program, maybe the Minister could give us a bit of an outline as to the involvement of the department and the formulas that are used dealing with supports to municipalities and the police services. I know that there have been throughout Manitoba concerns by some of these smaller towns and villages that have police services or that pay for police services throughout those communities, but they do not get the support or have not received the support of some of the jurisdictions immediately around those communities. Would the Minister just give us a general outline of what the policy and program is that we're dealing with here, dealing with the Police Services Grant and the eligibility and how it works.

HON. J. BUCKLASCHUK: Yes, perhaps rather than going through a long-winded explanation, there is quite a bit of material provided on Page 28 of the supplementary information. As the member knows for the past two years, the R.M.'s have been contributing at the rate of one-half mill on their equalized assessment. The assistance being provided to the various towns, villages, municipalities and so on is listed on Pages 29 and Page 30.

MR. J. DOWNEY: Is the new proposal, and the note here on Page 28, the assistance to the municipalities, is that working to the satisfaction of the municipal bodies? Are they happy with the program that's now in place? I'd just like the Minister's comments? Is it a general approval or are there still some difficulties in this area?

HON. J. BUCKLASCHUK: I've not received any great number of complaints from the R.M.'s. I don't think I could even indicate one at the present time, but I understand there are some that are not overly happy with having to make that half-mill contribution. I would say that generally the R.M.'s have found this arrangement to be acceptable. One must keep in mind that this levy was arrived at after consultation with the municipal bodies. I have received a small number of letters from some of the larger communities asking that the R.M.'s be required to contribute to a greater degree, but I've indicated that this could well be reviewed but not until such time as we've dealt with our whole assessment reform issue.

MR. J. DOWNEY: So there still is a concern out there from some of the smaller communities that some of

the surrounding municipalities are not paying what is considered to be enough towards this program. There are still some of those concerns.

Well, I'm not clear as to the government's participation when there was a half-a-mill assessed on the municipal bodies and the municipal lands. I'm not clear as to where the provincial participation has come in. Was it an agreement to share with them on that basis? They've gone from 187 to 662,000.00. I'm not clear as to the Provincial Government's participation in that program. I'd like an explanation as to how we've got involved by that much more money.

HON. J. BUCKLASCHUK: My understanding is that at the time the agreement was reached to have the R.M.'s participate in assisting with the costs of policing, that the province, through the Department of Municipal Affairs was providing about \$190,000.00. Now, with the half-mill levy, the municipalities are now contributing somewhere in the neighbourhood of \$400,000, and if one looks at the figure, the Police Service Grant of 662,200, that would mean that the province is, in fact, contributing about 250-260,000 over and above what that half-mill raises towards helping towns, villages, whatever with the policing costs where that, I gather, exceeds 16.1 mills.

MR. J. DOWNEY: Well, I appreciate what the Minister is saying, that there is a half-a-mill levied on the municipalities, but the question is, is there an agreement that said the province would contribute these additional monies. We've gone from \$187,000 in last year's Estimates, an actual to this year of 662,000.00. Maybe I'm misunderstanding what's before me. Last year, you asked for, the department asked \$187,000 in this same appropriation. Now, we've gone to \$662,200.00. Yes, the municipalities have had a half-mill assessed on them but why has this gone up from 187,000 to 662? By an agreement when the municipalities agreed to incur a half a mill, did the province say that they would add this additional money and what is the agreement? How do they determine, how do you determine which municipalities, and by what formula did you determine how much money each municipality gets? How do they qualify? What is the program? That's what I would like to know. It's fine to say that there's certainly municipal participation, but I'm not clear as to the government's participation, whether it's by agreement, how municipalities get involved and why it has gone up to the 662,000. I want to be clear on the program. That's what I want the Minister to explain.

HON. J. BUCKLASCHUK: I'm advised that the figure of \$187,000 last year shown in the Estimates did not reflect the 400,000 that was collected from the municipal bodies. This year the 400,000 does show up in the revenues and, accordingly, since it's being paid out to the municipalities, it would show up in the expenditures.

The agreement is that the province will pick up the municipal police costs up to a maximum of \$100,000.00. That portion, that exceeds the average police costs. In 1984, as is indicated on Page 28, the average mill rate was 16.1 mills. My understanding is that this year it may be 16.3 or 16.4 mills. The province will assist those villages, towns, R.M.'s who incur policing costs

in excess of the average of 16.3 or 16.4 to a maximum of \$100,000, and that expenditure is anticipated to be \$662,000.00.

