

## LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 11 May, 1987.

Time — 1:30 p.m.

**OPENING PRAYER by Madam Speaker.**

**MADAM SPEAKER, Hon. M. Phillips:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

**HON. V. SCHROEDER:** Thank you, Madam Speaker. I would like to table the Annual Report of the Industry, Trade and Technology Department for 1985-86, as well as Supplementary Information for the Legislative Review for 1987-88 Estimates.

**MADAM SPEAKER:** Notices of Motion . . .

### INTRODUCTION OF BILLS

**HON. A. MACKLING** introduced, by leave, Bill No. 24, An Act to amend The Corporations Act; Loi modifiant la Loi sur les corporations.

**HON. R. PENNER** introduced, by leave, Bill No. 25, The Discriminatory Business Practices Act; Loi sur les pratiques de commerce discriminatoires. (Recommended by His Honour the Lieutenant-Governor)

**HON. G. LECUYER** introduced, by leave, Bill No. 26, The Environment Act, Loi sur l'environnement. (Recommended by His Honour the Lieutenant-Governor)

**HON. R. PENNER** introduced, by leave, Bill No. 27, The Real Property Act and Various Other Acts Amendment Act; Loi modifiant la Loi sur les biens réels et diverses autres lois.

**MOTION presented.**

**MADAM SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** Just a few words of explanation. This is a bill that I've discussed with the Member for St. Norbert and it's designed to deal with a technical problem, although of very substantial consequences, that has arisen with respect to our land titles system, pursuant to a decision of the Manitoba Court of Appeal and, when the Member for St. Norbert has had a chance to read the bill, he may be discussing it with our House Leader with a view to expediting the passage of this bill to try to cut down the area of risk in real property

transfers. Those few words of explanation I think are in order at this time.

**QUESTION put; MOTION carried.**

**HON. G. LECUYER** introduit le projet de loi 28 "Loi sur les déchets radioactifs de haute activité; the High-Level Radioactive Waste Act."

**MOTION presented.**

**HON. G. LECUYER:** Madam Speaker, just a few very brief words on this particular bill as I introduce it.

Our government, Madam Speaker, has maintained a consistent position on the issue of high level nuclear waste since we took office in 1981. We do, indeed, encourage that research take place into the methods of ultimate safe disposal of high-level nuclear waste because they are indeed being generated in Canada and other jurisdictions. We encouraged the use of Atomic Energy of Canada Limited's research facilities at Pinawa for the research, but we would not accept the disposal of high-level nuclear waste generated elsewhere or, for that matter, in any drainage basins that drain in Manitoba, and we believe it is time and appropriate now to introduce legislation to embody the principles that we hold to, and this act, when the members have the copy of the bill, will notice it is intended to do exactly that.

**QUESTION put; MOTION carried.**

**HON. A. MACKLING** introduced, avec permission, on behalf of the Minister of Business Development and Tourism, Bill No. 29, An Act to amend The Condominium Act; Loi modifiant la Loi sur le condominiums.

### INTRODUCTION OF GUESTS

**MADAM SPEAKER:** Before moving to Oral Questions, may I direct the attention of honourable members to the gallery where we have 25 students from Grade 11, from the Princess Elizabeth High School, under the direction of Mr. Rod Balkwill. Their school is located in the constituency of the Honourable Member for Minnedosa.

We have 20 students from Grade 9, from the Sisler High School, under the direction of Miss Barbara Monteith. The school is located in the constituency of the Honourable Member for Inkster.

On behalf of all the members, we welcome you to the Legislature this afternoon.

### ORAL QUESTIONS

**The Manitoba Labour Relations Act -  
refer to Industrial Relations Comm. re  
freedom of speech**

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Madam Speaker. My question is for the Minister of Labour.

Given that this government's existing labour legislation is now being used to threaten and intimidate an 18-year-old woman and, in fact, has resulted in her being slapped with a \$3.2 million lawsuit by Bernie Christophe and the Manitoba Food and Commercial Workers Union, will this Minister now agree to the proposal put forward previously by my colleague, the Member for Brandon West, that The Manitoba Labour Relations Act be referred to the Standing Committee on Industrial Relations, so that we can eliminate these provisions in the act that guard against or that, in fact, result in people having their freedom of speech taken away from them?

Will he refer that to the standing committee?

**MADAM SPEAKER:** The Honourable Minister of Labour.

**HON. A. MACKLING:** Madam Speaker, I assume that the Honourable Leader of the Opposition is alluding to a press story about, either an application to court, or to the Labour Board under the provisions of the Unfair Labour Practices section of The Labour Relations Act. In either event, that would be a matter that would be under adjudication by a tribunal and I wouldn't comment on the particular case.

In respect to the generality of the question, as to whether or not our legislation should be referred to a standing committee, we will be in the Estimates of the Department of Labour, hopefully, as soon as the Opposition deems it appropriate. I'll be happy to reflect on the very excellent record we have in this province of the application of labour law. We have seen a labour relations environment that is second to none in Canada for its acceptance, by both labour and management, in facilitating harmonious labour relations in this province.

### **Manitoba Labour Law - in compliance with Canadian Charter of Rights**

**MR. G. FILMON:** My question is for the Attorney-General.

Has the Manitoba labour law been reviewed to see whether or not it complies with the Canadian Charter of Rights and Freedoms?

**MADAM SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** Yes, extensively, Madam Speaker. The Leader of the Opposition should know, and would know if he paid attention to what happens in this House from time to time, that in fact, in the last two years and again as indicated in the Throne Speech this year, we have . . .

**MR. F. JOHNSTON:** I should have run over you yesterday.

**HON. R. PENNER:** The member alludes to some dangerous driving by the Member for Sturgeon Creek that threatened my family as we drove by on a bicycle on Sunday, but I forgave him for that long since.

But we have brought Charter Compliance legislation in, in each of the last two years, and again in this year. But, more specifically, as the result, the direct result of a challenge to our key elements of Manitoba's Labour Relations Act by Metropolitan stores, which is still pending in the Courts, our Constitutional Law branch, and our legal staff have been researching for the last three, four months all aspects of The Manitoba Labour Relations Act; and indeed, have been delving very deeply into American constitutional jurisprudence, where somewhat similar problems have arisen, to look at the balance between the Freedom of Expression guarantee in Section 2 of the Charter and the Rights of Labour. Members will be cognizant of the recent decision of the Supreme Court in that area, and no doubt the Leader of the Opposition is, and so I won't take up any more time in stating what he already knows, or should know. If he does it, no doubt, he will employ his research staff to know before he asks similar questions.

### **Abuse of legislation by union bosses**

**MADAM SPEAKER:** The Honourable Leader of the Opposition

**MR. G. FILMON:** Madam Speaker, my further question is for the Minister of Labour.

Given that this 18-year-old woman said, specifically, in her letter to her fellow employees and I quote: "We are not asking you to choose between the union and the company, but to get all the facts and decide for yourselves what is best for you, the employee"; and given that that has resulted - along with a number of other questions, specifically about both the position of the union and the employer - has resulted in her being slapped with a \$3.2 million lawsuit, under his labour legislation; will he not acknowledge that this legislation is now being abused by union bosses, such as Bernie Christophe, and must be amended to get rid of this insanity?

**MADAM SPEAKER:** The Honourable Minister.

**HON. A. MACKLING:** Madam Speaker, I don't know of a particular change in The Labour Relations Act that the Honourable Leader of the Opposition refers to that occasions any new right on the part of the union, in this case, in respect to a worker.

I, personally, am not conversant with all of the details of the case, certainly from the media accounts it doesn't seem like it's a situation where I would warm to the position taken by the union, but I'm not apprised of all the facts, and since it's indicated that there will be adjudication of the issue, either by the Labour Board or by a court, then that is the form that should appropriately determine whether that is reasonable action on the part of the union or the worker.

### **Labour legislation - review of**

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

**MR. G. FILMON:** Madam Speaker, my question is to the Premier.

Given that an 18-year-old woman has been slapped with a \$3.2 million lawsuit by Bernie Christophe and the Manitoba Food and Commercial Workers Union, because she dared to write a letter to fellow employees that asked such questions as: "If the negotiations resulted in a strike vote, what would be the advantage of a strike; what would the disadvantages be?" And that has resulted in a lawsuit threat and intimidation on the part of the union bosses involved in a disagreement; will he now order his government, and his Minister, to review the labour legislation and get rid of these insane privileges that threaten and intimidate workers in this province?

**MADAM SPEAKER:** The Honourable the First Minister.

**HON. H. PAWLEY:** Madam Speaker, I, too, read the media reports over the weekend and I must say, based upon those media reports, I had serious concerns and, in fact, this morning I asked for as much information as I could obtain. I'm not going to prejudge the case till I have all the information before me. And, once I have all the information before me, not just a newspaper clipping from the weekend, then I certainly would want to ensure that fairness is undertaken - and I must say from the surface appearance of the media reports, it was sufficient to cause me this morning to ask for a fuller explanation.

### Ministerial statement re forest fires

**MADAM SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Thank you, Madam Speaker, to the Acting House Leader, Government House Leader, or the Minister of Natural Resources.

I know that the Official Opposition would grant leave to allow the Minister of Natural Resources to make a ministerial statement about the disastrous weekend fire that we've gone through which I believe is perhaps the most disastrous in recent history, in terms of damage to forestry and actual property loss in the number of cottages that were destroyed. I ask the Government House Leader whether he would wish to consider that, we would be prepared to grant leave?

**MADAM SPEAKER:** The Honourable Minister of Natural Resources.

**HON. L. HARAPIAK:** Madam Speaker, I do have a statement. I would ask leave to revert to ministerial statements.

**MADAM SPEAKER:** Does the Honourable Minister have leave? (Agreed)

**HON. L. HARAPIAK:** Madam Speaker, I have copies for distribution.

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MADAM SPEAKER:** The Honourable Minister of Natural Resources.

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

I want to thank the House for granting leave to have a statement made at this time. I was not present in the House at the time the ministerial statements were called for because I was returning from the fire at Wallace Lake.

At present, we have a total of 29 fires burning in the province with an estimated 34,475 hectares burned. The fire danger in the southern parts of the province is extreme. With the long weekend coming up and Manitobans wanting to visit many provincial campgrounds, we are monitoring the situation very closely.

If the high temperatures and the extreme dryness continue, it may be prudent for our department to announce further travel restrictions to prohibit back-country travel. Our department's first concern is public safety; and, secondly, to prevent the property loss and minimize the start of new fires.

I had the opportunity to meet with the fire management staff on Saturday. This morning, I flew over the Wallace Lake fire and surrounding area and I've just returned from the Bissett area. I had the opportunity to assess damage and be apprised as to the firefighters' actions. Our department has contacted the Emergency Measures Organization and Northern Affairs, and together with officials of Bissett, a contingency plan is in place should it become necessary to evacuate the town.

Due to a shift of the wind to the northwest and a drop in temperatures last night, the threat to Bissett has somewhat eased for the time being. We have 350 firefighters active on the Wallace Lake fire lines, and 201 people fighting 28 other fires in the province.

The province right now is tinder dry and the potential of more flare-ups exists. We have alert response team fire crews on standby to action new fires immediately. Because of this capability, many new starts were extinguished before they could grow to major proportions.

Madam Speaker, the Wallace Lake fire has been held to its present size through the exceptional efforts of the firefighting teams both in Winnipeg and in the field. Technological support has enabled swift response to the Wallace Lake situation without depriving the remainder of the province of adequate firefighting capability.

Within 15 minutes of reporting the Wallace Lake fire, the first firefighters were in action on the blaze. At present, we have adequate manpower and equipment in place. Thirty firefighters were brought in on Sunday, an additional 70 firefighters were brought in today. From my own observation, the Alert Response System is very effective. The situation will be monitored closely during the next few days and we have firefighters and support staff working 24 hours a day.

However, we are at the mercy of the weather. Therefore, our day-to-day action plan will be dictated by events as they unfold. A general announcement will be forthcoming Thursday morning concerning any new developments and possible travel restrictions on the weekend. The statement, Madam Speaker, does provide information with respect to the number of fires that have been actioned to date this year.

Thank you.

**MR. H. ENNS:** I thank the Honourable Minister for the statement.

In responding to the statement on behalf of our critic, the Member for Emerson, who himself is in the fire area at this time doing the same kind of review that the Minister indicated he had done earlier on in the morning, allow me to make the few following comments.

A special request was made by the Member for Emerson from some of the residents who have already suffered damage and burnout, businesses, that perhaps the Emergency Measures Organization could be of some assistance and some help in those areas, as well. I note in the statement the Minister indicates that Emergency Measures is standing by for the communities of Bissett and others that may still be threatened by fire, but we have indeed a very serious situation facing us.

All of us know that what we need is a 24-hour period of rain that would help resolve this issue or take off some of the pressure. Of greater concern to us, Madam Speaker, and I say this very very carefully because I have the greatest respect for those who are leading our firefighting units in the field and the 500-and-some men and women that are involved in the actual firefighting. Having had some appreciation, indeed some input in establishing our well-trained fire attack units that are the instant response units in the field, are nonetheless, say it appalling, that concerns me, concerned the Member for Emerson as we went through the Minister's Estimates in Natural Resources. It's in these areas where this government has chosen to cut back and I want to know, specifically, the state of readiness that the department was in. I'm aware that they're doing all they can right now, but the actual Estimates show a cutback, where there's sufficient funds allocated, for what we could have perceived to have been a highly dangerous situation with the weather pattern developing as it has.

Further missing from the statement, with particular respect to the Wallace Lake fire, is the actual cause of the fire. Has it been established? Was it natural causes, was it lightning? I'm told by residents in the area that there was no sign of any lightning activity or thunderstorm or rain activity. Let's have a very hard look at the situation. Was it man-caused; were there work camps in the area that could have caused the outbreak of the fire? The loss of some 70,000-80,000 acres of forests, along with the unprecedented loss of some 65-70 cottages, with all due respect to the Minister and with a great deal more respect to those men who are fighting the fire, I have some reservation when the Minister in his statement says that, from my observation, the fire alert response system is very effective. Madam Speaker, Manitobans have had forest fires before, and will have them in the future, but this is the first time we've had such extensive loss of both forest and property in the area.

I would encourage the Minister to institute a very complete investigation into the cause of this particular fire.

**MADAM SPEAKER:** We will revert back to question period where there are 32 minutes remaining.

## ORAL QUESTIONS (Cont'd)

### Sherritt Gordon Mines - closure of business, negotiations with HBM and S

**MADAM SPEAKER:** The Honourable Member for Lakeside with a question.

**MR. H. ENNS:** Madam Speaker, I have a question to the First Minister.

I raised the matter last week. It was taken as notice at that time and I was privately informed by the Minister responsible, the Minister of Energy and Mines, about the situation at Leaf Rapids and what now appears to be a very serious threat to some 600 mine workers in that community.

Has the government any further information that can lay the concerns expressed by union leaders, and obviously felt by those 600 workers who face potential layoffs?

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

**HON. V. SCHROEDER:** I thank the member for that question.

As the member knows, over the weekend there has been an announcement by Sherritt Gordon indicating intention to close the operations if the sale did not go through, so the workers have received notice. I've been in discussion with Sherritt Gordon management today. We informed them that we expected immediate action in terms of working on a tripartite arrangement to ensure that the employees are looked after as best possible, and I was given assurance that would take place.

At the same time, and on a separate track, there are negotiations going on between Sherritt Gordon and Hudson Bay Mining and Smelting in Flin Flon for the purchase of the operation. As the member probably knows, currently the arrangement is that HBM and S does the smelting for Sherritt Gordon. There's been suggestions of increases in prices and so on, so that there have been negotiations. There is still considerable hope that something will be done in that area and I'm assured that the negotiations have not broken off, that they have not reached agreement either; that's why we're at this point at this time.

### Sherritt Gordon - HBM and S - status of negotiations

**MR. H. ENNS:** Madam Speaker, the Minister doesn't really indicate anything new.

Can he tell us has he, over the weekend, has the government established, at what stage the possible purchase agreements are between the Hudson Bay Mining and Smelting and Sherritt Gordon. Have the officials of either company given any kind of a time frame when these negotiations could or should be completed?

**HON. V. SCHROEDER:** Everyone involved, including both companies, is well aware of the time pressure in terms of making sure the employees are protected, in making sure that the skills they have on site now are protected. We have been given a list of the general areas where there is agreement and areas where there is disagreement. The negotiators are saying that satisfactory progress is being made, but they're not

assured of success at this time. We believe that at the moment the role we have played in the past in making sure that the two parties got together is a role we should continue on with to make sure that anything we can do in the background, in terms of conciliation, will be done to help both companies to reach agreement.

### **Sherritt Gordon Mines - safeguarding of taxpayers' investment**

**MR. H. ENNS:** A final supplementary question to the same Minister, Madam Speaker.

It was only some 18 months ago that this Provincial Government, along with the Federal Government, invested several millions of dollars of taxpayers' money into prolonging and deepening the mine shaft at Leaf Rapids in the hope of providing at least another eight to ten years of mining activity in that community.

My question to the Minister is: What steps has the government taken to safeguard that public investment made just some 18 months ago?

**HON. V. SCHROEDER:** The member is quite right. Back in 1984, there was a \$10 million loan granted between the two levels of government to Sherritt Gordon for the deepening of Ruttan. It would have closed back in 1984.

The terms of the agreement are that repayment is to commence January 1, 1987 in five equal installments of \$2 million. The agreement itself, the original agreement indicated that if cash flow from Ruttan was insufficient, that Sherritt could defer repayment of principal, but not interest, for up to two years. In January 1987, Sherritt paid the government the interest owing on the loan, but did defer its \$2 million principal because of insufficient cash flow.

The loan is secured by a first charge on the fixed assets of the Ruttan mine, but that is in proportion, together with, I believe it's the Toronto-Dominion Bank. We're in for \$10 million, they're in for \$20 million, and we rank *pari passu* with T.D. bank for those assets.

### **Meech Lake Accord - Quebec represented in international affairs**

**MADAM SPEAKER:** The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker. My question is to the Premier regarding the Meech Lake Accord.

Madam Speaker, an article in the Toronto Star recently reported the contents of a conversation between Premier Bourassa and the Comte de Paris, a direct descendent of Louis XV, in which the Premier allegedly confirmed that the agreement recognized Quebec as a distinct society and that Quebec's positions in international summits was now consolidated. In other words, Quebec would now have the power to assert an international presence unknown to the other provinces.

I ask the Premier, Madam Speaker, if he agrees that it was part of the spirit of the Accord that the Province of Quebec should indeed have the right to represent

itself in external affairs, and apart from Canada's national representation?

**MADAM SPEAKER:** Order please.

Would the honourable member please rephrase her question so it does not seek an opinion?

**MRS. S. CARSTAIRS:** Madam Speaker, I ask if the Premier agreed, was it in fact negotiated at Meech Lake that Quebec would indeed have a right to represent itself?

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** No, Madam Speaker.

### **Quebec powers clarified**

**MRS. S. CARSTAIRS:** A supplementary to the Premier.

I'd like to ask the Premier then if it will be the position of Manitoba's Provincial Government that those powers accruing to Quebec, as a result of the granting of distinct status, be clarified and listed as to the specific areas for which he will have responsibility before, in fact, the final Accord is confirmed?

**HON. H. PAWLEY:** I think much of the problem frankly relates back to the inability of the previous Liberal administration, under former Pierre Elliott Trudeau to properly clarify this issue, or we wouldn't be required to deal with it at this time.

Madam Speaker, insofar as the interpretation of that provision, it deals with recognizing that which already exists as a fact, preserving that which already exists, and is not intended to extend numerous additional unspecified rights.

**MRS. S. CARSTAIRS:** Madam Speaker, in that one the Premier is making statements indicating that he had powers over external affairs for his particular province, does the First Minister of Manitoba now feel that it is important that such powers, if any exist be clearly noted?

**HON. H. PAWLEY:** There never has been any discussion or any intent whatsoever to extend the powers of Quebec into the international field. I don't believe that there's any need for us to take any particular note at this point. I think it's a figment of some imagination on the part of some purists.

### **Brandon General Hospital - closure of beds**

**MADAM SPEAKER:** The Honourable Member for Pembina.

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

Madam Speaker, the Brandon General Hospital has a proposal before the Manitoba Health Services Commission and this government to close, I believe, 49 beds for a four-month period this summer.

Can the Minister inform the House as to whether his government has given approval to that decision by the

Brandon General Hospital to close 49 beds as a method of cost containment and budget control?

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Madam Speaker, no approval has been given, as yet.

### **Brandon General Hospital closure of beds, approval of**

**MR. D. ORCHARD:** Madam Speaker, given that Brandon General Hospital is proposing to close those beds starting June 1 this year, 49 beds, with a four-month closure time and since June 1 is rapidly approaching, can the Minister of Health indicate when he expects the government will approve that decision?

**HON. L. DESJARDINS:** Madam Speaker, I did not say that we expect to be give any approval. I said there was no approval given at this time, the proposal is being looked at, the same as the proposal of all urban hospitals.

### **Westman Region - referrals to Winnipeg hospitals**

**MR. D. ORCHARD:** Madam Speaker, a new question to the Minister of Health.

Madam Speaker, given that Brandon General Hospital closed 31 beds, which is equivalent to about 9 percent of their active treatment beds permanently last year; and given that they were proposing to close 49 beds for one-third of the year starting June 1 of this year; can the Minister of Health indicate to the House as to whether there have been additional referrals by physicians in the Westman Region to the Winnipeg hospitals - Misericordia, Seven Oaks, Concordia, Health Sciences Centre, St. Boniface, as a result of the impending bed closures in Brandon?

**HON. L. DESJARDINS:** Madam Speaker, my understanding is that this is not the case, in fact, there's a reduction in the waiting list in Brandon. Also, I'm sure that my honourable friend and the members of this committee will also be very pleased to know that the chairman of the board, as well as the administrator, came over to visit me last week and implored that we go ahead with the plans that we had now. They feel that this is the right way to go, and they feel that they can improve the situation out there without sacrificing the standards for the people out there.

### **Brandon General Hospital - waiting list decreases**

**MR. D. ORCHARD:** A supplementary question to the Minister of Health.

Given, Madam Speaker, that the waiting list at Brandon General Hospital is decreasing, as the Minister indicated, what assurance can the Minister offer to the House that that waiting list is simply not decreasing because patients who normally would have gone to the

Brandon General Hospital, because of bed closures, are now going to Winnipeg hospitals?

**HON. L. DESJARDINS:** Because this is not the facts, as far as the information I'm given, and also because of the assurance from the chairman of the board and the administrator, that things are in control and that there's no reduction in standards or services to the people of Brandon.

### **Rendez-vous Canada - booths coordinated by Dept. of Tourism**

**MADAM SPEAKER:** The Honourable Member for Portage la Prairie.

**MR. E. CONNERY:** Yes, thank you, Madam Speaker. My question is to the Acting Minister of Tourism.

Last Wednesday, the Minister glowingly reported on Rendez-vous Canada that Manitoba is supposedly hosting. Madam Speaker, it was, in fact, a great success because it was totally managed by the Federal Government; in fact, Manitoba's only input into Rendez-vous Canada was co-hosting the Monday night extravaganza, which was well done by the Manitoba performers that were there.

With Manitoba only having 10 out of the 270 booths, will the Minister confirm whether or not the Manitoba booths were coordinated by the department, as they presented the poorest impression of all of the provinces that were at Rendez-vous Canada, especially comparing them to Quebec and to Newfoundland?

**MADAM SPEAKER:** The Honourable Minister of Education.

**HON. J. STORIE:** Madam Speaker, I'd like to confirm that the businesses, the people who attended Rendez-vous '87, found it to be a spectacular event, successful in every way, and I'm not sure why the Member for Portage continues to try and undermine the efforts of, not only the staff of Business Development and Tourism, Madam Speaker, who have a very good reputation amongst the tourism industry, but in fact, undermine the efforts of the various private sector participants, the people who stand to benefit from this particular event.

Madam Speaker, I do not understand at all the Member for Portage's intent in these questions; the intent of his comments with respect to this particular event. They have been counter-productive and I think have incensed a good many people outside of the government, and the department, who is responsible and who helped to organize this particular event.

### **Manitoba tourists - involvement while touring in Manitoba**

**MR. E. CONNERY:** I have a new question to the Minister.

Last year the Minister tells us that Manitobans touring in Manitoba were making up for the drastic reduction in foreign tourists that we had. In light of the fact that retail sales are lagging well behind the national level,

Madam Speaker, accommodations for three of the four quarters were down in Manitoba, compared to the previous year; attendance at provincial parks are down compared to last year; and that the restaurant and caterers showed a less than 2 percent increase in sales, which is much less than the CPI; can the Minister tell us what these Manitobans were doing while they were touring around Manitoba? They weren't buying; they weren't eating; they weren't sleeping; they weren't camping; what were all these tourists doing.

**HON. J. STORIE:** Madam Speaker, the member chooses to cite particular statistics from this quarter. If the member has been up north camping, perhaps in Bakers Narrows campground, which is operated provincially, I think he'd be a little surprised because it isn't opened yet.

Madam Speaker, if the member is talking about figures for 1986, he also neglects to mention that from year to year the figures do fluctuate. The Member for Portage was not on the bandwagon acknowledging the fact that there had been a tremendous increase in overnight visitors in the year 1985; he is very selective in his reporting of the statistics.

Madam Speaker, the Minister responsible for Tourism has indicated that in-province travel has significantly increased this year and I am sure that, over the course of the tourism season, that will be reflected in the retail sales, in the accommodation nights, etc., and I can assure the member that the efforts of the industry will be rewarding as the season progresses.

### Gull Harbour Resort - no promotion at Rendez-vous Canada

**MR. E. CONNERY:** My last question, Madam Speaker, is to the Minister of Natural Resources responsible for the Gull Harbour Resort.

In light of the fact that we've poured millions of dollars into Gull Harbour, Madam Speaker, in fact this year they were so happy in 1986 that they only lost \$200,000 less than they did the year before, which was still \$800,000; can the Minister tell us why we weren't proud enough to have an Exhibit in Rendez-Vous Canada at the trade fair when there was an empty booth which was held by a bankrupt hotel; why are we not promoting Gull Harbour Resort when we had an opportunity to present it to the whole world?

**MADAM SPEAKER:** The Honourable Minister of Natural Resources.

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

I'm delighted, Madam Speaker, that the efforts by the Board of Directors to present Gull Harbour Resort have in fact proven to be very successful. There have been presentations at different gatherings, I think people are generally aware of our good facility and I was delighted to see in the weekend issue of one of our Winnipeg papers there was a fold indicating the attractions of the area, not only the Gull Harbour Resort, but indeed the entire Hecla Island Park.

