



**Third Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES**  
and  
**PROCEEDINGS**

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33 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

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# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 11 June, 1984.

Time — 8:00 p.m.

## SUPPLY - COMMUNITY SERVICES AND CORRECTIONS

**MR. CHAIRMAN, C. Santos:** Please come to order.  
We are still discussing 4.(a)(1) Child and Family Services, Administration, Salaries. 4.(a)(2) Other Expenditures - the Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, before we adjourned at 5:30 I thought the Member for Ellice had made some particularly good comments, as did the Member for Rupertsland.

I would like to know from the Minister how many children have been affected by the adoption moratorium since its inception? She mentioned a figure of 600.

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

**HON. M. SMITH:** No, the figure of 600 was the number of Native children in care. The number affected by the moratorium on out-of-province adoption are - I think I gave the figures as of January - that there had been 74 on the list a year-and-a-half ago; 24 more had been added and 74 placed, leaving a net of 24.

**MR. G. MERCIER:** How many were on the list a year ago?

**HON. M. SMITH:** 74 when the moratorium went into effect; that was March, 1982. The figures as of January, 1984 were 74 of the total 94 had been placed in adoptive homes and 24 remained unplaced.

**MR. G. MERCIER:** Mr. Chairman, when the Minister refers to have been placed in adoptive homes, does she mean the adoption process, the generally accepted adoption process, under The Child Welfare Act?

**HON. M. SMITH:** Yes. My officials have informed me that some would be what we would call a permanent placement with a family, the equivalent but not a completed adoption. We can get updated figures if you request.

**MR. G. MERCIER:** Excuse me, I have a question from another member. Did the Minister indicate that the 74 were adopted as we generally accept the term "adoption"? I raise it because she referred in the House in January to permanent placements which was an ambiguous term. I wasn't certain whether or not they had been adopted.

**HON. M. SMITH:** Some are permanently placed with relatives which would be a custom adoption and some have had the formal adoption. We can get the updated figures for you if you like, but we don't have them here at present.

**MR. G. MERCIER:** The 74 then, Mr. Chairman; is the Minister saying some are in what is called "custom adoption?"

**HON. M. SMITH:** They've been placed with extended family members and it's called a permanent placement, but it's not a formal adoption as we legally term it.

**MR. G. MERCIER:** In effect, then it's a foster home.

**HON. M. SMITH:** The differentiation would come between whether they're paid or not. And many of these they're not paid placements and they're considered permanent.

**MR. G. MERCIER:** Can the Minister indicate how many have been legally adopted?

**HON. M. SMITH:** I've already undertaken to get those numbers but I don't have them with me at present.

**MR. G. MERCIER:** Mr. Chairman, what happens in the instance where these custom adoptions take place? Are those situations monitored on a regular basis by social workers or child care workers?

**HON. M. SMITH:** There is an ongoing monitoring with the permanent placement group.

**MR. G. MERCIER:** Why in those situations have legal adoptions not taken place?

**HON. M. SMITH:** The Native community don't recognize adoption in the same way we do and since they are willing to take on the responsibilities of permanent placement, we've been willing to go along with that as well.

**MR. G. MERCIER:** Mr. Chairman, would those numbers include Native children all across Manitoba from all Children's Aid Societies?

**HON. M. SMITH:** Yes.

**MR. G. MERCIER:** Mr. Chairman, can the Minister indicate how many Native homes are listed in the registry as being available for assuming adoptive children?

**HON. M. SMITH:** We have approximately 14 on the approval list for infant placement at the present time. It's an ongoing process, of course, in identifying placements.

**MR. G. MERCIER:** Mr. Chairman, what does the Minister expect to accomplish with the new reorganization of the Children's Aid Society of Winnipeg?

**HON. M. SMITH:** (1), a participation by a broader section of the community and the governance of the

agencies; (2), a closer relationship of an agency to the community organizations and the families in an area; and (3), a greater ability to build preventive family support services in co-operation with other organizations and with volunteer input.

**MR. G. MERCIER:** The Minister, in statements before referred to accountability; where does that fit in?

**HON. M. SMITH:** The accountability will be strengthened by the funding changes which will require accountability in terms of the types of program mix that is offered by an agency; the capacity of a director to issue directives where required; and a stronger role by government in giving policy direction via protocols. Tied to that will be an accountability in the budgeting and the program mix that the agencies develop.

The other I think important component is the planning process which is being taken part in by, not only the new boards, but upwards of 200 professionals working on different working groups dealing with the specific issues of service delivery, some of which will require central coordination and some of which will be decentralized. One way that we can facilitate the accountability is also by the accounts, the automation of the data systems that are being done centrally which should facilitate information flow from the decentralized boards to the centre so that those services, such as, adoption and child abuse, which are going to require a fair degree of coordination, can in fact be done, and so that the monitoring can be supervised.

**MR. G. MERCIER:** Mr. Chairman, at the same time the Minister talks about participation by local groups and closer relationships with the community, the Minister brings in legislative changes that will enable the government to direct the agencies as to what they're supposed to do.

Mr. Chairman, certainly there are a fair number of people who turned out at the organizational meetings, and I went to one in our particular area, but I don't expect that, other than from time to time, the election of people, when they bring out their friends to help elect them to the Board of Directors, that there's going to be much real participation.

Certainly there could have been amendments involving the make up of the Children's Aid Society. They could have broadened, if that was necessary, the participation in that organization. There certainly seems to be a conflict between what the Minister says is the objectives, with respect to participation and closer relationship with community groups, and the legislative changes that she's bringing in which will enable the government to direct the agencies as to how to operate. Is the government doing anything to ensure a co-ordination of efforts by six regional bodies in the City of Winnipeg?

**HON. M. SMITH:** I think accountability needs to be understood in two directions. (1) a government responsible for funding most of the services for the legislation in setting guidelines; (2) accountability to the local community for flexible development of program within those broad guidelines of funding and program emphasis. Because the boards are elected from a broad

membership, we're currently at about 3,000 in the six areas, and because the representation on the boards is balanced between local residents, people who work in the area, a staff that work in the field and in the agency, and a few government appointments, and the provision for annual election of a third of that board, it's felt that there is a structure there that will enable the community to participate as time goes by and, therefore, the accountability to the particular mix of needs in the local community is facilitated.

The type of services that will get a higher priority in the preventive and family support area will link closely with what is going on in schools; in community centres; in local day cares; in homemaking services; family counselling services, parent aid type of activities, parenting courses; they will be linked more closely to the Child and Family Support Service. It will not, therefore, be seen as just the agency that moves in when things are bad, but as they, we hope over time, will be perceived as a supportive and helping agency that in fact, enables families to work things through and keep their families intact.

**MR. G. MERCIER:** Mr. Chairman, has there been a change in policy or a change in emphasis as the Minister stated earlier with respect to returning abused children to their parents?

**HON. M. SMITH:** No, there has not. That question has come up in the House. The guidelines for abused children have emphasized the responsibility of people working in the field anywhere who work with children, the obligation to report suspected child abuse to an appropriate group and then the obligation of that group to investigate, and if necessary, proceed to court or remedial action.

The onus is taken off the individual person to prove abuse. They're encouraged and protected to come forward when they suspect it. Then it's the responsibility of a team to investigate and follow through. The protection of the child, the best interest of the child, is the top priority in the system, but the way it is achieved - there are more ways in which the best interest of the child can be protected.

In other words, the only choice available to a local worker will not be apprehension, but in some cases, putting an extra worker right in with the family or drawing in the resources of extended family or people in the neighbourhood, so that if we're dealing with a crisis situation in a family that, once past, the family can then function quite normally. There will be a capacity to support that. But in no way has there been any policy directive that says, children must stay at home or be exposed to undue risk of abuse or neglect.

**MR. G. MERCIER:** Mr. Chairman, I raised a situation with the Minister in which a young child died. In that particular case a child was returned to its mother after it had been previously apprehended and there was a plan apparently for the care of that child which was not followed.

I don't wish to particularly get into the details of that case because of the criminal charges that are involved; but can the Minister indicate whether or not there's been any change in the services provided through her

department with respect to monitoring and watching those situations very carefully to make sure that the plans that are adopted are followed through?

**HON. M. SMITH:** Yes, the particular case in point, the same procedures were being followed that had been in place for several years, where a multi-disciplinary team monitored the planning for the child and the mother and they made their best judgment as to what was desirable. An incident like that, of course always leads people to reflect and see whether: 1, the procedures were inadequate; or 2, whether they need changing. I've certainly asked that group to do just that. I think the tightening of procedures and some back-up services, in other words more resources that can be drawn in to support a parent that's in that type of situation which is part of the goal of our whole restructuring of the Winnipeg agencies, it should serve to support kind of a network of supports with appropriate monitoring so that single parents undergoing the strain of caring for a youngster can, in fact, get support before they find themselves in a desperate or a depressed type of situation.

You know, I would wonder if the member opposite is suggesting that we should go the opposite way and never leave a child with a single parent. I think the alternative is unacceptable, therefore what we have to do is try to build a much richer network of support services so that a person is not quite that isolated and out of touch so that such an incident can in fact occur.

**MR. G. MERCIER:** Mr. Chairman, what I'm suggesting to the Minister is that when a child is being apprehended from a parent because of child abuse, and taken into care, and then a plan is developed by the child care workers, and the child is returned to the parent, and there are indications as there were that the plan was not being followed, then it requires almost instantaneous action by the department. You can't wait a week under those circumstances to arrange a meeting. In that type of a situation where there's a record of child abuse you have to act quickly. I'm not suggesting that children never be returned but when they're returned under a plan which is not being followed the Minister should look carefully at the policies and procedures which are being followed. I assume from her answer that her department is looking at their policies and procedures, and that there will be some changes.

**HON. M. SMITH:** Well, it's our belief that with a smaller and more personalized agency that type of event is less likely. One thing you do run into in the city is a rather remote type of service, child abuse services in a sense were delivered from one location and what we are wanting to do is to spread that type of expertise much more widely and be sure that we've built in the support network. So we agreed that the unfortunate incidents, I guess always point the way to improvement. In that particular case, certainly people had followed the existing guidelines so they were inadequate in the sense they weren't able to prevent this particular situation. I think the workers in the field have been sensitized by that experience.

The question is, though, that we must ensure that they have the resources available so that their caseloads

in all aren't so heavy that they don't have the capacity to give quicker response. Now we have recognized with child abuse that we must be able to respond night time and weekends, that we can't run a 9 to 5 service. I have asked that resources be made available on that kind of flexible basis so there can be an immediate response.

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

**MR. B. CORRIN:** Mr. Chairperson, I am one who is of mixed feelings about the reorganization of the child welfare service agencies. I don't pretend to have any special expertise or knowledge that makes my judgment any more valid than anybody else's, but I know that there are some very very serious concerns associated with trying to attain the laudable goals that the Minister has referred to during the course of her remarks.

I recognize that it's important that a child welfare agency have a certain degree of intimacy and a certain degree of special rapport and, hence, sensitivity with the community it purports to serve, but I'm not sure that smaller is better. I think, for the purposes of discussion in committee, it's worth considering whether or not we can effectively monitor the performance of the new bureaucratic system in such a way as to assure that those whose interests are supposed to be protected will be protected as fully as possible. I guess for me the bottom line is how we assess and how we monitor the real ongoing efficiency and viability of the six new regional Winnipeg centres.

There is no question in my mind that the former agency had begun to disfunction, and I base my opinion probably on the same grounds that the departmental members and the Minister and her predecessor based their decision with respect to that agency's ability to continue to perform its mandate.

But I'm concerned, I'm not one who's convinced that simply because you have smaller, you have more intimacy, you have more rapport. I guess I don't think life is that simplistic in the raw. I think you can still have people who are incapable in their positions, even though you have six different small organizations. You might even have more inefficient directors of child welfare among six organizations than you did among one. I don't know who does more harm. You can have two or three people who are unable to perform in a group of six who can actually reap more havoc than one can if identified early enough in the larger centralized bureaucracy.

So I continue to be a bit skeptical about the reorganization, and I guess I have an inherent disbelief in simple bureaucratic solutions. I see reorganization along the model of six as being intrinsically in some way superior and in some ways inferior to the pre-existing model. So I have a lot of difficulty with respect to this new concept in child welfare. I see it as a bureaucratic approach and not as a long-term social approach.

I ask the Minister to express her views with respect to how we are going to monitor the performance of the new regional system? How will we do that? I think that's the key to everything; if the monitoring and assessment is adequate, then I think that we can all rest more peacefully knowing that safeguards have been

put in place to assure that we won't have repetitions of what brought us to this juncture in the first place. If there are no appropriate safeguards, then I don't think we've done a lot except re-juggle an existing and pre-existing system.

**HON. M. SMITH:** I agree that no structure or bureaucratic reorganization has got all the answers. I think, again, though that the type of structure that one has, and the process that one hopes to follow, and the goals of the system have to be looked at in concert and have to be in some harmony. We're certainly recognizing the need to have training for the board people who are elected from the community and, therefore, bring a broader perspective and many more facets of opinion into the situation. They will receive joint training so that they learn the skills of working in a board and in a policy-setting role and in a monitoring role. They will also meet with one another on occasion so that they can provide mutual critiques, in a sense, of one another and learn from one another. I think it's true, as we get into the components of a child and family service, that we find some are better on a smaller scale, delivered more locally, others need to be centrally co-ordinated. The process we have at the moment with the 200 people working on the specific services from a co-ordinating perspective are identifying which things should be decentralized and very flexible, based on the local community need and which should be centrally co-ordinated, such as, the child abuse unit and some of the adoption listings and so on.

Now we are increasing the data collection at the centres so that we'll have some kind of comparable data to go by and that's a necessary but not sufficient part of any monitoring system. We will have a co-ordinating board that will have representatives from each of the six to monitor what goes on and to make recommendations as time goes on and to debate very openly the development of the system. We're building in, in terms of legislative change in the role of the director, as clear a policy direction and an ability to require accountability as we can.

The basis on which funds will be allocated will also require accurate feedback in terms of where the resources are being spent and the rationale for that. Although we expect a degree of variation among the regions we will be able to identify if one region is putting all their money into one type of service and nothing into another. In other words, there will be a kind of mutual crosscheck that can be secured from that end.

This system will be more open to community review, and that doesn't mean that every time a question is raised by a community group or a criticism made that a board will jump, but it does mean, because of the openness of this system, that those points of view will need to be recognized and dealt with in an open way and is clear criteria given for the reasons for board actions as can possibly be achieved.

We built in a major assessment process in the third year, which is common when you're introducing a new system, and you design that assessment very much as you develop this system because a system always has certain goals. If you don't build in a way of checking whether you're actually achieving those goals in a sense you've only done half your planning. I would disagree

that this is a bureaucratic approach to the service, I think all along there has been a very open and consultative approach to the changes and an examination of a lot of different models before this was arrived at. The process of planning continues to be a broadly participative and open process, so I think we have the opposite of a bureaucratic talk down imposed type of system. Again, it is really six more equal-sized agencies in place of one very large one - or one mid-sized and one rather small agency, so it's not exactly six in place of one, but it is matching a lot of the literature on how to build community networks in an urban setting. We think it has a lot of exciting aspects to it and that it does show promise, but it's going to take a lot of work and commitment and patience to enable it to accomplish what we think is a real co-operative type of service delivery instead of an all-government or all-private one.

**MR. B. CORRIN:** Mr. Chairperson, I don't want to be misinterpreted.

I personally believe that children are essentially the property of no one and the responsibility of the state. That's part of my fundamental philosophy. That the state has a responsibility towards all of its people and all of its children and so I don't want to be misunderstood as suggesting that I think this approach is simply too bureaucratic. In fact, I would be one who would advocate a system where the state assumed the burden of more responsibility and took the political risk for that responsibility than the decentralized approach, which I think, offers very little except a great deal of concealment.

I don't say that trying to indicate that I think this Minister or her predecessor are attempting to conceal anything in this area, but rather because I really think that it's important that there be full accountability in any child welfare system which derives its power and jurisdiction from the people, and so I believe that the state is the common denominator. The state has responsibility through its elected representatives and their public servants to administer a program which is both valid and viable in terms of social needs and priorities. I'm one who would probably be favourably inclined to a more state-organized form of central child welfare as long as there was more direct accountability.

Having said that, I don't see why we can't have broad community representation even at that level. I think it's conceptually possible. I think you get into some very, very broad questions and obviously some of the parallels are matters such as school boards and the role school boards play vis-a-vis the Minister in Department of Education in terms of conceptual, bureaucratic parallels in structure. I think that it's conceivable that in a social democratic state, and I say that again in a very broad way, that the state could assume the burden of that responsibility and organize its functions in such a way as to be in close conjunction with the people it represents and their broad range, long-term interests.

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

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

Mr. Chairman, what I want to bring to the attention of this committee is similar to a case that has been discussed at length from the Member for St. Norbert.

The case that I want to bring forward regards government policy to native adoption. We have, first of all the Minister has had correspondence in her hands since March into April and May and now it is June, with very little response, if any, to this particular case. So, Mr. Chairman, I feel that it must be brought forward at this particular time.

I'm speaking on behalf of a young native lad, by the name of Ronnie Eaglestick who has been under the care of foster parents since January of '82.

It is the belief of these people, Mr. and Mrs. Titus, that the adoption of this native child should be dealt with almost immediately for the sake of the boy's future. Today, Ronnie Eaglestick is five years and four months of age and if he is not put up for adoption to a suitable home very soon, he will be past the suitable age for adoption.

So, Mr. Chairman, it would seem to me that the actions of the present government with regard to the policy that they are following where a native child must be adopted by a native family within the Province of Manitoba, it seems that the families are not there ready to serve the needs of these native people and it has been brought to my attention, Sir, that there are families possibly outside the Province of Manitoba who are both suitable and willing to adopt Native children from the Province of Manitoba.

It would seem, Mr. Chairman, that this policy at this particular time is very unjust to the Native people of our province. What we are doing is denying this young lad the right to lead a somewhat normal life, I guess you could say, where he could be, if he was placed in a proper home, could be given that opportunity to live under the guidance of a mature mother and father willing to take the responsibilities.

It has been said to me that in this particular case, Mr. Chairman, that the future of this young lad is very grim, you might say. I have met the Titus family and I have also met the young lad in question and believe you me, I can understand their concern for this young lad that something be done to assure him with the proper care in the near future. It is most urgent, I would suggest, Mr. Chairman, that young people such as this lad should be given the opportunity to enjoy a close family relationship with a proper mother and father. This particular young lad has been jostled about every since he was just almost an infant. It is obvious to me that he certainly does need proper care at this particular time in life. I'm hoping that the Minister will give every consideration to possibly changing the policy that is presently followed by her government and see that cases such as this young lad's be dealt with in the near future.

**HON. M. SMITH:** Yes, I would like to respond to this without referring to this specific youngster or family because I think it's better not to deal with specific cases in this forum, but I think the case does raise some special policy questions which I will comment on.

There was a moratorium put on out-of-province placement because of the concern of the pattern that was developing where very large numbers of Native youngsters were placed out of province. There was just a recognition that some better alternative had to be found. Now in the placing of that moratorium there

was the ministerial discretion left, should there not be an alternative placement in a culturally appropriate home found.