MR. J. DOWNEY: Just so that I get somewhat of an understanding of it, Mr. Chairman, the Minister is saying that because the revenue that is collected from the municipalities, on the half mill, if they had been included in the 187,000, last year's Estimate Book should have shown some \$600-and-some-thousand dollars. To explain it, to understand it, is he saying that there has been a bookkeeping change within the Department of Municipal Affairs? Is that why it reflects a different figure this year?

Why, this year, is it shown as an income and then an expense? There must have been a change in policy or a change in internal bookkeeping mechanism because, as I understand it, we're dealing here with the expenditures of the department and no place in here does it reflect the income. I would wonder why the Department of Municipal Affairs and the 662,000 would in fact show in any expenditure, an income figure from the municipal tax base.

Where else in his department would he show that kind of a bookkeeping figure? I'm not clear on it. This is the expenses of the department. Because he got \$400-and-some-thousand on a half mill, I can't understand why this change. I'm not clear on this explanation. How can he say that's he's showing a half mill, that he's collecting from taxes in an estimate that he is going to spend? That shouldn't be reflected in there at all, in my estimation. I can't understand it.

The other question that I have, in the formula which he has developed and which his department has developed is that the department pick up the excess over what the average mill is to operate the policing system of 16 mills, or 16 — whatever it is, is the average — that they pick up over and above that. Is there a check and a balance in there to make sure that — I would think that it would be the objective of most municipalities to make sure they maximize their expenses when it comes to the policing services, because they're picking up, after the police services are paid for, if there's an excess expense for the operation of that service, then the province pick it up to \$100,000.00.

There really isn't an incentive to do anything but go over the maximum of the average of the province so you get a provincial government participation in the helping to pay for it. I want the Minister to tell me what the policy is and I hope and I'll ask him the question, is he satisfied that the policy reflects the efficient use of taxpayers' money and the encouragement to operate an efficient operation. The Minister is not explaining.

The two areas that he's not explaining to make them clear, in my estimation, or maybe I'm just a little more difficult to have understand, but I don't understand those two areas and before we pass this, I want to. I want to be clear on the increase of the provincial participation and, as well, I want the Minister to explain his thoughts and his feelings on the policy of picking up the additional costs over the average of the mill rate charge for the operation of a police service. It's important that we have that before we proceed on.

HON. J. BUCKLASCHUK: I can appreciate the difficulties that the member is having in comprehending

the figures that are shown on Page 113, but there is an explanation.

First of all, the arrangement that we have for the policing costs was as a result of an agreement or a study and an agreement by the two municipal bodies, the Union of Manitoba Municipalities and the Manitoba Association of Urban Municipalities, so it wasn't something that was developed at the whim of the Minister at the time, but it was done through a consultative process.

The concern about the municipalities being in a position where they can extract greater assistance from the province, I think, is one that should not be a major concern. I believe, and I'm sure the member does too, that municipal bodies are prudent, responsible bodies and that they would see to it that the levels of staffing were adequate but not superfluous to the needs of the area.

In addition, I know that the level of policing is a matter that is reviewed by the Attorney-General's Department with the Royal Canadian Mounted Police and there are adjustments made, I would say, all the time to reflect the needs and certainly the A.G.'s Department, as I'm sure the RCMP, as I'm sure municipal bodies would not want to see funds unnecessarily spent. So I think there is adequate protection.

With respect to why the \$400,000 wasn't shown as an expenditure last year, I'm advised that at the time the Estimates were prepared there was no agreement in force. It was in the process of being developed, and that 400,000 would not have shown.

Secondly, I understand there had to be some slight changes in legislation to reflect that new agreement. It would have likely been inappropriate to have shown that \$400,000 as an expenditure at that time.

We are presently getting the information on the revenues, and I would suspect what happened is that, if last year the \$400,000 didn't show as revenues to the department, this year it will.

So I think when we get that information. There's a global figure of 4.7 million which would include the 400,000 from the municipal levies.