Thank you.

### In vitro fertilization - cost covered for non-Native couples

**MADAM SPEAKER:** The Honourable Member for Kirkfield Park.

**MRS. G. HAMMOND:** Yes, Madam Speaker. My question is to the Minister of Health, regarding in vitro fertilization that Native couples in Manitoba will have their cost covered so that Native Manitobans won't be treated differently from Natives in Ontario.

Since non-Native couples in Ontario are covered under Medicare, will the Minister be paying the cost in Manitoba for non-Native couples?

**HON. L. DESJARDINS:** Madam Speaker, I've already said that there is no money in the Estimates for this year, and I'm surprised the honourable member should refer to Ontario. We've been told so many times that we're running the affairs of Manitoba here, not of other provinces.

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

**MRS. G. HAMMOND:** A further question to the Minister of Health.

Will the Minister then discuss this issue with the Minister of Finance so that the cost for non-Native couples could at least be deducted as medical expenses?

**HON. L. DESJARDINS:** No, Madam Speaker, but I'll discuss it with the Federal Minister of Health who I think is part of a team that advocates their responsibility as an equal partner by delivering service here.

### Provincial Judges Association - purpose of discussions

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, my question is directed to the Attorney-General.

Last week, the Attorney-General threatened the Provincial Judges Association and said that there would be no salary negotiations; then he told us in the House that all that was taken out of context and that there were no negotiations. Madam Speaker, what then was the purpose of the discussions between the Department of the Attorney-General and other government representatives and the executives of the Judges Association of Manitoba during January, February and March of this year?

**HON. R. PENNER:** Yes, Madam Speaker, the sole question that was up for discussion and still is has to do with the question of judges' pensions; it had nothing to do with judges' salaries, since significant adjustments in judges' salaries were made in and about the month of January, retroactive I think to October 1, so salaries were not and are not the subject of negotiations.

**MR. J. McCRAE:** Why did the Cabinet then turn down a revised pension plan which could have saved the government \$100,000 over five years?

**MADAM SPEAKER:** Order please.

The proceedings of Cabinet are not legitimate questions in question period.

### Revised pension plans - government policy to reject

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** Is it the government's policy to turn down revised pension plans that could have saved the government \$100,000 over five years?

**HON. R. PENNER:** One of us isn't playing with a full deck and I suspect it's the Member for Brandon West, and that's not his fault because somebody shuffled the cards for him. In fact -(Interjection)- Yes, thanks, that's the nicest thing that's been said to me since Mother's Day.

Madam Speaker, in fact, as I understand it, the proposal of the provincial judges with respect to pensions would have a cost, in that period of time, of something in excess of \$1 million, at least in the long term. But, in any event, I don't propose, nor do I think the Member for Brandon West would want me to negotiate an issue of that kind which is before Cabinet on the floor of the House and, accordingly, I propose not to deal in any detail with that question any further.

### Judges' pension plans - individual negotiations

**MR. J. McCRAE:** Madam Speaker, the Attorney-General doesn't mind negotiating in the media, but he won't answer questions in this House.

Is the government planning to negotiate individually with the judges for their pensions?

**HON. R. PENNER:** No, that's ridiculous, as were the previous questions.

### Salary of Deputy Attorney-General

**MR. J. McCRAE:** Madam Speaker, last week the Minister undertook to provide details about the Deputy Attorney-General's salary and I wonder if he has that information for us today.

**HON. R. PENNER:** No, I indicated that there is a range of salaries for the deputies, including the Deputy Attorney-General, that is a matter of public knowledge. The Minister of Finance, in fact, is the one who dealt with that question and any further answers to that question will come from the Minister of Finance.

**MR. J. McCRAE:** Madam Speaker, the question last week was directed to the Attorney-General. I'll ask the Attorney-General if Mr. Elton's salary is \$80,210.00? I'll ask him what it was before the last upward revision and I'll ask when that revision was made and I hope to get that information?

**HON. R. PENNER:** I'll take that as notice. I don't know that for a fact.

### Spruce Woods Park - viability insurance re wagon ride and riding stable

**MADAM SPEAKER:** The Honourable Member for Gladstone.

**MRS. C. OLESON:** Thank you, Madam Speaker. My question is to the Minister in charge of MPIC and it relates to the viability insurance for the wagon ride and the riding stable at Spruce Woods Park.

I'd like to know why the Minister's department has refused liability insurance coverage required by the contract of that concession and has cut it from a \$1 million coverage to \$500,000 coverage, and at a cost of double the million dollar coverage.

**MADAM SPEAKER:** The Honourable Minister responsible for MPIC.

**HON. J. BUCKLASCHUK:** Yes, thank you, Madam Speaker.

I'm sure the corporation has thousands of liability policies for coverages it is providing; I'm not aware of this specific one. I'll take that question as notice but, in all likelihood, the reason that the coverage has been decreased to \$500,000 is probably because no other private sector reinsurer will provide the reinsurance of the corporation.

**MRS. C. OLESON:** My question is to the Minister of Natural Resources.

I wonder would the Minister get together with the Minister in charge of MPIC and work out this problem so that concession can operate in the park. If he cannot change the liability coverage, would he be willing to alter the contract so that they can operate?

**MADAM SPEAKER:** The Honourable Minister of Natural Resources.

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

This matter has been brought to my attention by the operators and indeed by the Member for Gladstone, but I can confirm, as was indicated by the Minister responsible for the Manitoba Public Insurance Corporation, it is because the insurance was not available from other sources; that they were able to operate previously, that insurance was given, but it was not available through any other offerings.

**MRS. C. OLESON:** The Minister's department officials telephoned and then later wrote to those people last Friday, to tell them that they could not take their horses into the park until they had the proper liability coverage as per their contract.

Will the Minister look into this and do so immediately, so they can get their horses into the park to operate that concession for the long weekend, when their contract begins?

**HON. L. HARAPIAK:** Clearly, Madam Speaker, we would want to follow that up but I think the question that should be asked then is if there isn't a liability insurance in place, who then would be liable for any injury that would occur, and I think it would not be responsible to have a service offered in our parks on the understanding that there was some insurance if, in fact, there wasn't any insurance.



**MRS. C. OLESON:** Can the Minister confirm, that in the nine years of operation of that concession, the people involved have had no liability claims?

**HON. L. HARAPIAK:** I am not aware that there have been any claims but I think it is an indication that the industry, at large, considers this to be a risk because it is not an offering through any other sector, so it is not a discriminatory act on the part of the part of the Manitoba Public Insurance Corporation. It is not a reflection of this particular operation.

### Lotteries - income levels frozen of umbrella groups

**MADAM SPEAKER:** The Honourable Member for Charleswood.

**MR. J. ERNST:** Thank you, Madam Speaker, my question is to the Minister responsible for the Manitoba Lotteries Foundation.

Can she advise the House if the umbrella groups have had their income levels frozen as at April 1, 1987?

**MADAM SPEAKER:** The Honourable Minister responsible for Lotteries.

**HON. J. WASYLYCIA-LEIS:** Thank you, Madam Speaker.

It seems that I keep getting the same questions asked in the House. The Member for Charleswood knows full well that this question has been answered in the House previously. I've indicated quite clearly that surplus revenue for 1987 through the Lotteries system, part of it will be designated for health care projects. That's been referred to by my colleague, the Minister of Health, previously. All umbrella groups have met with me and discussed the current situation and been informed of an arrangement of levelling off of funds based on 1986-87 Lottery revenue. All umbrella groups have been informed of . . .

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

**HON. J. WASYLYCIA-LEIS:** Madam Speaker, my colleague, the Minister of Health, is quite correct in pointing out that we have had a number of suggestions from members opposite that Lottery revenue be used for health, for education, for highways, for an unending number of projects. I find it's interesting that they are now reacting to the suggestion that some of that money, some surplus money, be allocated to meet the health care needs of this province. Madam Speaker, at the same time, all umbrella groups have been informed that we are interested in carrying out a needs assessment to determine whether or not the distribution system has been fair and equitable in terms of non-profit needs throughout Manitoba.

Finally, Madam Speaker, all . . .

**MADAM SPEAKER:** Order please.

May I remind Honourable Ministers that answers to questions should be brief.

The Honourable Member for Charleswood.

**MR. J. ERNST:** Madam Speaker, could the Minister advise if the notice for this change was by a letter dated March 17, 1987?

**MADAM SPEAKER:** The Honourable Minister responsible for Lotteries.

**HON. J. WASYLYCIA-LEIS:** Madam Speaker, I'll have to check the date of my correspondence with these umbrella groups, but let me . . .

Madam Speaker, since the question has been raised, I'd like the opportunity to answer it in full.

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

**HON. J. WASYLYCIA-LEIS:** Madam Speaker, I think it's important to complete the answer by indicating that dialogue and discussions are ongoing with each of the umbrella groups to determine a system by way of providing increases based on need over the coming year and in the future; and to ensure that a proper needs assessment is carried out to represent the concerns and interests of those groups.

**MADAM SPEAKER:** The time for Oral Questions has expired.

The Honourable Minister of Education.

**HON. J. STORIE:** Madam Speaker, before proceeding to Orders of the Day, I would like to table a report if we may revert to Ministerial Statements and Tabling of Reports, if I have leave.

**MADAM SPEAKER:** Does the Honourable Minister have leave? (Agreed)

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS (Cont'd)

**MADAM SPEAKER:** The Honourable Minister of Education.

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

It is my distinct pleasure to table the Annual Report of Manfor Limited for the period ending December 31st, 1986.

### ORDERS OF THE DAY HOUSE BUSINESS

**MADAM SPEAKER:** The Honourable Government House Leader.

**HON. J. COWAN:** Thank you, Madam Speaker.

First, on a couple of matters of House Business, before proceeding . . .

**MADAM SPEAKER:** Order please, order please.  
The Honourable Government House Leader.

**HON. J. COWAN:** Before proceeding to Orders of the Day, a couple of matters of House Business.

By agreement with the Opposition House Leader and the critic and the Minister responsible, the Standing Committee on Economic Development will be meeting at 10:00 a.m. this Thursday to review the Annual Report of Manfor.

As well, Madam Speaker, I believe there is an inclination, by leave, when going into Private Members' Business, the hour for Private Members' Business this evening, that we would call for Debate on Second Reading, Public Bill No. 17. That will be by leave.

I believe it also may be necessary to make some arrangements, by leave, to accommodate the Honourable Member for Emerson if he has not yet returned by that time. So we're prepared to do that if that is the case at five o'clock this afternoon.

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

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Community Services; and the Honourable Member for Lac du Bonnet in the Chair for the Department of Education.

## **CONCURRENT COMMITTEES OF SUPPLY SUPPLY - EDUCATION**

**MR. CHAIRMAN, C. Baker:** When we adjourned the other day, I suppose we were at the end of page 53, but I think it's the will to go back to page 52, Item 3. Financial Support - Schools. Is that right?

The Member for Fort Garry.

**MR. C. BIRT:** That is correct, Mr. Chairman.

One question I'd like to thank the Minister and his staff for providing us with the financial breakdown as it related to the grants in the capital program.

There were just two other questions I had asked earlier on and I'm wondering when we can expect to get it, dealing with the question of governance and the Court of Appeal, what questions were being asked, and then also the questions relating to the Teachers' Pensions Board Report that we were dealing with, I think it was Thursday of last week. We don't have to deal with it today. It's just when is it coming, that's all.

**MR. CHAIRMAN:** Mr. Minister.

**HON. J. STORIE:** No, Mr. Chairperson, I have not had an opportunity to sit down with the A.G. staff or the A.G. and review that particular request. I'm not sure of the legal protocol on that, but I have undertaken and will do that first opportunity.

Perhaps I can just anticipate some of the member's other questions which were raised and not answered at our last meeting. The first one dealt with questions raised to the Teachers' Retirement Allowance Fund Board, pertaining to investments, and I have a response from Mr. Burr, the director of the fund, and I could probably table his response. It would probably be the simplest way of answering the questions. I'll just pass those along to the Member for Fort Garry for his information and, if he has any further questions relating to that issue, he can certainly raise them at some other point.

The second issue was raised by, I believe the Member for Ste. Rose, about the standards relating to the replacement of brake drums, and we have some information which - first of all, I think it's important to note that the brake standards are set by the Federal Government, and there is very little flexibility in terms of either the specifications or the replacement requirement that falls to the school divisions and to others who operate vehicles for public transportation. So there have been changes in terms of the requirements and of course the department and the transportation officers in each division have removed brake-lining material which contained asbestos because of a requirement, and the new material that's used, the current brake design, leads to the necessity for earlier replacement.

Finally, the whole issue of whether it is in fact more or less expensive to contract bus services versus having a provincial system supported through the purchase of buses by the province, the only analysis that has been done by the department, which suggests using, I believe it's Pelly Trail as a model, would indicate that the true costs of transportation ranged in the neighbourhood of between 95 cents and 99 cents per kilometre, which is well within the range of costs for neighbouring divisions of between 82 cents and \$1.42.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. L. DERKACH:** Mr. Minister, just a question of clarification on that. He said, ranged from 95 cents to 99 cents per kilometre for the contracted division, and at 82 cents to \$1.42 for . . .

**HON. J. STORIE:** The range of neighbouring divisions.

**MR. L. DERKACH:** Does that take into consideration the capital cost of the buses and the garages and the maintenance crews who are employed in the garages?

**HON. J. STORIE:** My understanding is it's all of the costs related to operation. I should indicate as well that the school division in question actually approached, I believe, the contractor and requested a quote if the buses were in fact updated, that they operate with newer equipment. The costs for the division would be significantly higher than currently experienced, so that if you look at the whole range of costs . . .

**MR. L. DERKACH:** They're tendered. How can you be saying that?

**HON. J. STORIE:** Well, recognizing that the quoted price on a tender, if they were to operate with newer equipment, would be substantially higher than the prices currently in effect, so those prices reflect the use of existing equipment.

**MR. L. DERKACH:** I'd like the Minister to find out whether in fact they have taken into consideration or whether - he wasn't very specific about the garages and the maintenance staff who are employed in the garages, plus your maintenance supervisor, were included in the costs of the division buses.

**HON. J. STORIE:** Mr. Chairperson, I'm assured that in terms of the capital itself, all of the capital plus

interest, has been added into the equation and that when using statistics for comparison, other operating costs of the division, fleet were included as part of the calculation.

**MR. L. DERKACH:** Will the Minister table the information and the data for us?

**HON. J. STORIE:** I'll put it together and provide the member with a copy, yes, Mr. Chairperson.

**MR. CHAIRMAN:** The Member for Fort Garry.

**MR. C. BIRT:** Mr. Chairman, my colleague will be asking questions initially on the funding in section 3.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. L. DERKACH:** Thank you, Mr. Chairman.

May I first of all say that the financial support to school divisions across the province has certainly been of some concern over the last few years, and certainly this year it has not changed. The fact that many school divisions have been actively soliciting the Minister to look at the way that school divisions receive their monies and from the sources they receive them and whether or not there can be some possible changes to those, to the system that is presently in place, is an indication that this problem needs to be addressed.

We find that there are school divisions presently that are on one formula; a smaller number of school divisions that are on what we call a 1987 formula; and then there are somewhere in the neighbourhood of 20 school divisions that are on a formula which has a minimum guarantee attached to it. So obviously, sort of a common solution has not been found to address the financial needs of school divisions across the province.

Although representations have been made by both school divisions and municipalities, we have not seen any substantive changes, nor is there an indication that there will be. I would like to also make note of a newspaper article that appeared in the Winnipeg Free Press today, again pointing out the concerns that the funding for school divisions has to change in order for it to be more equitable and spread the share of responsibility for financing school divisions more equally.

To begin with, I'd like to ask a couple of general questions with regard to the first part of this particular category; and that is, what numbers of staff are employed in the area of financial assistance to schools?

**HON. J. STORIE:** Yes, Mr. Chairperson, the number is 26.5. The figure I gave you included the internal audit staff, which really should be separate. If you exclude the internal audit, then you have a total of 21.5.

**MR. L. DERKACH:** Is that up or down from last year, Mr. Minister?

**HON. J. STORIE:** It is down one, Mr. Chairperson.

**MR. L. DERKACH:** It is down one from the previous year. How many of the staff that are apparently employed in this area offer direct services to the school divisions in planning budgets and that sort of thing?

**HON. J. STORIE:** Mr. Chairperson, approximately five.

**MR. L. DERKACH:** Since the FRAME accounting formula was implemented, has there been a decrease in that number or has that number increased?

**HON. J. STORIE:** There is one less, approximately one person fewer. But as the member knows, the quality of the information and the flexibility and interchange is vastly improved.

**MR. L. DERKACH:** As I understand, there were some staff additions in order to get school divisions on stream on the FRAME accounting system when it was implemented first; at least that was my understanding.

Now that the FRAME accounting system is in place, are those people still employed because there are alterations being made to the system or is the system now sort of free of flaws and functioning properly?

**HON. J. STORIE:** Well, the system, I guess, is free of flaws. It is obviously, as any system, available for update as we go along. There was originally some other assistance being provided, but because it's implemented now and perhaps a little more understandable for both sides, they've been able to reduce their staff component.

**MR. L. DERKACH:** Is there a plan for school divisions to now start getting into an on-line accounting system on computers?

**HON. J. STORIE:** Yes, we do have that interactive capacity, but it isn't completely at this point. They can send us their data electronically, rather than waiting by mail, and they can send us data, but it's not a direct on-line relationship at this point.

**MR. L. DERKACH:** School divisions in the province, some of them have drawn their own route in terms of getting, I guess, the package for computers within their own system.

Is there a universal system that is being suggested to school divisions which can be tapped into the Public Schools Finance Board?

**HON. J. STORIE:** Yes, we are certainly recommending a set of equipment procedures, but we have not had to be too directive. I think school divisions are also looking for direction and trying to make sure that whatever software that is purchased, leased, whatever, is compatible and suitable.

**MR. L. DERKACH:** So there is a will to try sort of a universal system within the province. If that is achieved, there will be some cost to school divisions for implementing this equipment and the software, hardware, whatever it might mean.

Is there a budgeted amount by the province for capital for this kind of a system or is that going to be financed by school divisions on their own?

**HON. J. STORIE:** Most of the school divisions already have other hardware that they use for other purposes. I understand that in terms of the interconnect, they

really need a modem which costs \$400 or whatever in that ball park - once - it's a one-time purchase. In terms of the software, essentially we do have software and are recommending packages that make their systems compatible with the departmental system. So there are not a lot of exceptional costs to school divisions.

**MR. L. DERKACH:** Okay, I think that covers that area.

I'd like to go to the funding formulas for school divisions, especially this year. We have something like 20 school divisions that are on the original 1985 funding formula - no - 24 school divisions that are on the 1985 GSE funding formula, and 10 school divisions have now been placed on the 1987 GSE formula.

Can the Minister indicate what the difference between the 1985 and 1987 formula is, first of all?

**HON. J. STORIE:** Mr. Chairperson, I think this may in some senses seem like a semantic argument. I think I provided the member with some information about which formula - program, really - each division was on in terms of government support. All divisions are receiving support through GSE. There are, in addition to that, some guarantees which really are meant to I guess achieve some fairness, to make sure that we can respond to the uniqueness of individual school divisions.

There has been a call for a single funding formula in the province, and the Member for Roblin-Russell may be one of those who believes that it's possible to achieve that without having some other mechanism to dealing with uniqueness. The fact is that this year we have had special requests from I believe three school divisions for funding outside of the assistance already provided through the normal funding process. That included looking at whether in fact the full GSE, '87 GSE, met all the requirements or whether in fact some amendment wasn't necessary to provide sufficient resources for them to carry out their program through some other means.

We have really provided guarantees to make sure that no school division receives less money and, in fact, this year the minimum guarantee provided every school division with a minimum of 3 percent on block and equalization. So I think we have a base from which we operate, and what you're seeing in terms of divisions on other formula is really an accommodation of those school divisions.

We have not had a tremendous number of school divisions express dissatisfaction in the final analysis with the funding that they've received. As I said, 3 school divisions out of the 48 regular school divisions and the special schools and so forth - 54 in total. We have had three who have come back and said there are special circumstances.

As the member knows, if the province had said we have one simple formula that we're going to use and that's all we're going to countenance, those divisions would have been out of luck; that many of the other divisions who are on the '85 GSE formula guarantee or the minimum guarantee would also have been out of luck. Some of them would have been out of luck because their populations were expanding; others would have been out of luck because their populations were shrinking; others would have been out of luck because

of special transportation needs or other circumstances which are unique in the province in some respects.

I know that everybody likes to feel they're being treated fairly. My experience has been that when people say that they mean we want to make sure that our needs are met, in 1987 that usually means we need more money.

I think we have distributed it as fairly as one could anticipate that it is possible to do. The fact that three divisions made a special plea because of unique circumstances and in all cases were asking for more money beyond the formulas which were in place illustrates that very dramatically.

**MR. L. DERKACH:** Well, I'm sorry I can't agree with the Minister for several reasons.

First of all, when the 1985 formula was introduced - and I was present at those meetings where it was introduced - it was supposed to be the saviour of financing for school divisions in the province. This is going to be the formula that was going to apply to every school division regardless of where that school division was. Unfortunately, the formula didn't work. And because we're human, I guess we don't foresee all the intricacies that can occur when a formula is implemented and I don't blame anybody for that.

What I guess point to is the fact that there has been a rigidity in attitude in saying, well, let's address this whole funding formula business again. Obviously, the formula is not working in the way it was expected. Up until this year I think we had a maximum of 19 school divisions that were on that original formula, and others had to be grandfathered because of special circumstances, dropping enrolments and that sort of thing and I guess those things had to be addressed in one way or another.

But what has not happened is there hasn't been a stability established in the funding formula. We are doing band-aid kind of repair work to try and keep school divisions afloat, I guess financially, and try to meet their needs.

We see a 1987 formula in place and I ask the Minister to explain the substantive difference between the 1985 formula and the 1987 formula, which he hasn't done yet, and I'm going to ask that question again. Because in all seriousness and in genuine interest I would like to know what the difference is, why Lord Selkirk School Division and Agassiz School Division, Seine River, Hanover, Red River, Interlake, Lake Shore, Pine Creek, Turtle River and Swan Valley are now placed on a 1987 formula? Are these the school divisions that were on the 1986 formula? Or is there, in fact, a new formula now in place that we don't have access to information on?

**HON. J. STORIE:** Well, Mr. Chairperson, the differences in the formulas, 1985 GSE versus the '87 versus the minimum guarantee, are essentially in the amount of dollars that are allocated through the block in equalization.

The fact is that there are so many differences in terms of the placement of divisions on the formula indicates flexibility, not inflexibility. It would have been very easy to say we have a formula now and we're going to live with it. I think that was one of the

fundamental flaws in the ESP, the program that was introduced in 1980. The fact was that it was established on the basis of existing inequities in the system with no provision for changing those inequities or moving to a fairer position.

Whether in fact we're going to get to a position where we can find a formula that works, I think is largely going to be determined by the amount of dollars that we have to spend.

Certainly it would have been possible to have all divisions on the 1987 GSE formula had all of the divisions, all of the individuals who support school divisions been in good shape, had school divisions been prepared to meet the demand in many respects of their local population. Divisions respond differently to changing realities. Some have spent more, some have spent less. Divisions, historically, have responded differently to the needs in their divisions.

There are poor divisions who offer exceptional programming in the area of music and outdoor ed. and all kinds of things, and other divisions who have continued to provide a basic program, if you will. So without the government having some control of the program that's being offered, the amount of money that's coming from local support to support education, it's difficult for us to have a single formula that works.

I've said on many occasions that the Provincial Government does not control, in the final analysis, the amount of money that is spent in total in the province. School boards decide that. We can only decide within the overall context of government revenue how much to allocate to education, and after that's decided, to allocate the money that we have in as reasonable a fashion as we can possibly do it. So that's the context.

The specific question I think the member asked was how was it different? Essentially it varies in the dollars per pupil that were granted in '85 formula versus the '87 formula, and in the fact that the '87 formula provides significant increases in equalization dollars versus the 1985 formula. And equalization is something that everybody agrees to in principle.

Yes, equalization is good. That is true until of course you happen to be one of the divisions who is in a more fortunate position rather than less fortunate, then you tend to look at the whole pot and say, well, all I want is my X percent because I have X percentage of the students. Well, that may be fair in the perspective of the division making the request, but it leaves a lot to be desired if you're another division sitting with another set of circumstances.

**MR. L. DERKACH:** Well, can the Minister indicate which is the original formula in these two formulas? Is the 1985 formula the original GSE formula or is the 1987 the original GSE formula?

**HON. J. STORIE:** The '85 was the original, but remembering that the original formula is composed of three components. That has not changed. So I mean the formula is still in place, if you will. The 1987 GSE formula is based on the principles which were outlined in 1985 and reflect the intent of the legislation.

The member talked about stability. The fact is that this program offers more stability than many others school divisions across this country have, and that is

that there is a guarantee in the legislation that no division is going to receive less than it received the previous year. School boards in Alberta would be more than happy to have that kind of guarantee in their legislation.

**MR. L. DERKACH:** You don't want to compare the levels of support that school divisions here get and in Alberta. We're not here to defend or to knock down the Alberta formula because that's two provinces away, Mr. Minister. I'm more interested in . . .

**HON. J. STORIE:** We could go one province.

**MR. L. DERKACH:** . . . this particular province and what's happening here. And if this formula worked, Mr. Minister, we wouldn't - and you've travelled through the province not only this year.

This year, I would say, is an exception, because we have found that through response about concern from school divisions, there has been a better meeting of the needs than there has been in the past several years. But you and I know very well that there is a considerable amount of concern about the formula out among the school divisions. In fact, they don't know whether there is a formula that is in place or whether the Provincial Government, through the Public Schools Finance Board, can, at any time, change that formula because it may not suit the needs of that school division.

You said, in your response, that the only thing that is changed between the 1985 and 1987 formula is the amount of dollars to the block and equalization formula. Does that mean that the per pupil grant for each of those 10 school divisions is different? You said it changed, the per pupil grant changed?

**HON. J. STORIE:** Well, Mr. Chairperson, the difference is that the GSE is calculated for every school division and then you calculate whether, in fact, using the block and equalization formula that was in place in 1985, would they have gotten more or less; and school divisions get to choose the formula they want. They choose the greater of the amounts of money that's eligible to them.

**MR. L. DERKACH:** Is the Minister now saying that that's the only difference between the 1985 and 1987 formula?

**HON. J. STORIE:** Essentially, I've given the member the areas in which the two formulas are different. The only other changes have been in addition to the categorical supports which would have been in effect and would be available for every division; for example, the increase in the transportation grant.