One of the factors that has made this little youngster, and others like him, difficult to place is that he does have special needs. Kids with special needs do present a particular difficulty in placement.

Now there's two factors here. One is that when we put the moratorium on, and as we've been working with it, we've recognized that there must be a time frame imposed on the alternative procedure of looking for appropriate placement because it's not fair, as the different agencies gear up and try to find appropriate placement, to leave a particular youngster waiting too long. We are working on putting time frames, which we will enforce, onto the length of time which an individual child can be held before placing.

But I want to emphasize two points. One is that the time frames that we will use we didn't want just to impose what we thought was our best guess as to an appropriate time frame. We have been working co-operatively with the agencies to come up with a time frame that has the support of the other groups and, therefore, will be honoured. Now we can enforce but it's much better if you can get understanding and co-operative support.

The other issue is that we inherited a child and family system which had no time frame and no requirement that there be permanent placement planning at all. We have been working to require permanent placement to reduce the time frame within which that is expected to take place from the time a child comes into care. But you don't pick up a system that has nothing and convert it to a system that is ideal overnight, it takes time.

It's taken the Native agencies time to gear up in their ability to identify appropriate resources since the moratorium was on. I think everyone has been more than presently surprised with the speed and effectiveness with which they've done it. I've already quoted the numbers of youngsters that were on the waiting list when the moratorium went into effect compared to the list now which is down to a third of that.

Now the youngsters that are difficult to place, either in Manitoba or formally out of, were kids with special needs, sibling groups and older children. Now we know from some of the out-of-province placements that they didn't always offer 100 percent secure placement either. We're all smarting from the tragedy of the Cameron Curley case where a youngster, in good faith I'm sure, was placed out of province and given what everyone thought was a nice secure permanent home. Of course, it turned into a horror story for that young man. So I don't think we should contrast the placement out of province with the moratorium period as a shift from a time when everything was rosy to a time when everything is dark. We are making headway, we are working on the time frames which we think are appropriate within which permanency planning should be completed. As I say, we hope shortly after the consultative process to be able to put those into effect.

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

**MR. A. BROWN:** Thank you, Mr. Chairman. I also am quite concerned about decentralizing the operations

within the City of Winnipeg, forming six areas, when we know very well that within these six communities a lot of the work will have to be done by a centralized committee anyhow. Larger cities than Winnipeg are operating with one Children's Aid Society, namely, Toronto if the Minister wishes to take a look at what is happening over there.

Toronto is noted as having one of the best Children's Aid Societies within Canada. They're doing an extremely good job; they're doing an efficient job and it's a city with four times the population of Winnipeg.

My question would be, where did this demand come from that we fragment this Children's Aid Society of Winnipeg, where did the demand come from to decentralize it into six areas, which possibly can be functional, I'm not saying that it can be functional, but it certainly is going to cost a great deal more money, additional staff will have to be hired. What this additional staff is going to do, they'll still have to report to some sort of central agency. So my question to the Minister is where did this demand come from to decentralize the Children's Aid Society because, as far as I'm aware, there was not particular demand?

**HON. M. SMITH:** There was a co-operative planning process going on to look at the delivery of service prior to difficulties with CAS Winnipeg. CAS Winnipeg had an accumulating deficit; they had very few dollars, relatively speaking, being spent on the preventive family support services, and they had a Native community which felt that they couldn't get access to becoming members of the board or have their culturally appropriate needs met. So there was a need to change, and then there was the question of which model to follow.

Now in deciding which model to follow there certainly was an examination of what was done in Toronto where there are at least two societies, the Catholic and the secular one, and then Peel, which is in some respects a suburb, has its own board. So they didn't necessarily go the route of only one, but in analyzing the philosophy that we wanted our Child and Family Services to promote we didn't necessarily feel that their system had all the answers either. We felt that if we wanted a service to be more on the preventive and family support side that we must offer it in a way that linked in to families, and to community organizations, so that people would see it, not just as the big CAS that comes from the central office downtown and apprehends youngsters and takes them away, but as a friendly neighborhood agency which would do everything possible to help the family stay together and learn how better to cope with urban living and raising children, and only as a last resort would move in and apprehend a child.

To accomplish that, we felt that the tiered system if you like, where there would be a co-ordinating central group, where there would certainly be policy direction and accountability and protocols and so on from the Provincial Government, and where there could also be the benefits of a decentralized, more integrated service with the local community organizations, offered the best hope of that type of service. Having elections from members in the community, having an openness to the local community, provides us with the opportunity to draw in a lot more volunteer participation.

We also had operating in the city, an agency that had experimented a lot with this type of service and they were getting good results with shifting more of their resources to the support in the preventative end. So we had some experience, we'd be quite happy to show that experience to Toronto. Who knows, they may find that we have something to emulate.

Anyway, building it on our philosophy of trying to keep families and communities together wherever possible and trying to make the urban living a little bit more supportive of children and families - the logic of the whole analysis pointed towards this type of a system.

We are confident that the staff will - we can't predict precisely whether the numbers will go up or down. What we can predict is that we'll have proportionately more staff involved at the family support end, that we will have more Native staff and hopefully more staff from the varying cultural groups that exist in Winnipeg; that we will be doing a lot more training of cross-cultural awareness because our urban community is changing rapidly and the practice which may have stood us in good stead 10 years ago may not be the best we can do today.

So all these factors have lead us towards this structure and we think it has the best advantages of a centralized, fully accountable system with the decentralized flexible service delivery portion; that it's a composite system and it really does offer, I think, an exciting opportunity to bring more resources to bear. It's a better device for bringing volunteers into the system. In these tough economic times, we're not going to find it easy to find great new resources for child and family services, therefore it's incumbent on all of us to build a framework whereby we can draw optimally on trained staff, on volunteer resources, and on linking up with existing community organizations like the schools and like the community centres.

**MR. A. BROWN:** Mr. Chairman, my question to the Minister would be this. Regarding the previous Minister - didn't a lot of these problems start when the previous Minister was in charge of Community Services?

It seems to me that there was absolutely no co-operation at that particular time with the Children's Aid of Winnipeg, and it seems to me that, right from the time that he became Minister, that they had this particular movement as one of their goals that they would attain making it impossible for the Children's Aid Society of Winnipeg to continue to function.

There are a number of things which caused us grave concern. One of these was of course that they were supposed to come up with some type of program and plan which they did but before they could present their final program and their final plan, the eve on which they were going to present this to the Minister, the board was disbanded and a new board was set up.

Now, this was done without any other plan being in place to replace the Children's Aid Society of Winnipeg. Yes, the Minister had made the decision that we were going to have six areas, six agencies within Winnipeg, yet none of them, the plans were not anywhere near to becoming functional and it is going to take, I suspect, at least another year before any of these agencies are going to be functional.

I believe that this is the thing that is distressing us so much. We are going to be spending a year-and-a-



half at least trying to make decisions, trying to form policies. In the meantime, there are a lot of children out there who need placement, who are looking for the type of direction which they are not receiving at the present time. This really must be where the concern lies.

I am told that there are a good number of children awaiting placement, awaiting adoption that were perfectly adoptable, awaiting placement at the present time. Yet, there seems to be no particular agency or nobody who can give that particular direction at this time. This to me is absolutely deplorable. I do not think that the children of this province deserve that type of treatment.

It is for that reason, Mr. Chairman, that I am highly critical of what is happening. If we were going to form six areas, then why did we not have a plan in place so that we could step in to do this hurriedly? It's something that is just absolutely incomprehensible as far as I am concerned.

In addition to this, we're going to have additional costs in these six areas. We're going to have six directors and there'll have to be some kind of accounting practice going on so they can forward whatever they're going to do to a central agency. We'll have to have co-ordinators in all these six areas which are going to be co-ordinating the volunteers. We'll have to have perinatal and emergency services. We'll have to have group home co-ordinators. We'll have to have child welfare services and on and on.

Now there is going to be considerable extra cost, monies which I say should be going to the care of children rather than in hiring more personnel to run this operation. So I wonder if the Minister could answer, why did we have to move in such haste before we had another program that was ready to go?

**MR. CHAIRMAN:** I notice that we have been discussing the Children's Aid Society which should appropriately come under 4.(b). Why don't we pass 4.(a) first and then go to the Children's Aid Society and we can continue the discussion?

The Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, we are under the salaries of the people who are doing the planning, who are responsible for advising the Minister on that particular area. I would prefer if we could discuss this particular area under this section and then we will not have to repeat it when we get to another section.

**MR. CHAIRMAN:** With the understanding that we don't repeat the question under (b), that will be fine.

The Honourable Minister.

**HON. M. SMITH:** Yes, Mr. Chairman, there was a two-year process of planning a change in this system. The planners are coming up for a termination of that two-year period now. The situation with CAS Winnipeg did advance the process somewhat, but not by many months and, when we realized that it was necessary to move a little faster, the Interim Board was put in place with all the authority and responsibility for giving direction for dealing with the children, as the previous board - at least take the same responsibility for the

children that the previous board had - and not leave anyone waiting in limbo. In fact, we don't have a longer waiting list for children requiring placement; there hasn't been a great shift. The only shift, really, has been a gradual decrease in the use of the rather costly group home alternative for children under 12, particularly, and a great increase in the use of foster homes which we find are more suitable for the younger children.

The recognition of the need every once in a while, to look at the system as it's evolved bit by bit, year by year, and do a rationalization was long overdue. Ten years ago in the Joe Ryant Report on the child welfare system, he recognized at that time that Children's Aid Societies had developed as small private groups working to meet a need. They'd found they couldn't raise funds on their own, that they had to come to government increasingly to the point where the public was funding them almost exclusively and yet having very little influence over the way the money was spent or on the policies that were followed within that system. There was no openness in the way these so-called boards were selected; the membership had dwindled almost to the people on the board so that there was no clear information as to how the public could become a member of a board, how they could put their names forward to run for the boards, or how in any way these boards could be made accountable to the community, let alone to the government that was responsible, by legislative authority, and also by having to provide the bulk of the funding.

So a planning process was in place; it was accelerated and the Interim Board, as I say, was put in control while the transition process was accelerated. A very thorough planning manual that outlined the series of tasks to be accomplished - who would do what, training procedures and so on for the new boards - is out and in place and I think anyone who is familiar with the procedures of accomplishing such a mammoth shift in organizational structure and in process, anyone that we have talked to is very supportive of the process that we have put in place. A great many people are taking part and influencing the way the system develops.

There is, as I say, a range of services which are allocated to the local, community level. There's another range of services which are allocated to the coordinated central level and then there is a policy direction and data collection role that is carried out at the provincial level.

So, I absolutely reject the notion that the transition has not been carried out in an orderly and responsible way and I think it's moving along very satisfactorily. The situation prior to the change offered virtually no input for the Native people whose youngsters were representing increasing proportions of the youngsters in care. They were not having access to the boards or to the policies that had to do with their children, and what we were frankly facing was a system where the prime client group was losing trust and confidence. It would be foolish to pretend that we have overnight eliminated that distrust and split. It's going to take a long time and a lot of hard work from all parties to build a system where there is more confidence and coordination, but what we are doing is putting all the problems out on the table and helping to design a process whereby the problems can get looked and dealt with in a way that truly makes sense to the families and the communities involved.

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

**MR. A. BROWN:** Thank you.

I am very much concerned as to what is happening in this particular area. We seem to have gone about this in a manner which is creating a great deal of ill will towards the Children's Aid Society, especially in the City of Winnipeg. We don't have that problem in the rural area, but especially in the City of Winnipeg there is a great deal of criticism which has been mentioned by various people who are concerned about the Children's Aid Society.

We have an Interim Board, at the present time, that already has lost the confidence of the people. The Native situation, at the present time, has not been resolved, or is not anywhere near being resolved. The Native community is still very unhappy and don't feel that they are part of the process. There's a feeling in the community that the Minister has politicized the Children's Aid Society because she would not allow nominations from the floor and the people that they could vote for were largely chosen by members of her staff.

**HON. M. SMITH:** Not true.

**MR. A. BROWN:** Well, whether that particular statement is true or not, that is what the people out there perceive because, again, mainly because nominations were not open from the floor.

**HON. M. SMITH:** They were open.

**MR. A. BROWN:** The Minister says that there has been a consultative approach with various people and yet, again from reports that I am receiving at least, is that this consultative approach is mainly with members of her staff.

All these things, Mr. Chairman, do give us a great deal of concern. We should not have this type of disharmony within the Children's Aid Society that we have at the present time. I would hope that somewhere along the line, that some middle ground can be established where we can all again start working together towards where the need is, and that is the children that are in need. I just wonder if the Minister could just comment on some of these problem areas that I have pointed out to her.

**HON. M. SMITH:** Before the break, Mr. Chairman, we heard from the Member from Rupertsland tell in his words and with his feelings, how he had perceived the child welfare system and the residential school system, from the point of view of a Native Manitoban. Now, what I heard him say was that things aren't going to change quickly, but we must find a way to improve them and to share with Native people the responsibility and to see they have the resources to look after their own children.

What I suggest is that what people saw as harmony before was a small group operating the way it always had and never bringing up onto the table the issues that had to do with Native child welfare in the city. What we're doing is laying those issues on the table, saying they're difficult issues, but they're important

issues, and what we must have is a process and a structure that allows them to come up to the surface and be looked at. Change is never easy; there's a lot of people in the field who would prefer things just to go on in a comfortable way, but any true professional knows that they must keep up to date in their field. Lawyers are increasingly being called to account to keep up with changes in their field; social workers, the same; teachers. There's none of us who are professionals today who can afford to sit back and say, "The way we've done things is the best and that nothing should change." Now we're being challenged as a community to open up and find ways to develop more culturally appropriate child and family services, ways to count our Native Manitoba brothers and sisters into the system. The whole process that we've been engaged in has that as a main purpose. It also has an opening up, a democratization of the Children's Aid system beyond the small groups that have in the past served as the decision-making boards in the field.

Now in terms of how we got to the selection of these boards, what we were dealing with was the problem of giving the community a chance to elect the boards for six agencies. We were dealing with populations of 100,000. We could not issue an open meeting to everyone in the area to come out to a meeting and have a completely open nomination process. Much as any group that deals with large numbers of people, there had to be a process.

Now the process we put in place was one that we thought squared the requirements of getting it in place relatively quickly, with the requirements of having it open and free from direct political influence. To do that, we advertised open membership in the board. We solicited nominations from residents in the area and from groups working in the area. We held open meetings to publicize; we put up posters; we distributed pamphlets; we advertised in the newspapers; we selected a nomination board which I defy you to say was a staff nomination committee.

The three people who served on that committee were instructed to function at arm's length. They were not political appointments. They were people who we felt had the respect of all segments in the community to the extent any human beings can be said to have that respect and support. They carried out their process. They received the nominations and they made the selections so that there was at least 50 percent more nominees than there were places. We contemplated having open nominations at these meetings, but we thought of the horrendous task of verifying where they lived, who they came from, which category they came in and still retain the patience of a group invited out to do the selection.

So we opted for the advanced nominations, but they were in no way secret or closed. People had ample opportunity to take part in that process and to submit names. Those boards now have built into them a replacement of one-third of their membership each year. They also have the categories in a sense built in. So it's not easy for any one group in the community to move in and dominate because we want a broadly representative group. If we had wanted to politicize something like that, we would have moved in and appointed them all in short order and got on with the business. But it's because we believe in the benefits

of a more democratized process in child and family services that we have gone through all this process.

Now if you want to say that politicization has to deal with values, then I don't mind that kind of a term because I think the values that were represented here were openness, democratization, accountability to the public, broad representativeness and a real commitment to build preventative and family support services of which we can all be proud. If those are the political values that dominated the process, then I'd be proud to accept that comment.

In terms of consultation, there are currently well over 200 professional people from the field working on the various components of the process. Some of those services must be co-ordinated centrally. They are giving us the benefit of their experience and helping to create this new system. Far from disharmony, I think what we have is the possibility of creating harmony, but harmony in which all the people have a chance to play their tune rather than just have a small little chamber orchestra dictating the nature of the service.

**MR. CHAIRMAN:** 4.(a)(1) - the Member for Ellice.

**MR. B. CORRIN:** Mr. Chairperson, I was interested in the concept of the protocol. This terminology is a bit new to me, and I would like to ask what the effect, legal or otherwise, is of a protocol between government and a regional child care agency? What sort of effect does it have?

**HON. M. SMITH:** That is an important question. Legislation, of course, has the strongest authority. Next to that come regulations that are passed by Order-in-Council, and they have the next level of weight. Protocols follow from that - protocols and directives. They would not necessarily stand up in a court as an absolute principle that a judge would rule on, but they would give direction to the people working in the field, that if they follow these protocols, they can be considered to have performed their jobs efficiently and effectively. They would not be held up to be personally responsible for some misdemeanor. It's a way that policy direction is given in a system and it's persuasive, it's in the form of a recommendation rather than an absolute rule. But it gives comfort, if you like, to the person in the field because it's a recommended procedure.

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

**MR. B. CORRIN:** I have another question.

**MR. CHAIRMAN:** Is that on the same subject?  
The Member for Rhineland.

**MR. A. BROWN:** I was . . .

**MR. G. MERCIER:** On a point of order, Mr. Chairman. The Member for Ellice was asking a question, and it's been established practice in the committee for you to allow that member to complete his line of questioning.

**MR. CHAIRMAN:** Does the Member for Rhineland have any objection, because I notice that he has not . . .

**MR. B. CORRIN:** On the same point of order, I have no objection to allowing the Member for . . .

**MR. CHAIRMAN:** He has not completed his line of questioning when the Member for Ellice had been trying to be recognized for the last three times.

**MR. B. CORRIN:** I need a lot of time to gather my thoughts anyway, Mr. Chairman.

**MR. CHAIRMAN:** I'm trying to alternate and at the same time balance the line of questioning.  
The Member for Rhineland.

**MR. A. BROWN:** Thank you, Mr. Chairman. I was not quite finished with my line of questioning. There were a few other things I wanted to discuss, but I will defer to the Member for Ellice and let him finish his line of questioning at the present time.

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

**MR. B. CORRIN:** We're obviously all being good fellows tonight, good gals and fellows.

Mr. Chairperson, I'm concerned about the protocol simply because, obviously, they're the underpinning on which the mutuality here exists. When the Minister talks about a more representative type of system and a more democratic system, she's obviously got to consider that and we all have to consider that in the context of the legal effect and ramification of the policy protocol.

As I said before, I'm one who believes that the policy should essentially be responsive to the people, but should be made here and should be accountable at the top end. I'm not suggesting that's definitive. I think we could have a very good wide-ranging discussion and debate on the entire subject of what sort of approach and concept the child welfare is most effective.

But I am a bit concerned about the protocol insofar as I don't know how it's enforceable. Other than the suggestion that somebody would be out of line in terms of their responsibilities, I don't know how you make an enforceable protocol. I don't know what you do if you have a regional board which says, we don't agree with the protocol. This community thinks the protocol is rubbish.