MR. J. DOWNEY: Well, I'm about as clear as I was the last time when I stood up, Mr. Chairman, and I want to be sure that I'm not only clear but I think you want to be clear on it as well, that we make sure we have a good understanding of this.

Certainly, there are no aspersions as far as the ability of municipalities to make sure that there's proper and adequate policing in place. But why it triggers, why I talk about the formula encouraging to go to the maximum expenditure and above to get provincial assistance has certainly been the subject of concern of a tremendous amount of school boards in here in the last week or so from Brandon and from Antler River and Fort Labosse about a policy in place through the Department of Education which, in fact, does not reward efficiency but the government support is more forthcoming because of higher expenditures by school divisions than by those who are operating efficiently; and that's the principle on which I'm dealing with.

So I'm saying, is the Minister satisfied? For example, let's say a village or a town or a community spends their amount of money that comes to the 16 mill

average, if they decided that they wanted an extra secretary, that the system was in need of an extra secretarial staff or word processor or an expensive better office or whatever may be incurred because of a decision of the system at that level then the Minister is saying, that would be picked up by the province up to 100,000.00. So am I clear on the formula? That after a town or a community have paid the average of 16 mills, if there was a decision to go over and above that, from Dollar One to \$100,000, that community could spend another \$100,000 of taxpayers' money coming from the province.

I know it's not that simple, but it seems to me to be a little bit of room there to say, yes we'll spend what we've levied for — the 16 mills — and anything over and above that that we spend, we can just go ahead and spend it. I'm not saying they don't necessarily need it. There may be some questions asked, but the province then picks up everything over and above that. Am I clear on that point? That after the 16 mills are spent that are locally assessed, then everything over and above that is picked up by the province.

The \$187,662 difference, what did the province pay last year and the year before to the police services? Was it just \$187,000 spent last year, the actual? What was it the year before? You said there wasn't an agreement in place? Well, if there wasn't an agreement in place, then you didn't have the money in place which you have in here. So it actually is an increase in expenditure, which I'm not saying is necessarily wrong. But you've made the statement that there wasn't an agreement in place, and the legislation had to be changed; then you've come back and contradicted yourself by saying that there was money in the overall income from the municipalities which covered it.

You haven't done a good job of explaining it, and I would hope that you would do so now.

HON. J. BUCKLASCHUK: The member has sort of described a scenario where a town or a village might be able to take advantage of the existing agreement to expend more than what might be prudent and, as a result, qualify for a larger grant from the province. I suppose that could happen in an isolated situation but if all the municipal bodies did that, then the average mill rate would go up and the benefits would then decrease. Assuming the average mill rate would go up and, therefore . . .

MR. D. ORCHARD: The money you get from the province has nothing to do with the mill rate.

HON. J. BUCKLASCHUK: No, but if we were to take the assistance provided is the policing cost in excess of the average. If only one or two communities did that, they could benefit but if everyone did that I just don't think that would happen.

Secondly, my understanding is that it's not simply a case of a Town X saying we want another police officer or another secretary. That would have to go, I believe, where the RCMP provides those services, up the RCMP ladder and they would have a lot of say as to whether they would approve that or not. Certainly they would represent the Federal Government's interests who also have an interest in maintaining costs at a reasonable level. So I think it probably works quite effectively.

With respect to the previous costs, might I refer the member to Page 42. There is a table for Police Service Grants, and it notes that: "The administration of Police Service Grants was transferred to the Department of Municipal Affairs from the Department of the Attorney-General in 1984-85."

So in 1985-86 we have \$187,000 shown as the grant from Municipal Affairs to the municipalities. Now there is the additional 400,000 that was levied against those bodies. But at that time, the agreement wasn't in place and legislation had to be amended, so the 400,000 doesn't show up. But I guess we could have put it in brackets. The 1986-87 Estimates do show the 400,000, plus the contribution of roughly \$250,000, \$260,000 from the province.

Previous to 1985-86, the level of contributions were 180,000 and 178,000.00. Those would have shown in the Attorney-General's Department at that time.

MR. J. DOWNEY: Is the Minister saying, dealing with these numbers, that the money was actually spent last year, the additional \$400,000 was in there last year, but it was in brackets, or that it was in the Department of the Attorney-General, or where was it? To get it passed, to spend it, it had to be voted on. The system says that it had to be there someplace. It's showing as a distinct increase of 407,000, and I'm not aware of where that is an expenditure that has been made that hasn't been shown in the Estimates of the last three years.