**MR. L. DERKACH:** So what the Minister is telling me is that the 10 school divisions that are under the 1987 formula are all receiving equal dollars based on a per pupil basis?

**HON. J. STORIE:** Yes, Mr. Chairperson, the wording is actually the lesser of the block per pupil or 51 percent of supportable expenditures and every division is calculated on that basis. If the '85 formula is more beneficial, then they can take advantage of that set of calculations.

**MR. L. DERKACH:** So is the Minister saying then that it is up to the school divisions to opt for either the '85 or '87 formula?

**HON. J. STORIE:** We do those calculations.

**MR. L. DERKACH:** But who decides which formula they want to go under?

**HON. J. STORIE:** Well, if they would want less money, I'm sure we would accommodate them. No one has expressed that interest to date.

**MR. L. DERKACH:** What now is the situation with the minimum guaranteed school divisions? What formula are they under?

**HON. J. STORIE:** I don't do these calculations personally, my calculator isn't big enough. I would assume that if the '87 GSE had indicated that the school division was not eligible for increased funding and we provide a minimum guarantee - which we did this year - of 3 percent that they would have their support pumped up to reflect that guarantee.

**MR. L. DERKACH:** What kinds of factors would indicate that the school divisions would not be eligible for an increase or a decrease in funding?

**HON. J. STORIE:** Well, I guess drop in enrolment is the one that comes to mind most often; where fewer pupils are transported. I guess the elimination of programs might have an effect; that, in fact, if they had removed one or two programs, that would change, so those would be two.

It can be affected in an adverse way, the other way as well, where you have a very large increase in student population which would require the addition of many, many teachers and so forth. We have an example of that happening and St. Vital is probably the most obvious example.

**MR. L. DERKACH:** St. Vital?

**HON. J. STORIE:** Yes.

**MR. L. DERKACH:** One of the complaints of the formula from Day One has been the fact that because it bases the revenue on a previous year's expenditures that in fact the high-spending school divisions are the ones that benefit most from the formula; whereas the low-spending school divisions are the ones who suffer most. And I think we've seen examples of that and that is what has caused some of this discussion and concern by school divisions across the province.

**HON. J. STORIE:** Well, Mr. Chairperson, that concern has been expressed. I don't know whether the Member has seen a response that I sent to the 14, I believe, 14 or 15 divisions who made a presentation to me last summer, who represented from their point of view the low-cost school divisions.

The interesting part of that exercise was when you reviewed the percentage of provincial support going to the so-called low-cost divisions, it was somewhat

ironic because the majority of them received a far greater share of provincial support than did the so-called high cost divisions; Winnipeg School Division is perhaps a perfect example. Winnipeg as seen as a high-cost division, receives, I believe, the lowest percentage of provincial support of any school division. Divisions such as Brandon received more than 80 percent of provincial support in terms of supportable expenditures.

So it isn't very consistent. We've got a group of divisions out there who are saying, we're not getting our fair share and yet when you look at the percentage of support that they get from the province compared to their expenditures, you find that their percentage of support is much greater than the so-called high cost divisions.

Again it's a question of how you approach it. The perception has been that because high-cost divisions were spending a good deal of money but provincial support program gave them extra money, which is quite true. The fact is that low-spending divisions did not require any additional support.

**A MEMBER:** Oh.

**HON. J. STORIE:** Well, the member says "Oh." Well just listen.

Any additional support coming from the province would have, in fact, increased the percentage of provincial contributions to education. So, I mean, what they were asking for is that there was a group - in terms of the percentage of contribution that's coming to the province - are in a fairly good position, saying well we need more, because we don't think that the formula is established in a way which encourages people to be frugal and responsible, which we feel we've been.

I'm not going to reflect on the spending habits of those divisions who are identified by some other divisions as high cost. They have provided programs that they felt were necessary, and I pointed out to the low-cost divisions that in some cases, perhaps not all, but in some cases, those divisions also have exceptional needs. Winnipeg 1 would be one of the more obvious examples.

Mr. Chairperson, just for the member's information - I don't know whether the member has this information. I can certainly get him a copy of my response to the low-cost school divisions but, as an example, one school division which identified itself as low cost in 1987 is receiving some 89.6 percent provincial support as a percentage of total supportable expenditures. Another low-cost division is receiving 88.9 percent; another one the member may be familiar with, 88.4 percent - Turtle River. So many of the divisions that were low cost are already receiving more than the provincial average in terms of share from the province. It's fairly consistent, a fairly consistent pattern.

**MR. L. DERKACH:** Mr. Minister, first of all, I'd like you to table that response that you wrote to the school division because we are not . . .

**HON. J. STORIE:** I will certainly do that.

**MR. L. DERKACH:** . . . in possession of that.

But, you know, it's very easy to almost take things out of context and say well, those spending school

divisions are spending more. But let's go back, let's follow it through step by step, and let's take a look at the low-spending school divisions in terms of programs perhaps that, when they were under the old formula, they were attempting to run their school divisions effectively and efficiently and, to that extent, they had to trim programs because they could not afford to keep burdening the local taxpayers with more dollars.

When this new formula was introduced, it was going to eliminate this business of some school divisions having to go to the taxpayer for huge sums of money, because the province was now going to be moving up to a more equitable share of financial support to school divisions. In fact, in some school divisions, that happened. In many, it did not happen. The reverse happened, and we found that special levies in school divisions - and this is documented very well - have increased substantially. This is probably one of the first years out of the last three where we don't see huge increases to special mill rates.

Some school divisions, low-spending school divisions especially, had to go to nominal surplus which they had accumulated not from provincial revenue - and that has to be pointed out. School divisions who have nominal surpluses did not accumulate them at the expense of the province. Those nominal surpluses were accumulated as a result of good financial planning, and also the surpluses were put there by local taxpayers.

Now the province has forced those same school divisions, because of its lack of support through its formulas, to take monies out of nominal surplus to keep special mill rates down. There are school divisions that, had they not had the nominal surpluses, would have had to have exorbitant increases in mill rates.

Therefore, we can talk about percentages but, when we take a look at the example that was given between Fort Garry - and we're not talking about the fact that one school division is given more money; we're not saying that at all. What we're saying is that some of the low-spending school divisions are not receiving their fair share.

In comparison, their local taxpayers are having to bear a greater share of the burden.

**HON. J. STORIE:** They're not. Mr. Chairperson . . .

**MR. L. DERKACH:** Excuse me, I'm not finished yet.

**HON. J. STORIE:** I'm sorry.

**MR. L. DERKACH:** There's an example between Fort Garry and Portage and Brandon. We find that, in the final analysis, when we take a look at the 1986 net school taxes, when the budgeted per pupil expenditure in Fort Garry is \$4,000; in Portage it's \$3,914; and in Brandon it's \$3,185, the taxes that have to be raised from special levy in Fort Garry are \$342, in Portage are \$225, and in Brandon are \$351. Even their mill rates, in Fort Garry, are 33.2; Portage, 41.9; and Brandon, 22.3. So if we take a look at mill rates, Mr. Minister, we can say, well Brandon's mill rate is only 22.3 as compared to others which are substantially higher.

But let's take a look at the net school taxes that have to be raised on a per pupil basis. That is what

school divisions have been bringing to your attention, Mr. Minister.

**HON. J. STORIE:** Two things, No. 1, the member makes a good point. I mean there are implications, ramifications to this whole question of funding in terms of assessment.

I think that Brandon School Division has been one that has raised that and there's no doubt that assessment reform, as it works itself through the system and is hopefully completed in the early 1990's or by 1990, will have some impact on that equation.

We have recognized - and that is what the equalization formula is intended to do, is recognize the differing abilities of divisions to raise money locally in support of education. So it's not something that has gone completely unnoticed. The fact that there are variations between divisions, I guess, should not come as a surprise, but we have attempted to deal with that as best we can from a provincial perspective, I guess, in terms of the balanced assessment per pupil and the equalization formula.

**MR. L. DERKACH:** Another example, Mr. Minister, is the fact that if a school division in the interests of saving the local taxpayers some dollars decides to cut a program - and this was done in previous years - school divisions were forced into that because local taxpayers could no longer afford the exorbitant tax increases. So a school division makes the decision, and it is the school division's responsibility to make that decision, to cut a program. If a school division cuts a program, because of the funding formula that's in place right now, automatically the revenue for the following year decreases. Is that true?

**HON. J. STORIE:** Mr. Chairperson, to the extent that the program that was cut was funded on a categorical basis, it would reflect in a reduced provincial contribution.

Is the member waiting for some additional response? I said, if it was a categorical program - not all facilities, services provided by school divisions are categorical in nature. Assuming that if they were going to cut out low-incidence support . . .

**MR. L. DERKACH:** Oh, no, we're not talking about that. I'm talking about dropping a program such as, let's say it's the music program that a school division decides to drop, because it's one of the ones that they feel will least affect the quality of education in their division. So they drop that particular program. When they drop that program, that means they reduce staff. That also means that they reduce expenditures which, in fact, means that they reduce the amount of revenue that they will receive in the ensuing year.

**HON. J. STORIE:** That's correct.

**MR. L. DERKACH:** That is correct. Okay.

The only way then, under this new formula - it's not a new formula anymore I suppose, but it's the only one - that a school division can get increased funding is to in fact hire more staff, implement more programs, increase their expenditures?

**HON. J. STORIE:** Basically, the member is correct, other than to say that the guarantee which was provided for block and equalization this year at 3 percent was irrespective of those changes. So there was a recognition that, even though school divisions choose to reduce their teaching component or whatever to in effect save money, costs aren't static, and that's part of the reason for the increase rather than a guarantee of 1 percent in addition. A minimum of 3 percent was provided this year.

**MR. L. DERKACH:** Mr. Minister, if a school division increases its staff component because they implement some new programs, the 3.8 percent only holds according to the whole formula because, as soon as you put those programs into the formula, it increases the amount of revenue that they'll receive. So, in essence, if a school division wants to receive more funding, the only way they can do it is to increase their expenditures through the implementation of new programs, more staff, etc. That is the complaint, Mr. Minister, because it does not foster efficient spending by school divisions.

**HON. J. STORIE:** Well if they remain static, they receive a static amount of money.

**MR. L. DERKACH:** If they remain static, who wants to remain static, Mr. Minister, in this day and age?

**HON. J. STORIE:** Mr. Chairperson, let's be clear on the argument that the member is putting forward. The member is suggesting that somehow the province should contribute more, even though the division doesn't change what it's doing. In other words, you're saying that what divisions want is the province to pay more and them to pay less in proportional terms. That's what you're asking us for. What we have said, and what the formula says -(Interjection)- well, the implication of your question is, you're not giving the divisions any more unless they do more. That intuitively makes some sense. If the division or the program remains static, then what we can do is try and provide them a minimal increase to allow them to maintain their position, not to improve it.

The presentation that I've had from many school divisions seems to imply that what they want is more help. They're not satisfied with the status quo. They want to be put in a better position than they've been in in the past, and that means that they want the province to pick up more of the tab for what they are doing currently. I have no problem with that. I certainly could take that forward to my colleagues in Ottawa or the Federal Government, you know, the same kind of position.

**MR. L. DERKACH:** Mr. Minister, clearly you're not wanting to understand what is being put forth here. I think if you take a look at the history of what is happening in school divisions - and I'm talking about low-spending school divisions - since this new formula was implemented, you will find that, when those school divisions came on the formula in the first year and those school divisions had cut expenditures to try and reduce the requirements on special levy, those school

divisions were affected most severely by the formula, and that is documented right through this whole province. You can find that anywhere, and those school divisions have made that argument and municipalities have made that argument.

We also find that, although the Minister boasts about keeping the mill rate constant for the province, we find that special mill rates in school divisions have gone up tremendously, and the Minister's response is that it is the school board's responsibility to change mill rates in accordance to how they see fit. Well sure it is, but if the provincial funding does not meet the needs of that school division, then what choice do they have. They have to increase their mill rate or they have to cut programs. If they cut programs, they receive less money in the following year. So it's just a vicious circle of them having to increase special mill rates year after year, and that's what's happened. If we take a look at the profile of special mill rates, we'll find that they have been constantly increasing at an exorbitant rate since this formula was implemented, except for those school divisions which may fall in the 1985 formula.

**HON. J. STORIE:** Mr. Chairperson, I didn't want to imply that special levy mill rates have remained the same across the board. I think the fact of the matter is that, since 1982, the range in special levy mill rates has decreased significantly. The range was something like 70 or 80 in 1982, and it's down to 35. So the fact is that we're getting closer to a position now where relatively each municipality, each town, each area of the province is contributing the same amount or relatively the same amount, closer to the same amount, from the special levy contribution. So that's true. That has been happening. The fact is that the low-spending divisions on average - perhaps there are exceptions - are substantially below the provincial average special levy mill rate, Brandon and many of the others, Dauphin included.

I want to point out as well that the member's assumption about what is happening to the share of provincial contribution to low-spending divisions is not accurate either. The fact of the matter is that in 1987, if you take Hanover School Division as an example, the operating support as a percentage of supportable expenditures has increased from 1985 to 1987. The province is actually taking more of a share. It has not changed. If you look at Lakeshore, it has increased. If you look at Turtle River . . .

**MR. L. DERKACH:** They're all in the '87 formula.

**HON. J. STORIE:** Well, the point is that those are low-cost divisions and the concern that they have that somehow, despite the fact that their special-levy mill rate has increased, they are not being treated fairly isn't supported by the facts. The facts show that in fact they are getting a higher percentage of provincial support of supportable expenditure than they were in 1985.

So there is a whole range of data out there that I don't think support the member's contention that somehow low-spending divisions or low-cost divisions are being unduly impacted by the formula.

**MR. L. DERKACH:** Mr. Minister, I think if you stop looking at percentages, which can be very deceiving,



and if you took a look at the real dollars that are flowing into every division, you'd find that in fact your argument is false.

When you talk about mill rates, sure Brandon School Division, as an example, has a mill rate of 22.3 mills. However, if you take a look at the amount of net school taxes on a per pupil basis that are paid by the Brandon School Division people, you'll find that they're far above a lot of the school divisions that are paying a higher mill rate. So if you increased their mill rate to 40 mills, what would those residents have to pay in per pupil taxes, in net taxes? That's the argument that we're using. It's the amount of dollars that have to come out of special levies.

**HON. J. STORIE:** Mr. Chairperson, I think I've made the point to the member on previous occasions that there is some rationality in looking at the affordability of the special levy applications. In fact, Brandon is a relatively wealthy school division, and I think that's a fair statement if you certainly compare them to some school division like Duck Mountain.

**A MEMBER:** That's equalization.

**HON. J. STORIE:** Well, it does.

So, Mr. Chairperson, just so the member can have some facts to deal with that suggestion, Brandon, as an example, is raising about \$830 per pupil, and that is substantially less than the provincial average which is approaching actually over \$1,000.00. So if you consider the provincial average and it ranges from divisions that are much less urbanized, have a very small, in any commercial base, Brandon seems to be faring not too badly.

**MR. L. DERKACH:** Well, Mr. Minister, I guess we can present our facts on Brandon School Division and you can present yours and we'd have a nice little argument about it. You know, you can twist figures any way you want to but we're finding here that, as a matter of fact, Brandon School Division is receiving in total something like \$2 million less than if it were entitled to the provincial average and under the balanced assessment per pupil, and it is receiving something like \$437 less than those students in Portage.

In addition, for example, Brandon School Division, the net taxes are something like \$351 per student as compared to Portage, which is \$225 and Fort Garry is \$342. We're not saying that Fort Garry should be increased or Portage's should be increased, what we're saying is the inequity is very evident and all of this stems from the fact that the formula does not work and is not equitable for the entire province and the problem has to be addressed.

**HON. J. STORIE:** The member can use his statistics as he will. I have a lot of difficulty with the conclusion that the member is drawing.

I have indicated that those facts are not supported by the amount of money that the province gives to support those school divisions. I'm not denying that the special levy has not increased. The fact is that their special levy was significantly below the provincial average and in some cases substantially below, and

it doesn't support the contention that somehow the formula treats school division, particularly low-cost divisions, in any discriminatory fashion; that if you look at the amount of money that school divisions are raising you will find many school divisions, even those who are high-cost divisions, raising substantially more money from their local taxpayers to support education.

The Winnipeg School Division which is the nemesis, if you will, of many school divisions in the low-cost group, spends approximately \$700 per pupil more on the basis of local support, and it runs the gamut. There are many, many divisions with a much smaller tax base contributing more. So I guess it will boil down in the final analysis to a review of the facts, but I think the principle has been, and much of the change over the last few has been, that additional provincial support has gone to school divisions by way of equalization.

I believe that in 1982 something like \$16 million - I'm looking just here, something like \$16 or \$17 million - was part of the equalization formula. In 1987 that figure was more like \$97 million. So equalization is a very important part of it and if we're going to pay more than lip service to the suggestion that it doesn't matter where you live, you should have access to quality education, then we're going to have to make sure that we're paying our relative share based on the community wealth, if you will, and I think we're trying to do that. That's going to leave some divisions who see themselves not achieving the same level of increase, the same level of provincial support, I guess, concerned or leave those divisions who are being asked to support to a greater extent the educational effort on the basis of local support, leave them concerned.

But I think if you look at the issue on one of fairness and equitability, or equity, you'd have to say that I think we're moving in the right direction.

**MR. L. DERKACH:** Well, Mr. Minister, I'm afraid I can't agree with you and I know that there are at least 12 to 20 school divisions in this province who can't agree with you either, and I think they've pointed that out to you.

**HON. J. STORIE:** Three.

**MR. L. DERKACH:** Oh, you've heard from three this year but you've heard from a lot more outside of this year as well. So I'm telling you that the formula is not working or else you wouldn't have had to put a minimum guarantee in it; you wouldn't have had to have a 1986 formula, this year a 1987 formula and also deviations from those base formulas as well.

I suppose we could carry on the argument but I want it put clearly on the record that there has to be a review and, Mr. Minister, you've just alluded to a review of the formula and I'm wondering whether you are making a commitment to having a review done of the financial support to schools this year.

**HON. J. STORIE:** Well, I've indicated to many people that really we're in a position now where the details of the program can be changed because of the fact that we have them computerized, the models can be changed very quickly, in that in the search for a formula that would, as you suggest, support the majority of

divisions in their efforts to maintain a level of service, we did in fact run several different models through the computer to look at the financial support levels for '87-88. We are going to continue to do that to the extent that divisions, people within the department, develop new approaches. We will certainly be looking at models for 1988-89 over the coming months.

**MR. L. DERKACH:** So, Mr. Minister, you are saying that you will be conducting, or your department will be conducting, a thorough review of the Education Support Program.

Are you going to be utilizing or conferring with school divisions throughout the province with respect to how the financial support to education or to schools can be changed?

**HON. J. STORIE:** Well, I'm certainly available for consultation and will be meeting with school divisions individually and through their executive, the Manitoba Association of School Trustees, over the coming months, and I'm sure that funding and the Government Support for Education formula will be part of those discussions.

I'm not undertaking a major review to amend or substantially alter the program at this point. I think if it becomes apparent that the current formula needs to be amended, then we will certainly undertake that. I've indicated that this year three divisions have approached the department because of the need for special consideration, and I can assure you that those divisions received special consideration. I think it outlines the fact very clearly that there are a lot of uniquenesses out there and that's why it is difficult to have one formula in place that satisfies everyone.

**MR. L. DERKACH:** Well, Mr. Chairman, to the Minister, I'd just like to indicate that I'm not suggesting that there is an easy, simplified solution to the problem.

I guess what I'm trying to impress upon the Minister is that there are concerns and deep concerns out there about the formula, and although the Minister has only heard from three school divisions this year, he certainly heard from several last year. The former Minister for Education heard from a whole host of school divisions about the problems that were happening as far as the funding formula is concerned.

So I'm not suggesting for one minute that it's an easy solution, but it is my hope that the department isn't stuck on the GSE formula and will look positively at perhaps changes that can be made to accommodate those school divisions that perhaps are having to go to their local taxpayers for unfair sums of money, and also keeping in mind the promise that was made by the First Minister that this government would be achieving the 90 percent level of funding to school divisions by 1990.

**HON. J. STORIE:** Well, without wanting to appear contradictory, the First Minister, as well as myself, has said on many occasions that that is a goal. Of course, I think it's fair to say that to achieve that goal is going to require some changes in the way education has been funded and, obviously, it's going to require some assistance and some cooperative undertakings between

our department and the Departments of Municipal Affairs and Urban Affairs as we go through the assessment reform process as well.

I think it's fair to say that we are not tied inflexibly to the GSE. The fact is that the 1986-87 change, which was a 3 percent minimum guarantee on block and equalization, reflects the fact that we recognize that we have to deal with a range of problems out there, including some of the problems that were raised by the low-cost divisions.

**MR. L. DERKACH:** In the Miscellaneous Grants for \$283,000, can the Minister indicate what those miscellaneous grants were made up of or what they were spent for?

**HON. J. STORIE:** The major ones, Mr. Chairperson, are the Canadian Bureau for International Education, Canadian Education Association, Creative Retirement Manitoba, Council of Ministers of Education, Manitoba Association of Principals, Manitoba Association of School Business Officials, Manitoba Association of School Superintendents, Manitoba Drama Educators Association, Manitoba Home and School Parent-Teacher Federation, Manitoba Speech and Debating Association, Manitoba Teachers' Society, Planned Parenthood, United Nations Association, World University Services-Canada and the Winnipeg International Children's Festival.

**MR. L. DERKACH:** Are these administrative grants that are given to the organizations to conduct their administrative affairs or are they designed to implement specific programs within those organizations?

**HON. J. STORIE:** Mr. Chairperson, in the main, they are core support grants, although there will be some changes, I think, this year. I've already written to the Manitoba Teachers' Society and indicated that we won't be sponsoring their luncheon. I think that we have an agreement between the Manitoba Teachers' Society and the department that that money could probably be spent in some other way, professional development or something else, in a more appropriate way.

These are always subject to change, but some of the administrative ones that the member referred to are by far the largest. The two are the Canadian Education Association and the Council of Ministers of Education which represent about half of the money, and those are just provincial contributions worked out on a per capita formula.

Some of the others go to sponsor major events - contributions towards the Associated Manitoba Festivals for example. It's a music festival and it's a contribution that the department has been making for years. Most of these have been ongoing grants that are used to help sponsor specific events.

**MR. L. DERKACH:** The grants that are made, are they made by ministerial discretion, or are there guidelines set down for these grants, or are there set amounts for specific organizations?

I notice that you mentioned in your response that there was a grant given to the Manitoba Teachers' Society, the Manitoba Association of School Business

Officials and the Manitoba Association of School Trustees.

Are there set amounts that these organizations get, or is it based on just a straight X number of dollars grant to each organization?

**HON. J. STORIE:** I think what has happened in the past is that there has been just a fixed dollar grant. Occasionally, although not this year, there have been 3 percent increases or marginal increases. There was no across-the-board percentage increase this year in those grants.

**MR. L. DERKACH:** In view of the fact that you will not be sponsoring the luncheon for the Manitoba Teachers' Society, I see that the figure has not changed.

Is that an insignificant amount or has that money now been channelled into other areas?

**HON. J. STORIE:** In the 1987-88 year, there has been no money set aside for that. I forget what the figure was - \$3,700.00.

**MR. L. DERKACH:** Okay, in the Assistance to Schools in Remote Settlements, I have several questions in that area.

First of all, what does that assistance go for specifically? I see that there's some for transportation.

**HON. J. STORIE:** It goes to cover financial assistance to students in unorganized territories. It goes to residents in Falcon Beach - transporting of high school students, special grants, support to high school students who have to move from their own unorganized territory or whatever, and also the operation of Falcon Beach School.

**MR. L. DERKACH:** My colleague has some questions on the Falcon Beach School. I'm wondering whether he can perhaps ask them specifically on that particular area right now?

**MR. CHAIRMAN:** The Member for Fort Garry.

**MR. C. BIRT:** Mr. Chairman, was notice sent out of the possibility that the school would either be closed or relocated? I think the Minister had indicated that some notice had been sent out for consideration.

**HON. J. STORIE:** Yes, the school had experienced a decline in student population from about 1974 to 1985 or 1986 and the question of closure, because of the decreasing size, had been raised. In fact, it had been raised informally I guess several times. I asked the department to do a review of the projections and, because of the possibility of closure, it required that we, as a department, use the guidelines that had been established by the department in terms of school closure.

So the formal announcement really said that we were looking into the disposition of Falcon Beach School. A fairly exhaustive study was done with the cooperation of individuals who expressed their concern and the need for the school, as well as an update of the projected enrolment for the school.

As a result of that analysis, it was very clear that the enrolment was increasing. Obviously the support from the community was there, and I believe at a meeting in mid-March, the community was informed that the future of Falcon Beach School was solid, that the enrolment in fact looked like it was going to be increasing again for the next five years, and that there are options still available in terms of the operation of the school, but the school will certainly remain open.

**MR. C. BIRT:** Mr. Chairman, he referenced to an increasing enrolment over the next five years. Assuming that stays, then are we looking at it at least being there for the next five years. Is it solely contingent on the population of students? If so, say they decline in three years, will you then have to go through your notice procedure again that you did this time?

**HON. J. STORIE:** Yes, Mr. Chairperson, I understand that the enrolment projections were carried out for more than three years. So it certainly looks like the school will be secure - absolutely - for the foreseeable future. As far as any potential change in those projections, the parents would be invited to participate in the same kind of process as other school divisions, when small schools are candidates for closure or rearrangement or whatever.

**MR. C. BIRT:** Mr. Chairman, is there any special assistance for that school, or is it just all of the costs of the school were picked up by the department? The teachers are working for the department, all of the operating costs, busing costs, all of that are just picked up straight by the department, is that how it operates?

**HON. J. STORIE:** Yes, all of the costs are assumed by the department.

**MR. C. BIRT:** I take it that part of the reason it's Crown-owned land, so that's why the school is operated where it is. What tax contribution do the local citizens pay, if any, for this service?

**HON. J. STORIE:** There are no property taxes as the member indicated, although the Department of Natural Resources is currently implementing - they've undertaken a review and the suggestion has been made that permanent residents within parks, in unorganized territories and living on Crown lands, will be paying a fee in lieu of municipal taxes, I guess.

**MR. C. BIRT:** If this comes to pass then, will some of this money flow then into the department as part of the ordinary education taxes that you and I would pay, or is it just something that's going to flow into government coffers?

I don't think there is any provision right now to flow that directly into the department. It will simply be offsetting revenue, probably, to the Department of Natural Resources.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. L. DERKACH:** Because this area deals with schools in remote areas, the Frontier School Division operates

under the jurisdiction of an official trustee, as I understand it. Is that still the correct term that is used?