Now, I'm one who believes that the protocol should be more than a protocol and shouldn't be rubbish and the matter should be put in some final way to the public at election time if departmental policy is rubbish. But that's not absolute.

I wanted to go on, Mr. Chairperson, in the same vein talking about democratic representation and representativeness to ask the Minister how we're dealing with the question of Native input. There's been a suggestion that the new system, the decentralized system, will become suddenly more sensitive to Native concerns. I'm concerned about how we're doing that. Are we doing that by mandating affirmative action?

I don't know the answers, Mr. Chairman, and I think all of us would want to know, are we going to mandate affirmative action so that Native people must be retained as child care workers, as line service workers in the divisions; or are we doing some sort of ongoing inculcation of Native cultural values and traditions, familial orientation that would be applicable to people of any racial or ethnic origin? How are we dealing with

that? How are we actually translating our aspirations into direct service approach?

**HON. M. SMITH:** Mr. Chairperson, the elections were as open as they could be. Seventeen Native persons were elected out of - if 12 people were elected in each of 5 because one CAS Eastern was permitted to carry on - to phase into the system in a slightly different way so that 17 out of 60 were elected. An affirmative action hiring program will be built, recommended to the regional agencies - recommended in a stronger way than that will be expected.

There will be training and cross-cultural values and understandings with staff who are not Native or for that matter there are many other cultural groups in the city which are going to require increasing study and understanding in the child and family system so we are working at training in those fields.

There will be appeal procedures so that people can appeal a decision at a less formal level than courts. Of course, there's always the final appeal to the courts. Legislation, we did have a draft act that has been circulating and getting a lot of consultation for quite a period now. We're only putting in selected amendments now. We're wishing to continue the consultative process in order to see how best to bring in cultural realities to the legislative end.

Short of that, we will be working with protocols that are developed in consultation with people in the fields so that what they represent is not so much a direction from on high, but a co-operatively arrived at procedure that makes sense. It's a result of a joint problem-solving approach to the problem.

The biggest option for Native input is a Native Service Centre that we have. We are negotiating with the reserve-based agencies and the Native organizations in the city whereby we have offered to enable them to deliver the family support type of service, the preventive and family support service through a centre where all of the respective Native groups would have their own spot and they would have a board elected by them to operate the centre. Native people could self-refer themselves to that centre as an intake spot if they so chose.

Then, we would provide some core funding for that centre. In addition, the centre could negotiate with the regions, particularly the regions that have the largest Native populations, to in a sense sell a service to them of family and support services, preventive and family support services so that they could as they built up trained staff over time, be assuming a fairly large proportion of the service to Native children because our goal would be increasingly to have Native people give service to their own families and children. But that's not something that can be achieved overnight and what we want is an orderly process for developing it.

Any of the legal services which would include apprehension and foster placement and adoption would still take place through the structure of the regions. We would hope that the team planning could increasingly be incorporated so a Native person would be involved in developing that plan but the legal authority would rest with the regions.

Now, that's a fairly complex set of initiatives that come both from the provincial level and from the service

level up and from the communities which we think put together, can vastly increase the opportunity of Native people to become part of the system in an orderly way and a method that will permit accountability to develop as the system grows.

**MR. CHAIRMAN:** 4.(a)(1) - the Member for Rhineland.

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

I just had one other comment to make and as I was saying earlier that the City of Winnipeg is divided at the present time regarding Children's Aid Society. This is something that we cannot afford because it's the children in the community that are going to be suffering through that division.

So, I hope that the healing process can happen quickly and there's only one way that that healing process is going to happen. That is that there will have to be some very definite direction that will have to come from the Minister's office, regarding the six agencies.

There will have to be job descriptions in the various people who are appointed or hired for various positions. In other words, there will have to be accountability because the Minister can rest assured that one-half of the population of Winnipeg is going to be out there watching every move that the Children's Aid Society is making.

There is an urgency that these agencies be placed in a functional position as soon as possible. We have every reason to ask the Minister to work as quickly as she possibly can to get these agencies in place and to prove to the people of Winnipeg that this is going to work because they are going to be, as I mentioned earlier, they'll be watching every move that she's going to make. If she can prove to the people that these agencies are going to work, that this process is going to work, then hopefully we'll be able to get that healing process under way.

**MR. CHAIRMAN:** 4.(a)(1) - the Honourable Minister.

**HON. M. SMITH:** I hasten to say, amen to the member's words. I trust that he means when he talks about healing, that all the citizens be involved in that process, that we in a sense achieve a bigger consensus than we had before. On the planning side, I will undertake to forward to the member tomorrow the planning manual that is guiding the transition of the system and which I assure him does recognize the detail such as job descriptions.

I also want to say that the citizens of Winnipeg, there may be many watching but there's also more than there have ever been in the past participating and contributing their bit to making sure that this system does, in fact, evolve into a system that we can all be proud of.

**MR. CHAIRMAN:** 4.(a)(1)—pass; 4.(a)(2) - the Member for Rupertsland.

**MR. E. HARPER:** Yes, I just wanted to say that in terms of the reorganization of the Children's Aid Society I believe the Native people welcome the reorganization. I also realize that Native people are not totally satisfied with the organization, but it'll take time before we have

this fully developed organization. At this time I would say that I think there was a lot of expectations from the Native community in terms of total reorganization into one of, I believe, total control of the Children's Aid Society, not by total control but at least with respect to Native children by the Native people. This process hasn't been totally accommodated but I believe the process will eventually lead to that in the longer term. Why I say that is I believe that, especially Indian people, they view the Federal Government, which has exclusive jurisdiction of Indian people, that they will have legislation in the future. So this process will help along in achieving that goal.

When we talk about Children's Aid Society I believe the opposition members have been defending the institution. That institution has not served well for the Native children. As a matter of fact, in the Kimelman Report it stated that well over 80 percent of Native children, of the total children that were placed out of province were, I think, 80 percent. Also of all the children replaced out of the country well over 90 percent were Native children. I think that speaks for itself that the Children's Aid Society didn't serve the Native community and I think that's one of the reasons why the Children's Aid Society at least to change the structure and put a new child welfare system into place was welcomed by Native people. I hope that through this process that it eventually will show the results of that change.

Thank you.

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

**MR. B. CORRIN:** I think we can all agree this is a very difficult area, Mr. Chairperson, and one which requires a great deal of concentrated effort, and a great deal of luck probably in the long-term analysis.

I have two concerns which I wanted to raise at this time because I'd like to share them with members of the committee and with the Minister. I think they're areas that are worth considering. I think in one case, at least, there has been substantial progress and, if this is the case, I'd like to hear about it.

The first has to do with the question of children's advocates in the apprehension process, their role and their responsibility. I personally believe that children's advocates have a role to play in those sorts of situations - children's advocates being persons who are appointed by the courts, or perhaps even more happily and necessarily by some independent agency with a view towards assuring the best legal interests of children who are before the courts with respect to apprehension proceedings.

First of all, and there are two parts to my short presentation, I would like to know whether we are expanding funding for children's advocates and whether conceptually the government is embracing this approach as having some relevance and some long-term viability to this problematic area?

Secondly, I would like to know whether the Minister thinks it worthwhile to consider the creation of some sort of central agency, or board, that would review Children's Aid placement subsequent to apprehension proceedings taking place? I know that there are ways this can be done and I think the treatment panel is

one way this can be done on a voluntary basis. But I'm thinking of something that would be mandated more broadly and more generally to assure that there was some sort of consistency in the treatment of children subsequent to apprehension proceedings having taken place. It's my very general and brief experience that the standards which pertain, as between agencies and regions, differs very dramatically in Manitoba, and that resources available are often just a question of the individual knowledge and connections of a particular agency, and not part of some sort of general broader more planned approach.

So in those two respects I would like to know whether the Minister has had any concerns in this regard; whether she has any perceptions; and whether she can make us aware of any government initiatives in those two areas?

**HON. M. SMITH:** The question of children's advocates has certainly been discussed, so has the expansion of the Ombudsman role to cover that. We have been discussing it in line with the revised act for next year and would appreciate a submission with pros and cons by the member. The judge currently can appoint a lawyer now to defend a child, he or she has that option. We don't, at the moment, have any expanded funding allocated for that but, as I say, it is one of the items that will be reviewed under the, you know, the more extensive overhaul of The Child Welfare Act.

With regard to a treatment panel. We have hired a treatment placement co-ordinator whose job it will be to monitor and oversee the more complex cases. Also in our building of the data bank at the provincial level, that is an essential part of building a systemwide capacity to monitor and identify resources in a more systematic way, without that kind of central data collection, without access to something like that, it's very difficult to meld a lot of agencies in the field into one larger system, but we are in a developmental process on that in the development of that data resource.

**MR. CHAIRMAN:** 4.(a)(2)—pass.

4.(b)(1) Child and Family Support: Salaries; 4.(b)(2) Other Expenditures; 4.(b)(3) Maintenance of Children; 4.(b)(4) External Agencies - the Member for Ellice.

**MR. B. CORRIN:** On either Child and Family Support or Maintenance of Children.

I had given notice of the Minister on I think a couple occasions with respect to this question. It has to do with the differential between per diems paid to day care proprietors, people who are proprietors of residential day care situations, and those conferred upon people who foster children in their homes. The information I have, and it may be incorrect, I received it from a constituent - not that a constituent's information is generally unreliable - but I have to admit that I haven't done any personal research, but I have made the Minister aware of this on two occasions. The information I have is that there is a differential of some \$4 per day between the two in favour of the day care proprietor; that foster placements are getting something in the region of \$8 whereas the day care people residentially are getting something around \$12.00.

I was wondering if the Minister could indicate to the committee as to whether that is correct and, if not, what is the actual situation? If it is correct, why is there a differential in favour of residential day care as against foster?

**HON. M. SMITH:** You've put your finger on one of the things that happens when systems develop sort of in isolation from one another, whether we're dealing with foster care where families used to take children very much as their own and have barely out-of-pocket expenses paid, to now where they have somewhat better but certainly not probably the full job worth of caring for, supervising, feeding and sheltering a child. You have that system on one side and then you have the child day care system which again is where the public is taking over a task that was done in the home for free by the child's family. It's developed on another pattern where all the staff are paid staff and it's a sort of eight-hour-a-day service to the child.

There is a differential, and what we're recommending is a gradual enrichment of the payment to foster parents, but there is no policy decision that says they should be identical. In one we're dealing with a surrogate parent role and, you know, regular parents in a sense don't get any money for their children other than a bit of tax relief, I guess a bit of child allowance. The foster payments are considerably better than that.

Again, in the day care system one salary requires the care of five children, and in foster placement we usually don't have that intensity of placement.

**MR. CHAIRMAN:** 4.(b)(1) - the Member for Ellice.

**MR. B. CORRIN:** With respect to the degree and intensity, I just want to tell the Minister, as I'm sure she is aware, that there are some people who are fostering children who have very special problems and needs. This can be essentially very problematic because it requires 24-hour-a-day service in a sense. Even if the needs are not such as to label them in some special category, it can still be very demanding. It isn't a job that can be given up, as I'm sure the Minister is aware, after eight or nine hours.

The other concern I have with respect to this differential is it discourages people who would otherwise be motivated to act as foster surrogate parents. I guess it's almost unfair of me even to refer to them as surrogates because I think, having assumed the burden of that responsibility, they're as entitled as anyone else to say that they are parents - period.

When we state the case, as we have, and I think quite rightly, that we have to encourage people to join the system and participate more fully in the system, and a little while ago we were talking particularly about Native placement and the problems it presents. I think one of the problems that underlies that whole area is financial hardship and difficulty. I think that it would be inappropriate not to direct ourselves to the fact that we disincentive or discourage people from participating in foster care when we create a differential in favour of private enterprise. You know, it's something I have not understood and have grappled with.

It's a rule which has been made, and I'm sure there are many good reasons for it, and it certainly

encourages many people to earn an extra few dollars and it certainly encourages many people to be able to go out into the work force or seek retraining. I'm talking about the differential in favour of day care, and these are all laudable. I'm not suggesting that we withdraw any of that sustaining funding, but I can't understand why government can't provide grants at least of an equivalent nature as a matter of priority to people who wish to foster children. I know this is a complaint I have received from people in this position, and quite frankly they're not particularly well-endowed financially, they're working people. The husband in that family works in a meat-packing plant and the wife is handicapped herself and the child in question has a slight handicap.

I would encourage the Minister and all members because the vicissitudes of politics are such that we all participate in the game I think equally. I encourage all members to give consideration to this problem and consider whether it is in the best interest. I say this because if per diem funding is raised for something like this, there will be somebody who will stand up and ask why the deficit went up a few points. There are always two sides to every equation; there will be somebody who will rise and complain about that deficit increasing a few points. So what I'm saying is, I would appreciate occasionally, and I think we all would, if we could all mutually understand and accept that in certain circumstances perhaps the deficit really does have to increase a few points in order to effect social progress and more equity.

**HON. M. SMITH:** Just to lay on the table the kind of special rates that do exist now, we have what we call a Special Rate Foster Care Program because we do recognize that some of the youngsters that foster parents are asked to care for do present special extra needs. An agency can allocate up to \$20 extra per day which is quite extensive compared to most other funding. A director can allocate up to \$30 and I can, as Minister, go beyond that if we consider it appropriate. We have at present 276 children who are on a flexible special rate care. If you would care to give us the name of the particular family, we would be glad to look into it.

We've also put an additional \$250,000 into the budget for foster parents, and some monies to help recruit foster parents because we, too, recognize that they deserve a better financial return for the fine work that they do. But I think it is unfair to compare what we're doing with special rate foster care with somehow supporting a profit-making day care. In fact, our policy is not to subsidize profit-making day care other than some of the ones which were in operation when the program went in, so it's really not quite a fair comparison on that scale. But again these disparities between programs, we can close the gap over time, but it's not the kind of thing that you can accomplish in one or two years.

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

**MR. A. BROWN:** I wonder if the Minister has a statement to make on this particular item of \$44 million. They usually start off with an opening statement.

**HON. M. SMITH:** This is the mixture of all the services that are monitored or provided at the centre. We have a directorate staff and a treatment panel, who of course are overseeing the kind of service that is offered. We have the management information system that we're developing. We're strengthening the Foster Care Recruitment Program and Community Awareness Program in child abuse and family violence. We have put in some extra monies to cover the transitional costs incurred in regionalization.

We pay maintenance of children via per diem rates to private agencies that offer child care. There are the four Children's Aid Societies and Jewish Child and Family Service in Winnipeg. We also have the societies in Eastman, Westman and Central. Where there's no private agency, we provide the services directly by the department in Interlake, Parklands, Norman and Thompson as well as the southeast area of Eastman and the Assiniboia and Charleswood areas of Winnipeg region. That will shift with the new Winnipeg system.

Care and maintenance of children is provided in institutions, in foster homes and groups homes which are operated privately or by agencies.

We also fund some Big Brother, Big Sister type volunteer programs and some probation-related services.

Again, I'd be glad to give any more detail that's requested.

**MR. A. BROWN:** I notice that there's substantial increase in Salaries. What would the Minister contribute that to?

**HON. M. SMITH:** There has been an increase of four in the Central directorate staff. One clerical, one - the earlier mentioned co-ordinator of the placement panel and a co-ordinator of native resources and an executive director in the program area.

**MR. A. BROWN:** Is this the group that also does the planning or is there planning involved in any of the other items under this area?

**HON. M. SMITH:** There's an overall research and planning group for the department, but the more detailed planning that's been going on, particularly for the child and family service changes in Winnipeg, has been contracted out to the Social Planning Council. They've been - in consultation with people in the field - doing a great deal of the planning for the transition.

**MR. A. BROWN:** Would that figure appear under another appropriation or could I ask how much are we paying the Social Planning Council?

**HON. M. SMITH:** For the total services that they've been providing throughout the regionalization they are getting in the neighbourhood of \$95,000.00. That involves some training and the preparation of the planning manual, recruitment of membership for the new agencies, supervision of the election processes. They have a computerized critical path system that they are supervising for us.

**MR. A. BROWN:** Again, I don't know under which appropriation this would come, but I understand that

there is a total of approximately \$500,000 being spent on planning in this total appropriation. Would that be about correct?

**HON. M. SMITH:** I'll have to ask staff to do a little adding up. We had four term positions whose two years are about to conclude who were assisting in the overall planning, but their positions disappear and then the implementation planning is being done by Social Planning Council on contract.

**MR. A. BROWN:** Mr. Chairman, maybe we could have that figure a little later on if they have finished totalling it. I'm ready to move onto the next item.

**MR. CHAIRMAN:** 4.(b)(1)—pass.  
4.(b)(2) - the Member for Rhineland.

**MR. A. BROWN:** Again, there's a huge increase in Other Expenditures. Would this be due mainly to establishing the six areas in Winnipeg?

**HON. M. SMITH:** The computerized management information system accounts for 200,000. Again, that's something that should have been done whether we were converting to a new system or not, but of course it's going to enable the new system to have that central co-ordination that it requires. The foster care recruitment and community awareness in child abuse and family violence account for another 118.7. These are program areas where the level of need, I guess, has only relatively recently come to popular awareness and we feel it's an extremely important area to do public education and preventive programs in. Then, there's the \$366,000 to cover transitional costs incurred in regionalization.

**MR. CHAIRMAN:** 4.(b)(2)—pass.  
4.(b)(3) - the Member for Rhineland.

**MR. A. BROWN:** The Minister mentioned that there were three levels of care while the children were under the charge of the Children's Aid Society, namely; institutions, foster homes and group homes.

I wonder, would the Minister be able to give me a breakdown as to how these work out? How many institutions, how many foster homes, how many group homes?

**HON. M. SMITH:** I don't know that I'd call them levels of care exactly. We usually use levels to refer to severity of need. These are different modes of care, I guess you could say.

In terms of numbers, the societies - I've already named the ones there. The institutions - I can either give you the names of the institutions or I can give you the numbers of children in the different kinds of care.

**MR. A. BROWN:** That would be fine.

**HON. M. SMITH:** Regular rate foster home, 1,168; special rate foster home, 276; private group home, 217; agency group home, 120; private institutions in Manitoba, 142; private institutions out of province, 6; and other, 294; for a total of 2,223.

I think it might be instructive if I gave the figures for last year so you could see some of trends in the placement. The regular rate foster home is 1,113, so it's gone up 55; special rate foster home was 239, so it's gone up by 37; private group home was 222, so it's down by 5; agency group home was 200, it's down to 120. So those two constitute quite a shift of service out of the group homes and into the foster homes.

Private institutions in Manitoba, it was 150, now 142; private institutions out of province was 20 and now 6; other arrangements, it was 261 and now 294. The total last year, the total youngsters in care, were 2,205, this year 2,223. Both those figures are down from the numbers in 1980 and 1981, generally because we're hitting a slightly smaller child population and also because we're working hard to keep as many children out of formal care.

There is also a reduction in the numbers of children being placed for adoption from 1977 when there was 548; in '83 there's 250. That's generally a result of fewer children being surrendered voluntarily by parents for adoption.