It's certainly a question that I'd like cleared up.

HON. J. BUCKLASCHUK: Yes, I'm advised that the 400,000 levied against the municipalities was shown in the consolidated revenue. The expenditure last year would have been \$587,000 — 187,000 that is shown here — and I'm advised that because the grant in lieu of taxes, item 3.(c), that 23,617,000 was higher than the actual and there were sufficient funds that could have been reallocated from that line to provide for the grant for the policing costs. Rather than go back through the process of, I guess, a Special Warrant or whatever, monies were simply reallocated from one line to another to provide for the assistance of somewhere around \$587,000 to the municipal bodies.

MR. J. DOWNEY: The Minister is telling us that there was \$587,000 spent last year on this program. Am I clear on that? I'd like to be a little more clear as to where the money came from. I'm not clear as to where the money came from. How could the department have that kind of ability to spend \$400,000 that isn't explained in that appropriation? I didn't catch where he said the money came from out of the Estimates of the department.

HON. J. BUCKLASCHUK: Yes, as I indicated and perhaps I didn't make myself too clear, the anticipated expenditure in the line grants to municipalities in lieu of taxes was estimated on the high side, and there were sufficient funds in the residue, I suppose, to reallocate for the purpose of police costs.

MR. J. DOWNEY: That begs the question, Mr. Chairman, how many more areas within the Department

of Municipal Affairs carry out that kind of bookkeeping activity? I would call that somewhat of a slush fund or some particular convenience which would accommodate the Minister to do whatever he likes and not have to answer to the Legislature. When we look at the former Minister of Municipal Affairs, maybe one should start to look a little closer in the way in which he administered the Department of Municipal Affairs and his whole activity, Mr. Chairman. It begs the question as to how the whole operations took place under the former Minister.

I would hope that the Minister would, at this particular time, come forward and tell us how many other areas that were over-estimated within his department to cover up for areas that were not totally stated or pointed out in this appropriation.

Yes, Mr. Chairman, there are some other serious matters that we will have to delve into. We're now finding that the monies for the police services or the grants to police services were lying somewhere else. What other money has he had in other appropriations or over-estimates in other departments so that he has the ability to move it around? In other words, the exercise here, really, is not as straightforward as it should be.

MR. D. ORCHARD: That's financial hide-and-seek.

MR. J. DOWNEY: Well, that's what we're finding but the hide-and-seek took place with the former Minister of Municipal Affairs, the Member for Springfield.

MR. D. ORCHARD: Oh, the one with the contract.

MR. J. DOWNEY: Yes, the one with the contract. One has to really delve into it to some degree. I'm sure that the public of Manitoba will want to know that the person that they've hired at \$55,000 a year under contract wasn't quite as straightforward in the preparation and the delivery of Estimates as could have taken place.

I want the Minister to tell us does he have any other areas that he's put money away for the little nook or cranny to accommodate the kind of bookkeeping in which seems to be acceptable to him but not to this committee?

HON. J. BUCKLASCHUK: Just in response to that, perhaps I should remind the member of some remarks that I made — I circulated those too — with respect to the grants in lieu. I indicated that this year's grants in lieu which are down slightly from last year's figure, in fact, reflect a 3.75 percent increase over last year's actual. It's very difficult to be able to project what the grants in lieu will be when it is the municipal bodies that determine the mill rates, when there are properties that are being acquired or we may anticipate acquiring property and not go through with it or there may be some delays. So, I don't find anything unusual in having a bit of surplus in that particular line.

As a matter of fact, if one refers to Page 24 — (Interjection) — the actual last year was 22,552,000, and we had estimated 23,617,000. So, the estimate was \$1 million out 23 is about 3 or 4 percent high.

This year, we're estimating the same level of grants in lieu and I recall yesterday there was a question about

that perhaps being a little bit low, and that may well be the case, but it is a difficult area to project a 100 percent accurate estimate. The department found itself in the situation where \$400,000 would be required to meet the terms of the agreement with the municipal bodies rather than coming back to the Legislature and asking for a Warrant for 400,000 and then showing a million dollar surplus on the other hand, they deemed it prudent to simply reallocate \$400,000 from the surplus that was left in the grants in lieu and cover off those costs; nothing nefarious whatsoever; prudent management I would suggest.