**HON. J. STORIE:** Yes, although there was a change in 1985 or '86 -'85 I believe - in which the chair of the school board is the official trustee. So the role of the board and the relationship between the board and the department has changed somewhat because the chairperson of the board is elected as our chairpersons of other boards. He is designated as the official trustee.

**MR. L. DERKACH:** So the change is that before the official trustee was appointed and now the Minister is saying that the official trustee is elected?

**HON. J. STORIE:** No, the official trustee is still appointed, but what we have done to give Frontier a measure of local control and remove it - from what it saw as its colonial status I guess - was to have the school board elected and then designate the chairman as the official trustee. So it still retains the same reporting relationship to the department; however, that person is also elected.

**MR. L. DERKACH:** Mr. Minister, what you're saying, in essence, is that the official trustee is elected and, after he becomes the chairman of the board, he is appointed automatically.

**HON. J. STORIE:** I'm not sure, Mr. Chairperson, whether it's automatic or whether in fact the department could select another member of the board as official trustee. I could check that. The member's scenario may be, in fact, correct. I'll just check and see if we could appoint someone else.

Mr. Chairperson, I'm told, although we have not had official confirmation, that the Minister can appoint the official trustee, and in this case, the chairperson was designated as the official trustee.

**MR. L. DERKACH:** By the Minister?

**HON. J. STORIE:** Yes.

**MR. L. DERKACH:** Further to that, I guess because it's considered as remote settlement schools, what is the power of the school boards then? Is it the same as the power of an ordinary school board?

**HON. J. STORIE:** No, the school board is actually advisory because the Frontier operates on the basis of local school committees, and each individual community in fact has a school committee which is elected. Those local school committees serve in large measure the function of the school board. They have the authority to hire, to use the facilities and so forth, so they have those responsibilities. The school board serves as an advisory board to the Minister. It also serves similar responsibilities to a school division in terms of the overall programming within Frontier itself, going beyond just the local communities.

So it's quite unique, but I can only indicate that I attended the annual conference of school committees, school committee members in January or February, and the changes that have gone on there are working

well. There is a good deal of enthusiasm, an increasing enthusiasm amongst the school committees for their role, because they have a larger role to play in their local community than ever before.

The results, I think, have been a continuing improvement in the quality of graduates from Frontier Schools, also significant improvement in the involvement of members of the community in the school, because the local committee is seen to have a role to play in terms of school policy, and it's been quite a positive exercise. Certainly, the communities that I visit and have visited over the last few years are quite positive about the changes.

**MR. L. DERKACH:** Certainly I'm not suggesting anything wrong or derogatory about that process but I'm wondering, is there an evolving change with regard to the purpose of the advisory board in Frontier School Division. Will that eventual change result in a board that is elected by residents of Frontier School Division, which will have the same powers as local school boards throughout the province?

**HON. J. STORIE:** If I understood the question right, the answer is yes.

**MR. L. DERKACH:** Does that change not require legislation?

**HON. J. STORIE:** I believe it would, yes.

**MR. L. DERKACH:** Is the Minister contemplating a change of that nature?

**HON. J. STORIE:** At the present time, I guess no. I obviously will have an opportunity to meet with and I have met already with the Frontier board, the advisory board, and have not had that request come to me. I think basically the school board, Frontier School Board and the school committees are really in a developmental stage.

Certainly if that request came from the school board, from the advisory committee or there was interest in that at the local level, I would certainly be prepared to pursue it. I think, because of the way in which the school board is elected, there is a sense that it is representative. So although it isn't structured exactly like a school division, it has some of the same characteristics and, as I've indicated, has some of the same authority in terms of the overall programming and direction that Frontier takes as a whole.

**MR. L. DERKACH:** Well, Mr. Minister, because the chairman of the board is the one who the Minister appoints automatically as the official trustee, if that board is to be functional, does that not give undue powers to the chairman of the board? My question is: Why is it that the chairman of the board is the official elected trustee appointed by the Minister?

**HON. J. STORIE:** He's not the official elected trustee. He happens to be elected and appointed as the official trustee. Again, that is a power within the jurisdiction of the Minister. It's a bit of a contradiction, the official elected, appointed trustee, but the fact is that appointment could go to another person obviously.

The reason, the rationale for making the appointment as it is was because of the need to maintain, I guess, the regulatory authority between the department and the board while, at the same time, wanting to establish a democratic local milieu to the school board. Certainly, if it becomes problematic in any way, there is certainly scope for change.

**MR. L. DERKACH:** Well, I guess the concern - and there is a bit of a concern about the fact that the appointed board or the elected board who are presently acting in an advisory capacity are somewhat limited in their scope in terms of their power. Also at the present time, who does the superintendent or the two superintendents - superintendent and vice-superintendent - who do they answer to at the present time? Do they answer to the official trustee? Do they answer to the committees? Do they answer to the board or do they answer to the Minister?

**HON. J. STORIE:** Mr. Chairman, the superintendent answers to the school board. The role of official trustee is in large measure for administrative convenience. I think that's the point I was trying to make previously, that this board functions very much in the way that a school board functions, and the need for an official trustee was really an administrative one. The intention was to give Frontier the feel of a school board, and I think we've accomplished that. So I wouldn't want to attach too much importance to the designation of the role of the official trustee. Certainly, the individual who is currently chairman and official trustee functions as a chairman of a school board.

**MR. L. DERKACH:** Well, what the Minister is finally saying is that we do have a school board in Frontier School Division that acts very much like a school board in any other part of the province.

If that's the case, I'm wondering why the hesitation or is it procrastination in coming forth with legislation that would in fact give that school board the same powers, the same responsibilities as school boards in the rest of the province do. Then that school board can also have representation on the Manitoba Association of School Trustees where they would have powers to vote and also pass resolutions and make presentations to the government.

**HON. J. STORIE:** Well, Mr. Chairperson, the members of the school board, the Frontier School Board do attend mass functions. They may in fact not have voting powers.

The suggestion that we move to legislation I think is, as I said, something that would be contemplated if the school division, individual member communities or the school board were to make such a recommendation. At this point, because of the nature of Frontier itself, it is difficult to get a consensus amongst the communities to do that. Currently, the members who serve on the board are elected or selected from the communities - go to regional meetings where they are further selected.

Having a board would, I think, create a set of additional problems, because the question of representation is very, very important to all of those

communities. The community of Wabowden does not want to be represented by the community of Pikwitonei. They are very isolated communities; they share very little in common. So unless you have a board which was constructed of representatives from every community - and there are 34, 37 - you could have potential for some difficulties. That certainly was contemplated, and those issues have been discussed at the board level themselves. It is certainly possible to do it and, at some point, we may proceed to do that.

**MR. L. DERKACH:** Because of the Frontier School Division, in terms of physical size, has the Minister given any consideration to perhaps forming more than one school board, so that members would be more representative of the areas that they represent, as you indicated?

**HON. J. STORIE:** Yes, I think that has been contemplated as well. However, because again of the isolation of the community, the idea of a regional board which would encompass five or six schools or communities doesn't really carry that much support, because the communities within each region are as substantially different as communities in other regions in which Frontier operates. So . . .

**MR. L. DERKACH:** No different than the rural areas.

**HON. J. STORIE:** Well, the member's correct in one sense, although the communities in much of rural Manitoba have some more connection than these communities because of the relatively fewer problems with isolation. But some of the same problems exist, I acknowledge that.

**MR. L. DERKACH:** Members of these boards are apparently elected on the same basis that members on school boards in the rest of the province are elected.

**HON. J. STORIE:** No, the process is this, that individual communities hold elections to choose representatives at the community level. There are then regional elections to choose members on a regional basis, and those members then become board representatives. So it's a two-step democratic process, if you will.

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

**MR. J. WALDING:** Has the Member for Roblin-Russell completed his . . .

**MR. L. DERKACH:** That's fine, go ahead.

**MR. J. WALDING:** Mr. Chairman, on appropriation No. 3., for many years now the appropriation 3. has had (a) (b) and (c), and this year we see an item (d) popping up, labelled General Support Grants.

I wonder if we can have an explanation of why (d) occurs this year, and why it shows an amount that was spent under (d) for last year, when (d) did not occur.

**HON. J. STORIE:** Mr. Chairperson, I understand that was a Department of Finance decision, that they decentralized that responsibility.

**MR. J. WALDING:** It says that the objectives are: "To provide special grants to school divisions to be utilized in pursuit of quality education," which I suppose raises the question, if \$13 million is for quality education, what is the other \$400 million for if it's not for quality education. But the main question of course is: What did this amount of \$8.7 million cover last year, and what does the \$13.5 million cover for this year?

**HON. J. STORIE:** Mr. Chairperson, I think that particular amount is an offset provided through the Department of Education, I guess, from the Department of Finance to assist school divisions in meeting their additional staffing costs for this year.

**MR. J. WALDING:** That's what I read in the book here, and that didn't tell me very much. I wonder if the Minister would expand a little bit on that, and tell me just what it was for and who received how much and on what basis.

**HON. J. STORIE:** Mr. Chairperson, I believe that each division received obviously an increasing level of support this year, based on the number of staff and the cost of staffing. So it's simply an increase year over year, reflecting the increasing costs that divisions have had to incur.

**MR. J. WALDING:** Was it then paid out on a per-teacher basis last year, and why has it gone up by nearly 50 percent?

**HON. J. STORIE:** Mr. Chairperson, the overall amount, based on the total payroll, increased by approximately 50 percent.

**MR. J. WALDING:** I'm still a little bit vague from what the Minister says as to what the basis for paying it out was on.

Was this a sort of a bonus for every warm body employed in a school or just a gratuitous grant, or what is the basis of it?

**HON. J. STORIE:** The basis is a recognition that school divisions are facing increasing costs of staffing, and this is an offsetting grant to make sure that school divisions don't have to assume full responsibility for those costs.

**MR. J. WALDING:** But on what basis was the money paid out? Was it according to the grid or according to . . .

**HON. J. STORIE:** Yes.

**MR. J. WALDING:** To everybody, or just what basis?

**HON. J. STORIE:** It was paid out on the basis of payroll costs.

**MR. J. WALDING:** Is it then proportional to the payroll cost of that particular division? And if so, at what rate?

**HON. J. STORIE:** I don't have those numbers. The Department of Finance obviously does those

calculations. I just look at the numbers. Obviously, we're talking about an increase of almost 50 percent, I guess, so it's paid out. It's an increase that reflects the additional payroll costs that divisions incur, and it's simply a grant to acknowledge that increased cost.

**MR. J. WALDING:** I'm still not clear, Mr. Chairman, on what basis that it's paid. I'm not asking the Minister to tell us how much John Smith received in dollars, but did every teacher receive a certain amount of money or did the school board receive a certain percentage or dollar figure in relation to the number of teachers on the payrolls? If so, what is the basis, and why has it been increased almost 50 percent? Is it because the formula has changed or the number of dollars per teacher, and what is that amount?

**HON. J. STORIE:** Obviously, the formula has changed, and the amount that's paid out is based on the total payroll costs for the division. It's not identified for a specific teacher. It's simply based on the overall costs of payroll, and the Department of Finance has the exact number, the basis for that calculation.

**MR. J. WALDING:** You say it's based on payroll. Is it based on the global figure of the payroll that that school division pays out, or the number of teachers, and if so, on what basis? Is it over and above the amount of per teacher cost that the division gets or is it part of that?

**HON. J. STORIE:** It's simply a percentage of the global payroll. That's how it is paid out to the division, so we're not identifying an individual teacher on the grid; it's a payout based on the total payroll costs of the division, global costs as you were suggesting. It's on all personnel, it's not just teachers.

**MR. J. WALDING:** So it would include caretakers and bus drivers and everybody else?

**HON. J. STORIE:** Total payroll.

**MR. J. WALDING:** I see. Was this a payment to school divisions for the first time for last year, or did we somehow miss it in previous years?

**HON. J. STORIE:** Mr. Chairperson, I think that's the reason that it's created the dilemmas, because it was in finance. This is the first year that it's been separated out. This is a payment that went to school divisions through - it was formerly called the Local Government Support Program. That was previously, I gather, in finance, when it occurred in finance.

**MR. J. WALDING:** Local Government . . .

**HON. J. STORIE:** Support.

**MR. J. WALDING:** The name suggests that it was not solely for school boards.

**HON. J. STORIE:** No, no that's correct. This support also went to local governments, municipalities.

**MR. J. WALDING:** Would municipalities receive it on the same basis, that is, some proportion of their payroll costs per year?

**HON. J. STORIE:** Yes.

**MR. J. WALDING:** Then the next question that I'm not sure the Minister can answer is: Were increases in grants made also to municipalities at the same rate as they were to school boards?

**HON. J. STORIE:** I would have to check with the Minister of Municipal Affairs, but my understanding is yes.

**MR. J. WALDING:** So the City of Winnipeg would have received or will receive this year approximately 50 percent more on a payroll basis than it did in grants last year, if the basis is the same?

**HON. J. STORIE:** I would assume that's correct. I'm sure that that would be reflected, I guess, in Urban Affairs or Municipal Affairs.

**MR. J. WALDING:** Will the Minister get the information for us as to what basis that money is paid out on, whether it's a percentage of the grants or exactly what it is?

**HON. J. STORIE:** Mr. Chairperson, I'm told by staff that it is simply a percentage of payroll, and it is paid by direct grant to municipalities in the school division.

**MR. J. WALDING:** If the Minister would be a little bit more specific and tell us just what the percentage is.

**HON. J. STORIE:** I believe staff have indicated that it's 2.15 percent currently.

**MR. J. WALDING:** Last year, or are we talking about '87-88?

**HON. J. STORIE:** Currently.

**MR. J. WALDING:** 2.15 percent of payroll for all municipalities and all school boards?

**HON. J. STORIE:** I believe that's correct.

**MR. J. WALDING:** So I would presume then for last year, was it then something like one and a bit percent, 1.5 percent?

**HON. J. STORIE:** Mr. Chairperson, I'm not certain of the percentage last year. I'm told by staff that this reflects about a 2.15 percent. But, as I say, last year was in the Department of Finance. I'm told that last year may have been about 1.5 percent actually.

**MR. J. WALDING:** Is this the amount then that appears in the Reconciliation Statement on page 50, transfer of functions from Finance, 8.7?

**HON. J. STORIE:** Yes, Mr. Chairperson.

**MR. J. WALDING:** I've looked through the Estimates Book and found it through this book on Supplementary Information, to find out where the amount of grants to private schools occurs, and I don't find the term anywhere. It was under 3.(a) in previous years, is it still there?

**HON. J. STORIE:** Yes, Mr. Chairperson, it's still there.

**MR. J. WALDING:** May I ask the Minister what the total amount is and at what rate it is paid out? Do we still have the - I forget the name of the program, where aid to private school money is sent to school divisions. Is that separate or is there only now one program of aid on a per pupil basis?

**HON. J. STORIE:** No, Mr. Chairperson, the dollars that flow to independent schools, private schools, flow directly; although individual school divisions and independent private schools do have shared services, which they negotiate between themselves with the approval of the department.

**MR. J. WALDING:** As I recall, when the shared services agreement first came in, the money was sent to the individual school board, which then negotiated with the individual private school, and the money then flowed in that manner. There was an agreement there.

Is that still in effect? Do we have a shared services program as well as direct aid to private schools?

**HON. J. STORIE:** Yes, the accord or the practice, I guess, as described by the Member for St. Vital, has been really essentially abolished; that no longer is it funded in that way. The shared services are apart from the aid provided to private schools.

**MR. J. WALDING:** Money which is paid for shared services does not appear under 3.(a)?

**HON. J. STORIE:** Yes, it is still shown in 3.(a), but the money that's provided in 3.(a) for shared services goes to the school division that provides the service. The other money goes directly to the private schools.

Mr. Chairperson, just so that it's clear, the amount of money that goes to shared services for facilities and resources is approximately \$186,000 - the amount of money that goes for shared services. Clinician services is approximately \$233,000.00.

**MR. J. WALDING:** Sorry. Could I have those figures again, please? The shared services program, 200 and?

**HON. J. STORIE:** Shared services for two different kinds of services. One is facility and resources and that amounts to \$186,000.00. The other one is clinician services which is \$233,000.00.

**MR. J. WALDING:** And the global amount that is paid directly to private schools for this year?

**HON. J. STORIE:** Approximately \$7.4 million, plus print and non-print resources which are \$40 per student.

**MR. J. WALDING:** What is the basis on which money is paid out for aid to private schools?

**HON. J. STORIE:** Apart from the grants to support shared services, the print/non-print grant, it's simply a per pupil amount.

**MR. J. WALDING:** Which is?

**HON. J. STORIE:** The per pupil amount this year is \$894, which reflects an increase of approximately \$142 per student, which is the same per pupil increase as the public school received and means that at the current time the province is supporting approximately 30 percent of the costs compared to the public school system.

**MR. J. WALDING:** An increase of - did the Minister say \$140 over last year - would make it \$754 last year, which is an increase of something like . . . What is that as a percentage? I see someone with a calculator and it's quicker than doing it in my head. 20 percent?

**A MEMBER:** 20 percent.

**HON. J. STORIE:** 19 percent.

**MR. J. WALDING:** Did the Minister say that was the same amount of percentage increase that went to the school division?

**HON. J. STORIE:** No, in the last several years, the support to private schools has been the same dollar figure as the support to public schools, and as I indicated, with this year's increase, it would mean that private schools were receiving approximately 30 percent of the support provided to public schools.

**MR. J. WALDING:** I think the public schools would be very pleased to get an increase of 19 percent in provincial revenues this year. However, I wonder if the Minister could explain or tell us what the provincial levy on property is?

**HON. J. STORIE:** The provincial levy on farm and residential has remained constant since 1983 at about 43.7 mills. That's an average.

The commercial has increased from 81.7 to 87.4. The commercial had remained constant as well until this year and the increase represents roughly 5 or 6 percent, somewhere in there, in the commercial mill rate. So it's 43.7 and 87.4 on the balanced assessment per pupil.

**MR. J. WALDING:** Sorry, how does balanced assessment per pupil enter into the provincial levy?

**HON. J. STORIE:** I'm sorry, it's not per pupil. It's just balanced assessment. On the balanced assessment - not per pupil.

**MR. J. WALDING:** On balanced assessment or . . . ?

**HON. J. STORIE:** No, on balanced assessment. I shouldn't have added the per pupil there.

**MR. J. WALDING:** And I take it this is province-wide and all Manitobans or all Manitoba property is treated the same way?

**HON. J. STORIE:** That's correct, yes.

**MR. J. WALDING:** How much does the levy raise in a year?

**HON. J. STORIE:** This year approximately \$196 million.

**MR. J. WALDING:** That's a lot of money.

**HON. J. STORIE:** I should add there - I'm sure the member knows - that the provincial property tax credit rebates are a substantial portion of that. I believe the rebate now stands at about \$170 million, roughly, in rebate, which I think the original intent was to act as a balance to that. So the difference in terms of the contribution from property is some \$26 million.

**MR. J. WALDING:** The property tax credit, though, does not apply to the industrial and commercial, I take it?

**HON. J. STORIE:** No, that's correct.

**MR. J. WALDING:** Since the mill rate is the same throughout the province, is it taxation on the same basis for all Manitobans?

**HON. J. STORIE:** I guess the answer is yes. I can see that this is going to be a somewhat lengthy discussion. I guess the simplest way to say it is that the levy is on the balanced assessment, but the mill rate is on the individual assessment. So in fact all individuals may not be paying exactly the same amount, but it is nonetheless a provincial average and established on a provincial-wide basis on balanced assessment.

Now how much variation? I was asking staff what kind of variation, and the variations would be determined by additional construction, that kind of thing. So the balance of assessment would change from year to year, from area to area. I don't know if that clears it up any for you, for the Member for St. Vital, but that's the explanation.

**MR. J. WALDING:** Not on a new building which affects the total assessment in any municipality, but the levy applies on individual assessments, and since those are not done every year equally for all Manitobans, it means that some individuals are paying taxes on their one base and other individuals are paying taxes on another base which may be more or may be less.

**HON. J. STORIE:** The member is absolutely right and that's why it's on balanced assessment, which is a means of equalizing, I guess; perhaps not perfect, but I think a means of equalizing that. The member is absolutely right. So balanced assessment will leave part of the differences that occur because of the timing of assessments, differences in assessment at a given time.

**MR. J. WALDING:** Perhaps the Minister can define the term "balanced assessment" for us so that we know exactly what we're talking about.

**HON. J. STORIE:** My only comment for the Member for St. Vital is you don't want to know.



It's a mathematic formula designed to really reassess, recalculate the assessment based on a previous designation and I'm told by staff that it may be 1950 or '54. So it reflects concern that the member had that all assessments aren't up-to-date. It's a formula of which I don't have full command at this point; it's calculated by Municipal Affairs. I think the member knows that.

**MR. J. WALDING:** I'd like to know whether that balancing is done on a parcel-by-parcel basis within each municipality or whether municipality-to-municipality balancing occurs.

**HON. J. STORIE:** It's not done on an individual property basis. It would be done I guess on blocks for municipalities, on a municipality basis. So I mean even within there you could see there are going to be differences.

**MR. J. WALDING:** I've read the act having to do with the provincial levy and it does say the province may tax properties according to what the assessment is.

Now, as the Minister knows, there was a very famous court case about a year or so ago where the court told the City of Winnipeg to reassess all of its properties by December 31, and the people in this city are paying taxes according to that new reassessment at many times their assessment from previously. The City of Winnipeg is taxing on 1987 reassessment and the school divisions are taxing on that basis too.

I would like to know whether the provincial levy or Winnipeg is on those 1987 figures which are about four times higher than they were before when presumably they were comparable to the rural areas? Now are they now four times the size as before and are the people in the city paying four times as much on the levy as people in the rural areas?

**HON. J. STORIE:** Well, certainly they're not paying four times as much, because the mill rate is going to be changed. I think the mill rate will be about one-quarter of what it was in previous year. In terms of the establishment of the amount of money that's raised, it's based on the 1986 balanced assessment, I think. The 43.7 is on '86 balanced assessment.

I don't know what I need to add to that other than that Winnipeg as a whole has to raise so much money. If the actual assessment is four times as great as it was previously, then the mill rate will be one quarter. So it really won't have changed much in terms of the individual ratepayer.

**MR. J. WALDING:** I asked the Minister earlier on whether these mill rates applied to all Manitobans equally and he said, yes, they do. Now I think he's telling me that there will be a change in the mill rate for some people. Now, if you read the act, it doesn't say that there may be one mill rate in the urban areas and a different mill rate in the rural areas. All it says is that the province may tax all Manitobans at these two separate rates. Is the Minister now telling me that he's going to bring in an amendment to The Public Schools Act to allow him to make these differences, urban as against rural?

Not only that, but there are differential mill rates within the city at the moment which apply on different

rates of property. So what we are looking at is something like eight different mill rates within the city on city property and according to this - well, it's not eight, it would be 16 if there are two rates as against two in the rural areas. Now where do we stand and will this require a change in the act? If not, where is the authorization for the Minister to make this change?

**HON. J. STORIE:** Well, Mr. Chairperson, hopefully, this process will work itself out so that by 1990, we do in fact have a uniform basis for assessment and that's the goal.

I think, just to get back to your point, the fact or the suggestion that because of the differences, it's going to be affecting individual taxpayers in a more or less unequal way, I referenced that the average in the province, in terms of ESL, was going to be 43.7. It turns out that in Winnipeg, for farm and residential, the ESL levy turns out to be 42.78. So it's marginally different - this is for the Winnipeg School Division.

The mill rate will be, in fact, in 1987, more like 10.10 or 11 mills for the Winnipeg School Division for residential property, Residential 1, I should say.

**MR. J. WALDING:** Is the Minister then telling us that he is setting a different mill rate for urban members as for rural members?

**HON. J. STORIE:** The key is the amount of money that's raised; that's what remains relatively constant, the amount of money. We simply notify the municipalities and the City of Winnipeg how much money needs to be raised. The amount that's raised by individual properties, of course, is determined by the setting of the mill rate.

**MR. J. WALDING:** But you've already set it, Mr. Minister.

**HON. J. STORIE:** No, no.

**MR. J. WALDING:** You made the announcement back in January what it would be.

**HON. J. STORIE:** Mr. Chairperson, I don't think we need to change anything. In January, I announced that the mill rate for farm and commercial would be 43.7 on balanced assessment; in Winnipeg, as it turns out, that is reflected in the 10, 11 mill rate increase on ESL.

The proportionate amount for each individual hasn't changed. The total amount that we raise for education purposes hasn't changed other than reflected by increased assessment.

**MR. J. WALDING:** But that's not what the act says, and I presume that the government goes by the act and is governed by it.

The act says that you may levy an equal mill rate on similar classes of property throughout the province. It doesn't say that you can make it divided by four within the city, but everybody outside the city pays the full amount.

**HON. J. STORIE:** Mr. Chairman, I'm told that we are following the act because the act reflects or makes reference to the term "balanced assessment."

The fact of the matter is that there has always been differences between municipalities; and what we establish when we're talking about 43.7 is, in effect, an average; and I've indicated that Winnipeg is slightly below the average and some others may be slightly above.

**MR. J. WALDING:** You told me that you balance the assessment but all mill rate is the same on whatever the assessment is balanced to.

**HON. J. STORIE:** Mr. Chairperson, what I said was that the 43.7 was based on balanced assessment, but the 10 is the actual rate, 10 mills is based on actual assessment.

**MR. CHAIRMAN:** The hour now being 5:00 p.m., I am interrupting the proceedings for Private Members' Hour.

The committee stands adjourned until 8:00 p.m. and hopefully we'll have more clear answers at that time.

Thank you.

### SUPPLY - COMMUNITY SERVICES

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

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

The Honourable Minister.

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

In rising to introduce the 1987-88 Estimates of Manitoba Community Services, I'm pleased to inform members of the committee that Manitoba's social service system is improving and will be made even stronger to respond to current service and fiscal challenges.

For 1987-88, we are proposing expenditures of \$201.8 million or 11.7 percent more than in the fiscal year just expired. This is a major increase in allocations for our social services. The message it conveys is to the point. Our government is committed to building the social services required to meet the special social needs of Manitobans and new needs brought about by changing times and circumstances.

Governments across Canada are facing issues that will force them into rethinking and reorganizing social services: the increasing participation of women in the labour force, problems such as child abuse, wife abuse and abuse of the elderly, the need to ensure accessibility and participation of persons with handicaps in all aspects of society, the growing proportion of elderly persons in the population of Manitoba and Canada, the demand for high quality, accessible day care, the changing aspirations of Native people on reserves, coupled with considerable migration to urban settings.