**MR. DEPUTY CHAIRMAN, E. Harper:** The Member for Rhineland.

**MR. A. BROWN:** How many are on the waiting list at the present time that would be suitable for adoption?

**HON. M. SMITH:** We really don't have a precise number because I guess the state of permanency planning, as I said earlier, it's something we're trying to bring in and ensure happens within a set framework, but we have inherited a system where that was not in place and so there are many older youngsters who you could still argue an adoption would be desirable. In fact, priority is being given to the younger children, so we don't have an exact figure on that question. We could try to get an approximate number for you by tomorrow.

**MR. CHAIRMAN, C. Santos:** The Member for Rhineland.

**MR. A. BROWN:** There's a reduction in money in this particular area, I see that there's not much of a reduction as far as children are concerned. Can the Minister explain why we're going to spend about \$1.5 less this year than we did last year?

**HON. M. SMITH:** Basically, we're trying to cut back on the maintenance of children in places away from their homes and shift more service to children in their homes. I think that's the simplest explanation. There's not a huge shift but that does account for what shift there is.

We have been closing group homes. As I say, we mentioned that we aren't finding them as effective for children under 12 particularly and there's been some closing, also, of group homes for the older children, but it's a gradual process and we don't envision closing all of those.

**MR. A. BROWN:** Would the major portion then, of these children who are remaining in their homes, would they be children where child abuse was suspected and things

were tried to work out with the parents, rather than placing them in some kind of a foster home, group home or whatever?

**HON. M. SMITH:** Where there's a risk of severe abuse we've strengthened, through our abuse guidelines, the instructions to the field to move in and deal directly with that situation.

We do find, and the people who work most professionally with the child abuse, the people at the Health Sciences Centre, are starting in analysing their success in treating children and the whole family to select out which families they seem to have most success with and also identifying the ones where it's extremely difficult to turn things around.

So their ability to give us good advice on treatment and sort of recovery by the parents is improving and, by the same token, that means some children are able to go back and live with the family, but not without fairly extensive treatment for all members of the family.

**MR. A. BROWN:** Are there frequent incidents where these children have been placed back in their homes or left in their homes where these cases of abuse have again appeared? There'll be some cases, but is there a substantial number?

**HON. M. SMITH:** Well, no it's not an epidemic or anything but, again, I guess when you're dealing with human beings you have to steer a course between thinking they will never change and being naive about whether or not they have in fact changed.

It's an area where there are new techniques developing, of people working with families, as with the wife battering. There's a lot of success with men's groups that get together and help men think through their attitudes and their emotional reactions to enable them to try to break a certain line of behaviour. But these, in any field of human behaviour, change is slow and it doesn't always occur. So it's a field that requires a great deal of judgment and carefulness.

I think the immediate response, the doubling up of extra resources and early warning systems are all important things to do. I think, in the long run, the education of the public to where abuse and neglect of any sort is directed towards a child, is just intolerable is our best hope of preventive approach.

I can't help but identify some of the concerns we have. At the same time as we're becoming more knowledgeable about child abuse and more committed to treating it, we're seeing a great increase in violence directed toward children in public media. It's a great concern to us because I guess everyone likes to believe in freedom of the press and freedom of expression, but we don't know the extent to which that is a contributing factor to the great amount of child abuse we're seeing.

What we really don't know is whether we're identifying finally something that's always gone on, or whether there is, in fact, an increase in that type of behaviour.

We do know that stress seems to be a contributing factor and that can be any kind of economic or cultural change stress. So we have some understanding, but it's certainly not an area where we can be confident that we know all that we need to know.



**MR. CHAIRMAN:** Has the member finished on this line of questioning? Does the Member for Ellice want to be recognized?

The Member for Rhineland.

**MR. A. BROWN:** This is a particular area of concern to all of us. I realize the difficulty that the Minister has in determining as to when a child should be taken away from the parents or when it should be left with the parents.

However, I would like to know, what is the guideline that is set down by the Minister if a family has been found to be guilty of child abuse and the child is left with the family after considerable counselling or whatever but then the child abuse again continues? I would like to know what kind of monitoring is going on, and what kind of guidelines does the Minister have, at what stage of the game would you take the child from his home?

**HON. M. SMITH:** Well, the guidelines outline a process to be followed where abuse and neglect is suspected or where there is evidence. It's the team approach whereby medical people, psychologists, social workers, in some cases the police, pool their efforts. One - to give immediate protection and treatment to the child and psychological treatment too, and then secondly - in some cases of course it's a criminal offence and something has to be done there, but short of that, move in to work with the family to see whether it's a case of having to separate an offending parent from the situation; whether it's a case of getting special treatment for one or the other but leaving the family intact; whether it's parenting skills, or support systems, or monitoring systems. There's a whole range from very slight intervention to extreme intervention in removing the child. The protection of the child is the dominant concern throughout and that's certainly at the top of the guideline as far as any direction that I give, or in fact the guidelines were jointly released under the Department of Education, the Attorney-General, and my department.

Now the question of treatment and returning children is probably the most difficult, and we are keeping very accurate data, trying to learn so that judgment made by that team is as close to perfect as any human group can achieve. Again, it's probably a case where community vigilance is going to be required as well. Perhaps that's another element in a more decentralized smaller agency type service. What we're hoping is that we can tie into the local networks that do exist in a community, so that more people are on the lookout for a child's welfare, much like Block Parent, or Neighbourhood Watch has developed in the corrections field, or at least the public safety field. The more people who treat the children in the community as a community responsibility, and would report anything suspicious or whatever, the more likelihood we have of containing and preventing child abuse.

You know, it's a very serious issue to remove a child from a family, and to remove a child permanently from a family, and we believe we have to do what we can to prevent that final separation. But as I say there are judgments that have to be made and the only thing we can do is to try to put the most trained and sort

of multi-disciplinary teams together to make that kind of judgment.

**MR. A. BROWN:** I realize, Mr. Chairman, that it is a serious thing to take a child away from its family, it's a very serious thing. However, I've been at the Children's Hospital when some of these children have been brought in.

I remember one child very well that the mother had, in order to discipline it, had set it in a pail of boiling water. I saw another child coming into the Children's Aid Society that was beaten up so bad that one eye was out of the socket, and it was just absolutely bruised and battered.

Now I have absolutely no sympathy for people such as that. It seems to me that there is a time when those children must be removed in order to protect the children. Surely, the Minister must have some kind of guideline at what time does this happen?

**HON. M. SMITH:** I'll see that the member gets another copy of our child abuse guidelines which do provide the outline for the program. We're viewed as having one of the best anti-child abuse programs in North America. It must never be considered, because we talk about the need for family support and preventive programs, that we're willing to tolerate child abuse and leave a child in a family - that's the furthest from our minds. We believe that the combination of a multi-disciplinary committee, a parent aid service, whereby a trained person can actually move in and stay with the family for a period of time and assist in some of the parenting skills is one of the pioneer type programs that can help.

But I agree with the member - there can be no halfway measures when it comes to protecting a child. But I would ask him if he has any better way to guide us between the extreme positions of never removing a child or always removing a child. It's a judgment call and it's one that we're doing our very best to carry out as well as we can. Again the public education so that violence against children will not be tolerated is, I think, one of the most important programs that we must all endorse.

**MR. B. CORRIN:** I think this would be an appropriate time although I'll be guided if this is not the consensus opinion of the committee or you, Mr. Chairperson, to address something that I've regarded as problematic for as long as I've been actively involved in politics - being the question of the permit - the system we have today authorizing the location of group homes for children. We were talking here about foster care, and other sorts of care situations, and this to me has been a particularly problematic area because over the years I have been a representative in a locale in the city where there is a fairly heavy network, a fairly dense pattern of these types of group situations.

When I was on City Council I made a practice to do whatever I could to support these applications when they were made. I for one believe that in circumstances where there is appropriate control by the authorities, and particularly the provincial authorities, that group homes do not pose a security risk to ordinary neighbourhoods. However, there are many people who

disagree with that particular position, and quite candidly and bluntly I think they're wrong. I have for years seen the problems that have arisen as a result of that sort of strident determined opposition. What has happened in the City of Winnipeg is that there is an ever-increasing concentration of these sorts of situations in areas where the resources are already stretched, particularly in the centre of the city. The proprietors and trustees of these homes very often of their own volition would prefer to locate in other communities. They often talk about trying to find situations that closely parallel normal community life, and in their search to do so they often express a desire to locate their residences in communities which are not currently appropriately zoned for their location.

I think we're all familiar with the consequences of these types of applications. There was recently one in River Heights that failed because the local standard, as interpreted by certain prominent people in the community, apparently rejected this sort of residential situation.

I would like to myself propose that the government enact legislation that prohibits the City of Winnipeg from discriminating as between regions when they consider applications for this sort of home. I personally believe that this should not be a question of community preference but of a question of broader community need and individual and social need. I don't think that individuals should be allowed to make determinations as to where children live on the basis of whether or not local neighbours regard the placement of these residences as an intrusion to the community standard. I think that government has a responsibility to maintain standards generally, and government has a responsibility to assure local residents that any such places that are approved and licensed will be maintained according to the best standards and in a fairly normative way.

Having said that, I have to confess I'd like to know whether the Minister approves of the present system. As individuals in the Legislature, I would like to know whether we're on the same wave length or whether we disagree; I'll certainly respect the Minister's judgment if she's unsure whether she disagrees. I would recommend that this be the subject of serious study and consideration because it is a very real problem.

I have been approached by people who are committed to the placement of these sorts of children and the establishment of these sorts of residences, and they will tell you, in a plaintiff sort of tone of voice, how difficult it is to pass through the political shoals that the present zoning regulations entail in this sort of application. It is an extremely onerous, difficult, convoluted byzantine path that one has to process through.

**HON. A. ANSTETT:** That really sounds bad.

**MR. B. CORRIN:** It is, almost as difficult as it was to get elected in Springfield last time.

**MR. CHAIRMAN:** 4.(b)(3).

**MR. B. CORRIN:** I would like to know, and I say, I allow for differences. I think it's one of those complex questions that we simply have to address as legislators,

and we cannot pass onto the municipal level any longer because the decision invariably will be no. We now have a situation where even in areas such as the centre of the city they're saying no. They're starting to find small technical details in the zoning by-laws. If there isn't strict compliance, local councillors and local citizenry are saying, no, go elsewhere. So the reality is that the kids and the people who are concerned about this area are getting between a very hard rock and another hard place. I think we've got to do something here; it's time to grapple with this dilemma.

**MR. CHAIRMAN:** The right to free expression is the breath of life of parliamentary institutions, including this committee.

The Honourable Minister.

**HON. M. SMITH:** Yes, I agree with the statement of the problem. I don't know that there is only a legislative solution. It's true that group homes have concentrated in the older neighbourhoods where there are larger homes available at lower cost and where up until recently the local communities did not resist the zoning.

What we have done, one on the regionalization, the group homes will by the nature of that service in a sense be dispersed throughout the areas of the city. But we have been working co-operatively with the city fathers and mothers, and reviewing the zoning because they acknowledge, too, that it hasn't served the purposes for which it's designed all that well. They are looking for a way to disperse homes throughout the city and we are still in an active dialogue in terms of how best to achieve that. They agree with us that we must examine the capacity of communities to service group homes and therefore none of us wish to concentrate too many in one area. I think that is what happened in the downtown area.

Foster homes, or homes where there are fewer than four children, don't come under any zoning requirements, so some of the problem is being dispersed a bit by the fact that we're making more placements in the foster home setting and not in the group home. Otherwise I think the regionalization plus the negotiation with the city should produce the change we want. If it doesn't we would be willing to look at legislation, but I would hope, as a last resort. I think it's an area where there is a degree of ignorance and I think when you talk back and forth a little and give people a chance to get used to an idea that usually you do break down some of those barriers.

As I mentioned earlier tonight, the home that was rejected on Jubilee Avenue was later accepted in East Kildonan, and I'm very happy to say that I think the second or third level appeal on the Oxford Street home was eventually reversed and that home is now going ahead.

**MR. CHAIRMAN:** 4.(b)(3) - the Member for Kirkfield Park.

**MRS. G. HAMMOND:** I have a couple of questions on child abuse. Could the Minister indicate how many instances that children have been abused a second time after being returned to the home?

**HON. M. SMITH:** We will check to see how much detail there is. This is a fairly recently evolving field and the

Health Sciences Centre has been doing a great deal of data collection and analysis for us. We'll see if there is anything that specific available as yet. The one case that was being talked about earlier was more a neglect than an abuse case, although that's maybe splitting hairs when you're dealing with the well-being of a youngster. I know that the Health Sciences Centre have been very alert to any repeat cases because of course that's, from their professional point of view, they also would like to be able to catch any serious case and put in place remedial action. I will undertake to see if they have any statistics on that. I don't know them at the moment.

**MRS. G. HAMMOND:** Would the department not have any statistics as far as the social workers are concerned?

The other question I guess I had is: what exactly are the support services that have been given to families? If the Minister has answered this earlier, don't hesitate to say, but what support services are there for the families in child abuse cases to leave the children in the home?

**HON. M. SMITH:** There is a range, and they should develop further through the new agency thrust, but a parent aide who can be put right in the family to assist with the youngster and also monitor the care; a homemaker who can be placed in to help relieve some of the pressure, but also act as supervisor and share some of the load of child care; day care placement where a youngster is seen every day or five days of the week and day care workers are particularly tuned in to watching for any sign of abuse or neglect and reporting it; there's family counselling and individual counselling available and temporary foster placement of a child while that type of counselling might go on or until a more permanent plan is worked out.

There's also a lot of co-operation with the schools, because probably most of the identification of new cases of child abuse, the greatest increase, has come through the schools mainly as a result of the public awareness type programs that are being done.

You're probably familiar with the little play that's been going around - Feeling Yes, Feeling No - that helps children develop a vocabulary to describe their feelings and suggest to them what they can do if they're upset about something like that. That it's okay to go and talk to a teacher and a counsellor. It gives them a way of handling it that wasn't there before. All these community groups are drawn into the system. Of course, there is the abuse centre itself and probably the foremost professionals in the country, people leading the field in developing a community approach, are at our own Health Sciences Centre Abuse Unit.

**MRS. G. HAMMOND:** Are all these services that the Minister was mentioning, Mr. Chairman, are they in place now?

**HON. M. SMITH:** Yes, but the quantity of them needs expansion, so they can be accessed and an abused child would get a high priority for this type of service, but we want to expand all that type of service throughout the system. It will be slow, but any youngster identified

in a child abuse way would receive these services on a high priority base.

**MRS. G. HAMMOND:** I guess I'm a little confused here. I was under the impression that we're talking about abused children. Is the Minister telling me that there's different degrees of abuse? Is this what we're talking about? What would be the difference?

**HON. M. SMITH:** Well, there would be things relating specifically to age of child, the severity of the abuse or neglect, therefore the risk that the child would have. Whether there is a stable parent in the settings or whether it's a single parent who's abusive or two parents who are abusive. Probably a whole string of factors. Whether the people have had a previous example of erratic behaviour of some sort. Perhaps the child's nutritional state. Physical strength. Emotional security. There are many, many factors that would be taken into account. There's many types of abuse as well. From straight physical abuse, sexual abuse, emotional neglect or abuse. So, it's a field that's very complex.

**MRS. G. HAMMOND:** Then I guess I have to ask who decides on the priority of the child to get, or the family, to get help in the cases of abuse?

**HON. M. SMITH:** There is a multi-disciplinary team which reviews the situation and makes the decision. They would give higher priority to the younger child and the range of abuse, in terms of active abuse, would range from sort of harsh discipline that might be just bordering on the acceptable to genuinely life threatening abuse. So, things that come more at the end of the life threatening part of the spectrum would receive an automatic higher priority.

**MRS. G. HAMMOND:** Was this the kind of judgment that was made, say on an older child in the incest case that took place in the Eastern Children's Aid Society?

**HON. M. SMITH:** I think the case that you're alluding to - there was not a clear identification of abuse in the early stages and it only emerged sort of in retrospect. There was a question as to whether a staff person had missed a verbal sign that a youngster had given, but if you take yourself back three or four years, the awareness of the professionals in the field, even of the type of abuse and extent of it with children, was much less. I guess that's one of the hard things to realize now, when you've become aware of the types of abuse that go on with children. I know I for one have been shocked at seeing things that are done to little youngsters that I hadn't even imagined and I've had some training in the field, so I think what we're dealing with is the field where professionals need upgrading and awareness building and special skill development. It's a shocking field, but as I say we're one of the first provinces to develop guidelines to deal in a systematic way with it, but I think we'll see other provinces following suit. We're trying to develop as systematic an approach as we can.

**MRS. G. HAMMOND:** I just have a question about child abuse in the school.

If it is reported and the social worker, or however it works, comes back with a report that there is no abuse, and yet the teacher is fairly certain there is, what type of appeal process would there be for that?

**HON. M. SMITH:** The process is that it goes again to a multi-disciplinary committee and in some cases the police are involved, so it would be a joint decision. It wouldn't be one person making a decision. Now, the teacher could always appeal again, if a committee said, "No," and the teacher continued to be suspicious, they could always move up the system up to the child welfare director or to the local Children's Aid Agency. They could, I suppose, phone me. The new guidelines, one of the significant things they do is that people were often reluctant of reporting before because, if they couldn't prove it in court, they felt they might be guilty of libelling someone.

What we've done through the guidelines is to say that the onus is on the individual teacher, professional, anyone in contact with the children, if they suspect that there might be child abuse, the onus is on them to report, then any obligation of proving it is sort of removed. They would still be required of course to give their evidence, but it's to give the worker some protection, as it were, in the carrying out of their duties so that they're not exposed unfairly to requirements of proof beyond reasonable doubt or whatever they used to think they had to have. That was a great deterrent to people reporting.

So the early warning system, as it were, wasn't operative.

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

**MRS. G. HAMMOND:** Just one final question. Will the department be keeping records on children that have been apprehended and children that have been abused in a home more than once?

**HON. M. SMITH:** It's been the practice to keep that kind of record since 1977. Now, again, one of the other sides of it is that we may get some cases reported that are suspected but can't be substantiated. There's some people concerned, what if a case is reported and is found to be a false alarm. I guess we weighed the risk of that and potential embarrassment to someone, over against the protection of the child and felt that the protection of the child had to come first.

Back in the case of the teacher who had reported. You did ask whether, if they weren't satisfied, they could go further and I said, yes, they could. But the other situation, if a decision is made, finding by the team that the cases referred to were encouraging them to report back to the person who initially reported whatever they find. So, I'm trying to keep the communication open.

**MRS. G. HAMMOND:** If they don't choose to go that route they can go another route though can they?

**MR. CHAIRMAN:** 4.(b)(3)—pass; 4.(b)(4) - the Member for Rhineland.

**MR. A. BROWN:** How many External Agencies are there?

**HON. M. SMITH:** The Children's Aid Society of Winnipeg and its eventual eastern, central and western; Jewish Child and Family; then we also fund the Foster Parents' Association; the Child Protection Centre and Parent Aid Program at Health Sciences Centre; the City of Winnipeg Rossbrook House; Native Family Service of Winnipeg; and a small grant to the Manitoba Metis Federation.

**MR. A. BROWN:** Could the Minister tell me how much funding the Native Family Services is getting this year; in other words, has there been an increase over the funding that they received last year?