MR. J. DOWNEY: I'd like to know what legislation was changed that either forced or accommodated, however it was, that allowed now the addition of placing that money in the police services grant line. You know, to this point, it's apparently been accommodated through the flexibility that the Minister had within the Department of Municipal Affairs and the grants in lieu. That's how the accommodation took place. There was a commitment to the municipalities which was not in writing — (Interjection) — it must not have been in writing, because he just indicated the agreement hadn't taken place.

I'd like to know how the Minister justified giving it to the municipalities because he's just 10 minutes ago told us that there wasn't an agreement in place till just last year. I hope the Minister at this committee could become a little more consistent in his answers. He has said that there wasn't an agreement in place until last year — April I believe it says on the book — but yet there was money flowing from the department coming out of the — I'd like to know what approval he had, what Cabinet approval, or what agreements were in place prior to the one of April last year. I'd like to know what written contractual agreements or what policy statement there was; and then I ask, when the agreement was written last April, there must have been a piece of municipal legislation passed to allow it to be now shown.

It appears that over the past four years that there's been money spent that hasn't really been identified for the purpose in which it's being used. So I say what Municipal Act change took place that the Minister referred to and would he show us under what agreement, previous to April, that this money has been flowing under, or policy statement or paper that is public knowledge?

HON. J. BUCKLASCHUK: I'm advised that in fact there was an amendment to The Department of Municipal Affairs Administration Act last year. I think it's Section 9. I'll get the details of that and present it to the members.

With respect to how money was flowed previous to last year, in fact, those funds would have flowed from the Department of the Attorney-General, not the Municipal Affairs, and I would have to assume there had been some legislation that would have permitted that.

The figures that are provided on Page 42, or whatever page I referred to previously, are simply there to give a historical perspective to the grants, but it did not come to Municipal Affairs as such. However, I'll find

the relevant section that was amended and provide that information.

MR. CHAIRMAN: The Member for La Verendrye.

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

I'm reading from Page 28, the third line — "the phase-out subsidy." What does that refer to? Because when I look at Page 29, there are quite a few of those amounts. Could you explain what the phase-out subsidy, what that is referring to?

HON. J. BUCKLASCHUK: I understand that this was done by agreement with the municipal bodies and the province.

The agreement for the level of assistance towards policing costs was reached after the municipal bodies had prepared their budgets. Therefore, to prevent any undue hardship, a phase-out subsidy guaranteeing no financial loss by municipalities whose 1985-86 grant was less than that received in 1984-85, there was therefore a phase-out subsidy provided last year. I guess I should just go through that again.

That is, the agreement between the province and the municipal bodies was reached after the municipal bodies had prepared their budgets. Had there not been some sort of cushion, some municipalities would have received less of a grant in 1985-86 than they had projected in their budgets. To avoid this shortfall, there was an agreement that there would be a one-year phase-out subsidy.

Therefore, when they're preparing their budgets for 1986, they would have a better idea of the level of assistance that could be anticipated and their budgets would more accurately reflect what assistance was being provided and you wouldn't get that shortfall situation.

MR. H. PANKRATZ: Am I assuming correctly that these municipalities then were getting a grant before this structure came into place? Is that right?

HON. J. BUCKLASCHUK: Yes, they would have been receiving grants through the Attorney-General's Department.

MR. H. PANKRATZ: Do I understand it then correctly? That is a phase out. Is that the phase out from what they were getting before until this agreement came into place and then this phase in? Okay, thank you. That answers that one.

I still want to go back, though, to 1985. On Page 30 of the book it states, "Grants . . ." — and I'm assuming this is the actual money because it's a continuation of Page 29 — ". . . paid to 42 municipalities" and that says \$636,621.00. Is that not the actual amount that basically — now it maybe has been paid out of the Attorney-General's Department — but actually, if I'm looking in the Estimates Book, on Page 113, where it says 187,000, that that is the total amount. Maybe through both . . .

HON. J. BUCKLASCHUK: I'm advised that the figure provided on Page 30, \$636,621, is the actual grant that was paid out.

I have been making references to the municipal levies . . . around 400,000 to 405,000. So I guess in fact the province would have made up the difference which would have been about 231,000, which is even higher than the 187,000 estimated in last year's budget.