All these still await full admission into the nation's spending and program priorities but, in Manitoba, we are acting on many of them, as well as urging action at the federal level.

Our record demonstrates that the social services we have are both effective and efficient but that we, in common with communities throughout Canada, have

some way to go to bring our social services to full maturity. In the past year, we fulfilled promises we made to Manitobans to protect vital services, to extend coverage and accessibility, and to ensure that services bring about greater justice, equity and protection for all our citizens. These have been accomplishments accomplished in areas such as the Welcome Home Program, new counselling services for abused women and higher grants to wife abuse services, continued development of community-based correction programs, more day care spaces and implementation of the government's commitment to the United Nations Decade of Disabled Persons.

We're nearing the completion of Welcome Home. Under this three-part program, about 220 residents of institutions for mentally handicapped persons are being placed in the community. Services in the community have been improved for a comparable number of at-risk persons, and the quality of programming in the institutions has been enhanced. This program has been successful physically, personally, and is a demonstration of effective, humane social services developed by government and Manitobans working together.

At the Manitoba Developmental Centre, as a result of the success of Welcome Home, we were able to close the Northgrove residence on February 23. Construction of the new Activities Building at MDC, where school and vocational programs now in Northgrove will be located is ahead of schedule, and is expected to be completed by the end of May. When the activities are moved out, Northgrove building will be closed.

We budgeted for significant increases in the community support services that are an essential part of Welcome Home. These include more community residences for mentally handicapped persons and a variety of care and support services in the community, such as training, skills development, pre-vocational training, crisis intervention services and respite care.

To illustrate how well Welcome Home has worked at the personal level, I'd like to tell you about Phil, one of the hundreds of Manitobans who have now been happily integrated into the community. Like many other residents of MDC, Phil was multi-handicapped. Now, in his earlier 30's, he has divided the last 20 years between MDC and foster homes. Through the interest and encouragement of a man who became his friend, Phil was able to leave MDC and move in with him here in Winnipeg. The friend enlisted the backing of neighbours and members of a local co-op, who formed a support group to make Phil's adjustment easier.

At first, he needed professional assistance to function in an ordinary house. Phil did not know how to look after himself or a household or to use household appliances. After some initial difficulty, Phil hired an attendant whom he no longer needs. Phil now cleans house and is a skilled cook, does his own laundry and grocery shopping. He moved in with his friend last September. By Christmas, the friend said, Phil had graduated from life skills. He took music lessons and swimming lessons and gained a wide circle of friends through church activities.

For a while, Phil worked at essentially non-paying jobs obtained through an agency that assists persons with mental handicaps but, impatient with dependence on the agency and encouraged by his friend, he found

a job on his own in a restaurant. A few months later, his job was ended by the closure of the restaurant and an operation which is now well behind him. Phil is again looking for work. He needs no professional or personal assistance, gets around Winnipeg easily and can live on his own, like you and me. His house friend admits there were tough times but, in assessing the six months they have spent together, he said, the nicest thing about living with Phil is that it's no big deal.

This example shows how the Welcome Home supports and programs have made it possible for people like Phil and for others who have required a variety of other specialized supports tailored to their individual needs to be absorbed into the community, and how even the more severely handicapped can be successfully accommodated.

I should like to turn to services for persons with disabilities and report on the current review of The Vocational Rehabilitation of Disabled Persons Act, or VRDP. Manitoba has cost-shared programs under VRDP with the Federal Government since it was enacted by Parliament in 1961. VRDP was useful for helping persons with disabilities prepare for and obtain jobs. But the act is no longer adequate for meeting the funding needs of programs, and the expectations of persons with disabilities have changed, as have community attitudes.

Consequently, we renewed our agreement with Ottawa last year only on condition that a full review be undertaken during the agreement. Manitoba has been a very active participant in this process. The review will doubtless offer a number of options for legislation and cost-sharing arrangements. We hope that the solution reached may result in improved and more appropriate services for Manitobans and all Canadians with disabilities.

Honourable members will be pleased to learn that Manitoba is actively fulfilling another commitment to implement a plan of action as part of the United Nations Decade of Disabled Persons. A coordinator for the decade was hired last summer to produce recommendations to present to me and my colleagues. A vital part of this process is community involvement and participation. The coordinator is consulting very closely with organizations representing persons with disabilities to ensure that their views are reflected in the recommendations for action.

Day care remains one of the highest priorities for my department and for the government as a whole. This can be seen in the 21.4 percent increase in Estimates for day care expenditures budgeted for 1987-88 to \$29 million. As a further illustration of our commitment, I should point out that this compares with \$5.7 million in grants and subsidies for day care in total in 1980-81.

For 1987-88, our goals for day care are to continue our policy of substantial increases in the number of day care spaces to develop in this fiscal year 625 more spaces, bringing the Manitoba total to more than 11,000 provincially funded spaces and homes; to enhance the already high quality of care offered; to enrich the diversity of our day care system and address the growing demand for day care in small communities and among farm families - this will be done through special rural demonstration projects; to support employer-sponsored day-care projects; to expand assistance to children with special needs.

In this field, we will begin to establish a system to provide day care centres in homes with the resources needed to enable more of these children to participate in day care. We have been accommodating children with mental and physical handicaps, and it's our hope this year to include 25 spaces for children with emotional and behavioural problems - to expand infant care by 80 spaces in day care centres and by 75 spaces in family day care.

We also believe that high-quality day care requires well-trained people who receive appropriate salaries. Because historically child-care worker salaries have been low, the government has provided direct grants for trained workers since January, 1986. A \$500 increase in these grants in 1987-88 will result in an annual salary enhancement grant level of \$2,800 per worker.

I want to look at day care nationally where Manitoba is an unquestioned leader. We're disappointed by the report of the Special Committee on Child Care. We had hoped that the Federal Government would demonstrate more leadership on behalf of Canadian children and families. Canada needs a well-planned, federally supported day care system, not just a fragmented series of recommendations which do little to improve the supply of day care spaces. While we are somewhat encouraged by Ottawa's timetable for development of a national day care plan, by the end of June, our optimism is cautious because the Federal Government has not specified to date the level of funds to be made available. No doubt, reports on that will be forthcoming in the next month or so. Manitoba intends to be a very active participant in these federal-provincial negotiations.

We also hope that Ottawa will make as strong a commitment to a national day care system for all Canadians as we've made to Manitobans. We hope the Federal Government will help us achieve a high quality day-care system that is accessible and affordable to all who need it.

After a year of operation under The Child and Family Services Act, the new decentralized agencies in Winnipeg are proving to be a strong presence in their communities and responsive to the different needs of different areas in the city. In keeping with the expressed aim of decentralization, a variety of new programs and responses to problems have been developed by individual agencies. Examples include counselling, drop-in facilities, community development and other prevention-oriented services geared to the agency's communities. Agency boards of directors, elected by community agency members, are very active and responsible in developing their mandates.

Further to this, we're in regular discussions with agency representatives on a number of issues with the aim of enhancing their ability and resources to provide locally based services.

Another highlight in services to children is the 17 percent increase in numbers of children in foster care in the past year. This is reflected in the 33 percent increase in funds for foster care for 1987-88. There are encouraging changes reflected in the increase. Agencies are placing many special needs children into foster care, who formerly would have been placed in institutions or group homes. This enables the children to live in a family environment. Last year, special needs children made up about one-third of those in foster care. This proportion has increased close to a half.

During last year's examination of Community Services Estimates, one subject of major interest was child abuse. This will remain one of the main areas of attention for the coming year. Honourable members have received copies of the final report of the review team that investigated the handling of child abuse cases in Winnipeg. At this time, I should like to reiterate my gratitude to the review team for doing an outstanding job on a difficult and sensitive subject. I also wish to invite comments and suggestions on the report from honourable members of this House.

We should keep in mind that enormous increases in reported child abuse cases in recent years have been an international phenomenon and are not unique to Manitoba. In part, the increases here are a result of greater public awareness of the problem, and increased accessibility of Child and Family Services agencies. We have, in one sense, been very successful at the identification stage, and the Child Abuse Review Team's report will help us all to move into a better position to provide services for the next stage, response and treatment. We're already taking steps to implement or explore many of the recommendations of the report.

It should be noted that responsibilities for accepting and implementing recommendations are widely distributed. In some cases, Manitoba Community Services is solely responsible. In others, we share responsibility with Child and Family Services agencies or with other government departments. In a few cases, the responsibility lies entirely outside the government.

Consequently, the disposition of the report's recommendation so far falls under three rough categories. Some recommendations are already being implemented. For instance, the provision of \$500,000 in 1987-88 will allow the Winnipeg agencies to improve the resources for responding to the increased numbers of reported child abuse cases, through either more caseworkers or increased treatment services.

Also in this category, we have formed the recommended Child Abuse Implementation Committee that consists of the Deputy Ministers of Community Services, Education, the Attorney-General and Health. It will ensure that recommendations move ahead and that interdepartmental matters relating to child abuse continue to be addressed.

In addition, in response to a recommendation, we're preparing a regulation under The Child and Family Services Act, to require agencies, by September 1, to have interdisciplinary committees to deal with child abuse in the communities they serve. Another category of response to the recommendation, involves discussion with agencies, other departments or bodies outside the government service.

As a result of the review committee's Interim Report of last November, we have been discussing with the agency's appeal committees to hear complaints about services, regional consultative committees on child abuse and global budgeting. Together, with the agencies, we are working on a plan for global budgeting. A senior staff member is spending most of his time on agency budget reform, and we've asked the agencies to develop a joint proposal for global budgeting. The next step will be discussions with agency representatives to work out the form of the revised financial system.

The third category of response is study and examination of a number of recommendations. Within

my department a study of agency workloads is proceeding. With the agencies, we are also examining ways of giving agencies greater control over emergency-receiving resources; in other words, facilities for temporarily caring for children who need care away from their homes. This is consistent with our emphasis on locally-based services.

What I've summarized here, Mr. Chairperson, is only part of the response and position we have taken on this important report. I'll be glad to discuss the report in greater detail when we reach the Child and Family Services resolution in the Estimates.

Honourable members have also received copies of the report of the Provincial Advisory Committee on Child Abuse, containing recommendations on the Manitoba Child Abuse Registry. We have invited comments from both MLA's and interested groups before we act on any of the recommendations. I'm pleased to report that two child abuse trainers have been hired, to work with agencies and all other bodies throughout the province that treat children. The trainers will help these organizations deal with child abuse and strengthen measures for prevention.

In a related field, my department is cooperating with the new Careers Programs, which is recruiting and training 19 workers, who will work in 12 wife abuse programs throughout the province.

Our allocation to Family Violence Services has increased 28 percent affecting growth and need and demand for these services. Most of the increase goes to external agencies; that is, to community-based groups that provide services to battered women and their families.

This year, we will increase development of two women's resource centres in Winnipeg, and are negotiating to start one in Thompson. Funds will be allocated to the Fort Garry Women's Resource Centre and the North End Women's Resource Centre, to expand their community-based information, education and assistance programs for disadvantaged women.

Other new services now being developed, in consultation with an immigrant women's planning group, are culturally appropriate services for immigrant families. In a similar vein, we are also working with Native women's organizations to develop a program for them.

I also wish to highlight the Wife Abuse Unit at the Public Safety Building in Winnipeg, which has been in operation nearly a year. It gives immediate support and information to abused women whose partners have been charged. It refers the women to other services they may need and helps them prepare for any trial that results from the charges. The unit has built up an outstanding record of helping abused women in crisis, and is well respected by judges and Crown attorneys.

In Corrections, we are preparing to start a very important project, the redevelopment of the former Canadian Armed Forces Radar Station east of Beausejour into Milner Ridge Correctional Centre. Milner Ridge will be a minimum-security institution and the first correctional centre in Eastern Manitoba. Obtaining the site gives Manitoba an opportunity to have a significant number of inmates at minimum capital cost, thus making possible a reduction in the numbers of prisoners at Headingley. In turn, this will also make possible the use of more space at Headingley for inmate

programs and facilities, such as classrooms, meeting rooms and other improvements.

We expect it will be a couple of years before Milner Ridge is fully phased in. The work programs at Milner Ridge should offer many benefits through employment opportunities and spinoffs to the local economy.

My department recognizes that there is a problem with overcrowding at the Winnipeg Remand Centre and a need for new Remand facilities. I wish to report that progress has been made toward construction of a new Remand Centre. The design for the new centre has been approved and detailed architectural drawings are now being developed.

With the Attorney-General's Department, we are also working on short-term alternatives to alleviate overcrowding at the present facilities.

The federal Young Offenders Act has made possible an expansion of community-based alternatives to sentencing of young offenders. However, Manitoba has experienced a number of problems with the legislation. The act has resulted in a great increase in the number of young people in custody, and consequently has placed some of our community and youth correctional services under great stress.

Nevertheless, my department is committed to maintaining those services and will continue its emphasis on community justice committees and use of community-based alternative measures. We will aim to increase and strengthen the use of community custody facilities in Northern Manitoba to reduce the need to remove offenders from the region to incarceration in the South.

We are also hoping to work with Indian band and tribal councils to reduce the disproportionate number of Indians in the Manitoba correctional system.

Mr. Chairperson, the programs I have outlined represent our strong commitments to social services. We will work to bring about greater balance and equity in Canadian society so that responsible compassionate governments can act to meet the service needs of our people.

Thank you.

**MR. CHAIRMAN:** We shall now hear the reply of the Opposition critic.

**MR. A. BROWN:** Thank you, Mr. Chairman. I thank the Minister for her opening statement.

I wish, Mr. Chairman, that I could say to the Minister that she's done a good job during the last year. I wish that I could congratulate her on her performance. I wish that I could say, Mr. Chairman, that let's sit down and plan a bigger and better program, many things that still ought to be done. Unfortunately, Mr. Chairman, I cannot say so. If I were to say so, I certainly would not be doing my duty in pointing out to the citizens of Manitoba that all things are not well within this department.

I can make the same opening statement on this Minister's responsibility, the Department of Community Services and Corrections, I made last year. Fine, the concerns I expressed last year are still the concerns of today. Last year, an extensive review of this department was spearheaded by the Opposition, and many problems of the department were focused on.

The Minister, however, Mr. Chairman, has done very little to alleviate the concerns expressed last year.

Mr. Chairman, we have been very patient with this Minister. We have pointed out the areas of concern of not only the Opposition, but of the citizens of this province. We have time and time again pointed out to this Minister that there are some things that will have to be changed in order for her to have a department which is going to operate the way that a department should operate and that is with responsibility.

Mr. Chairman, these things have not happened, and consequently we are very concerned about where this department is heading, and our patience has come to an end.

When the Minister divided the City of Winnipeg into six areas of Child and Family Services, we were favoured with many grandiose statements by this Minister. I quote News Service of December 22, 1983: "We will provide leadership, funding and set the standards which will enable agencies to deliver programs and services." According to the Final Report on Child Abuse in Winnipeg, on page 197, I quote: "Community Services will have to bear the responsibility if progress is to be made in detection, referral and treatment of child abuse. The report goes on to say that the No. 1 problem outlined, Mr. Chairman, and this report is lack of leadership. Mr. Chairman, this is indeed an indictment that this Minister cannot escape.

The No. 2 concern in this report is funding, insufficient resources to provide services. Mr. Chairman, an ever-increasing amount of the Minister's budget is going towards administration and a decreasing amount towards care of children. Exactly the opposite should occur. The Minister has the resources within her department, what is required is proper allocation.

The No. 3 concern of the report was standards. Need for standards to which the agencies can be held accountable. And I quote, the report says, "there are virtually no standards of service."

Mr. Chairman, not one of the things the Minister stated in 1983 has happened. On January 20, 1984, News Service, the Minister stated and I quote, "Overall, the development of a more equitable cost effective and community-based, prevention-oriented approach to the problems of children and their families will result." What does the report dealing with child abuse in Winnipeg say on page 100 and I quote, "There is no credible data system that can determine the effectiveness of different organizations." So much for effectiveness. What did the report say about prevention-oriented, page 95, I quote, "The reality for prevention services in Winnipeg in 1987 is one of fragmentation, confusion and lack of coordinated effort."

Prevention activities have become in part the intake for child protection services rather than the family support services as was originally intended in discussion papers prior to regionalization. Mr. Chairman, the Minister is not following through with her plans and intentions. The Minister pays no attention to criticism of her department. She ignores problems and consequently these problems become major catastrophes, as spelled out in newspaper reports, reports that we the Opposition receive, and certainly as reported on the Child Abuse Report, the Ombudsman's Report, and the Child Abuse Registry Report.

The problems in Community Social Services which provides program support for adults, vocational rehabilitation and mental retardation programs exemplifies a need for a complete re-evaluation of this Minister's programs and priorities. The neglect of the Manitoba Developmental Centre, lack of care of physical condition of the buildings, the sudden increase of mind-altering drugs being administered to the handicapped at the MDC, overcrowding, the failure of the Minister to find space for the handicapped in the community, the handicapped getting lost and found in difficult situations, the cause of which was attributed to understaffing, all these consequences indicate immediate action is needed at the MDC.

Mr. Chairman, the Minister's policy of moving as many people as possible out of the MDC into the community must come into question. Some residents need constant care and cannot benefit from community living. Some residents turn violent and are difficult or impossible to control in the community, unlike institutional care where there are numbers of staff and constant observation so that these persons can receive proper care without posing a threat to innocent people. Mr. Chairman, the death of Mitch Gowler certainly demonstrates that not all handicapped ought to be released into the community.

This Minister allows persons who have received no training, who have not been told that the mentally handicapped person that they asked to look after may be dangerous. She allows these persons who are willing to help with the handicapped to be exposed to life-threatening situations.

What has the Minister done as a result of this tragedy? Nothing. Mitch Gowler is dead. The handicapped person involved is back at his place in the community and we seem to be waiting, Mr. Chairman, for the next tragedy to happen.

The only statement we have heard from the Minister and I quote, "The only 100 percent safe place for a human being to be in is in the grave." This statement absolutely shocked the parents of Mitch Gowler who felt that, prior to this incident, Mitch was in a safe place with loving parents and with sisters and a whole circle of family and friends around him.

This Minister has done nothing to prevent such a tragedy from happening again and this demonstrates an absolute callous nature and a lack of understanding of the responsibilities, of her responsibilities.

Mr. Chairman, if we refuse to learn from episodes such as this incident, then persons like Mitch Gowler have died in vain. The Minister must ask for an immediate inquest into the death of Mitchell Graham Gowler. An in-house investigation will not do. Persons must be subpoenaed and testify under oath so that the department cannot be charged with cover-up.

There must also be an immediate independent inquiry into the Minister's policy of placing mentally handicapped people into the community. The Ombudsman's Report certainly demonstrates the need for an immediate and independent investigation into this Minister's policy regarding the mentally handicapped.

Mr. Chairman, we've seen no improvements in Child and Family Services during the past year. In spite of the fact that this department received a 13.6 percent last year and another 14.6 percent increase this year,

a 56.8 percent over the last five years, the Minister cannot resolve the chaotic conditions that exist within Child and Family Services.

Page 10 on the Summary of the Final Report on Child Abuse shows that funding increases go towards staffing rather than the maintenance of children. In fact, maintenance of children funding has decreased by 15.2 percent from 1984 to 1987.

In spite of the increase in funding for administration, there still is no direction from the Minister's office. No clear standards, no coordination, increased workloads, lack of placements; lack of placements is the major reason for increased workloads. Cases cannot be resolved or take extra time to be resolved because of lack of placements. The Minister recently indicated she will hire more social workers, then caseloads would be reduced. Mr. Chairman, let's look after the No. 1 problem of placements.

The problem of placements is lack of funding for foster homes or homes who are willing to accept children. The Minister's paranoiac concern regarding her bias of funding for private day care versus non-profit day care, where private day care does not qualify for subsidization by government, is demonstrated here.

The Minister will pay per diems of \$80.59 for placement at Seven Oaks; \$50 and up for other placements, such as, on occasion, motel placement; but she will only pay \$8.35 to \$14.29 per child per day for regular foster homes.

Mr. Chairman, foster parents have told me they will gladly open their homes for placements, but they lose money at the rates that the Minister allows to be paid. The result is that highly paid personnel cannot resolve cases, and the caseloads increase resulting in agencies not being able to perform in an acceptable manner.

The final report of the external review into matters relating to the system of dealing with child abuse in Winnipeg was highly critical of Child and Family Services as administered by this Minister. The resulting 55 recommendations of this report demonstrate the lack of ability of this Minister to cope with her administrative responsibilities.

Today's newspaper article in the Free Press exemplifies the immediate need for more placements. Children who have committed no criminal offence are placed into the institutions, such as the Manitoba Youth Centre, an institution specifically dealing with young criminals, and at Seven Oaks. Mr. Chairman, what a disservice to these unfortunate children, who mostly have no home to go to and are placed among criminals.

According to the newspaper report and I quote: "Many of these children who need emotional and psychological counselling often run away and end up on Main Street involved in drugs and prostitution."

Dr. Charles Ferguson, Clinical Director of the Child Protection Centre, reported 12 babies died violently or in circumstances that point to child abuse. Their Minister reported only six.

The Department of Community Services does its own investigations and this makes it possible to, first of all, have only very cursory investigations but certainly it is not in the best interests of the department to be highly critical of itself.

The Chief Medical Examiner, who reports to the Attorney-General's office, has expressed his concern and certainly, Mr. Chairman, the Minister of Community

Services should demand independent inquiries or indeed inquests wherever persons would testify under oath, so that all aspects of the death would be explored and the Minister could not be charged with cover-up.

The Minister's method of reporting deaths differs from the reporting procedures by the Chief Medical Officer. The Chief Medical Officer reported homicidal deaths at six in 1984; two in 1985; eight in 1986; and undetermined deaths at seven in 1984; six in 1985; and three in 1986. The Department of Community Services indicates no death due to child abuse in 1984-85 and only six deaths in 1986. There is no consistency in the definition of child abuse deaths, their reporting and recording.

How can this system learn from child deaths when there is inconsistency in reporting and recording deaths? How can the system learn how to cope with child abuse when none of the Minister's department attended a recent forum on child abuse sponsored by the Junior League?

I was fortunate to attend these excellent discussions at the Child Abuse Seminar sponsored by the Junior League, at which we heard representations from health, legal, education, day care and child and family service agencies, who are the main reporters of child abuse. This seminar concluded that the system is basically in place. What is required is the political will to develop what is already there.

This can only be done by assuming responsibility for the leadership role, in setting standards, for reporting, coordinating, coordinate training for all disciplines; both in investigation and treatment, and communication links must be established between the disciplines to make the system more efficient and effective. All this was focused toward the needs of the abused child and the treatment of the offender.

The Minister should heed suggestions by the Child Protection Centre, Family Services of Winnipeg and the Child and Family Services of Central Winnipeg, who suggest that regionalization of child abuse specialist teams at each of the agencies would cost more than there are resources available, and that there is not enough trained personnel to staff the six agencies.

What is needed is one central child abuse team, where qualified persons with expertise would evaluate and resolve cases, and upon completion of a case, they could then refer it to the appropriate agency. This would assure efficiency, this would ensure that the same standards would be used throughout.

The Minister is responsible for the regulation of the Native agencies, problems of reporting child abuse, problems of placements, leaving children in high-risk situations are prevalent. This was exemplified by the 14-year-old girl who was removed from her foster home in Alberta and forced to return to her natural parents, after spending most of her life with a foster family. She had to be removed from a northern Indian reserve after complaining of being repeatedly sexually raped by a group of boys.

Mr. Chairman, this case underscores a need for the establishment of some agency who will monitor child placements carefully. What has the Minister done so that this kind of situation will not develop again? Have the persons who raped this girl - who consequently was found to have venereal disease - have these persons been apprehended and brought to justice? Will more of these kinds of placements occur?

To date, the Minister has done nothing, and again she is shirking her responsibility. What has the Minister done to date with the case of three-month old Daniel Felix, who died of brain damage caused by violent shaking by his father; or with a second case of two-and-half-year-old Desiree Kozak, who died because of a brutal sexual assault? Why did we not have an independent inquiry immediately, to determine the circumstances leading to these deaths, so that steps could be taken to assure that placements or persons making placements could be removed?

Mr. Chairman, how many examples or lack of responsibility by this Minister do we have to tolerate before action will be taken to remove this Minister from her office? Instead, the Premier charges the Opposition for using tragic deaths for political profit. Mr. Chairman, lack of action by this Premier, in removing this Minister from office, is only assuring that more tragic deaths will occur.

No further progress has been accomplished within the past year to deter wife abuse. Current sentencing is not a deterrent; and follow-up, which is essential in these cases, is not occurring. In many circumstances, the wife would have been better off not to report abuse, because all too often cases are not resolved and the wife is forced to live under the same circumstances.

To date, very little has been done to add more spaces in day care. The Minister's bias in not funding private day care is obvious, even though private day care could provide many needed spaces. Parents are not given the option of placement in private versus public day care if subsidization is required.

We welcome the Minister's recent announcement of more funding, but we have concerns as to where this funding will be applied.

Construction of a new remand centre should take priority over any other major expenditure in Corrections. The intolerable situation, the overcrowding, the length of time when a person's apprehended and has to spend at the remand centre has to be resolved.

The situation at Headingley is not much different. Serious overcrowding is occurring most of the time. And this makes meaningful sentencing impossible.

Of interest, this past year, Mr. Chairman, was a charge of nepotism at Headingley. And in-house inquiry by the department cleared Headingley of these charges. Of course, Madam Minister, who would expect otherwise?

Mr. Chairman, in my opening statement I have demonstrated that the Minister does not heed criticism. Most of the problems in this department occur because most of her senior staff's claim to fame is that they support the New Democratic Party. The only way that the Minister tries to diffuse criticism of her staff is not by dismissal as is the usual method of dealing with incompetence and bad advice, but by a mere shuffle where the incompetents assume different responsibilities which they are incapable of fulfilling. The Minister makes statements that she cannot carry out, because no one in her staff is taking responsibility for giving direction or capable of coordinating a comprehensive, effective and efficient program, no matter in which area of the Minister's responsibility. The Minister charges the Opposition and myself with doing a disservice to Manitoba by pointing out her gross inadequacies. When her absolute bungling, her lack of direction into Native agencies is criticized, she accuses the Opposition of racism.

Mr. Chairman, my question to you is, who is doing a disservice to Manitoba? Who is racist by ignoring the problem in the Native community? Mr. Chairman, I have demonstrated that this Minister's complete failure in providing leadership and direction, unfortunately, as a result of this, innocent people are suffering and indeed dying.