**HON. M. SMITH:** They received just a partial grant last year but they're receiving \$110,400 which, had they received the whole year's grant last year, that was the level it would have been at but, in fact, they just received a partial year grant; \$60,000 last year.

**MR. A. BROWN:** Between eastern, western and central, is the caseload fairly even or does one of them have a much larger caseload than the other?

**HON. M. SMITH:** It's similar.

**MR. A. BROWN:** Well the funding would be almost equal between all three of them.

**HON. M. SMITH:** It varies in terms of the actual mix of programs that they have.

**MR. A. BROWN:** Could I have the amount of funding for each one of them, if you add the figures?

**HON. M. SMITH:** Oh, I'm sorry. Children's Aid of central \$1,316,800; eastern \$1,546,200; western \$1,847,100; Children's Aid of Winnipeg \$6,869,800.00. Do you want the foster parents?

**MR. A. BROWN:** Yes.

**HON. M. SMITH:** Foster parents 38,200; Health Sciences Centre \$449,400 - that's quite an increase over last year at 285,700; Rossbrook House 51,500 - I've already given the Native Family Service at 110,400; and the Manitoba Metis Federation \$43,300.00.

**MR. A. BROWN:** Why would there be such an increase at the Health Sciences Centre?

**HON. M. SMITH:** That is the centre of our child protection activity. They've been pioneering the treatment of abused children and they've also been doing some training of other people in the field.

They've also acquired a fair bit of federal funding for their parent aid program. They increasingly would like to act as a resource that can train other people to do the kind of counselling and support that they do because they realize that they can't meet all the needs and they certainly can't reach out all over the province.

So, they've indicated to us they'd like to spend more time in training other people, other medical people and social work people, to carry out the Child Abuse Program.

**MR. CHAIRMAN:** 4.(b)(4)—pass.

I suppose this is the right time for the committee members to take care of themselves also and not abuse their health. Time to rise up.

**HON. M. SMITH:** Touché. I'll second that.

## SUPPLY - HEALTH

**MR. CHAIRMAN, H. Harapiak:** Committee, come to order. We are hearing the Estimate of the Department of Health, on Page 90, in the Department of Sports.

Is there an opening statement by the Minister?

**HON. L. DESJARDINS:** No.

**MR. CHAIRMAN:** 5.(a)(1), Salaries—pass - the Member for River Heights.

**MR. W. STEEN:** Not quite so quickly, Mr. Chairman. I'd like to ask the Minister if he could outline for members of the committee the proposal that the department has for the Manitoba Sports Federation? I understand that the last agreement that was signed by the Honourable Member for La Verendrye on behalf of the government was the four-year proposal and that it is to run out, and that he and his department have offered the Sports Federation something in the way of a new package. Could he outline to me, in fairly brief terms, how it's expected to be?

**HON. L. DESJARDINS:** Well, Mr. Chairman, we've looked at it. We left that in abeyance until the lottery situation was decided on. As you know the TCI, as it was known, does not exist anymore. The first agreement that probably we will sign with the Sports Federation will be as an umbrella group having the responsibility of disbursing the lottery revenue that should go to sports. They've been quite busy. We've been very busy with the lottery, and they've been busy also in trying to organize that. Then the other one I don't expect much trouble. I think it'll be something like they had before, there might be some change. I want to make sure that certain groups remain as members of the Sports Federation, I can't dictate to the Sports Federation, but at least the Sports Administration Centre, and I want to discuss with them the situation of the Special Olympics.

I must say that I was quite impressed Saturday when I attended the closing banquet of the Special Olympics and I think that society has reached a point now that you don't need to have any different groups that are outside of sports; sports is sports. I would hope that someday we will have, as I mentioned while I was a member of the opposition, that all that should go under sports, not through health, or mentally retarded, or the gerontologist. I think that the true amateur sport is providing recreation and sports to people of all ages and all conditions and I think that we are getting much closer to that. As I noticed at the time it was quite ironic that a year of Olympic problems where, I think, the whole spirit of the Olympics seemed to be lost, and we have to be reminded by a group of unassuming volunteers, and special athletes, who demonstrated

really what true amateur sports is. I would hope that will form part of the Manitoba Sports Federation. I cannot go in detail at this time, especially because since it hasn't been discussed with the Sports Federation as yet.

**MR. W. STEEN:** Mr. Chairman, that makes quite a difference when we're discussing these Estimates because one of the largest sports bodies in the province is the Sports Federation, and as the Minister has said, it's difficult for him to tell me exactly what they're going to do with the Sports Federation because it hasn't been decided upon. The Sports Federation hasn't finalized an agreement with the government because the other arm of the sports department is the lotteries and . . . and there are a number of community groups that share in lottery funds. The actual percentages and the breakdowns haven't been formulated as of yet.

Might I ask the Minister, in his opinion - and I was involved with the Sports Federation back in 1970 when it was in its early stages, in my opinion, the Sports Federation grew out of the Pan Am Games that we had in Winnipeg when many sports bodies came together to make the Pan Am Games in 1967 a success and they seemed to get along fairly well and an organization called the Sports Federation was founded from that - does the Minister feel that the Sports Federation is the route to go, and that a body like the Sports Federation, that has so many sports working through them, is the route that we should go as opposed to the opposite would be? Does every group deal through a government bureaucracy and a government department?

**HON. L. DESJARDINS:** Mr. Chairman, I think that my views on that are well known. My answer is clear.

First of all, I would like to make a correction. It might be that Pan Am Games had something to do with it, but the Sports Federation grew mostly out of the Minister's Advisory Committee on Fitness and Amateur Sports. That's where the recommendation came in. It was quite awhile after the Pan Am Games. The thought of setting up this committee might have been suggested during the games. But, anyway, that's not the most important thing.

I always said that, if they didn't have a Sports Federation, they'd have to start one. I think the confidence that we've shown in the Sports Federation in asking them and starting to work with them first before any other umbrella group, I think that demonstrates that we feel there should be a sports administration, and that they should be involved in sports. I don't think that I have to explain that or to give my views any more than that because I've been repeating that for years now. The relationship with the Sports Federation is good. I think that the present president has been very active, very helpful, and we've worked closely with them so far and we expect to keep on.

**MR. W. STEEN:** I'm glad to hear the Minister's reply. I haven't, as he well knows, been charged with the responsibility in the opposition of sport. In the past, my colleague from La Verendrye has at times and so has the Member for Fort Garry at times been charged

with that responsibility. But I would think that the Minister, plus the three of us from this side of the House, would all be strong supporters of such a body as the Sports Federation to carry out that service for the 70-odd sports that are members of the Sports Federation. Hopefully the Minister will, in the near future, be in a position to enter into a new financial agreement with the Sports Federation. I would hope that since in the past they were able to get a commitment from government for a period of something like four years, that the Minister would have the influence with his colleagues that he could offer them a similar package so that they know where they stand for more than a year, from one year to another year and that they would be offered a working arrangement and a financial arrangement from government and through government for better than one year. Something like was offered to them in the past for four years.

If the lotteries money is increased and the formula is changed to some extent, I would hope that the Minister could continue the 1.4 million or whatever the exact figure is that is used for the administration of the Sports Federation and perhaps go on into another area that I don't think a sport in Manitoba has had the attention paid to it in the past and that is for the so-called elite athlete where we train and through Sports Federation and lottery monies that we can assist young athletes that are perhaps of capabilities, or show the capabilities that they be might Olympic or national champions.

The one that comes to my mind is the young girl from Minnedosa that was an excellent figure skater a few years ago - still is an excellent figure skater - and yet in the Town of Minnedosa, and many villages and smaller towns in Manitoba, you just don't have the coaching skills. Some of these athletes have to leave home and it's very expensive for their families or members in the community to support them. This is with Olympics and Pan Am Games and the British Empire Games and many national competitions now, the cry you hear in the community is, "It's too expensive to participate in the elite sports areas." Hopefully, through this Minister, more monies in the future will be made available for the elite athlete as well as for superior coaching in all levels. I know that in sport in the last number of years, they've gone to various levels of coaching certificates and that the Department of Sport, working with the Federal Government, does offer programs where coaches can get themselves upgraded and get a higher standing in certificates in their various sports.

I would hope that the Minister would see to it with his great interest in sport and his sport background, that when lottery monies are available; I know that they go to other organizations - I've been told that even a cause that is close to his heart and one that I support and that is the independent schools - may share from the lottery funds in the future. Of course, we have such social organizations as the United Way and the Arts Council and as he made reference to, the Total Community Involvement, but I would hope that if the body is the Manitoba Sports Federation, that amateur sport in Manitoba will play a large part in receiving funds from the Sports Federation and that if more money is going to be spent by government in the future, that another area that could be looked at is the elite athlete.

The Minister made reference to the fact that the mentally handicapped - he saw them on Saturday at their banquet, was in attendance at their banquet. I have been in attendance for a number of their events and I would totally agree with him, that when it comes to sport with these groups that are handicapped that it is sport and it's not health and that we should take sports dollars to be used to fund these particular events. I would hope that he would share my view and that in the future that sport will receive its pound of flesh from the lottery dollars.

**HON. L. DESJARDINS:** Mr. Chairman, I should have made an opening remark. I'd like to make a point at this time.

There was an article that was brought to my attention, an article in the newspaper that did not do justice to the member. It stated that the bill on sports was delayed because he was busy elsewhere. They talked about a golf tournament on Friday.

I intend to write the Sports Editor of the Free Press. I think it is unfortunate, and it certainly did not come from me - I don't know of any bills in sports that I have to pass. Secondly, when there was a change, when it was agreed by everybody that we would not pursue the Sports and Lotteries after Health, the reason given was that the two members that would be the chief critics for the Conservative Party, one in Lottery and one in Sports would be busy in another committee. So I want to make that correction because I think that's unfortunate and it is certainly not fair. I intend, as I said, to rectify that with the Sports Director of the Winnipeg Free Press.

Now on the last comment of my honourable friend. I certainly share his views in general about sports and amateur sports. I don't know if I would want to put anything on the top of the list, I think that there's a number of programs that are equally important. If anything, the responsibility for the elite athlete - and I think it's a very worthwhile program - not only that you single out only a few, but you can see certain sports wherever somebody's achieved from the area, either the country or the provinces, achieve a certain degree of worldwide recognition in a sport, you see that sport go up immediately because of these excellent athletes. I think it is very important, but I see that area is not the No. 1 priority of our government; I see that.

When they're in world class athletes, I see that in most of the games, like the Olympics and the Pan Am Games and the British Empire Games, that they are representing Canada as such; we're a country. I think it's very important and I feel that there's a very important responsibility of the Federal Government to provide this kind of competition in travelling dollars and so on.

That doesn't mean that we do not intend to play a role in that, but it's not going to be our major responsibility. I think that the Province of Manitoba, I think that a good mixture of this is the different levels of government, participation of different levels of government, as well as the Sports Federation.

The Sports Federation is a creation of the different sports association. It is their role to promote these associations and promote better coaching. We should respond to them or give them the means to develop these programs themselves. But as a department, if

we had a limited amount of funds, as a Government of Manitoba, I would put right at the top of the list the mass participation, in other words, it's truly amateur sports.

That is why we have the Manitoba Games. There are so many games, but it is a different class, a different group of people altogether. This is not the priority that a sports association would choose. They would like to better their sports, to bring in better coaching, to have more funds for travelling to complete. That's good, and I think there has to be that balance but, as such, I think the first responsibility of my department or the Sports Directorate is to make sure that every Manitoban, if possible, no matter the age - that's what I was talking about the canes for the seniors. No matter their physical or mental conditions if they can play, and if they can participate in one sport that they be offered the chance to participate at least in two sports, that is one in the winter and one in the summer.

Now having said that I don't want anybody to think that's the only concern, or that the other things are not important. They're very important but the main responsibility of Manitoba, we're dealing with amateur sports, if I can help and if we can help a professional team, I think we demonstrated that with the Jets. We're very interested in that. I think we demonstrated that with the Bombers this year by giving them a chance to get funds. They will have some days in casinos to help them out.

It's truly a community venture and we're very interested. But our main *raison d'être* of the department to help in fitness and the good life, and health, and so on, I think it is important, is to have as many Manitobans participating as possible. So therefore you're not going to go with just an age group, or just people that will qualify. You have so many other areas that the Federal Government, together with the Provincial Government, and the different sports associations, and the Manitoba Sports Federation are participating in. And I'm thinking of every two years you have the Canada Games, once in the winter, and once in the summer. In other words there's four years between the summer games, and four years between the winter games but they're staggered. There's a game every second year. So I think that is part of it.

Then, of course, there's not too many Manitobans in the Olympics but then we have all the world championships also. We saw what our Manitobans can do in curling this year. It's a year that I don't think any province will see again. We've had success in many sports - in judo; in speed skating; and also in cycling and so on. So we're very interested. I think that we share pretty well the same concern. But I wanted to make it clear that mass participation is the first priority of the government. I hope we can work with all the different levels of government and the people interested to work with all these programs.

We had a new program, I don't know how long it'll last, but we even had a program for a scholarship with the university which was fairly new that we kept this year. That is with the three universities. It's been fairly successful. Manitoba and Canada as a whole does not use the school system as much as I think they should like they do in the United States. Now we can't change that, we can't force that, but at least we can encourage the universities, or try to keep some of our best athletes

here in Manitoba instead of seeking scholarships in the United States and other provinces. It's a very humble program, and I don't know if we'll always have the funds to continue but that's another fairly new program. So I can't see too many differences in the question of sports between different political parties. I can't see because I think they would agree with participation for the mass also to provide an opportunity. I'm sure that the members of the opposition would feel the same. I'd be very surprised if there's any ideology difference of the programs.

I know that the former Minister and myself, we've continued the programs that one started. I think that many of the programs were started when I was the Minister because I think there was a big jump around that time. When there was first a sports department it was in the Diefenbaker years. I think that he provided \$5 million for all Canada, and the Government of the Day set up somebody in recreation to be able to put their hand out and collect their part of it. That was in the Roblin years. I don't remember, Al Miller was the first director at that time and it's increased since then. When there was a change of government the Minister took a lot of the programs that we had and implemented those that were just on the verge of being implemented and kept some of the others and I'm sure felt that he improved others. I feel that I've done the same thing. We haven't cancelled any program as such; we haven't had that much of a change yet. It's just to try to better what we have and I think on that I would think that we're in agreement.

**MR. W. STEEN:** When the Minister answered my question about the elite athlete or commented on it, what I considered the elite athlete, I was thinking of teenagers who were still the responsibility of their parents for funding and so on. When it came to additional financing for such athletes, who might at some future time be Olympic calibre but they, at their current teen age, show that they are far better than their counterpart of the same age grouping.

I'd like to ask if the Minister would comment on urban Winnipeg. It's my understanding that the arena financing has taken lottery dollars in the past, when we had the arena expansion of some years ago, and then now paying off some of the Winnipeg Arena through the Winnipeg Enterprises debt load so that the Winnipeg Professional Jets Hockey Club could operate on a rent-free basis. So that has been able to take place in the past that both from the Conservative Government days and from his government days most of the lottery funds, that have been applied to urban Winnipeg have been applied to this one particular facility.

I would like to ask the Minister if there are monies expected to be spent over the next year or two in the urban Winnipeg area, particularly in the area of facilities, or is the City of Winnipeg share still being spent on the Winnipeg Enterprises complex in the payment for the expansion of the arena?

**HON. L. DESJARDINS:** Mr. Chairman, when the Jets gained an entry in the NHL, there were some changes in the old arena. In fact, that was done during the former years, the years when the Conservative Government was in power. The decision then at the

time was to split the cost and I even have the exact figure, but I'm pretty sure that the share of the province at that time was \$4.5 million, somewhere around there, because we finished last year with \$700,000.00. I think it was \$700,000 the year before, and \$500,000 the year before. As I say, the Conservative Government had paid some shares, so if I remember right, the initial share was approximately \$4.5 million. That was taken from the lottery revenue. Prior to '77, we had started a capital program and that was that every rural area was allowed to make application.

They had to get the backing of their municipality to make sure that we weren't making contribution to white elephants, things that would become a burden to the people of the area, so that's why we involved the municipality. That was at least a million dollars; for a while there was \$2 million a year spent on that, and for a while there were special funds put in by the city. In the Centennial Year there was at least half-a-million dollars that went to the facilities at Sargent Park; also there was a maximum of \$15,000 that went to each community area, and then they even had the opportunity of joining together on a joint project.

I can think, for instance, the Bonivital Swimming Pool that was between St. Vital and St. Boniface. Then the \$4.5 million that I talked about, that came from that share. But the latest development that saw us discuss with the city and the Enterprises to be able to help them retire the debt so the Enterprises could enter a more profitable agreement with the Jets to help keep them here, that those funds are not coming from the lotteries, because that is a professional theme; that is more to keep a business here or keep salaries and keep the revenue here. We would not deprive amateur sports of this amount of money to help a professional club.

**MR. W. STEEN:** The Minister mentions, in reply to a question I raised, the Winnipeg Arena and the Winnipeg Stadium and so on, the complexes, and that government monies have gone into sprucing up the arena, and then government monies not from lotteries, but government monies have gone into retiring the debt load that the Winnipeg Enterprises Board had as a result of the arena expansion and stadium expansion.

One area that I would like to explore with him a little bit further is that total general area of what I would call the Polo Park sports area. The Velodrome isn't used all that much as a cycling track, but it does provide a facility for some 40 to 45 high school and minor football games in a year because it's one of the few places that is lit and that you can have games after supper hour in the fall.

Another area over there is the Alexander Park, the soccer pitch and I've been there a few times to watch soccer games and they have a very poor playing surface. My question to the Minister is, in his discussions, or in his general thoughts of that total complex, whether it be with Enterprises people or with people within his department, does he think that it would be a worthwhile investment in the future for the Alexander Park or the Velodrome to have artificial turf so that facility could be utilized even more so for soccer or for minor league football, rather than lately the Blue Bombers, for example, that run their training camp on the Velodrome?

With some of the rainy days last week, we're going to start into the early part of the fall or the late part of the summer with turf that has been torn up and now our high school athletes this coming August and September will participate on a field that has been badly bruised by professional athletes. I think that maybe one of the investments of the future for amateur sport might be artificial turf and maybe combining a facility with Alexander Park for minor league rugby, football and for soccer.

So my question to the Minister is: has he or his department, or in any conversations with the Winnipeg Enterprises - and I know Alexander Park is not a facility under the Winnipeg Enterprises - but does he feel that greater utilization of those facilities could be accomplished through artificial turf being placed in one or both of those facilities?

**HON. L. DESJARDINS:** Mr. Chairman, especially in these hard times, there is a limit what the Provincial Government and the provincial taxpayers can do. I don't intend to initiate any discussion with the Enterprises for these things, especially at this time since we just finished paying the initial part. It's all lumped together and prorized. I think they have their responsibility. They have never approached us on that.