MR. H. PANKRATZ: I understand that the balance between the 187,000 and the 636,621 came out of the Attorney-General's Department, and that was because of the agreement not being in place in time. Am I correct?

HON. J. BUCKLASCHUK: I'm not too sure I heard the question correctly, but my understanding is that the grants would have come out of Municipal Affairs last year in their entirety.

The program, when it was taken over by Municipal Affairs on April 1 of 1985, anticipated on the basis of the previous levels of assistance from the Attorney-General's Department, and that's the ones on Page 42, that the cost to the province would have been — it was 178,000 in 1983-84, as paid by the Attorney-General's Department; 180,000 in 1984-85, as paid by the Attorney-General's Department; projected by the department to be 187,000 in 1985-86, and that is the figure that is shown in line 3.(f).

With the agreement between the municipal bodies and the levying of the half mill which brought in about 400,000 - 405,000, the province then would have made up the difference and that's why I said, in fact, the provincial contribution toward the grants would have been 662 less 405, let's say, 257,000 rather than the 187,000 which was projected. Does that help understand that?

MR. H. PANKRATZ: Does the formula, anything over, for instance, like it states now the average policing cost is 16.1, anything over 16.1, as the average mill, is it 100 percent funding or is that a percentage as well, or a formula on that, up to the \$100,000.00?

HON. J. BUCKLASCHUK: As indicated, last year's average was 16.1 mills. The anticipated average for this year will be perhaps 16.3, 16.4. Whatever the police costs are above that rate are picked up 100 percent by the province, to a maximum of \$100,000.00.

MR. H. PANKRATZ: Mr. Minister, I do not really argue with the plan that has been put in place, as such, to assist some of the communities that have definitely a substantial police cost in relation to other communities and have to provide the same services.

Where I guess I must say I find a little bit of an objection is, that the Weir Report was completed in 1981 which stated there were a lot of inequities in our assessment and the way it was applied in regard to buildings, land, and so forth. I don't think I have to go into all of that detail. And here, just two years ago, you can just pass an Order-in-Council levying .5 mill on all the municipalities, creating the same inequity, just to a larger degree. I'm not as much referring to the amount of money as I am referring to the principle that was involved in this whole transaction.

I think, during our Agricultural Estimates, we've been drawing it to the attention of the Agriculture Minister

as well, the inequity, and he says we have to wait until the Weir Report.

Why then, Mr. Minister, could you just arbitrarily put something of this nature into place? Why did you not also wait until you had it, and then reassess the whole province, and looked at the whole taxation structure, without adding insult to injury by applying this additional half, to already which was indicated by actually everybody in this House almost, as an inequity in our assessment?

HON. J. BUCKLASCHUK: I think it's important to note that rather than increasing that inequity, what we're doing through this process is helping to decrease it. I think everybody recognizes that when you have a police force in a town or village, that it services the whole area, including the R.M. The R.M.'s had not been contributing until the last two years.

What happened is that the urban communities were putting more and more pressure on the R.M.'s to share in the financing costs of police services and by agreement they devised a way of dealing with the situation — it's not perfect — but certainly what has developed has been through an agreement between the two municipal bodies, and the province has agreed to implement that. It's decreasing an existing inequity.

It can be improved, but as I've indicated we're prepared to take a look at that again but the assessment reform is the bigger issue at this time and that's the one we have to deal with.

MR. H. PANKRATZ: I think maybe, Mr. Minister, you didn't quite get my question. I'm not in any way trying to make any comments negative towards the policing costs formula that you have in place today, as such, to help the communities that are benefiting from it.

I think there's some communities that, naturally, they have different problems, so obviously their policing costs will be higher and if the province, in some way, tries to equalize some of those inequities, I'm by no means trying to make a negative note towards that.

But what I'm referring to is that the .5 mill. I'll rephrase my question to you. The .5 mill is in all the assessments in the rural municipalities. Is this .5 mill applied to the total assessment?

HON. J. BUCKLASCHUK: Yes, my understanding is that the .5 mill is applied on total assessment.

MR. H. PANKRATZ: Mr. Minister, I'm sure you're aware that over 50 percent of the assessment is exempt.