Mr. Chairman, this situation cannot be tolerated anymore. The first Minister, rather than charging us with political opportunism, must remove this Minister in order that a start in rectifying the damage can be done so that this department can begin to function as it ought to and that is for the children of this province.

**MR. CHAIRMAN:** The Chair wishes to invite the members of departmental staff.

**MRS. S. CARSTAIRS:** Mr. Chairman, could I have leave, please to make an opening statement.

**MR. CHAIRMAN:** Does the member have leave? (Agreed)

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

I have a special interest in the Estimates of Community Services as do most of us. Not only because it is among the largest of departmental budgets but also because of a particular group of Manitobans it seeks to serve.

This group, according to the Minister is the most vulnerable in our society. For that reason I find the budget and what it represents a disgrace. It is an example of how NDP ideology overrides reality, of government's mismanagement and waste and failure to perform government's proper role and function and of the incompetence of this Minister in acting on behalf of these vulnerable citizens.

But problems could be greater than having a Minister who seems not to know that there are serious problems within her department. Recently there has been a series of highly negative reports about Community Services and many of its programs. A Task Force report on child abuse, the Ombudsman's report in the Manitoba Developmental Centre and the National . . . Report on the Welcome Home initiative have all listed glaring departmental deficiencies.

To all these the Minister has responded that she is on the right track. What will it take for the Minister to understand that the department long ago ran off the track and that the government, who says it stands up for ordinary people has fallen down on the job. Whether it deals with the new initiative such as the Welcome Home program or whether an existing service such as child abuse, this government has not delivered on any of its promises.

The cost of its failure in dollars is easily identified. The costs in human terms are harder to calculate but we know they exist. They can be found in an increasing number of children in the inhumane warehousing of people at MDC, in the increasing numbers of apprehended children, in the working parents' desperate need for adequate day care in a province that lacks over 7,000 spaces, in a prison system that inadequately treats, educates or rehabilitates, and a sentencing system that is a farce.

For these people, the Minister rewrites history telling them that she is reversing decades of problems and that the problem now lies with financial restraints. Mr. Chairman, the Minister should be informed that her party has been in power for nearly all of the last two decades including the past six years and therefore is responsible for existing problems. The Minister should also be informed that if fiscal restraint is being exercised anywhere by this government, it has yet to touch her department.

If she reviewed her own budget she would find that it has grown by over 57 percent in five years. That is \$57,402,700 more than in the fiscal year '87-88 than in the fiscal year '83-84. She may also want to know that the unrecorded deficits within her department can rival those of MTX, Workers Compensation, MPIC and all the other programs in which restraint is yet to appear and mismanagement flourishes.

In just one program, that of Child and Family Services, approved budgets were exceeded by almost \$28 million in four years. This is a deficit. Since fiscal year 1982-83 Child and Family Services costs alone have risen by over \$62 million or 155 percent. Those critics who have recently called for more money and more staff for Child and Family Services may not have understood that the present estimate is line item is \$58,533,800 more than was budgeted four years ago - a 131 percent increase. This program now costs \$103,225,000 and now absorbs 51 percent of the total departmental budget.

The four year fiscal history also proves that department Estimates are almost meaningless, that millions of dollars are squandered in addition to what is approved and that a \$28 million deficit in one program in four years is not a sign of fiscal restraint but of gross fiscal and program mismanagement even though administrative costs increased by 47 percent in three years.

In fairness, Mr. Chairman, this outrageous budget management proves that the NDP is non-discriminatory. Their incompetence and mismanagement may be found everywhere.

Can the government demonstrate an improvement in Child and Family Services worth an additional \$58 million? What is the community getting for its money? Can the government justify the allocation of 51 percent of its total budget to services which have patently failed to meet any of their ideological expectations and promises?

Mr. Chairman, I must question whether this Minister even knows what the actual costs are in her Child and Family Support budget, since she has provided no budget detail. I want to give notice to the Minister now that I shall be asking for specific budgets of all the external agencies and especially for the six Child and Family Service agencies in Winnipeg.

Child and Family Services costs have risen by 155 percent since the Children's Aid Society was broken up by this government. The Minister states that these costs are due to a large increase in caseloads, because of community based services. I have reason to question this. It appears that many cases are not new but are rather reopenings of the same cases because clients are not being appropriately served on first contact.

In a sample of 28 children in the care of one agency, 15, more than half were readmissions. In the absence



of any uniform statistics, standards of service, does the Minister actually know what is happening to these vulnerable children? We certainly know that the promised preventive services are not being given. We know the shortage of resources and the loss of qualified staff. The Minister attempts to excuse the fragmented, inept child abuse service by stating that she is beginning to build a multi-disciplinary approach.

Is she unaware that the Badgley Committee report on child abuse done in 1981 noted that Winnipeg's multi-professional approach to child abuse served as a model for Canada. Either the Minister is totally uninformed about past child welfare services or else she is blatantly rewriting history to obscure the havoc she has created.

Presently the Minister is undertaking a Work and Time Study in Child and Family Services. I predict that this will shed no more light on systemic problems and will only serve further to delay the kind of study which is really needed.

Mr. Chairman, it is time to require a line-by-line audit of the expenditures in Child and Family Services and a caseload audit as well. How else can this Minister justify the expenditure of so much of her budget for this program? Is she really understaffed? And if she is really understaffed and underfunded she should prove it, then corrective action can be taken and she will have my full support in any constructive remedies.

Meanwhile she might explain why the Manitoba Developmental Centre has received only a shocking 3.8 percent increase over a three-year span. This does not begin to keep pace with inflation. No wonder the conditions at MDC are so deplorable, even seem now to be physically dangerous for those utterly vulnerable residents.

How can the Minister justify this discrimination compared to her 15.8 percent increase this year alone for the Seven Oaks Youth Centre, where the number of beds has been decreased? The Minister has stated that a declining population at MDC made a larger increase unnecessary. How, therefore, does she explain the double standard for residential care?

When will the Minister keep her promise to give the legally mandated services to off-reserve Native agency? Why can't Ma Mawi, the Native agency in Winnipeg be given full legal authority for Native children in this city? When will she stop the reverse discrimination of wrenching urban-raised Native children from adoptive and foster families, sending them to far off reserves to families they do not know, with languages they do not speak, without any help or protection, as the brutalized child experienced through the Awasis Agency?

This Minister believes that money without management, services without standards and programs without policies are satisfactory for her department. I do not, not for those vulnerable people in her care, not for all those Manitoba taxpayers who really carry the financial burden for her ineptness.

It is time for the Minister to take a hard look at what is actually happening in her department, and these Estimate hearings will give her another opportunity to do so.

**HON. M. SMITH:** Mr. Chairperson, I can tell by the comments made by both members opposite that they

have a great deal of interest in the field, and I think that's an important thing to acknowledge. I think they also have a lot of commitment to building in Manitoba the kind of services that are effective and of which we can all be proud.

I can tell, though, from some of the questions and comments made that we very much need this Estimates debate because I think in each area of service it's important that when we are discussing policy direction, programs, effectiveness, that we do base it on something accurate in terms of what is going on, where the money is being spent, and what the criteria, the guidelines are for ensuring that it is well spent.

I look forward to the detailed discussion and I think most of the issues raised, which I feel could benefit from a great deal of more fact, so that we can on both sides of the House understand where Community Services have come from. They, in many cases, have been at a relatively underdeveloped state. This government has committed a great deal of time, resources, effort and thought and care to building those services. We would be the first to agree that they are a long way from mature, that there are strengths in the services, but that there are also areas that could stand improvement.

But I think again, the contradictions that I hear coming from the critics, that we spend too much, we spend too little, that we're dealing with too many children and we're not dealing with enough children and so on, again I think all these issues are better dealt with in the context of the specific programs.

I'll be more than happy to be patient with members. They may have run out of patience with me, but I believe that I do have a special responsibility to share the facts, to share the policy assumptions and directions that we are undertaking. We may, after discussion of those, agree to disagree, but I look forward to getting down to the detail and examining each area of the department with that careful scrutiny and respect for the actual facts and problems that exist, both in the community who we're trying to serve and in building systems which in many cases have no models anywhere across Canada. In many cases, we are addressing issues that have not been systematically dealt with in other provinces, and in many ways we are creating new ways of doing that. So I look forward to the detailed debate.

**MR. CHAIRMAN:** We shall return to Minister's Salary, Item 1.(a) as the last item, and I'm now calling 1.(b)(1) Administration and Finance, Executive Support: Salaries; 1.(b)(2) Other Expenditures - the Member for Rhineland.

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

First of all, I would like to thank the Minister for sending out the Supplementary Information for Legislative Review of her department, the Department of Community Services. It's the first time that we have received this, and it certainly is going to speed up the process quite a bit, especially during the first portion of her Estimates. We can see where the various people are working in her various departments. We can see the number of SY's. We don't have to ask these questions over and over again as to how many SY's, how many increases there have been. So all of these things of course are going to speed up the process.

I am however concerned, Mr. Chairman, that the annual report that we received came out in May of last year. That is a year ago now, Mr. Chairman, and the information that's in that particular report really is of very little value because it is a year old. We really have not been able to utilize the annual report to the extent that we would like. I wonder if the Minister can give us a reason why she came out that early with an annual report. It certainly has been of some concern to myself, and I thought that we had missed the tabling of the report, but then the Minister told me this had happened in May of 1986.

I wonder if the Minister can tell us why she is so far behind with an annual report.

**HON. M. SMITH:** Before commenting on that question, I'd just like to introduce my staff, Mr. Chairman. I'd like to welcome my new Deputy, Mr. Conrad Hnatiuk; my Director of Administration and Finance Division, Ken Gray; and the Director of Research and Planning, Rosemary Proctor.

With regard to the report, I note as all members do departmental reports tabled in the House and it has been customary the annual reports cover the previous year because there is time taken to reconcile all the figures. I don't wish to apologize for having compiled last year's results quickly. I think that's what the member is questioning. He could perhaps set it aside and pretend I just distributed it and that he had fresh information, but to put that sort of facetious comment aside, we will be prepared to bring updated information.

I think we can provide a fair bit for three-quarters of '86-87, though our final report won't be ready. But I do want to register that it's because we've been speedy in this regard that you're raising the issue, not because we are dilatory or following any different practice than any other department.

**MR. A. BROWN:** In 1.(b), can the Minister tell us if there have been any specific changes that occurred in there during the past year. I see there is an increase of - the increase is very slight. Is the major portion of that increase for salary increases? I see that Other Expenditures are the same. I wonder if the Minister can tell us: Have there been any changes in this Executive Support?

**HON. M. SMITH:** The only change occurs under Salary, and that covers general salary increments and salary adjustment, \$17,500.00.

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

**MR. G. MERCIER:** Thank you, Mr. Chairman.

I notice in the Supplementary Information organizational chart under the Minister and above the Deputy Minister, there's a group that is referred to as the Executive Policy Committee. Could the Minister indicate who is on the Executive Policy Committee?

**HON. M. SMITH:** Yes, the Assistant Deputy Ministers, the Director of Research and Planning and the Director of Administration and Finance. This is a team management group that we have in the department that meets regularly and conducts the regular business of the department.

**MR. G. MERCIER:** Mr. Chairman, could the Minister indicate why Aleda Turnbull was transferred from the ADM for Child and Family Services to Community Social Services? Did she receive a recommendation from the review team that she should be transferred?

**HON. M. SMITH:** Mr. Chairperson, in line with good management practice, I think the government does like to move people and take advantage of expertise in new areas. It's not only good for government to get different perspectives, but also for the individual to get a different area of operation.

We've been very pleased with the advances made under the direction, under the leadership of Aleda Turnbull in the Child and Family area, and are very happy to have her for the Community Social Services area. We have had considerable staff movement. As you know, my former deputy is now a deputy in the Central Treasury section.

**MR. G. MERCIER:** Mr. Chairman, if Ms. Turnbull has provided leadership in Child and Family Services in her role as Assistant Deputy Minister in that department, for what has been described in the Sigurdson-Reid report on page 4 as: "An almost complete absence of the centralized functions exists in this department for this type of organizational structure. There are in practice virtually no standards of service. A management information system is non-existent. Most records are kept in an archaic fashion, and the planning system is rudimentary," and it goes on and on. If that's the type of leadership that she exercised in that particular area, then I worry about the area where she is going.

Could the Minister indicate who now, in view of the promotion of the Assistant Deputy Minister, Mr. Hnatiuk, to the position of Deputy Minister, who is the ADM responsible for Child and Family Services?

**HON. M. SMITH:** Well, the first question first, with respect. When the writer of the report was questioned at a press conference as to the leadership given in the area, he indicated that the system had moved a long way forward under the leadership of Aleda Turnbull and that, in fact, the more we meet people from other provinces, the more we realize that some of our problems in Manitoba have been the very success of building a system that has built awareness in the community, built a good reporting system and the volume of identification has . . . - (Inaudible) - . . . standards and the information system and the planning process. I would just like to speak to each one separately.

The standards, as you know, there is new legislation, there are regulations, there are guidelines and protocols covering it. Standards are another degree of detail that, for a quite a period of time, a lot of the agencies really were somewhat resistant to. They thought they should have perhaps greater autonomy but, as they got into the child abuse area in greater detail and encountered a lot of the complexity, I think they themselves became more receptive to the idea of more detailed standards. It is that draft - the standards are actually in a semi-complete form now. They are being consulted with all the agencies and should have official status by this fall.

But again, rather than impose standards, we believe that part of the process of developing them is a consultative one, working with the agencies and the development of those has, in fact, or did, in fact, take place under her leadership.

The Management Information System, it's true that this department has functioned, as have many government departments in the past, on manual systems. The buildup into computerized systems, accurate and timely information, has been something that has really challenged us in every department.

The particular Management Information System in this department is three-quarters of the way through its development. It is a fourth-generation computer system; it's what we call "user-friendly" and supportive to the agencies; then at different levels of information are aggregated to the centre.

One reason that we've developed this type of a system, rather than some of the sort of traditional talk-down systems is that, in Ontario, where they did try a centrally-developed system and then tried to sell it to the agencies, half of them were not willing to adopt it. So we, with a lot of advice and research, have followed the other path and I think are going to be extremely pleased with it. It's true though that until all of that is up and operating, we have to work with the manual systems and work through a transition program.

The planning process in the department has seen a lot of development, where we're trying to now get very much in a capacity to project ahead; to get very timely information on current commitments of money; to assess each area of expenditure, standards and quality so that we can become a really effective coordinating department.

But in the past, there was a great deal of rather ad hoc relationship with many of the agencies that delivered care. Each agency was dealt with rather separately; there were negotiations on each budget, but there wasn't a lot of attention paid to overall coordination, or indeed to a province-wide, comprehensive system.

So having watched that system develop under Ms. Turnbull's leadership, I have been very pleased with it, but she herself would be the first to say that a system of the size and complexity, and indeed the volume that we're now dealing with - because we're so much closer to families and communities and we're seeing many more children - does take awhile to get all of that planned and fully coordinated at the centre.

The current acting Assistant Deputy Minister in charge of Child and Family Services is Drew Perry.

**MR. G. MERCIER:** Mr. Chairman, I don't know whether the Minister would want us to ask this question here or later on under Child and Family Services. Could she indicate what the cost of the Sigurdson-Reid Report was or does she wish to deal with that under Child and Family Services?

**HON. M. SMITH:** Our collective memories aren't completely accurate, so we'll provide that information. We're dickering somewhere between 40 and 60. There was one extension, so I will get that information for you.

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

**MRS. S. CARSTAIRS:** Mr. Chairman, unless I missed it, would the Minister like to introduce the three people who are at the table?

**HON. M. SMITH:** I did do it, but I'm prepared to repeat: Con Hnatiuk is our new Deputy Minister; Ken Gray is the Director of Administration and Finance Division; and Rosemary Proctor is the Director of Research and Planning.

**MRS. S. CARSTAIRS:** Thank you.

In the budget under Administration and Finance, Executive Support, the managerial staff has gone up by 7.7, which means one individual got a 7.7 percent raise; professional technical was 8.5; and administrative support was 5.9; for an overall increase of 7. Will that still be applying in that I would have assumed that the Deputy Minister was hired as the ADM of Child and Family Services at around \$48,000, has he jumped all the way to \$70,200, or is there to be a change there? And why are the other percentages so high when I thought that there was some attempt on the part of government to keep all increases to 4.4 percent?

**HON. M. SMITH:** Mr. Chairman, if the member could point to the figures that she is looking at, I have the detailed reconciliation here, but I'll need a little bit more clarification.

Are you following the . . .

**MRS. S. CARSTAIRS:** On page 21 of the detailed Estimates, or Supplementary Information for Legislative Review, it would show that 65.2 to 72 was 7.7 percent; 63.8 to 69.2 was 8.5 percent; 120.8 to 127.9 is 5.9 percent; for an overall total increase in salaries of 7 percent.

**HON. M. SMITH:** Mr. Chairman, the pattern of salary increase at this level, there is a salary increase each year and then there are a series of increments for a couple of years and then they end, so that this is a combination of those two factors.

**MRS. S. CARSTAIRS:** So back to my other question which is will the new Deputy Minister, presumably the former Deputy Minister, Mr. Mendelson, had already received some of his increases and some of his increments, presumably Mr. Hnatiuk would start in at a lower level? Will he also be getting the \$70,200 salary?

**HON. M. SMITH:** Well, each person carries with them their particular pattern. There are steps in the pay levels, and they move in on whatever is appropriate for them and that does account for minor variations depending on who the incumbent is.

**MRS. S. CARSTAIRS:** Presumably Mr. Hnatiuk was brought here from another province, didn't have any increments according to our Civil Service plan. Was he hired, first of all, at the ADM Child and Family Services at approximately \$48,000 which is what is budgeted along for the ADM Child and Family Services, and has he now jumped from \$48,000 to \$70,200.00?

**HON. M. SMITH:** Mr. Chairman, the preparation of the detailed Supplementary Estimates was prior to the

particular moves that have been made, and in fact the total for the year will be slightly less than print and that amount would lapse. This other figure would have been the salary had our previous Deputy Minister stayed in place.

**MRS. S. CARSTAIRS:** Well, Mr. Chairman, that's exactly why I asked the question. I mean could we now have what will be the line for managerial for this particular appropriation?

**HON. M. SMITH:** Well, Mr. Chairman, there can be variations if people come and go, so what we put in is a guesstimate but in this case, assuming that we retain our Deputy Minister throughout the year, will be \$66,000.00.

**MRS. S. CARSTAIRS:** Can the Minister tell us what this individual was originally hired at by this government in Manitoba?

**HON. M. SMITH:** Mr. Chairman, it was at a senior officer 4, one increment level below this. If you like I can get that precise figure for you but I don't have it to hand at the moment.

**MRS. S. CARSTAIRS:** A final question for me on this particular section.

I notice that there is absolutely no increase at all in the operating expenditures. Does this mean that we were overbudgeted for last year or that we in fact are underbudgeted for this year? Because, presumably like everyone else, there's going to be a cost of living increment required here in terms of transportation and communication.

**HON. M. SMITH:** We have managed within that budget and we intend to manage within it. I think throughout government there's a fair bit of effort to tighten up wherever we possibly can so that we don't have - I guess what we're doing is trying to contain the increases in some areas so that we have resources available in areas that we've deemed to be top priority.

**MR. CHAIRMAN:** 1.(b)(1) Administration and Finance, Executive Support: Salaries—pass; 1.(b)(2) Other Expenditures—pass.

1.(c)(1) Research and Planning: Salaries; 1.(c)(2) Other Expenditures - the Member for Rhineland.

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

We have a very short introduction in 1.(c)(2). It just says provide departmental coordination for policy program and related budgetary planning and for cost-sharing. Can the Minister be a little more explicit and tell us just exactly how far does this group go into coordination for policy and programming and budgetary planning?

**HON. M. SMITH:** Yes, well, this is the department that will coordinate all the planning and the budget information and deal with federal-provincial relationships; therefore, they're responsible for coordinating long-term and special planning practices. They coordinate any interdivisional and

interdepartmental policy development. They assist divisions in identifying emerging issues and formulating policies. They identify and coordinate research and evaluation resources, and represent the department on federal-provincial and interprovincial committees of officials.

We've actually been quite involved this year in negotiating with the Federal Government and indeed with other provinces, in areas like with the VRDP and the Canada Assistance Plan, and we figured further detail on that, again on Young Offenders Act, and so on.

**MR. A. BROWN:** Have there been any changes in staff in this particular area recently?

**HON. M. SMITH:** In terms of individuals, the specific individual, Rosemary Proctor, has taken up the task as the Director of Research and Planning. There's actually been a transfer of one person to Financial Services, and then the addition of half a staff covering the coordination of the Decade of the Disabled.

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

**MR. G. MERCIER:** Mr. Chairman, would the Minister indicate exactly what specific topics are being researched at the present time?

**HON. M. SMITH:** With the VRDP, which I referred to before, The Vocational Rehabilitation of Disabled Persons Act, that's our cost-sharing agreement with the Federal Government that we are renegotiating - it's an old act and doesn't apply very effectively to the range of programs that are needed - special needs children, as you know, our new act covers all children, including the mentally retarded that used to be under The Mental Health Act.

We are attempting to provide a variety of support services to children in the community or in their families. We call it a generic service and we're calling it the "Special Needs Children," cost-sharing with the Federal Government to see that we're maximizing the Manitoba share, most of that comes under the Canada Assistance Plan.

The Young Offenders Act in the youth area of corrections; we've had that act now for a couple of years and we are experiencing some problems with it, so there is a federal-provincial process in place to review and improve that. The whole area of Native services to children and families; we, as you know, have these tripartite agreements with the Federal Government on Child and Family Services. They've had a number of financial issues that have been unresolved, in terms of the past agreements. Then we're also into the extension, and hopefully, renewal of agreements; so that's a very complex area.

The Decade of the Disabled is generating - or developing a plan of action for the decade - a lot of issues that require planning and research. Then the entire area of day care, both as it relates to the development of our provincial program, and as it relates to the input we've had for an improved national program.

**MRS. S. CARSTAIRS:** Mr. Chairman, the staff person here paid under managerial, I assume, is Mr. Gray. Is

he different from the individual who was here last year; because, if not, he just lost 6.9 percent in salary.

**HON. M. SMITH:** Mr. Ken Gray shows up under 1.(e) and this salary here is for Rosemary Proctor.

**MRS. S. CARSTAIRS:** Could the Minister explain this column staff turnover? It first appears under Administration and Finance that minus \$10,000 and that's been taken down to \$3,700.00. Going through her entire budget, last year it stood at \$1.8 million. This year, it stands at \$1,020,000 for a difference of \$836,000.00. Why these tremendous differences year-to-year?

**HON. M. SMITH:** There's an item in here that is our guesstimate of the staff turnover factor, and as we've got a little bit more accurate information and sharper projection, we've been able to reduce that figure by the million dollar. Actually, I guess those factors, over time, were a certain percent, but as we've moved along the last couple of years, we've found that our staff turnover is very minimal and so we are not able to identify that.

**MRS. S. CARSTAIRS:** Well, I'm glad to see that they've been able to reduce it. I mean it's \$1 billion of money which they seem to have mysteriously found. But one has to question, when the entire staff turnover budget for the Department of Health is some \$865,000 to begin with, why you originally needed \$1.8 million and why you still need over \$1 million?

**HON. M. SMITH:** We reduce the overall payroll figure by that much. By virtue of looking at what our direct experience was, there used to be an allowance that was somewhat higher; it was just a sort of customary figure and what we're doing is bringing it closer to actual experience.

**MRS. S. CARSTAIRS:** I'm still concerned that this department, Mr. Chairman, seems to have an incredibly high turnover. Let's face it, we're talking about gains, we're not talking about expenditures here. We're talking about money actually accruing to the department as a result of staff turnover, and presumably, people coming onstream, and you're paying them less; and therefore you find a saving. But what is going on in this department that would indicate that you could have a saving of \$1 million, or a saving last year of \$1.8 million in staff turnover? How many people are turning over?

**HON. M. SMITH:** Again, I'll make one more crack at sort of resolving this; if not, what I'll do is bring a little reconciliation later. We used to have our total salary and then we would allow a certain amount for turnover, assuming that there would be vacancies in a large department during the year and there would be some delay in terms of filling them; so that it really was, the total salary minus 5 percent. That was considered a normal vacancy rate in a very large department. We have actually found that our experience is much lower than that, and therefore, in fact, instead of taking \$1.8 million off the salary to be accurate, we are just taking a \$1 million off, because we're not having the turnover.

**MRS. S. CARSTAIRS:** Can the Minister explain - and I'm still on page 23 of the subappropriation, so she knows where I am - the Other Operating which goes from \$66,400 to \$116,400 for a 75.3 percent increase. What is entailed in this very large increase?

**HON. M. SMITH:** Because of the way in which we're operating the consultations in the Decade of the Disabled, we're actually reaching out a great deal more to the community organizations; and that money is to provide for those consultations. There is a bit of travel and access money that assist people in attending those meetings.

**MR. A. BROWN:** Mr. Chairman, this is a rather important item that we are on, Research and Planning. It does cover a very, very wide area. The salary increases were 7.7 percent in 1987, and the increase this year is 5 percent, I believe, from 1987 to 1988.

Over the past five years, this spending has increased considerably. From 1984-88 there has been a 60 percent increase, so there has been a substantial increase over the past four years. My concern is that the report on child abuse was very critical on this particular area; especially, it made statements about the maximum use of federal cost-sharing arrangements, that we were not making use of all the cost-sharing that was available from the Federal Government. This is on page 237 of the final Report on Child Abuse. If we're not taking advantage of all the cost-sharing arrangements which are available, then why are we not taking advantage of it?

This is something, Mr. Chairman, that I certainly would like to know; and I would also like to know why they have not developed policies from which clear standards can be communicated into the Community Services Department. There's a lack of service standards and a lack of accountability for them. It's been highlighted throughout the report and from every agency which interacts with this department.

Policies of this department conflict with funding arrangements and, again, this is on page 241 of the Child Abuse Report. I wonder if the Minister can explain what is happening in this report and should she not be looking at some of the problems which her staff are encountering and maybe taking a look at some possible changes in this particular area, because this seems to be where a lot of her problems are coming from.

**HON. M. SMITH:** Mr. Chairman, I think there are a couple of items that are referred to here that the member is questioning. One is the cost-sharing with the Federal Government. We have had a unit working in Research and Planning for quite some time now, zeroing in on just those questions and actually they have been identifying significant areas where we either have achieved some redefinition and some increased funding, some reconciliation of past disagreements that we've had; and although we've been negotiating them, it does take two parties to come to an agreement, so there have been some in that area.