The first priority was to do something with the arena. As I say, the total share of the government will be in excess of \$6 million. There was some money spent, also, when the Bombers fixed their park. I know that because at the time I was the Minister responsible for sports - and I don't know how many would remember that - we discussed the possibility of relating certain things when they wanted help to have artificial turf so the stadium could be used for amateur sports. That didn't materialize at the time. They felt that they would sooner go for more seats and that was during the good years of Don Jonas and they felt they could sell more tickets. In fact, at that time, there was some discussion. I was trying to get them interested and I had interested the province to be ready to make a commitment to maybe have a domed stadium at the time. It would have been a lot cheaper then - instead of spending that money - I'm not blaming anybody, I'm not saying that they were wrong at the time.

I don't know how many remembered that there was discussion that a new stadium should be built near the race track. In fact, they were talking about having a non-profit organization owning this, not the city, not the Provincial Government, including the race track. It was felt and probably with reason, again, that because of the good years when the opportunity was there because of Don Jonas and so on, that they needed seats now. They figured that one bird in the hand was better than two in the bush. I'm not faulting anybody.

Now, I might say on this complex, that I'm sure my honourable friend probably was going to follow with the next observation, and if not, I certainly am very disappointed to what happened to the baseball field. I guess being an old baseball man, I think that there still should be more baseball here. The season is not that long, I was very disappointed. First of all, when they took the lights years ago without discussing, I remember the late Curly Haas, how incensed he was, and I think they were going to start a revolution, he



and Alex Turc, at the time, who were the baseball people. With this latest, finally the stadium is completely gone. It wasn't the greatest, but I would have liked to have seen more baseball attracted here.

Now, another area that I feel that there should be - the only way we would look at that, and I'm certainly not committing the government at this time, the only way we would look at that, if there were central facilities. You can't start by responding to one and say, okay, we'll do this for soccer, and then what about the other sports. I know that I had gone to the Federal Government at the time for, I think they call it Lipsett Hall, at the end of Grant, the facilities there that the army has and I was trying to have the Federal Government donate that to the City of Winnipeg and so on for sports.

I know that we were ready to put at least \$5 million in there at the time to better the situation, to have a central place, that was before this present sports administration centre where the Manitoba Sports Federation also would have their headquarters and the administration centre and so on because they had indoor facilities, some of them could have had more. Then they would have had a beautiful field, good location and many outside pitches for soccer and so on.

So, yes, I'm certainly not against this thought, but we have to be very careful because if we single out the - and I know there's an awful lot of soccer and I think soccer is certainly a coming sport, but there is an awful of other sports also. I think they could use more rinks. They could use more swimming pools. I think they could use, as I say, a baseball field and so on. So, if the province before that, our department anyway, would be ready to make any recommendations to the government, I think we would like to see a better organization and central facilities for all amateur sports. In other words, the home of amateur sports in Manitoba.

**MR. W. STEEN:** The Minister made reference to the baseball park and professional baseball. A couple of weeks ago, when Joe Ryan, the President of the American Association AAA Baseball League was in Winnipeg meeting with the Chamber of Commerce, my question is, did the Minister have an opportunity to meet with him, and if he did, was his staff involved, and could he tell me, is he aware - and I don't know this - whether the Chamber of Commerce in Winnipeg is forming an ongoing committee to review this; or was the man in town just on an exploratory basis and virtually nothing came out of his meetings; that it's put on the back burner and it will likely stay there, can the Minister shed some light on that?

**HON. L. DESJARDINS:** Mr. Chairman, the only thing I know is what I have read in the newspaper. I could say that I was invited to meet the gentleman by Terry Hind pretty well at the last minute and if the members of this committee remember, that was during my Estimates. I didn't even talk to Terry. My suggestion was to convey to him that I was very interested. If there was anything we could do, we certainly would like to look into it and to keep us posted and that's the last I've heard. Of course, that's not that long ago and I intend to talk to Terry to see if there is something real in there or just speculation from the news media.

**MR. W. STEEN:** So the Minister is not aware of any ongoing commitment on behalf of the Chamber of Commerce people in Winnipeg that did meet with Mr. Ryan?

To shed some light on it, I have spoken to Terry Hind since the man was in town and I understand that Terry Hind was instrumental in arranging for Mr. Ryan to come to Winnipeg and to explore Winnipeg as a possible centre for AAA baseball. Then he took Mr. Ryan up to see the Chamber of Commerce people and the Chamber of Commerce people asked Mr. Hind if he wouldn't mind waiting in the waiting room while they talked to his guest from the United States about baseball and baseball in Winnipeg. My immediate reaction to such a statement by Terry in a telephone conversation was, "Were the members of the Winnipeg Chamber of Commerce afraid that you knew more about baseball in Winnipeg and more about the history of baseball in Winnipeg and they didn't want you involved in the meetings?" But so as it may be, Terry wasn't complaining. He did say that he hoped that the Chamber of Commerce, who Mr. Ryan came to Winnipeg to meet with, would have an ongoing committee that would explore it into some greater depth but, as of a little more than a week ago, he hadn't heard anything.

On that very same subject, perhaps if Alexander Park were at some future time, and this would take a lot of government dollars and certainly not only Provincial Government dollars but a great portion would have to come from the municipality, that a good soccer field with artificial turf could also make a very good professional baseball diamond with the right expenditures put into it.

But on to another area I'd like to cover with the Minister and that is the Western Canada Games. I believe in the past we have had three such Western Canada Games between the four western provinces and Manitoba has yet to host such games, and one of the great things about a city or a province hosting games is that you end up with some permanent facilities as we did in Winnipeg with the Pan Am Games of 1967.

Are the Western Canada Games still alive and if they are, is it Manitoba's turn to host them the next time that they're due to be held?

**HON. L. DESJARDINS:** Yes, Mr. Chairman, the Western Canada Games are very much alive. There was some kind of a misunderstanding. Actually it had been cancelled by B.C. at one time - I don't want to mislead anybody, not the government - but in Calgary last year where the Western Canada Games were held, there was discussion with staff and I don't remember even what it was.

There was something in B.C., anyway, some anniversary and the staff had suggested to our staff that maybe we give B.C. a chance to go ahead again. Then later on, because of some of the attitudes, or whatever you want to call it, the hardening of the position in B.C., we were informed that B.C. was not in a position, or not interested to do anything this year.

Now the situation is that I intend to discuss that with the Ministers representing Sports in Western Provinces and with staff, talk to some people to see if we can get the proper people to run that. As you know, it's an awful lot of work, we need the proper people. We

have lost one year now, not necessarily anybody's fault, but a combination of things. Before we would announce it or recommend it to government, as such, I want to make sure that we have in place a committee, especially a chairperson.

I've been negotiating or discussing that with a couple of individuals and if we feel that it could be handled by Manitoba, we would have it three years from now. It will be announced only when we feel that we're not going to be ashamed of the games here in Manitoba. It probably would be in Winnipeg. I don't think that we can afford to spend all the money on that. We must remember that the Federal Government pulled out of that. They were paying for transportation of athletes, and that's one of the problems, also, why there's not a decision made at this time because there's no way that Manitoba can pay for the transportation of the athletes from other provinces.

The Western Canada Lottery Foundation, which is a creation of the four western provinces, assumed the cost through some kind of an advertising scheme last year and there's talk that they would do it again and that has to be negotiated. This will have to be done fairly soon or we'll run out of time. It would be our intention to hold the games here three years from now but, as I say, only if we feel that Manitoba can do the job.

**MR. W. STEEN:** Mr. Chairman, in the past when it has been the Canada Summer and Winter Games, the committee has tried to avoid large urban centres such as Winnipeg. Burnaby, B.C. got the Summer Games one year because they were not Vancouver, they were a suburb, but Burnaby actually got the games. Cities of Thunder Bay received the games, but it has been their past track record to stay away from large metropolitan areas like Montreal and Toronto.

Now that Winnipeg has gone into one large urban centre, if Manitoba was ever to receive the Western Canada Games, which the Minister made reference to that could take place in three years, or we did have the Winter Games in Brandon a few years ago, but does that criteria still apply? Is Winnipeg, as a city, ruled out and they would go to a small community outside of the City of Winnipeg?

**HON. L. DESJARDINS:** I want to make sure that I understand the honourable member and that he understands also. He's talked about the Western Canada Games and the Canada Games; it's not the same thing.

**MR. W. STEEN:** Yes, I know.

**HON. L. DESJARDINS:** The Canada Games - the rules that applied then were Canada Games, although not necessarily all the large cities, but it was meant to a lesser city, to be able to leave. They felt that larger cities had a responsibility, had in place a population and so on to help with leaving some facilities. My honourable friend is absolutely correct, one of the great things about that is that their facilities were left for the future generations and such. That was the idea when they started the Canada Games, although as far as I'm concerned that was a joke. Burnaby and Vancouver

that was a joke; that's the first one that broke it. They had Thunder Bay and they had Lethbridge - Lethbridge would qualify - and lesser games. The next will be held next year in Saint John, New Brunswick which is the capital of the place. It's not a small facility; it's not the smallest city.

I guess there would be a question about Winnipeg, because certainly Winnipeg was ruled out last time we had the games in Brandon and a lot would depend if it would be Winter Games or Summer Games. I still would have liked to have seen the games - this is not negative against Brandon - but I would like to have seen Thompson at the time. I would like to have seen the people know what a Northern community really is like and it would have given a hell of a boost to Thompson at the time. Now, they would have more trouble holding the Summer Games, but maybe the Winter Games.

As far as the Western Canada Games, there is no doubt that if they're held they would be held in Winnipeg, because we'll have to use some of the facilities. We do not have the participation of the Federal Government and it's practically the same cost. There's less athletes, but it's the same sports and so on, so there's not that much difference. It would be held in Winnipeg. It's the only place where we can handle it. Either that or Brandon and Brandon would have difficulty.

**MR. W. STEEN:** Mr. Chairman, the Minister made reference to the University Scholarship Program which I think is an excellent one.

Now that the University of Winnipeg is not into college hockey, has there been an adjustment in the monies paid to the three universities in Manitoba because of the University of Winnipeg opting out of one of the major programs?

**HON. L. DESJARDINS:** Mr. Chairman, this has not been finalized for this year. It could be that other sports will be taken up at a different university and that would have to be negotiated. So far, there has been no announced change in policy, it has been the same as in the past.

It could be that some universities such as Manitoba, will include more sports and some others will be reduced and that will have to be looked at but so far there's no announced policy changes.

**MR. W. STEEN:** Yes, Mr. Chairman, I'd just like to make a few comments about the Curling Hall of Fame.

Most members will know that I've had a resolution on the Private Members' section of the Order Paper for a number of weeks. We may finish Estimates before we get another Private Members' day to have such a resolution discussed, but what I wanted to say to the Minister is that the reason I put the resolution on the Order Paper was that members on both sides of the House here, in the past, have been participants in the game of curling, and Manitoba, as the Minister made reference to earlier, did come home with five national champions this year and one world champion.

Right behind me and over my right shoulder is the Member for Gladstone whose husband happens to be the newly elected President of the Manitoba Curling Association. I think that this is a fitting year, since

Manitoba has done so well in the great game of curling and that Stan Oleson is the President of the Curling Association, only the third person in many many decades from rural Manitoba ever to achieve that office.

I would hope that curling in itself could raise monies over the next few years to really do something with this Curling Hall of Fame. Manitoba has had the authority to have this Hall of Fame for better than ten years and very little has been accomplished to date, other than passing the paper around.

They have now entered into an agreement with the City of Winnipeg to have the second floor of the pavilion in Assiniboine Park. The big stumbling block is the cost of renovating the second floor of the pavilion and to winterize such a facility and to, therefore, have greater utilization of that park and that facility in the winter months, whether it be people wanting to tour the Curling Hall of Fame on the second floor or to utilize the new facilities that will go in the main floor, such as, permanent cafeteria facilities, etc.

I have seen, as I said in the Budget debate, I have seen the Hockey Hall of Fame in Hibbing, Minnesota, and I have seen the Hockey Hall of Fame in Toronto, Ontario. I have not seen the football one in Hamilton, nor the American baseball or American football ones that are major events in the States. But I would think that if Winnipeg was to proceed a little faster and Manitoba a little faster in the future, that the Canadian Curling Hall of Fame would do us proud in the way of tourism and the fact that we have more curlers per capita in Winnipeg than any other large metropolitan area.

If at sometime the Minister and his government are able to assist these people, whether it be through some lottery monies in the future because curling is still an amateur sport, or assist them through the good graces of his office with administrative help, I would hope that the Minister would involve himself in respect to seeing this curling hall of fame proceed at a little faster clip than it has in the past 10 to 12 years.

**HON. L. DESJARDINS:** Mr. Chairman, I don't think there's anything we would like better than to see a major hall of fame here in Manitoba. There will probably be some discussion during the debate of the resolution proposed by the member.

I certainly don't intend to go on the record here in saying that the government will support, but I still think that a Hall of Fame should be, in most part, I'm not ruling out any participation from the Province of Manitoba, there could be some indirect participation, but I think that especially a sport like curling, where there's so many curlers in Canada, that I think the Hall of Fame should be something. It wouldn't be very much if each curler made some participation, I think they would be glad to do it.

You're singling out one sport again and it's certainly not the first priority of the department. There are a lot of things we would like to see and we can't say, yes; we can't finance everything.

I think that if there was something that I could recommend to my colleagues in Cabinet it could be something like the way we're helping the Blue Bombers at this time to raise some money through maybe some casino days or bingo or something like that. That might

be an occasion to raise enough money probably to make any move, but just a direct grant especially from the department's funds, I think it would be very difficult. I am pleased to hear that the husband of the Member for Gladstone, is the president of the Curling Association.

I always thought there was something good in the backbencher. I didn't know exactly what it was, now I do.

**MR. W. STEEN:** Mr. Chairman, through you to the Minister, I notice that his expenditures have varied very very little this year. The salaries are down very slightly, Other Expenditures are down from \$9,000 to \$2,000.00. Obviously the people are going to be working with less pencils and pads this coming year. Also in his (b) section, the Sports Directorate, the Expenditures are almost identical to last year. So I would take it from the Minister that he is operating with virtually the same staff and that they are performing the same functions in the fiscal year '84-85 as they did in the fiscal year '83-84.

**HON. L. DESJARDINS:** Of course, they're doing it as well. They're the same dedicated personnel that we had last year, there's no reason why they wouldn't do it as well.

The reduction, as far as the Salaries are concerned, the explanation is the same that was prevalent in all the different departments. It is that one less pay period. That is the thing and some of the saving will be for travelling from our staff like all the departments are doing. There are no extra funds in there and I still think that sports have done quite well.

In administration there has been a reorganization. I think that we're accomplishing more now with the personnel that we have when they're focusing on amateur sports. Recreation is the responsibility of the Minister of Culture although we are still working very closely together.

The situation also, we must remember that we expect quite a bit more revenue from the lottery, the share of the government, later on, not this year but when the new reorganization is finally complete; and also a larger share to the sports group than they ever had before and to the Sports Federation also. So we don't think that sports will suffer.

Of course, it wasn't given the same priority as far as the department is concerned as the Department of Health, for instance, but it held its own and it's not going to reduce any of the service that we have. It might reduce some of the travelling time and cut down on some of the cost of administration, but it's pretty well the same as we had last year. The same staff also, the same number.

**MR. W. STEEN:** Yes, Mr. Chairman, I would ask the Minister when he would anticipate an agreement between the government and the Sports Federation, shortly after the Session draws to a close he'll have time to try to finalize such an agreement with them?

**HON. L. DESJARDINS:** Mr. Chairman, I don't intend to sign an agreement just with the Sports Federation, we're not going to single out. Wait a minute, let me start over again. If we're talking about the agreement

to run the administration centre I think maybe I made a mistake.

Yes, that should be done fairly soon, after we've dealt with the umbrella groups because it is very closely related. But I started to answer, that the contract, or the agreement that we have between umbrella groups, because that will be another one signed with the Sports Federation, they have lead the way in trying to put something on paper and negotiate with the General Manager of the Foundation, but we would like to have the same kind of an agreement with all the different groups.

When that is signed I expect that it would be very shortly after that we will finalize the agreement re the Administration Centre.

**MR. W. STEEN:** Yes, on one other area perhaps the Minister could answer a question. A few years ago, I believe, a small percentage of the revenue from the professional wrestling evenings was taken and given to amateur wrestling in Manitoba; is such an arrangement still in force, and does professional boxing contribute a fraction of a percentage of the gross gate towards amateur boxing in Manitoba?

**HON. L. DESJARDINS:** Mr. Chairman, there's still a portion of the revenue from professional wrestling that will go to amateur wrestling, but that will be reviewed because it might be that not only the sport of wrestling or boxing will profit by that. One is a professional sport, the same as you have horse racing, the same as you have the Jets and so on. There's certain revenue and it might be that it might be spread or a special fund or something maybe to help in some construction and so on, but all I want to say at this time - it'll be reviewed.

**MR. W. STEEN:** Mr. Chairman, I would conclude my comments by saying that I'm glad to hear that the Minister is a strong believer in the Sports Federation as a component of sport in Manitoba and that over a period of time when I know he's undertaking a very large and vast review of the lottery situation in the province and that there is more than just sport involved in receiving monies from lottery and I named them earlier - social agencies as well as the arts and so on - I'm a strong believer in that the Sports Federation and the people from the various sports acting as executive directors or secretary-treasurers can carry out the functions with their particular sport better than a government department being established to do so.

I think it's money well spent and I would hope that this Minister and any Ministers that succeed him in the future will continue a good working relationship with the Sports Federation in Manitoba, because I think it's a worthy body here as it is in most other provinces. The Minister has had a conversation with me on a number of other subjects and I'm glad that the university sports program is continuing and that even though the University of Winnipeg has seen fit to drop ice hockey, they are not going to be penalized in the way of scholarship grant monies in operating their excellent basketball and volleyball programs.

Mr. Chairman, with those remarks and those answers from the Minister, I'm prepared to move or pass 5.(a) and 5.(b). My colleague the Member from La Verendrye

will, I understand, discuss the lotteries aspect under the Minister's Salary.

**HON. L. DESJARDINS:** Mr. Chairman, if I may, I'd like to make a small correction to that. I'm sure that we all want the same thing. I would appreciate the passing of the resolution but I would hope that the discussion of lottery will not necessarily be under the Minister's Salary. We can agree to have it there in order to have staff here because there might be some information that I might need some assistance. With this understanding, if that could be passed, Mr. Chairman, then I could ask the General Manager of the Foundation to come down to try to give as much information as possible, then we can revert the Minister's Salary.

**MR. W. STEEN:** Mr. Chairman, I think the Minister asked if we could, under 5.(a) and (b), discuss the lotteries aspect and I'm sure that the Member from La Verendrye and I have certainly no hang-up about it. What we tried to do was facilitate the Estimates process by my staying on Sports for a period of time and then we would leave Sports alone and talk about lotteries in more general terms.

It's up to you, Mr. Chairman, in whichever way you feel you'd like to handle it.

**MR. CHAIRMAN:** As Chairman, I . . .  
Mr. Minister.

**HON. L. DESJARDINS:** Mr. Chairman, I would suggest that you pass 5.(a)(1) and (2) and 5.(b) also (1), (2) and (3), but not pass the Resolution until we finish Sports.