HON. J. BUCKLASCHUK: I'm advised that the same assessment base is used for the .5 mill for policing costs, that is used for municipal property taxes and for education taxes.

MR. H. PANKRATZ: That is right, Mr. Minister, exactly. Maybe when I mentioned over 50 percent, I might not be quite correct as province-wide or anything of that nature, but in certain areas.

But are you then not adding to the inequity of our assessment problem that we have by applying this .5 mill to a certain portion of the assessment? I think, Mr. Minister, what I'm trying to get at, and I'll be very blunt

about it, your colleague the Minister of Agriculture, for instance, his turkey barns, would they be paying this .5 mill for policing?

HON. J. BUCKLASCHUK: I suppose whether it's a turkey barn or whether it's a dairy barn, if the building qualifies for the farm building exemption, then the .5 mill would not be levied against that property.

MR. H. PANKRATZ: That is what I'm referring to. Here we have a Weir Report which came into place in 1981 and this government, which you've been a part of, has not seen fit to deal with any of the concerns; and just arbitrarily a year-and-a-half ago, you implement an additional .5 percent, to make matters worse and that's basically what I wanted to be on record stating that. I realize that the exempt properties are not, and would you not, as Minister of Municipal Affairs, believe that it should be?

By no means do I want to convey that I'm against the .5 percent, or the .5 mill, pardon me. I would maybe even sooner want to speak in favour of that, it should be increased in order to get this equalized policing.

What I'm trying to bring to your attention is the inequity in our assessment and how it's applied and that you, with implementing this program, have just multiplied the problem.

HON. J. BUCKLASCHUK: I appreciate the remarks from the Member for La Verendrye. I guess we are all aware of the history of the Weir Report and the time it has taken to implement the recommendations.

I don't know if the member is suggesting that we should piecemeal implementation before we have all sorts of information, and so on. This matter will be reviewed in due course. I have indicated this to a number of municipalities. Once we get this tax assessment reform completely in hand, then we are prepared to take a look at this at time time.

But I think it's very important to remember though that this imposition of a half mill levy was as a result of an agreement between the rural and the urban municipal bodies. It came from them, and not something imposed by Cabinet or by government.

MR. H. PANKRATZ: Actually, I was going to be through but, when you called it piecemeal, would you not actually state that this is piecemeal? You do not believe that this is piecemeal?

HON. J. BUCKLASCHUK: In that case, I'll retract the word "piecemeal."

MR. H. PANKRATZ: Mr. Minister, would it not be possible to apply it over the total then, something of that nature, so that you did not apply the taxation, and I realize the inequities are way greater than just what amount of money we're talking about just only in the policing? But I feel you're just compounding the problem with it and, if you would in some way equalize it over the total assessment if anything, because let's look at it at as a quarter of land. Nobody will ever steal it from me or from anybody else. A couple of years ago, I would have loved to move it, but I had no way of moving it. So, Mr. Minister, and here the police costs are on it.

You know, in some of these rural countries, I believe policing is for everybody and it should be, and I have no objection to it, especially what you're attempting to do with some of these communities. I do not, in any way, want to make any derogatory remarks towards the plan as such. It's the assessment, the way you're levying it, that I take strong objection to. I would wish that you, Mr. Minister, would look seriously into that, and also as soon as possible to relieve some of the other tax burdens that are unfairly assessed at the present on the agricultural land.

MR. CHAIRMAN: The Member for Minnedosa.

MR. D. BLAKE: I may have missed the question. I just wonder if the Minister could tell us, are there any municipalities that have refused to contribute the one-half mill for policing costs?

HON. J. BUCKLASCHUK: Mr. Chairman, I'm advised there are not.

MR. CHAIRMAN: 3.(e)—pass; 3.(f)—pass.

Resolution 112: Resolved that there be granted to Her Majesty a sum not exceeding \$26,334,700 for

Municipal Affairs, Municipal Advisory and Financial Services, for the fiscal year ending the 31st day of March, 1987—pass.

The time being 12:30, committee rise.

Call in the Speaker.

IN SESSION

Madam Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress and asks leave to sit again.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Member for Inkster, that the Report of the Committee be received.

MOTION presented and carried.

MADAM SPEAKER: The time being 12:30 p.m., the House is now adjourned and stands adjourned until 2:00 p.m. Wednesday next.