I think this particular group has paid for itself many times over in that type of successful negotiation. We've also been active in trying to influence how future cost-

sharing arrangements, particularly in day care and vocational rehabilitation are defined, so that we can maximize the return to the province; but also, I think even more importantly, match realistically the types of program needs that there are in the province, try to influence the federal funding in that direction. We've certainly been trying on an item like day care to get a cost-sharing mechanism that actually reflects the types of problems and the financial need in that area.

With regard to the funding and standards and accountability in the child and family service area directly with the agencies, that's a somewhat different matter and there are many issues there, particularly with regard to the six Winnipeg agencies in our regionalization.

We had identified fairly early on - and the agencies agreed - that they didn't want to move to global funding, where they would have full funding and then they could determine the priorities within their agency. They didn't want to deal with that prematurely.

For example, had we given them monies based on the previous experience, prior to the opening of the six agencies, they would in fact have been in very great difficulty. Because with their greater accessibility, the volume of need and the numbers of children and families being served has gone up very significantly and we have kept some of our funding mechanisms open; the child maintenance being contrary to what the member said in his introductory comments that we've been cutting back on it. In fact, there has been much more money spent in that because that's the area where the agencies have - when they have a needy child they can charge it through to us.

What we're engaged in now is their caseloads are starting to level off. It hasn't occurred in all the agencies but it appears to be appearing in one or two of the six; is that we are prepared to shift fairly quickly to a global-type budget. I think one of the suggestions that was recommended in the Child Abuse Report, which we look very favourably on, is that we would have an annual contract and discussion with each agency. We do it during the year but this would be a systematic and a periodic review of all the program patterns and the issues that have come up between them and us and we would come to an agreement year-by-year as to their funding base.

But, again, had we moved to that prematurely, we would perhaps have been doing them a great disservice, because they would have been trying to build the preventive family support services, at the same time as they were coping with an increased number of fairly serious cases requiring that children move into care and come under child maintenance.

So again, I think there are several dimensions in this. Part of the reason that we're having the problems, if you like, in child and family is that the very move to regionalized agencies has made us so much more accessible that we're now dealing with children and families, who were before ignored.

**MR. A. BROWN:** Well, Mr. Chairman, I don't know whether this particular area of policy and coordination of policy; whether they could not be dealing with this a little - whether we could term it as being prematurely

. . .

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

**MR. G. MERCIER:** Mr. Chairman, I'm not sure if the member for River Heights dealt with this, but there is a .26 staff person committed for Vulnerable Adults Legislation Coordinator. There was reference to this in the Throne Speech, wherein the government adopted a concept that was proposed by our leader and our party during the Session of 1985.

Could the Minister indicate who will occupy this position, for how long and what type of consultation will take place in developing - what I take will be - legislation for the next Session of the Legislature?

**HON. M. SMITH:** Mr. Chairman, I'm getting a mix between the Vulnerable Adults legislation and the coordinator of the Decade of the Disabled. The coordinator of the Decade of the Disabled, as you know, is Jim Doerksen and he's been operating in the department for a year.

The Vulnerable Adults legislation coordinator, we have someone who has done some preliminary work who now has another assignment, but will be spending the latter part of the year on the consulting around that legislation for - it looks now as though we're aiming at next year's Legislative Session, and this will be to look at some of the elderly adult abuse issues; financial abuse, emotional abuse, and, I presume, in rare cases, but still real cases, some physical and sexual abuse. We'll be extending our whole approach to the issue of abuse from children, to women, to adults.

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

**MR. A. BROWN:** Thank you, Mr. Chairman, and I apologize for losing my voice. I've been driving with the air conditioner on and I guess I'm not used to all this warm weather yet and the air conditioners.

Now my concern is, Mr. Chairman, that the Minister makes a statement that it is premature to do coordination of policy, of planning in this area because of the fact that the six areas have not been established long enough. Well, for heaven sakes, Mr. Chairman, it is now four years since we have established these six areas. How long are we going to be waiting before we're going to get a unified policy; before we get some coordination, so that we're going to get standards? How long are we going to wait?

I hope that this Minister is going to be able to give me the assurance today, that she is going to immediately take a look at this particular portion of her department because this is a critical portion of her department that she should be looking at. So will the Minister give me the assurance that she is going to take a look at this particular department and do something about it?

**HON. M. SMITH:** Well, we may be having a little miscommunication here, Mr. Chairman. The coordinating of Child and Family Services; again we were talking about the role of the research and planning group and I was referring to federal-provincial cost-sharing agreements that were being researched and maximized; and we've, in fact, been quite successful in getting a better deal for Manitoba in those negotiations, and so on.

With regard to the total area of Child and Family Services, there has been an ongoing consultative planning coordinating task being done, starting with the development of the very comprehensive new Child and Family Services Act, dealing with the policy issues like out-of-province adoptions, the development of Native policy guidelines. With the agencies, we've been working on their pattern of service delivery, training issues, the child abuse issues, foster care and so on. I think the member, when he asked the question was referring - I think he's sort of hopping back and forth between the child abuse issue and the general Child and Family Services.

As I say, there's a development process and some of the issues are stabilized and the policy's there and is being carried out effectively. Other issues are still in the process of being worked through.

Again, perhaps when we get to the Child and Family Service area, we can go through those in some kind of systematic detail. Right now I think, to focus on the function of the Research Planning group, it's really better just to highlight, I guess, the areas where they have been particularly active. That, I repeat, is in the VRDP negotiation, the Special Needs Children area, YOA, General CAP cost-sharing, Native Services, services to the disabled and day care.

We have, in fact, negotiated a 40 percent higher payment by the Federal Government in Native Child and Family Services, and we have also sort of, as a government-wide achievement, brought some additional cost-sharing from the Federal Government under CAP of community health centres, specifically for outreach services. As I say, there is a definition in the Canada Assistance Plan that sometimes doesn't have the same interpretation federally and provincially.

I say, we've been working very actively in our department and, as you can see, it sometimes has a benefit in this case for the Department of Health. But to maximize those kinds of services, some of the cost-sharing mechanisms will tend to favour one type of care over against another. In Health, it tends to favour institutional care over against community. On our side, we get more sharing for some of the community-delivered services than we do for institutional delivery such as MDC. So what we're doing is trying to go through systematically and maximize the cost-sharing and, as I say, we are successfully concluding many of those negotiations. Others are ongoing.

**MRS. S. CARSTAIRS:** Just one final comment on this subappropriation, we have now gone through two and we've seen two managers change. I know - and I mean this sincerely - that the Minister is committed to affirmative action, and I think it should be noted that the female manager was in fact expected to take less of a percentage or in fact a larger percentage drop in her position than was the male in his position.

**HON. M. SMITH:** Mr. Chairperson, the hiring of individuals and the level that they go in at in terms of Civil Service classification is related to the responsibility level of the job and the training experience required. The particular salary and the increment level is related to the particular relevant experience of the individual. As far as I've been able to determine, and I have

questioned it on several occasions, it's not sex biased. There is a consistent pattern across the Civil Service. We do in fact have a department-wide Affirmative Action Program, and I'd be able to comment on that should the members be interested.

**MR. CHAIRMAN:** 1.(c)(1) Research and Planning: Salaries—pass; 1.(c)(2) Other Expenditures—pass.

1.(d)(1) Communications: Salaries; 1.(d)(2) Other Expenditures - the Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, in Communications, we have a 10 percent increase over the previous year. I wonder if the Minister can tell us what kind of public program information is provided and what kind of education materials are provided. There has been a tremendous increase in this particular area during the past five years, where I see that we have had a tremendous increase of 380 percent of expenditure. So the Minister must have been doing something in order to expend her Communications. Can the Minister explain what kind of programs and what kind of information she is handing out?

**HON. M. SMITH:** Mr. Chairman, I'll ignore that last remark. In fact, I'll send across the way a container with examples of the kind of material that we're putting out.

We have a very large involvement with the community and a variety of programs. We try both through newsletters, informative pamphlets, regular press releases and so on, to get the message out. There's a newspaper - perhaps I can show it - called "Community Options," which keeps people in the community informed as to what is going on in relation to the department. There is a Welcome Home newsletter also in that format. There's a department newswire. There's a Corrections newspaper that is circulated throughout that community, and there are day care newsletters. There are also news releases, news conferences as appropriate.

Again, you may have been at several events where the very attractive displays relating to Community Services initiatives have been presented. There are audio-visual presentations, things to recruit volunteers and interpret the work of the department. It's been a very busy department. They've also, as I say, been active in helping us to recruit volunteers, because a lot of the community-type programs we do are greatly enriched by the input of volunteers. I'll send this over, and perhaps we'll make up a comparable one for the Member for River Heights.

**MR. DEPUTY CHAIRMAN, D. Scott:** The Member for St. Norbert.

**MR. G. MERCIER:** Mr. Deputy Chairman, could the Minister indicate who occupies the managerial position whose salary went up from \$41,700 to \$51,500, and who the two professional/technical persons are whose salaries went up from \$68,000 to \$81,300.00?

**HON. M. SMITH:** The manager is Estelle Sures, and the professional/technical people are Darlene Meakin and Randa Stewart.

**MR. G. MERCIER:** Could the Minister explain why the Salaries have gone up by so much?

**HON. M. SMITH:** It's the same practice as elsewhere. There's the general salary increase and then the increments and any salary adjustment that might be relevant if there's a reclassification. Again, when people are fairly new to the department, they have several increments in the first years and then that increase stops. From then on, it would just be the general salary increase.

**MR. G. MERCIER:** Well, perhaps the Minister could indicate whether all of these people are new then, and are receiving a number of classifications. It may come as a surprise to her, but people certainly in the private sector would be astounded at this type of salary increase to take place in one year. For one person to go from \$41,700 to \$51,500, you're talking about a 20 percent increase. And in the other area, two of them to go from \$68,000 to \$81,000, that's a total of \$13,000 and again you're talking very significant salary increases. I wonder what type of control the Minister proposes to exercise in this area to control expenditures within the department.

**HON. M. SMITH:** Mr. Chairman, again the patterns here are what is used throughout the Civil Service. There are always variations within each area, depending on whether a person has been promoted during the year or whether there's been a classification change. Again, in the Civil Service and I know in some other publicly funded areas, certainly in teaching, the practice is to have several levels of payment and then increments as one moves up the levels. Well, there are levels in terms of experience and then there is a pattern of increments for the first few years of satisfactory service, and then they disappear.

In the private sector, there's quite a different pattern of payment, and it probably at the lower end is much less and at the upper end incredibly higher, and increases show up in a variety of ways including a variety of perks. I think the pattern that's developed in the Civil Service, it is standardized and it is consistent across the system. I think it's based on the notion that people do have a bit of a learning curve when they come into a job and probably, after they've been there a couple of years, they level off in terms of incremental value to the system. But as they're going through their early years of development, their value to the system does go up by that amount.

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

**MRS. S. CARSTAIRS:** Mr. Chairman, I just don't think it's believable that an individual gets a 23.5 percent increase, and then two other individuals get a 19.6 percent increase. To say that's Civil Service increments, I mean I think the Civil Service would be delighted to know if they could potentially get a 23.5 percent increase.

**HON. M. SMITH:** Last year, the person who was occupying the management role was in fact acting and

was being paid at a lower level than the director who was finally recruited and put in place. I might add that she was a woman and the '87-88 salary does represent the actual level for that position, along with the increment, but, as I say, the patterns vary because of the individuals in them but the overall pattern is quite consistent across the Civil Service.

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

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

It was my understanding when the Civil Service individual went out and hired individuals, that that individual tended to come in at the lower end of the pay scale.

Why did this not occur in this particular situation?

**HON. M. SMITH:** Again I repeat, the job is classified according to the level of complexity and so on. The individual who fills it, there is a placement on the increment ladder, or the salary level, depending on what experience they bring. If they bring a high level of experience that is deemed to be relevant, then they don't start on the bottom rung. In this case, we were very fortunate to recruit a person with a great deal of experience. But as I say, the overall classifications and so on are standardized across the government and the individuals being recruited go through a similar process.

**MRS. S. CARSTAIRS:** Can the Minister explain, Mr. Chairman, if the two staff in professional and technical were also new people in that they got a 19.6 percent raise?

**HON. M. SMITH:** The variations had to do with the fact that when the new director was recruited, the person who had been serving in the acting role in fact moved temporarily to fill a position that would normally be at a lower level but retained her salary. Again, she has now moved to another area where her experience is being appropriately rewarded, but it had to do with the timing of the recruitment and the placement.

**MRS. S. CARSTAIRS:** Mr. Chairman, there's no question that this department puts out some valuable materials. The newsletters, some of the pamphlets are of excellent communications value. Therefore, it seems very strange to me that you take a department in which you increase salaries by 17.6 percent and you give absolutely a zero increase to operating expenditures.

What is the point of hiring first-class personnel if they're not going to do anything more this year than they did previously and, obviously, they're not going to because there's no increase in the budget in this particular item?

**HON. M. SMITH:** Mr. Chairman, the work pattern does vary somewhat from year to year. The big thrust in Welcome Home did occur last year, and we felt that we could maintain the communication without that money this year because the bulk of that communication material has been prepared and is in use.

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

Item 1.(e)(1) - the Member for Rhineland.



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

This department's Financial Services has a big responsibility according to the introduction. It provides departmental administration and direction on fiscal management and control, including the internal audit function. It also provides central accounting, budget revenue, financial services and claims under the federal cost-sharing agreement.

So again, we have some culprits over here who are not looking after and not collecting all the cost sharing which is available from the Federal Government according to the Child Abuse Review.

Can the Minister tell me how much monitoring does this group do into each and every part of the department of her portfolio?

The reason why I'm asking this is that we seem to be having all kinds of things happening in various departments which should be sort of controlled by this particular department. I'm thinking, in particular, when we're spending \$2 million on empty bed spaces, now surely, if somebody was on their toes, something like this would be realized before you would have an expenditure of \$2 million. We all realize that there will be some empty beds, but when we are talking about \$2 million, now that is absolutely ridiculous.

Why would Financial Services not be able to detect that before \$2 million was spent?

**HON. M. SMITH:** The responsibility of this group is internal audit - one of the key responsibilities relative to the question. There's also a program audit.

Now the question, I guess I want to pick up on two things. No. 1., the collection of money from the Federal Government, the Child Abuse Review team indeed did say there was money that could be collected, and other people have been of that opinion too. What we've done is asked them to define what they mean, and in some cases it's an issue that we're already working on.

It's not a simple matter of not putting in claims to the Federal Government. Very often, it's a negotiating process where you have to get them to agree that they are given a program and the nature of the program does, in fact, come under those agreements. We've been vigorously, and I might add, quite successfully, pursuing those, going through the entire cost-sharing range and looking at programs from fresh angles to see whether there is not more potential there.

With regard to something like the bed vacancy issue, in delivering Child and Family Services, again one has to look at the kind of service one is delivering. When children are apprehended or removed from their homes, whether it's temporary or permanent, there are efforts made to keep them in touch with their family or perhaps to go and visit a potential permanent placement family. These are usually phased over time so that the children might be away for a weekend and then return. That might happen on several occasions until the bugs have been worked out and there's been an assessment as to whether it's an appropriate placement, or to retain family connections and keep the young person connected to their world.

Now that means that there will be a period of time, much as your child and mine might be off staying with relatives, or off on a weekend trip somewhere, where the bed isn't occupied, and because we want that type

of liaison work to go on, we have to allow some leeway with the group homes and the operators of those homes for bed vacancies. It's not like a hotel. It's a different type of service we're offering.

Now in conjunction with those service deliverers, we have agreed to tighten up on that particular item, but we want to watch it very carefully because we don't want the program aspect of that area of service to suffer with regard to the overall audit and building in of efficiency that this branch is carrying out.

In the number of cheque vouchers that they were handling, again, they have work load indicators to try to see whether they're operating as efficiently as they can, and in fact, from '82-83 to '86-87, they have processed an increase from 36,000 vouchers to 45,000 basically with the same staff. I mean it's quite a large operation and they do keep a close evaluation to see that there is a timely and orderly flow of transaction vouchers. Again, we've asked throughout the department for indicators that can help us measure work load and throughput, and so on, to be prepared and regularly review to see whether there are any improvements that we can secure.

In terms of the budgetary and cost-sharing surfaces, this group provides a budget support service to all the divisions. They administer claims under all those federal-provincial acts that are referred to - the Canada Assistance Plan, The Young Offenders Act Agreement, the RDP and so on. They also assist with the annual estimate preparation and the expenditure revenue flows are monitored on a quarterly basis and compared with the targets to see if we're keeping on track.

**MR. G. MERCIER:** Mr. Chairman, I would ask the Minister if she would - because I'm sure she will want to be open - table with us the most recent internal audits done by this area?

**HON. M. SMITH:** Mr. Chairman, these are really internal documents that we use to monitor the finances. The process for public review and program audit, I think is dealt with through the types of material that are tabled here in the House and the types of questions that are being asked on this occasion. Again, it's a financial flow based on budget and trying to see how close we're keeping to target, or if there is some unusual - I know I see them regularly - and if there is any unusual variance, I know the staff ask questions about it and zero in to see if any remedial action can be taken.

In some cases, we're dealing with issues like increasing numbers of young offenders that are sentenced to open or closed custody. Since we don't have any immediate control on those numbers, however, if we notice our projections going way off what we anticipated, we do brainstorm to see whether there are ways of meeting with the different judicial bodies to see whether there is any new direction that we can collectively take. All the cash flows in the department are monitored in this way.

**MR. CHAIRMAN:** The Member for St. Norbert - one last question?

**MR. G. MERCIER:** Yes, Mr. Chairman, I don't know why such reports would not be available to us unless

the Minister wishes to hide something, because your internal audits of the department were being asked to approve the expenditures of some \$800,000 for them. And I think they could be very helpful to all of us in the committee in considering the activities of this department. I would ask her what is she trying to hide by not giving us the internal audits.

**MR. CHAIRMAN:** Madam Minister, quickly, as you're running out of time.

**HON. M. SMITH:** Mr. Chairman, I do think that the member realizes that he gets annual reports which indicate the actual expenditures, he gets the budgeted amounts which are the anticipated expenditures, he receives the information now from the department which describes what is being done in detail, and this process that we're engaged in here is a mechanism whereby we are accountable for expenditures and for programs.

So I really think the member is wanting access to a lot of detailed information which I think goes beyond the normal expectation. As I say, I'm prepared to answer questions. These are not program audits, they are financial cash flow audits, and I will give, as we go through the different sections, the amounts of money, any increases or decreases, and the rationale for the entire department.

**MR. CHAIRMAN:** The hour being five o'clock, I am interrupting the committee and the proceedings for Private Members' Hour. The committee will reconvene at 8:00 p.m. this evening.

Committee rise.

Call in the Speaker.

## IN SESSION

### PRIVATE MEMBERS' BUSINESS ADJOURNED DEBATE ON SECOND READING BILL NO. 17 - THE MUNICIPAL ASSESSMENT ACT

**MADAM SPEAKER:** . . . - (Inaudible)- . . . will of the House to have leave to go to Bill 17 then. (Agreed)

The Honourable Member for Emerson has three minutes remaining.

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

When last this bill came before the House, I had the opportunity to present the reason why this bill is presented and I nearly lost the last few minutes of my speaking time, when members opposite and the government side indicated, sit down, we'll have a vote. Then it appeared that was not the case, that they were going to adjourn the debate. I feel a little concerned about that. I thought with an issue of this nature that at least we would have some honour at that stage of the game.

Madam Speaker, I think I pretty well put the facts on the record as to the reason why this bill is here and it should not be here, because based on the fact of the correspondence I read into the record of September 5, 1985, when the then Minister of Municipal Affairs,

Andy Anstett, and the Minister of Education of that time, Maureen Hemphill, jointly sent a letter to the colleges indicating that amendments were being proposed and will be coming forward; consequent to that, the now Minister of Municipal Affairs indicated that they had a change of heart and he would not be proceeding with amendments to that act.

It is for that reason, Madam Speaker, after much dialogue, I presented the private member's bill and I would hope that members opposite and the government side, who have the majority, that they would see fit in taking time to really look at the implications of the bill and the fairness aspect of it and treat it as such, instead of a partisan issue.

Madam Speaker, the privilege that we have of Private Members' Hour is that we can bring forward concerns that affect us individually or affect our constituents and that is the reason. Anything that happens to you in the course of the regular debate, Madam Speaker, in the House, when the government presents their bills; we realize it is political, to some degree, but I would hope that this kind of a bill would not be treated as a political issue, as a partisan issue.

I would hope, in fairness, that the government members would take the whip off and at least let the members who feel concern and feel support for this bill be allowed to vote as they feel. Because, Madam Speaker, I'm sure if members opposite, on the government side, take the time and acquaint themselves with all the facts and issues with this case, there will be members who will feel strongly inclined to support it and I know I have colleagues of mine who want to make their comments. I hope that the government members will also give an indication as to how they stand on this bill.

Thank you.

**MADAM SPEAKER:** The Honourable Member for Niakwa.

**MR. A. KOVNATS:** Thank you, Madam Speaker, I guess by the process of elimination . . .

I do appreciate the opportunity of speaking on behalf of this bill and I do rise in support of the bill that brings fairness into a very touchy situation that borders on racial and religious discrimination -(Interjection)- I'm not making any accusations, Madam Speaker, I'm just saying that it does border on racial and religious discrimination.

I'm kind of embarrassed and I feel very badly that it's got to come to the point where a private member has got to make a recommendation and to bring a bill into the Legislature on such an important aspect. I have not been in support of the member who brought in his bill in the past on one particular bill, but I feel very happy and very proud to get up in support of this bill on An Act to amend The Municipal Assessment Act.

Madam Speaker, I feel like a knight in olden times preparing to set forth on the crusades into the holy land - a battle where I don't have any affiliation between myself and the Bible colleges that are the main beneficiaries of this particular bill, except that there's an inner feeling of respect and justice of one to the other.

Madam Speaker, I have visited all of the Bible colleges that are listed in the bill and I think for clarification I'll

just mention which Bible colleges that are the ones that are particularly made reference to. The Winnipeg Bible College and Theological Seminary at Otterburne - and I had the privilege of visiting out there to see what I was going to be supporting; the Mennonite Brethren Bible College in Elmwood, and I've had the privilege of visiting at that Bible college, Madam Speaker; the Canadian Nazarene College in the Fort Garry area, I had the privilege of visiting at that Bible college also, Madam Speaker; the Canadian Mennonite Bible College over on Shaftebury and I had the privilege of visiting over at that Bible college, Madam Speaker.

All of these colleges meet the criteria, and should be exempt from taxation as they are used for religious, educational and training purposes. Madam Speaker, I received a letter from a parent who doesn't have any children in the Bible college but was very active in the educational system in my area, the area that I represent here in the Legislature and he's been a long-time friend and didn't direct me but he sent me a copy of a letter that he had sent to the Premier of the Province of Manitoba and all the references that he makes are out of fairness. He has nothing to gain politically, religiously or otherwise but it was just out of a sense of fairness that he wrote this letter and I'll just make some reference to the letter.

He says "This bill concerns municipal taxes levied against Bible colleges such as the Winnipeg Bible College located at Otterburne, Manitoba." Madam Speaker, in 1985 the Minister of Municipal Affairs recognized the unfairness of this tax in view of exemptions for other church related colleges. And he makes reference to which those other churches are and I don't think we have to bring in those other churches at this point because we're really talking in favour of giving these Bible colleges the same privileges. And later on in the letter he says "Unfortunately, the next Minister of Municipal Affairs defaulted on the earlier promise and revoked the earlier decision. As a result the inequity continues to this day". It's this inequity that we're trying to correct, Madam Speaker. And I think that this bill could correct the inequity.

Madam Speaker, I've been very very active in my area and I support many of the church groups in my area. Not because I'm that religious a man although I do have an inner feeling of religion but I supported these groups because of the influence that these church groups in my area have had on the lifestyle of the people that live in the area, particularly the young people. I do believe that these churches reduce crimes, reduce drug abuse, and immorality and make an area a better place to live. I can see it in my area. And this is where I want to bring up my children, in an environment that has that good influence on the children.

Madam Speaker, these Bible colleges are of benefit to the whole of the society of Manitoba. They bring a moral and ethical influence that I don't believe too many other societies or types of educational facilities can bring to the community.

Students are involved in community and social services that are valuable to the community and to the province. There are many examples which are really too long to go into, but they're there just for the asking. The province should encourage such efforts that come on a volunteer basis from these Bible colleges; and they should help, rather than discourage them, by denying these tax exemptions.

The Minister of Industry, Trade and Technology, not too long ago - and he's very, very busy and he's not listening, but he will listen - when he sat in his place and in fact got up and pointed across and there was some remark that came from this side, and he yelled and pointed in his usual way, yelled across and said, "Madam Speaker, be fair, be fair" in a louder voice than what I'm saying right at this point, Madam Speaker. That's all that I ask, the same privileges that he directed once before in a particular debate; just a matter of being fair, and that's what these people are asking, fairness.

Madam Speaker, I will be supporting this bill and, out of fairness, I hope that all other members of this Legislature will be supporting this bill. I would hope that we would have the privilege of seeing it go to a vote so that we can stand up and be proud of the manner in which we represent the people of the Province of Manitoba.

Thank you, Madam Speaker.

**MADAM SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Thank you, Madam Speaker.

I wish to make a few brief remarks and, unlike the Member for Niakwa, Madam Speaker, my knowledge of the institutions that are cited in the bill are, in the main, confined to the Canadian Nazarene College which is situated in my constituency. So over the past number of years, Madam Speaker, I've had more than a few occasions to visit this institution and as recently as a few weeks ago I had the honour of being invited to attend their annual convocation. I must tell you, Madam Speaker, and other members of the Assembly, that I was extremely impressed with the quality and quantity of graduates on that occasion.

In speaking to some of them afterwards, it's clear and evident to me, Madam Speaker, that they're going to make a very significant contribution to our Canadian society, and I think we should acknowledge, particularly with the Canadian Nazarene College, that students come from all across Canada to attend this institution. I talked to young people who are returning to B.C., to Alberta, to Saskatchewan, to Ontario and other provinces to pass on the benefit of the learning that had been gained at the Canadian Nazarene College.

Madam Speaker, I think it's important to note also that the Canadian Nazarene College teaches many courses which are credits at the university; and many of the students at the Canadian Nazarene College will attend at the University of Manitoba for courses. There are a number of students enrolled at the University of Manitoba who attended the Canadian Nazarene College in order to take the courses offered there and to obtain the credits. So we're talking, Madam Speaker, about an institution in this particular case, and I know the others too teach courses which are university credit courses.