**A MEMBER:** Not pass the resolution?

**HON. L. DESJARDINS:** No, because then we're into Minister's Salary.

**MR. CHAIRMAN:** 5.(a)(1)—pass; 5.(a)(2)—pass; 5.(b)(1)—pass; 5.(b)(2)—pass; 5.(b)(3)—pass.

Could we have the staff that is necessary for the discussion of Lotteries? Does the Minister have an opening statement?

**HON. L. DESJARDINS:** Not really, Mr. Chairman. There are many things that could be said but I think it would be easier if I try to find out where the interest is and I'll try to answer the questions as they're given to me - except I would like to say that there's been an awful lot of work this year in this review.

It's been a very difficult exercise and maybe I should start by saying that Mr. Garth Manness, who was with the Manitoba Lotteries Commission at one time, is now the General Manager of the Manitoba Lotteries Foundation. I think a lot of credit is to come to him and his small staff. There's more staff added every day, but in the meantime the people that were responsible mostly for that were just a handful of people and I think an awful lot of credit should go to them. They worked long hours not only during the day, but nearly every evening and weekends. I certainly would go on the record and would hope that this is accepted by the members of this committee to recognize Mr. Manness for all the fine work he's done on this, because I think

we will be very proud. All the members and all the province will be very proud. We've had some difficult times. We probably will have some more, but in a year or two I think we'll be the envy of every province in Canada with our set-up here.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. R. BANMAN:** Thank you, Mr. Speaker. I guess what I would like to do this evening is approach the Lotteries review from several aspects and I guess maybe first of all from sort of an overview.

Since the government has now put on all the lottery products as well as the handling of casinos and Nevadas and bingos under one roof, I wonder if the Minister could inform the committee as to what he feels the global revenue will be from all lottery products in this province this coming year?

**HON. L. DESJARDINS:** Maybe I should explain, first of all, that the main reasons why we felt that something should be done is that we wanted to protect the public. There was so many games and so on - that was No. 1. We feel that that's probably one of the main responsibilities that we have. The police and the RCMP, the people that are experts in that, and that is a global figure - round figure - that that is an average. They're not singling out. No study was made in Winnipeg, I want to make that clear. But for every dollar that is legally spent on the question of lotteries - or I'm talking about casinos, bingo and so on - there is another dollar spent illegally and that is one of the main things that we wanted to do.

Since we took over the bingo for instance, we saw so many groups that fell short for some reason or other because of lack of accountability. We also wanted to provide a maximum profit to charities. I think that through the Criminal Code, the provinces were licensed to conduct lotteries or to designate who they wanted. Again, whenever I talk about lotteries today I want to cover, as I say, bingos, Wheel of Fortune Casinos, the ticket sales, the products of Western Canada Lottery for the Foundation and so on. It's not that gambling is the greatest thing in the world, but it's to bring revenue to some worthwhile non-profit organization or charities. We want to maximize these products.

Thirdly, we wanted to have a fair distribution, it is true and I certainly won't back away from that; we're very proud of it. It is something that anybody will tell you that — (Interjection) — well, you might not be, but I am - if ever you allow these games on territory or any area in the States or anything else, that there should be very strong control; this is certainly what we intend to do. I certainly don't apologize. For that we will be very much involved.

The situation is, Mr. Chairman, that we want accountability. If you look at the Provincial Auditor's Report, I think that was one of the recommendations, there was practically no accountability, no policing of any of the rules and so on. That's one of the things we wanted to do.

But I want to say as to the distribution of funds, that the government will be less involved in the distribution of funds than at any other time. Unlike most of the provinces, the funds, the revenues, are not going to

the Consolidated Fund, are not going to - the thing I really want to say I guess is that the money is not used to, for instance, build a hospital or personal care home or roads. It is staying in culture, sports, fitness and research and some of these areas. Even the share, there's still a share like it was before, that hasn't changed. A percentage of that will go to government, that is clear.

There is a certain amount of money going to government but that is earmarked to be divided between two departments - not equally, unfortunately - the Department of Culture for culture and recreation and the Department of Health and Sports for fitness, research and sports.

That is the main reason why there will be some changes. It was getting so big, I think we started with about eight employees at one time. Of course, that's not the true picture; eight, that was the Manitoba Lotteries Commission. Then I think we ended up after years with 11 and the total money spent around the 20 million or so to approximately \$150 million. So, that couldn't keep on like that now.

Now in all fairness, when you look at the staff that we have you can't compare the present staff with the 11 because we took 11 that the Commission had before. For instance, the casinos, we have the responsibility, but we're still hiring as much as possible some of the same people that were running it before. It looks like more employees, but those people I'm told because of the situation and we wanted the control of government in these difficult times, we have to have a staff here for everybody that works in these areas, even people that are on contract or term. So that is where this thing will look like an increase and in the past nobody knew how many, they just hired whoever they wanted. They had a contract with people.

The bingo, let's understand that we're bringing some resolution and we will certainly make sure that the rules and the accountability and so on certainly takes place in any bingo hall no matter what, no matter how small. The one that we, as a Foundation, will be responsible for will be what has been called for lack of a better name - and I don't particularly like the name and some people don't want us to use that name at all - but what was known in some areas as commercial bingo halls. In other words, it is a hall that is used only for bingo and for profit.

Now we took over the Keystone, Buffalo and Bisons and we will have a manager and an assistant manager in there. We will run that, that is the paid staff, but we will work with umbrella groups. For instance, the Sports Federation will have so many days of bingo, and they are responsible to get the volunteers and they will decide where the profit will go in that area within their own group of course. That will be repeated with groups in Culture and different groups also. In those three bingo halls so far there might be others open in Brandon, for instance, later on in some other area, but it will be the same thing.

The government is more or less running the paid professional staff to make sure that we have proper staff, people of good character and also trained people. This is one of the things we'll do to handle these things. That will be the main thing, the main participation of the government.

Now, as far as they take this question, Western Canada Lottery Foundation, also that we've always

distributed the - I say we, it was a different foundation; it was the Manitoba Distributor. That has been taken over and including all the staff by the Foundation and it becomes the marketing arm of the Foundation and they will distribute the products - what do you call them? - computerized games and so on because there's no distribution. That will be done, the distribution for computerized games is actually done through wires and computers and so on, and that's going to be done by the Western Canada Lottery Foundation, which is the Crown corporation partnership of the four Western provinces, but all the other tickets will be distributed by the Foundation.

Now, there are also the break-opens or Nevadas. Instead of having different people with different games and different tickets and inferior products and so on, anybody can go ahead and be licensed to produce these products, but they will have to follow the rules and the quality of tickets that the Foundation insists on to make sure that there is protection. The distribution will be done; it'll all be under the Foundation.

As far as the smaller bingos, the community bingos or the private bingos, there has been very little change. There are certain rules, of course, that have to be done. There's more accountability that'll have to be done. There's an awful lot of money that seems to have been lost or not accounted for; that will not be allowed. We'll try to rectify that.

The situation is that all the revenue on the bingo, and I'm talking about community bingos and so on, will go back to charities in some form or other. Certain clubs or certain people are running bingo which is more of a private club and, therefore, in the past there has been no sharing of that at all. A big share of that was kept only for their members, but in all fairness, most of these groups were making donations, were helping the different charities, different sports groups and cultural groups, or even schools with donations.

Now to make sure that there is at least a minimum of that being done, private clubs will have a licence, subject to them giving 5 percent of the gross profit to charities chosen by them but approved by the Foundation to make sure they're charities.

As far as the break-open is concerned, well, that is the situation there. It's uniform now. There's a certain percentage allowed for profit, a certain percentage allowed for the tickets and some also for the prizes. Well, that will be uniform, they'll be all the same. All break-open tickets will have the same percentage.

That's a long answer to finally come to the direct question, I think. I nearly forgot that the revenue, the honourable member wanted to know about the anticipated revenue, that is, clear revenue from bingos, casinos, lottery tickets and licence fees. This year we expect that it should be around \$23 million.

**MR. R. BANMAN:** I wonder if the Minister would have at his fingertips what it was last year, roughly, to give us a comparison of what the new changes will bring in up and above what they took in last year.

**HON. L. DESJARDINS:** The best figure I have is around 16 or so. Even the 23 which is anticipated, that'll take awhile to adjust to that and we're talking about a full year now because there have been different delays or

the implementation of some of these changes were staggered. It wasn't all at the same date.

**MR. R. BANMAN:** A few of the questions which I'm going to ask, I know the Minister won't be able to supply me with tonight and I'd appreciate it if he could forward that information at a later date. I wonder if, on the figures that he has quoted, he could provide me with the information on 1983 versus projected 1984 revenues for the four different areas, like the casinos, the Nevadas, the government-sponsored lotteries which is the Winsday and that, and the bingos. If he hasn't got that now, I would appreciate it some time later on.

The Minister is saying \$23 million. That means that the government this year will be making in one form or another - never mind what the charities will be making - selling some of the products - \$23 per man, woman and child. Would he have an idea of what the average or what the per capita spending will be this year on all fields of gaming that this particular department of government will be involved in? In other words, what does the government anticipate the average Manitoban will spend on the four different games that are under the jurisdiction of the Province of Manitoba this year?

**HON. L. DESJARDINS:** Yes, too much. Probably anywhere from \$150 to \$175 for every man, woman, child and so on for population if we go on a million, because it could go to \$175 million in a complete year and I'm not talking about what is done illegally. I'm not talking about the betting on football games. I'm not talking about the federal sports pool and, of course, the racing or bet on games. This is just on the products, either bingo, casinos and the sales of the Western Canada Lottery products and also the break-open Nevada and so on. So the minimum should be approximately \$150 million.

**MR. R. BANMAN:** Mr. Chairman, I would first of all like to deal with casinos. The Minister has indicated on several occasions that he wants to keep the number of casinos that will be run by the province at - I think what are we at, 13 now or 14 - I'm talking about the big ones in the Convention Centre. I know there are some in rural Manitoba that have run, but there are some, I believe one major casino, held every month at the Convention Centre.

I wonder if the Minister could tell us whether or not the government is contemplating a permanent home for a casino in light of the fact that they have now hired, or are in the process of hiring casino management people, and will be running the casinos themselves. Is the government contemplating establishing a permanent home for casinos in this province?

**HON. L. DESJARDINS:** Mr. Chairman, it certainly would be advisable to have a permanent or at least one main place to hold casinos. Now that doesn't mean that we're talking about a full-time casino, just a permanent site.

Now my honourable friend talked about so many casinos. I think the best way of looking at that is in days, and right now there are 90 days of casinos. That takes care of all the casinos held in Winnipeg.

There is certainly no thought at this time or no application or no suggestion or recommendation to

change the number of days. I'm talking about the city. It could be that there will be different casinos set in different areas of Manitoba on request or smaller casinos, that's a possibility. There could even be a project - I'm not saying this will happen - but a project for instance, in some resort that becomes a high-class casino. That would have to be considered. The Foundation would not have the right to do anything like that without coming back to Cabinet. The Cabinet would have to accept the responsibility.

I want to go back to the permanent site for the casinos. I said it would be advisable because of the facilities. I think you have to look at parking; you have to look at many things, but the main thing would be the security. Now we were not pleased with the security and then at the last minute you were given so many dates at the Convention Centre.

When we realized what was going on, we were approached by the members of the board, the Chairman of the Board of the Convention Centre who was very interested in developing a certain area - I think it's the second floor, not where it was held before - and they would set up permanent installations, security and banking facilities and those kinds of things. So we are working with them on that. It is actually the best place that we have unless we went out and bought a property somewhere, and that is not our intention certainly at this time. It would help if we could get the Convention Centre and if we can get the security and the facilities and service that we want, well we would expect to set this thing up as a permanent site.

It could be that in some development, for instance, in the core area and so on that a suggestion will be made that there would be a site for a casino; that's an outside possibility. But right now the intention is to keep on at the Convention Centre but with different rooms and different facilities with the understanding and the condition that they provide us with security. There is an awful lot of money changing hands there and one of these days, we'll have a robbery or something, if we're not careful. I don't know how they got away with the lack of security that they've had in the past.

**MR. R. BANMAN:** I guess, Mr. Chairman, something that has caused me concern as a previous Minister and this Minister is now taking the casino issue one step further, and that is the institutionalization that we're getting involved in. We're now, if I understand correct - and this is one of the problems I have to tell the Minister - one of the problems when he has implemented all these changes is really the lack of information that has been available to the exact approach of how the government is working.

Now if my information is correct, Mr. Chairman, the government is hiring the people and is running the casinos now. In other words, the government is taking the money and is depositing it in their accounts or in the accounts of the corporation, and then is disbursing the money to the individual - whether it be the Hemophilic Society or the Heart Fund or a sports group - they receive the cheque from the government or from the corporation. Previously those funds were held by the different groups that ran the casino.

What is happening now is that the government - and if I'm wrong I hope the Minister will stop me - but I

understand that the government with their employees is now running the casinos. What I say to the Minister, what I see happening - and we are on a slippery slope here - I know that while some of us would probably want to ski down that slope a little faster than others, I think that some of us would like to see the thing slow down. I know it's difficult and we all have difficulty with that, but my problem in seeing the direction that is being taken, while it's being done for the purposes of ensuring more accountability to the public, I see us heading to the situation where we now have government employees; the funds are all being deposited in government accounts; the government determines who is going to get that money by virtue of who gets the casino - I'm saying the government, the board that is appointed to look after that - if we are now talking about a permanent site, what we're looking at is we've already got the government employees. If we look at a permanent site and we're looking at 90 days, we've really got the government involved in the casino business with government employees who are, for all intents and purposes, civil servants who are now running the casinos.

If we do establish a permanent facility like I said, Mr. Chairman, I guess my problem is having seen what has happened throughout the years, I don't think it might not be long till we have, instead of the 90 days - and I say this, Mr. Chairman, because I know this Minister won't be Minister of Lotteries all the time and I won't be either and I know the pressure is on him by the sports groups and by other groups to have more casinos, and by probably his colleagues - the difficulty if the situation is in place where we have, as I said, civil servants, a permanent location and it's a matter of establishing the days, what I see happening very shortly is that we will be heading towards a time and place where we can, just at the snap of the Cabinet's finger, run into having casinos every other day in this province and this facility that is being set up right now makes that very very easy. So I caution the Minister on that.

The one thing I would like to also ask the Minister, there have been a number of operators that because of this government taking over that area, of course have been now, with the exception of a few rural casinos, virtually out of business. I have had a few calls, I'm sure the Minister has, from people who have been dealing for a long time who claim they aren't being called now, and I wonder if the Minister could tell me what kind of selection process takes place, or how do the new civil servants that are running the casinos, how do they pick who the dealers are? In other words, do they try and pick from the existing people that were working for the two main promoters or how do they pick their staff? How do they notify staff for working the different casinos?

**HON. L. DESJARDINS:** Mr. Chairman, I'm afraid that I do not agree with all that was said by my honourable friend. I think there's lack of understanding. For one thing, it is not civil servants, it's not the government. I know that my honourable friend will say it's the same thing, but it isn't. It is a Crown corporation that eventually, when all the policies will be set, I'll be only too pleased to get out of the picture and so on and

the Board will run the Foundation. Certain things, of course, they will have to go to Cabinet for. I've stated already that they could not extend the 90 days without going to Cabinet. Certain policies that involve more games and all that, it will be the Government of the Day that will decide.

I say to my honourable friend that I think the setup that he had during his time, because of lack of control - I don't say it was done purposely - that's when it got out of hand and that is why we need these changes now. And if you look at the years, what was spent, for instance, in 1977 or maybe '75 and so on, you'll see how the games multiplied and there was no control. We even tried to stop a second commercial bingo from being opened and the courts would not allow us because we did not have the teeth in the act to be able to stop that. Government was helpless. — (Interjection) — All right, if we deal with casinos, I can't see any change at all. I can't see any change at all because it is a Crown corporation that will decide and we will need some changes to the act. The changes in the act will be in the spirit of it and what actually will happen, it's not the government that will distribute the funds. It's not the government, I want to explain this.

We will be responsible for the professional people, the dealers and all that and we're trying to give the first chance to the people that are employed now in all these fields. They will become the permanent staff or they will become either on contract or something, but we need staff years for that. They are given the first chance; they have to qualify; they have to be of good character and they will become employees of the Foundation, not Civil Service but employees of the Foundation. So, therefore, then the Foundation can make sure that they are people of good character, can be sure that they are properly trained and then they will not be working for a group that gets a certain percentage of it and they will not be pushing this name at the casinos, which was one of the complaints. Their responsibility, of course, they will have to have some revenue, but the main thing is to protect the public also and the Foundation will make sure that this is being done.

Actually the end result will be, having that staff, the days of the casinos will already have been given to different groups, so it's not the government that will decide, whenever the revenue comes in, where they go. The Sports Federation will get so many - I shouldn't say the Sports Federation - the sports, through their umbrella group, which happens to be the Sports Federation. The groups in Culture, through that umbrella groups also will have so many days. The private schools - and we didn't invent any other groups - those were groups that were participating as charity in some of these areas and we try to give them a chance to make approximately the same amount of money for their groups, and they would then decide the way to go in further distribution to their groups that they represent under that umbrella group.

The Festival du Voyageur, as such, will get so many days, also, but we will take more of the revenue from that and spread it around in groups, in historical sites and museums and so on, more people will participate. The Blue Bombers, as a community group, were also given some groups. There is an umbrella between the

Festival du Voyageur, the Blue Bombers, Folklorama and Red River Ex. So you see, the government will have nothing to do with that; we are responsible for the running of the casinos. The manager will be responsible to us; we want to make sure that we have, as I say, security, but then, after that, they're all ready. There has been dealings with all these umbrella groups and they get their days and they decide what they want to do with them and there's different ways because the umbrella groups are not all the same.

So actually you would have the same temptation. The Cabinet will, again, have to make the same decision if they want more than 90 days and the responsibility will rest with the Government of the Day, the same as was done before. In fact, I don't know if the Cabinet always had to give extra days or the Minister. I think it was the custom of my honourable friend when he was Minister to extend the days. I think he went to Cabinet, I'm not sure, he can tell me. But at least the same safeguard, if anything, and more than that.

I would want to take advantage at this time to read a certain letter which I think my honourable friend, in fact the same gentleman, today or yesterday talked about law and order. I want to read this letter that was sent to me. I didn't request this, it was from Staff Sergeant Flake, Senior RCMP Gaming Specialist from Edmonton and this is the letter:

"Dear Sir: Re Gaming, the Province of Manitoba. Please be advised that members of this section continue to maintain an open channel of communication with Mr. Garth Manness of the Manitoba Lotteries Foundation and with his staff. Mr. Manness has apprised us of his office's most recent proposal as regards governmental involvement and actual conducting and managing selected forms of lottery schemes.

"May I take this opportunity to inform you that we fully endorse this course of action which is unprecedented in Canada. Both Sergeant Robinson and myself have long advocated direct involvement in gaming by provincial authorities as the singular best assurance of safeguarding the integrity of the activity within their respective jurisdictions. We view Manitoba's proposal as reflecting a most responsible attitude towards administering this rather complex area of the law which has fostered the phenomena of gaming as a growth industry. Unfortunately, certain jurisdictions appear to have lost sight of the fact that gaming is not a private industry, rather it is an industry controlled by the Criminal Code and, ultimately, by the provinces. For this reason we laud the efforts of the Province of Manitoba in pioneering this unique concept of gaming control.