We're talking about institutions that obviously should be treated in a very similar manner to our existing universities because they are teaching many courses that are university credit courses, Madam Speaker.

So it seems to me - and I congratulate the Member for Emerson and I'm honoured that he allowed me to

second this piece of legislation - that the bill which he is bringing forward to us appears to be a very just and equitable one, in that the request for tax exemption is an extremely modest one, in the light of the grants for assessments that are presently paid out by the Department of Municipal Affairs, in lieu of taxes, to three Manitoba universities and St. Boniface College. It's a very small amount and performs a very important function, in addition to the credit courses that it teaches in granting theological degrees.

I think it's extremely fortunate again for us, in the Province of Manitoba, to have the Canadian Nazarene College here in Manitoba, to which students come from all across the country to attend. In my opinion and in my experience, Madam Speaker, I think we're very fortunate with the quality of students coming to Manitoba and attending this college and graduating from this college. So it is with a great deal of pleasure, Madam Speaker, that I second this piece of legislation and would urge members opposite to support it.

Thank you, Madam Speaker.

**MADAM SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Thank you, Madam Speaker.

I rise to speak in support of this piece of legislation which my colleague from Emerson has introduced for a second time.

Madam Speaker, I want to approach it based on the principle of fairness. When one looks at the history of what has happened, I think the Minister of Municipal Affairs should be prepared to stand and defend his position as to why he nixed this bill in February of 1987 in a letter, which I'm sure my colleague from Emerson has put on the record.

I'm not going to be near as kind, Madam Speaker, to the Minister of Municipal Affairs as my colleague from Emerson, because I believe that there is an injustice being carried out by the Minister of Municipal Affairs in not supporting this. The fact that the former Minister - and one would have to look very hard to find anything that they could compliment the former Member for Springfield, the Minister of Municipal Affairs; but when one does look at the record and see what he did proceed to do during his term, this is the one thing that one can actually say he was on the right track on.

As well, Madam Speaker, and I'm surprised the former Minister of Education, the Minister of Tourism, does not have enough courage to get up and defend what her position was at that particular time in support of the bill. One would have to wonder just what kind of an individual that we have as a legislator, who would be supportive of a bill at that particular time when it was introduced, or the intent was supported by the Minister of Education at that time and introduced by the Minister of Municipal Affairs.

Why, Madam Speaker, did the government change positions? Well, could one possibly guess that it has now been brought into the realm of support or non-support for private schools. Is that where it's entered into, the philosophical approach by this particular government? Is that the bottom line? Is that the kind of debate that we're in now, as far as the support to

the Winnipeg Bible College and the other colleges that fall within Bill 17? Is that the bottom line? Because if it is, let's have the debate on it; let's hear what the government has to say. From what we have been presented with, by my colleague from the riding of Emerson, the member who seconded it, the Member for Niakwa; the case is pretty clear as to the discrimination that's being carried out by not providing them the tax relief that they, I think, deserve.

It's the education of young people, it's the providing of some relief under the tax system, which makes good economic sense. However, it could well be that it's again a philosophical disagreement within the Cabinet on aid to a form of private schools. I think probably that has more to do with it than anything else. I mean, what else is it; I ask the question?

I asked the question of the Member of The Pas, for Swan River. Have they taken a close look at what is being proposed here? How about the Minister of the Environment, the Minister of Health? What position do they take on what is to be perceived as fairness? The Minister of Environment is quite capable of speaking from his seat, but he's never able to stand and put his comments on the record. I would hope if that's the issue, if it's a matter of support for a form of private school or not, then let them stand and be counted.

My colleague, the Member for Emerson, in his reasonable request that the whip be taken off, and let each member vote as a matter of conscience on this matter; I think that's a very responsible presentation to make. Let's take it out of the realm of having the Party Whip on and clear the air.

**MR. H. ENNS:** Take the Whips off.

**MR. J. DOWNEY:** Not irresponsible at all. I think it's a very, very honest and sincere approach to accomplish what really should be done.

When you look at some of the background, the fact that Winnipeg Bible College, after purchase of it were assessed a tax; before that the school wasn't; it doesn't make sense and that was done under a former NDP administration. One remembers, during that term of office, a considerable amount of debate on funding and support for private schools. So that must be, Madam Speaker, what it boils down to, whether or not they're going to, in any way, shape or form, expand support.

Madam Speaker, I think it has to be said as well - and I'll refer to the two letters - I don't think the government knows what they're doing. The Minister of Municipal Affairs, by letter of February 23, completely reversed a policy decision that was made on September 5, 1985. The Minister of Municipal Affairs should be able to stand in his place and explain why. The Minister of Education, I would think, should explain why.

I'm sure my colleague, the Member for Emerson, has tabled both these letters of evidence. I think it's appropriate to restate them. This was copied to her and there's no - this was the former Minister of Education - I'll just refer to a letter of September 5, 1985. This was under Andy Anstett's handwriting, but it's copied to the Minister of Education, the Honourable Maureen Hemphill.

This is to Mr. Hightower of the Canadian Nazarene College: "In response to your letter of May 29, 1985,

concerning the issue of financial support to the church colleges, I am now able to report that the Minister of Education, the Honourable Maureen Hemphill and I, will have directed our staff to prepare an amendment to The Municipal Assessment Act. This should ease the economic difficulties faced by colleges such as yours." She's fully onside, straightforward.

I'll continue, Madam Speaker. "The proposed amendment will extend the same privilege of exemption from both school and municipal taxes currently accorded to public and private schools and/or universities, to our church colleges meeting specified criteria. The details of this amendment are presently being worked out by my staff in conjunction with the Department of Education staff, so that the implementation can occur at the earliest possible date." Now that's 1985, September 5.

"However, until this amendment is introduced, church colleges, as I am sure you understand, will continue to be assessed and taxed in accordance with existing legislation.

"In closing, I trust the above information has clarified the issue of financial support to church colleges. I would also like to assure you that this government is committed to a fair and equitable property assessment and taxation system for Manitoba. Yours truly, Andy Anstett."

Madam Speaker, let's refer now to the letter of February 23, 1987, by the current Minister of Municipal Affairs. I hope the former Minister of Education would listen because she was in support of it at that time. What has changed her mind? This is a letter to Mr. Driedger: "I have now had the opportunity to further review the matter referenced in your correspondence received by our office on January 5, 1987. As you are aware, municipal councils may exempt religious colleges, such as the Canadian Nazarene College, Canadian Mennonite Bible College, etc., from municipal taxation under section 26 of The Municipal Assessment Act, if they so choose. I can confirm that the initial steps were taken to prepare an amendment to The Municipal Assessment Act, as noted in my predecessor's letter, and despite initial favourable reaction to the provision of tax exemptions, consideration of further detail has resulted in a negative decision." By who? The Minister? By the Department? By the Minister of Education of the Day? What changed their mind, no explanation?

Concluding paragraph: "I trust this response to the question you have raised and thank you for making me aware of your concern in this regard. Yours truly, John Bucklaschuk."

What happened? Where's the Premier?

**A MEMBER:** An election.

**MR. J. DOWNEY:** No, but what happened? I mean, what is it all about? It's called serious inequity within the system and a government that doesn't know what they're doing. Read it all.- (Interjection)- The Minister of the Environment says read it all. I read it. I quoted it complete, that's what I did. Where is there a commitment to fairness? Where is it? Where is their commitment to the young people for the educational systems of this country and people who are trying to provide it? Where are their priorities?

Madam Speaker, the least that they can do and that's support my colleague in having a free vote. That takes them out of the realm of having a party position on support to aid to private schools. Is that the problem? It must be. There is no explanation other than that. I mean, is it the money? If it's the money -(Interjection)- That's right. Maybe that's the problem. Maybe it should cost the province some money; they'd be more interested in it.

You know, I'm really astounded that the Minister of Education, the Member for The Pas, and the Member for Swan River would sit idly by when this kind of support for education is being denied in assessment change. I would expect the Minister of Municipal Affairs to stand in his place and say that he feels that he's handling this in a fair and equitable manner as the Minister of Municipal Affairs. I would ask him to do so. I would challenge him to do so. But least of all, Madam Speaker, in my support for this bill, I say, take off the Whip. As my colleague from Emerson has said, take off the Whip and leave each member to vote by their conscience.

Yes, Madam Speaker, let them vote. Let them have the courage to stand up and vote in a manner which would support these schools that are named in this bill, in Bill 17.

I thank you, Madam Speaker, for the opportunity to stand and support my colleague, the Member for Emerson, who is again trying to do what is right for his constituents. What my colleagues have supported is just for the people of the Province of Manitoba. Let the NDP prove that they are credible in the Minister of Health who is so strong on support for private schools, let him stand in his place and support this piece of legislation. There he stood and indicated he supports it, Madam Speaker. I took that as support; he's not denying it. I challenge him. I challenge him to stand up and be counted, Madam Speaker, as I challenge the Minister of the Environment, as I challenge the Member for The Pas. I challenge them to stand up in their place and support what is fair and equitable.

Thank you, Madam Speaker.

**MADAM SPEAKER:** The Honourable Leader of the Opposition.

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

I rise in support of Bill 17. Madam Speaker, I had hoped that we might have a response from the government benches, and I must admit that I'm terribly disappointed at the fact that the Member for Kildonan is apparently attempting to stand and adjourn debate on this private members' bill without having an opportunity for the government to give a response.

This is not something new to the government. They have had possession of the bill; they know the intent. In fact, I know that they've been in discussion with representatives of these colleges for some three years. So surely the government has a position on it. We have to be left to assume that the position is that that was put on the record in the letter from the Minister of Municipal Affairs to my colleague, the Member for Emerson, which was to veto this type of measure.

Madam Speaker, I'm disappointed in that and I'm disappointed, as well, that they are taking the cowardly

way out of not responding to the bill, but simply attempting to adjourn it so that it can be left to die on the Order Paper. I would not be saying that, Madam Speaker; I would not be using that strong language if it were not for the fact that this is the second time that it has come up for debate. We have not heard a response from the government and, in fact, as I say, they have been well aware of this bill having been prepared by the Member for Emerson for quite awhile and having discussed it with the representatives of the colleges who are concerned about this in the past.

I might say, Madam Speaker, that the last time the Member for Emerson brought forward a private members' bill that had to do with the opportunity to waive municipal taxes for one of the colleges involved, namely the Winnipeg Bible College at Otterburne, at that time I complimented the government on the fact that at least two of their members, perhaps three of them, as I recall, rose and spoke on the matter.

In fact, the position they took, Madam Speaker, was not to disagree with the intent of the bill, saying that, in principle, they supported the right of these religious Bible colleges to gain some relief from municipal taxation. In fact, the former Minister of Finance, now the Minister of Industry, Trade and Technology, made what I thought was an appropriate point. He said that we want to make some move in this direction, we agree with the principles, but we want it to be broadened so that it includes all of the religious-based or Bible colleges at the post-secondary level so that we can include all of them in some measure and not restrict it only to the Winnipeg Bible College.

I thought that indicated a recognition that indeed these colleges deserve some support from the government in this regard. Madam Speaker, I have been obviously terribly disappointed by the government now to have taken a complete about face and to indicate that they no longer support the principle of giving some advantages, some recognition and some support to these Bible colleges who at the present time receive no government support of any sort.

I should qualify that and say that I was very proud to have been a member of the Cabinet that allowed for these particular colleges, for students of these colleges, to be given access to student aid, the package that included Canada Student Loans, bursaries and grants; and that I thought was a good move, a move that acknowledged their presence and indeed their contributions as part of the post-secondary education community in this province that indicated that students in those colleges should be entitled to the same range of student aid support from the public treasury that students at other post-secondary institutions in the province - now that was in 1981 when we were in government, and indeed, at that time, I might say that there were the same kinds of concerns being expressed as are being expressed by some on that side of the House that this would be a precedent, that we would be opening . . .

**MR. H. ENNS:** We should!

**MR. G. FILMON:** . . . a major area of cost to the government, but in fact it didn't. In fact, it's the same colleges today which receive that recognition and that

opportunity for support for their students who are here today asking now that they be given some direct assistance.

Now they're not asking, Madam Speaker, to be removed from the payroll tax - and I say, legitimately, that that is something that maybe they could be asking, because other post-secondary education institutions get that given back to them in the form of increased grants. They might be asking for relief from sales tax which public school education facilities do get, Madam Speaker, but they're not asking for that.

They are asking to be relieved of the obligation to pay municipal taxes, both for school and municipal purposes, on the property tax roll. You might ask, Madam Speaker, "How is this treated in other provinces in the country?" Well, I am given to understand, Madam Speaker, that in every other province in the country they get some form of property tax relief, these same types of colleges. It seems to me, Madam Speaker, that that is ample reason for this government, or any government in Manitoba, to examine the policy and to say, "Why should we not treat these post-secondary educational institutions in the same way?" Are they of an inferior quality? Is there something about them that leads to the thought that they should be discriminated against or downgraded in some way?

I would say not, Madam Speaker, when you look particularly at the contribution they make. They offer courses that lead towards university-level credits and degrees. They add and enrich that education by adding education and training in morals, ethics, religion, many other things that enrich the lives and indeed the education of their students over and above.

I know from my discussions with, for instance, the people at the Winnipeg Bible College that their instructors are well-qualified. Some of them have Ph.D.'s, and most of them have qualifications that would qualify them to teach in post-secondary public educational institutions in our province, and yet these people are working for a great deal less in the way of salary and remuneration to be able to make the commitment that they want to make to the standard of education and to the enriched form of education that is provided at these Bible colleges and other religious-based colleges in our province.

The other, of course, point to be made in terms of looking at different treatment, Madam Speaker, is that there are church-related colleges in Manitoba that are affiliated directly with the university; for instance, St. John's College, St. Paul's College, St. Andrew's College, College St. Boniface, and they are able to get all of the support that we give.

In fact, as it turns out, the public is supporting 88 percent of the costs of education at those institutions - only 12 percent is provided by the students - whereas these other church-related colleges that are not included in that, the ones that have been referred to earlier - Mennonite Brethren Bible College, Canadian Mennonite Bible College, which is in my constituency, Canadian Nazarene College, Winnipeg Bible College - students are required to pay normally more than half of the cost of their education at these institutions.

It varies from college to college, but they're able to raise through their fund-raising activities, through contributions made by others, something in the order of half of their costs and the other half is provided by

the students. So the students pay substantially more to attend those colleges. The employees, the teachers themselves, the instructors themselves, take a much lower level of pay in order to fulfill their commitment and to make their contribution, their very valuable contribution, to the education of these students, and the government apparently sees absolutely no responsibility to support these institutions and the students who attend these institutions.

Let's look at the alternative. What would these students do if these colleges were not here, these very valuable institutions were not here in Manitoba? Well, we, as a taxpayer, would end up having to pay something in the range of an additional \$9,000 a year more if they were to choose to go to one of the publicly funded colleges in Manitoba. Or, worse still, if they chose to find a comparable college outside of Manitoba that offered both the enriched religious training as well as the university level courses, then, in fact, it would cost their parents, or them, much more than \$10,000 that instead of being spent in Manitoba would be sent out - money being earned here being sent out of our province - to ensure that they got the kind of education and the standard of education that they wanted.

So it's in our interest to support these colleges, to have them here, to have that freedom of choice and that opportunity for the enriched education that these students are able to get at these colleges here in Manitoba. I can't for the life of me understand, Madam Speaker, why the government members are opposed to this; why they would not see the merit in at least beginning some level of support that involves the removal of the property taxes from these institutions.

Madam Speaker, it seems to me that there are many, many strong reasons why anyone in government in Manitoba should recognize both the contribution that they're making, the valuable service they're providing, to their students and to the community at large and to the post-secondary educational community in Manitoba, and recognize that they are not asking for full funding, they are not asking for 88 percent of the cost of education to be provided by the province. They're asking for a small step to be made towards that opportunity by this measure that is contained in Bill 17.

When you look at what they mean in terms of their overall economic impact on our communities and our province, I looked at some of the comments I made in 1983 when we were dealing, at that time, with a bill to relieve the taxes principally, or solely, for the Winnipeg Bible College. That college had an operating budget of \$1.6 million. It had a fairly substantial staff, most of whom were located in or contributing to the local community, purchasing of goods and services in the surrounding areas, paying taxes themselves to the communities and to the area, and they were making a pretty substantial contribution.

Here we have the total budgets for those institutions. My colleague has just provided me with them. Winnipeg Bible College today is up to almost \$2 million a year; Mennonite Brethren Bible College - \$1.2 million; Canadian Nazarene College - just over \$1 million; and Canadian Mennonite Bible College - \$1.4 million. That's a substantial contribution to the economy of Manitoba and to the local community.

Madam Speaker, they are also, of course, as I said earlier, paying the payroll tax, paying the sales tax and

paying all of these contributions that go into the provincial treasury. So they are more than contributing significantly in a financial sense over and above the very significant, valuable and important contribution they make in the way of educating the students at these colleges in a very total and complete sense - values, morals, ethics, religion, and, of course, university level education in the subjects that they take at these colleges.

Madam Speaker, it seems to me that there are so many things that would recommend and commend this bill to the government. I can't for the life of me understand why they would oppose it.

I can't further understand, Madam Speaker, because the issue here is fairness. The issue is, why would you treat some colleges differently than you do others at a post-secondary level? When they are awarding credits and degrees, just as other colleges are, why would you separate them and say, oh no, we can't support them in any way, shape or form? Why, in the issue of fairness, would you treat them differently than they are treated in other provinces in this country, who give them this kind of recognition in the way of removal of property taxes?

It seems to me that issue of fairness that we've heard members opposite talk about on other matters is a very compelling one for this government to consider supporting this bill and, in fact, looking at the overall needs of these colleges for their future requirements.

As I say, the Member for Rossmere had the right idea before when he said, let's look at a broader-based policy that gives support to all of these colleges equally. Let's look at it in the total context. It appears as though he, in the meetings that he had and his various government members had with these colleges, had arrived at that by the fall of 1985 when the then Minister of Municipal Affairs, Mr. Anstett, wrote a letter to Mr. Hightower, who is the head of, I believe, the Canadian Mennonite Bible College . . .

**A MEMBER:** Canadian Nazarene.

**MR. G. FILMON:** Canadian Nazarene College, I apologize.

At that time he said, and it was a very clear and unequivocal statement: "I have directed our staff to prepare an amendment to The Municipal Assessment Act. This should ease economic difficulties faced by the colleges such as yours."

Indeed, they are facing economic difficulties. The sources of their funding, the voluntary contributions, are not unlimited. There was a time in 1983 when the Winnipeg Bible College missed a payroll. They had to undertake a major fund-raising campaign in order to get themselves back in a position where they remained viable, and obviously are viable now, but getting major sources of income both from the students and from their contributing communities.

**MADAM SPEAKER:** The honourable member's time has expired.

**MR. G. FILMON:** Madam Speaker, I have many more things that I'd like to say, but I commend the bill, and I urge the government to support the bill and see that it is passed.

**MADAM SPEAKER:** The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker.

I join with my friends on this side of the House to support this legislation, and I congratulate the Honourable Member for Emerson for raising it in the House yet once again and for broadening it in this piece of legislation.

Why is this government reluctant to support this choice of lifestyle, an interesting thought in that they have no difficulty supporting a wide range of lifestyles in a great variety of ways. Yet here we have young people, young students who choose to further their education within a very specific form of lifestyle. They have decided, if you will, to dedicate their lives to the church and to church work. Within this type of college, they will get not only training which will make them knowledgeable about their religious tradition, but they will also get training which will enable them to work with people. Much of the work for hundreds of years in this country that is now done by social service agencies was in fact done by individuals who chose to enter the church. It was always a profession that we held in very, very high regard. Yet in this area of relief, we do not appear willing to provide that type of support, and one questions why.

If this government was concerned about the academic standards of these institutions, why did it not withdraw its support when it came to office for the student loan system for these young people? But they obviously, in reviewing students loans, decided that the academic criteria of these institutions was a valid one and these students should, in fact, get some type of support through a student loan system? Why did they, at one point, indicate to these colleges that they were, in fact, looking to amendments of The Municipal Act to provide them with this kind of relief and then back off from this same kind of relief? Where is their mind set about this particular support?

I think perhaps for the individuals, it would be interesting to note what kind of young person chooses to go to a Bible college. Well, I have one who's been in and out of my house. She's not related to me, but certainly we have seen a great deal of her as she's matured over the last seven years. She is now in her graduating year at Kelvin High School. She has spent most of her summers going to Bible camp and, for the last three years, she has acted as a counsellor in that camp situation.

One of the reasons why she doesn't have the funding to go to Bible college next year is because she has been giving freely of her service for the last three summers. She is eligible for a student loan but, because there is no funding for students at these schools as there is to university, here is a young woman who could go to university at no cost to her widowed mother but cannot go to a Bible college because she cannot raise sufficient funding to enable her to do so. So she will, for the next year, work at whatever job she can get, save whatever it is she can earn, so that hopefully the next year she can attend a Bible college, certainly an example of a young person in whom each and every one of us in this room could take enormous pride, a young woman who wants to dedicate herself to a very special kind of service to her community.

If nothing else, surely what we can do for these Bible colleges is give them relief from their property taxes so that young women like the one that I have spoken about can make it a little bit easier for them to enter such an institution.

Let us not get bogged down in bureaucracy in this matter. Let's not get bogged down in an orientation that says we will not support things that are different. If the NDP in their history in this province fully acknowledges that to be different is more than wonderful, let us recognize this type of difference and let's grant relief to these Bible colleges.

**MADAM SPEAKER:** The Honourable Member for Charleswood.

**MR. J. ERNST:** Thank you Madam Speaker.

I also wish to rise in support of this bill. Madam Speaker, I also want to commend my colleague from Emerson for having had the fortitude to, once again, bring forward a bill such as this, a bill of fairness, of justice, and of equity for those institutions in Manitoba that are not treated so at the present time.

Madam Speaker, unlike my colleague from Niakwa, I have not been to any of these Bible colleges in their present format. I have none of them in my constituency. I speak only, Madam Speaker, from that same sense of fairness and justice that needs to be attributed to these educational institutions.

Madam Speaker, I have a son who attends a school, St. Paul's High School. I attended that same school, Madam Speaker, myself many years ago. I had the privilege of doing that, and I think I received an excellent education from that process. Madam Speaker, that school, both at the time that I attended some 25 years ago and that school today enjoys the tax exemption that these Bible colleges do not enjoy.

Madam Speaker, you have to wonder, if Bernie Christophe was the president of one of these schools, what kind of a reception he would have got from the members on the other side of the House. Madam Speaker, that kind of attitude seems to prevail in the members opposite, whereas the sense of fairness and justice respecting these fine educational institutions apparently does not.

I would hope that the silence from members on the other side does not indicate that they are simply prepared to stonewall and to discard this bill out of hand without even putting some thoughts on the record, some indication of why their attitude has been, as the Minister of Municipal Affairs once indicated by mail, through the Member For Emerson, that they are prepared to change their mind from the previous Minister and not support the bill of this kind.

Madam Speaker, we have two policies in this province: one for religious educational institutions of one type; and, Madam Speaker, another for Bible colleges. Those colleges do not enjoy the same privileges as St. Paul's High School, as St. John's College, as other religious institutions.

Madam Speaker, the Member for Arthur indicated that perhaps the reason, the rationale for the government's lack of interest in this particular situation has been because it has connotations of aid to private schools. I hope that's not the case, because if it is,



then let's get into that debate as the Member For Arthur indicated. Let us have a full-blown debate in this House. Let us have the members opposite put their thoughts on the record.

We had a resolution come before this House last Session which unfortunately lasted only one hour of debate, Madam Speaker, because I wish to speak on that particular issue as well and I wish to put my position on the record, both for my constituents and for all the people of Manitoba, that they would know where I stand on that particular issue. And, Madam Speaker, I hope that those connotations do not apply in this particular situation.

Madam Speaker, these schools are not fly-by-night educational organizations. Madam Speaker, these are educational institutions of long standing. They have a great many very influential people from the community on their Boards of Directors. They run very fine educational programs. Madam Speaker, they are recognized by Charter in this province. They are recognized in the matters of students' assistance, as my Leader has pointed out in his remarks earlier. They are eligible for student grants, Madam Speaker, the same as any other educational institution in this province; yet they are not recognized with respect to municipal taxation.

Madam Speaker, they are also recognized for academic credits. Not all, but a number of academic credits are available. And, Madam Speaker, they teach one thing that is sorely lacking in the members opposite - one thing that is very often lacking in education today - and that's the question of ethics. They teach ethics. They teach young men and women, Madam Speaker, in this province how to live an exemplary life, and there's nothing wrong with that. There is nothing wrong with that.

As a matter of fact, Madam Speaker, if we had more of that kind of a situation, we wouldn't be seeing the kind of grants coming forward from the members opposite with respect to film festivals and things of that nature. So I think if we had support for these kinds of institutions, we would be far better off than those kinds, Madam Speaker, as mentioned earlier.

Madam Speaker, the Winnipeg Bible College, located in Otterburne, Manitoba, was a Catholic boarding school

prior to 1970. I had, Madam Speaker, at that time, the privilege of bringing together a vendor and a purchaser at that particular time. The Order of St. Vieteres (phonetic) who owned the college at that particular time wished to terminate their operations in that location and I brought them together with the Winnipeg Bible College in order to have a home for their institution in that small Manitoba settlement, Madam Speaker.

At that time, prior to the purchase by the Winnipeg Bible College, that educational institution paid no realty tax. The municipality existed quite fine without the income from that particular institution. The day, Madam Speaker, that it changed to the Winnipeg Bible College, was the day that the municipality in that area received a bonanza. All of a sudden they had a very significant amount of realty tax they no longer - they did not, rather - enjoy, Madam Speaker, previously.

Now with the Winnipeg Bible College there, an institution that was buying in the community, was contributing to the community, had put life into the community through the student body that was there and through the staff people who then, Madam Speaker, at that time built homes there, moved there, and created additional revenue for that municipality through the municipal taxation on those homes, all of a sudden that taxation was there, Madam Speaker. Not fair ball, in my view.

I think, Madam Speaker, that this educational institution and a number of others should receive the benefit that other educational institutions in this province enjoy.

The public schools, Madam Speaker, do not pay payroll tax. The Bible colleges pay payroll tax. Madam Speaker, the other independent schools in this province also pay that same payroll tax.

**MADAM SPEAKER:** The hour being 6:00 p.m., I'm interrupting proceedings. When this matter is again before the House, the honourable member will have seven minutes remaining.

The hour being 6:00 p.m., I'm leaving the Chair with the understanding the House will reconvene at 8:00 p.m. in Committee of Supply.