"With the permission of your government and through the auspices of the Commanding Officer 'D' Division, RCM Police, we will endeavour to continue in our capacity as an assistant agency. We anticipate monitoring the Manitoba situation with great interest, both from an historical point of view and that of law enforcement."

It is a complex thing and I want to assure the honourable member that I share his concern. In fact, as he knows, I was probably the key promoter of the Western Canada Lottery Foundation, and one of the main reasons for this organization was to stop the proliferation of lotteries - and, again, I'm talking about all these things - and we had no casinos hardly. There



were two casinos at the time that were not run through the same department, it was through the Attorney-General and the casinos then multiplied, during his term of office more than mine, and we can look at that.

I'm certainly not blaming them, I think that we needed this kind of legislation and this kind of control and that's the only reason. As I said, it's not a socialist ideology that we want to control it all, it is for the reasons spelled out in this letter and also to put an end and to be able to control, which my honourable friend couldn't and I couldn't with the law the way it is and without the government being involved or being able to license, for instance, what charities.

We've had commercial bingos that the operators themselves would decide which dates the charities would have. We would license them, but that was a joke. They would come back and say, we had no dates or we had certain dates, but the dates were given by the operators of these facilities. Now we are saying, there are so many days for the different umbrella groups; you run it, you do what you want with the money, it's yours, providing it goes to charity.

**MR. R. BANMAN:** The difficulty in dealing with this, Mr. Chairman, is that the lotteries and the gaming field have become so complicated over the last little while that while members of the Legislature feel, I guess, that they know of some things that are happening there, it does get so complicated that everybody gets lost when talking about it and that is why I am attempting, on a product-by-product basis, to deal with this. That is why I started off with the casinos because, as I said, to the average member of the public, the thing is such a monster that he or she really can't put their finger on what is really happening.

I know the Minister, I'll bet, faces the same problem that I had in Cabinet when the situation comes up, everybody says you deal with it, and therefore that's what happens and nobody wants to discuss it because it takes several years to learn to understand it. Unfortunately, once you are the only person that has a good grasp of it, you get stuck with dealing with it all the time.

So, Mr. Chairman, I say to the Minister, for that very reason, while he says this is a Crown corporation that is going to do that, the Minister responsible for this department becomes a very key individual as to what happens. So while he says this is going to be a Crown corporation, I know this Minister well enough that I doubt there are very few moves made over there, or that were made now, without his hand being in the move one way or another. Now he might want to dispute that but I believe that is the fact.

Mr. Chairman, having said that I wonder if the Minister could tell me specifically now, what kind of policy the government has adopted when hiring specific dealers for casinos. In other words, when there is a casino, what procedure is followed in hiring the dealers that will be there? I mentioned earlier that I have had certain people call me from either one of the different private operators who now are no longer in business for the bigger casinos, who said they had been dealing for some sets in '78 and now are not being called. What kind of a list is the government developing to try and employ some of these people?

**HON. L. DESJARDINS:** Mr. Chairman, I won't deny what was said by my honourable friend. He was right on, as he knows, because he served in this capacity. It is something that there is not too much wide interest because it is so complicated and it is something that you can't take hours around the Cabinet table because there are other things to do, so people get a bit impatient. There is nothing more frustrating, I can assure you, than being Minister responsible for a lottery, because it is not that you are smarter than anybody else but you work at it for hours and then the people are not that interested. In the Schreyer years, it was the same thing. I am sure, the way my honourable friend spoke, it was the same thing in his time. It is the same thing there; it is difficult.

As I say, there are certain policies that have to be proved, that have to be discussed in caucus and in Cabinet and with different groups. There was some misunderstanding at times. We had to hire people. It was difficult; it is nearly all finished now. I think that we did a good job; I am very proud of what we did. I think it will fall into place, but I can assure you that the running of it will be like the Manitoba Telephone System or it will be like the Hydro.

The day-to-day running will be done by the board and the staff of the Commission, not by the Minister. But there are certain things the same as before you increased the telephone rate, you must go through the Minister responsible for telephones and that is a political decision. There will still be political decisions. I would think that any increase in days will be a political decision. It will be the same thing as it was in the past. The Cabinet of the Day and the Government of the Day will have to be responsible.

Now there were actually two companies before and we brought the companies together. There was a company, if you want to call it that, the Manitoba Lotteries Commission as one who was running mostly the products of the Western Canada Lottery Foundation. So it still was government through the Manitoba Lotteries Commission. Then there was the Manitoba Gaming Licensing Board that was an arm of one of whatever the department happened to be that was the responsibility of the Minister in charge of lotteries. That is where the problem was because there wasn't enough teeth in it, there wasn't enough legislation for the government through that Minister to control, to stop the proliferation. I choose to think that with talks I have had with the member before when he was the Minister and in opposition, that he was not one to want to see the proliferation of these games. But there was a heavy proliferation in his days also because he had no control over it and this is what we are trying to do, but that is not going to be the government. Sure, the Minister at this time is responsible for the implementation of their new policy. It's a big change.

There are a lot of things that I don't like. I would love to be able to start from scratch and allow only certain things, because actually the intent of the agreement with the Western Canada Lottery Foundation was broken when the instant game was allowed to go. I say the intent because games keep changing and they will change rapidly, and some of the products that they offer now will be obsolete in a few years. I venture to say that in a few years you will have nothing but these computerized games. You won't have the tickets the

same as you had the non-bearers' tickets at one time, and you remember the battle that we had to go to bearers' tickets and the people that resisted that, it was the end of the world, and that helped to give us more accountability and security. We were striving for the same thing at that time.

Now there will be a different way. There will be more protection but there will be more games. Now the instant game, the agreement that was made between the four provinces was that they would not be strictly provincial lotteries, that we would all go through the Western Canada Lottery Foundation, but all of us being politicians we had to look at what was in place, you can't start changing everything, and there were so many lotteries that we had to account for to go along with. So there was an exception made, I think, to satisfy Manitoba with the Sports Federation Lottery at the time and there was the TCI - which wasn't the name TCI as such - yes, it was TCI. Then in Alberta, they had the Calgary Stampede and the Edmonton Exhibition, I think. So there were some lotteries allowed but only a maximum prize on it.

But the instant game was completely changed. We didn't have an instant game in those days. So every box becomes a lottery, so it is very easy, and you get a licence for a box and so much for a percentage. Well, the prizes are not anywhere near the maximum, so that was considered very small. Now we have a situation where there is half of the total when I talk about lotteries, including casinos and everything, approximately half of the money spent - I was talking about \$150 million - approximately half of that is spent on Nevadas. As far as I am concerned, that's the worst game on the market. Then of course, half of the percentage of the revenue comes from Nevadas. Everybody and his dog was allowed to sell these things, there was no control over it at all and that is why we have this situation now.

My honourable friend wanted to stay with casinos and that is fair enough because it is complicated and we can go to different games later and he asked about the hiring. This is the instruction that the general manager had from me in the hiring of all staff - and let's stay with casinos - that he should as much as possible have no displacement; that those who were working for individuals or who were working part-time or something in a casino, that they should have the first chance; but qualifications and good character had to be part of the exercise.

Now the Foundation has some of the top jobs and of course, the key people, that all has to be advertised. Again, we try to give the people a chance that were in the industry before because as I said, we have a lot bigger staff than we had before when we talked about the Manitoba Lotteries Commission as compared to the Foundation, but then there were a lot of other people. The same people were hired, as was noted by my honourable friend, that these people were working for maybe a certain group or a promoter and so on that was then selling a service to charities. Now they're selling it to the government as such. Those were the instructions and I have no idea who was hired. I don't know a single one of them, I've never been at a casino in my life in this city, to be honest with you.

I'm not the greatest supporter of casinos and the Foundation, I'm satisfied we are giving them a chance, not automatically hiring all the people that worked

before because they want qualified people. They want people that can be trained because they want to improve the system, but there is not one person that was hired because I suggested it. I did not suggest one name, nor do I know anybody that did, that was left to the general manager and the Foundation. They got the best people they could and started by giving the first chance to the people that are actually at this time earning a living through working in casinos.

**MR. R. BANMAN:** Would the Minister then suggest if someone has been dealing for quite awhile, who should they get in touch with if they want to work for the new government lotteries people?

**HON. L. DESJARDINS:** I don't think that this person should get in touch with me. If he feels that there is something wrong I certainly will look at it. I had a letter complaining about some of their staff and that is being looked into at this time. I would suggest that anyone should get in touch with the general manager who will tell them who is needed, how many people are needed, and how they would proceed to put their name in and so on.

**MR. R. BANMAN:** Mr. Speaker, I voiced some of my concerns with regard to that knowing that the systems under way will be the Crown corporation that really runs the lotteries and I've noted some of my concerns with regard to that and, of course, time will tell exactly whether or not that indeed will be the case.

I would like to move on right now to Nevadas, I guess one of the main sources of income for many non-profit groups throughout the province, as well as it will become a pretty major source of income for the government. I wonder if the Minister could tell me what proceeds the government is going to take in, in tax as well as revenue, from Nevadas this year; and also if he could tell me what the gross sales of Nevadas will be this year? In other words, how many dollars worth of Nevadas will be sold in the province?

**HON. L. DESJARDINS:** Mr. Chairman, the last question is difficult to answer. The government, as such, and I certainly would hope and it is my wish that the Foundation is not the main *raison d'être* to give a chance to people to buy these instead of having to purchase it from another province or another level of government and the revenue would leave the province. But their job is not to promote, as such, the same as you would have, for instance, the Western Manitoba Distributor or the Western Canada Lottery Foundation who are not government-oriented or staff and their job is to make as much money as possible and, of course, the charities are. We are not necessarily interested in that, we want to have the facilities.

We're not going to promote and ask the people of Manitoba to spend more money in gambling. If they want to do it, it's them. I'm not saying that there's no advertising and not letting the people know where these games are played. I don't know, it might be that in some areas this will fall, in other areas it'll improve. I think all in all that we'll probably sell the same amount of tickets, but that may be an educated guess but it's still a guess. The only thing is that we'll cut down on that.

If I remember right that was one of the suggestions of my honourable friend that he made last year or two years ago that we approve. Let's have a breakdown of the tickets now. They've had anywhere from 65 to 73 percent in prizes and we've cut that down to 65, but everybody across. I think that was the suggestion to cut down the percentage of prizes that we accepted. It is now 65.

It was 25.5 percent profit margin before; now it's 24, it's a little less. The ticket cost was 4 percent before, you deduct 4 percent from 25.5, you have 21.5 and now the ticket costs, and that is the Foundation that will get these tickets, is only 2.5 percent. The net profit will still be the same, 21.5 percent.

The license fee, say the prize is 65 compared to 73, but the license fees were 1.5 percent, but now this is 11 percent. This might be misleading. When you talk about license fee, right away they say that's the share of the government. That is the profit, that's what goes in the gaming fund to help these other charities and the umbrella groups. That is all divided, it goes in the gaming fund. In other words, that's the profit that goes to the two different groups also.

**MR. R. BANMAN:** I wonder if the Minister could give the figure that is projected as far as the sales are concerned and what the government will be making or what the government will take in on the sale of those tickets.

**HON. L. DESJARDINS:** This is based on pretty well what they had last year and I can't answer it any better than I did awhile ago. It is a guess, it might improve. The estimate was \$70 million and the license fee or the share of the Manitoba Lotteries Foundation for the gaming fund would be \$7.7 million.

**MR. R. BANMAN:** In light of the Commission structure change, Mr. Chairman, did the government give any consideration to implementing a system where there would be a sliding scale of commission to the private groups that are selling Nevadas? In other words, to recognize that the smaller groups who are out there trying to raise money for their community club would maintain relatively the same profit margin that they had before and then develop a sliding scale where you have some of the bigger clubs who are making a lot of money would have made proportionately less; very much the same as, for instance, the Liquor Control Commission does, in other words, was that given some consideration?

I think that one of the criticisms that has been levelled at the new program is that a lot of the smaller groups had some of the profit potential removed from them by the institution of this new system. I wonder rather if it hadn't been worked out on a sliding-scale situation, whether that would have not been more equitable, especially for a lot of the smaller groups who have used volunteers at their smaller bingos to sell these Nevada tickets.

**HON. L. DESJARDINS:** The smaller groups get exactly the same as they had before was 21-21.5. Now, the share of the licensing which was increased comes from less share of the profit percentage. Even that system

is actually existing. For instance, if it's a private club like, let's say, Club La Verendrye which is a private club only for their members, they will not make as much; they still will make plenty of money to take care of the club, I give that as an example. That was a club that was in danger with the membership and so on and the cost, now go and look at it, they probably have the most advanced bowling facilities in Western Canada, everything is computerized. I think there's three clubs like this in all Canada, it's a fantastic club. They will have to, because it is a private club, to share the wealth of it.

They will have to take 5 percent of their gross profit and make, of their choice, make a donation to charities around there. They have done that most of the time. Now there's the odd one that didn't. A lot of people say, well, you should have had more than that, but that is a step in the right direction. It would ensure that is passed around a bit. That is going to be difficult to really assess, but they will get a licence on that condition. They will choose the charities, but they'll be charities approved by us. It's not going to start something that should not qualify.

Furthermore, that percentage also goes in the Gaming Fund, as I said, to be distributed with the umbrella groups. But besides that, to make sure, because something will go wrong, especially at first I would imagine, part of that 10 percent of the total funds will be an equalization fund. That will be part of the share that would go to the departments of government for Sports, Fitness and Recreation. Also that would go to these different groups. That will be used out there if there is some group that, for some reason or other, did not receive a fair share. I'll stick to that, because you're talking about Nevadas.

But the accountability that we will have at bingos - because as you know, the actual bingo in the past has just been a way to get the people there together to sell them Nevadas because they haven't made money - it was the operators that were making the money on the bingos. Now that will be changed. I am going to wait to see if there is any question on bingo, but that will be changed to give us the accountability on that.

Since we took over the bingos just about a week ago, we had all kinds of groups that had deficits, that lost money, that couldn't have it because they had no accountability at all. Now I am not making any accusations, but there is temptation out there when there is that much money floating around.

**MR. R. BANMAN:** Mr. Chairman, my question is, before the changes were implemented, if a small community group in rural Manitoba ran a bingo one night and sold one box of Nevadas - I believe it is 2,184 at 50 cents a ticket - could the Minister tell me what they made under the old system and what they make under the new one? Is there a difference of roughly about \$40 to the club?

**HON. L. DESJARDINS:** Mr. Chairman, I want to give the exact figure to my honourable friend, so that's another question I will take as notice, but I will tell him now that there is hardly any difference at all. I know what my honourable friend is talking about, some of that fear was not founded at all. That was never the

intent. It was never announced, and it's very close to what it was before.

**MR. R. BANMAN:** Mr. Chairman, about two or three weeks ago, the government extended the time period for which the private operators that were supplying product to different charitable groups with regard to the Nevada tickets, they could continue to sell - what was it? - till July 1st. He made an extension. He put out a press release. Is there any difference in price when a person buys from - I think there are three or four distributors in Manitoba - those individuals versus when they go to the Manitoba Lotteries Commission and buy? Are they paying the exact same price or is there a difference in price?

**HON. L. DESJARDINS:** Mr. Chairman, that was exactly one of the concerns. It was completely disorganized, and any promoter could come from outside of Winnipeg if they wanted. They would go and see a charity, and try to sell them the idea of selling this product. My honourable friend, the Minister before, had no control over that at all. Some of them would have 75 percent profit. Another would have 65 percent profit. That's exactly what we are trying to change.

It will be the same kind of tickets. They'll be distributed through the Foundation, and it will be the same percentage. It won't be left to a private promoter to come and sell his games without the government having any control and, to make more money, to use an inferior product that you can pass that under a light and find all the winners like I've done. Let me assure you that I didn't keep them. They were not entered, but it was easy doing that. That is going to be stopped. Now the thing is that those tickets, you see, they pay ahead. They buy these tickets and they pay ahead and, of course, that is all taken into consideration. So we extended the time to July 1st.

Now further, there is no doubt that everybody in the world knew - well, maybe not in the world, but at least in Manitoba - that there was a reform going in, but some of those suppliers sold - I suspect maybe had made some kind of a deal - some of these boxes. Now the people were never licensed to buy that. But even then, we're bending over backwards. We are saying that for a further month, we will buy your tickets at what you paid for them just to give them a chance, the equivalent of what they have sold, let's say, an average monthly sale they have had during the last year, for one month. We will sell those tickets. Probably we will sell these tickets - we are negotiating with somebody - at a reduced rate, but we will pay the full cost to people for one month. If we can sell more, whatever is left from these people if they have some, we will buy them at whatever deal that we can get from the supplier. We won't subsidize that. So we are bending over backwards on that.

When the time comes after July 1st, these tickets will all be the same, the same percentage and so on, that every club will have. It will not be the supplier that will decide what he'll have and start to compete, and eventually there is practically no money for the charity in there at all.

**MR. R. BANMAN:** My question was, if I went to a supplier today to buy a box of tickets, is there a

possibility, if I shopped around, that I would make more money by buying one particular kind of box than buying it from the government agency right now?

**HON. L. DESJARDINS:** That's exactly what happened all the time that my honourable friend was Minister. This is what I'm trying to say. You might buy from Play All. You might buy from somebody. They were a different price. Now that will happen until July 1st, that's correct. But after that - is it June or July - July 1st, they will still go ahead and print their tickets providing they match that they have the safeguards. We will decide what kind of tickets, the Foundation will. They can go ahead if they want to compete with the sale, but they will not be able to decide what percentage will be in prizes. That is something the Foundation will do.

I have a reply to the question that I took as notice. The total, let's say, was \$1,092.00. The prizes were \$800.00. That left \$292.00. The cost of the box was \$45; the licence fee, \$16.00; therefore, they made a profit of \$230.00. They made a profit of \$231 on a box.

Now it's \$1,092.00. The prize is \$700; the cost of the box, \$32; the licence fee, \$120.00. They will make \$230.00. They lose \$1.00.

**MR. R. BANMAN:** So as of July 1st, the government will be the only people that will be licensed to distribute and sell Nevadas in the province. Is that right? In other words, if somebody wants to sell Nevadas in this province after July 1st, they will have to come to the government to buy the tickets. Is that what the Minister is saying?

**HON. L. DESJARDINS:** No, they will have to come to the government to get their tickets approved, and they will have to set up the same percentage as the government. The only thing is, they can sell the tickets for what they want, the actual printing of the tickets. The government will sell at cost or very little more than that. It will be a tough job to compete, because we're going to sell at cost.

**MR. R. BANMAN:** That's right. The Minister is saying that people will be able to compete but, in essence I guess nobody will because there just won't be any money in it for them. So really what is happening is that the government will be the only person really I envision with this policy, that will be selling any Nevada tickets.

The other question I would have then is dealing with the next product line, and that is one which is undergoing some massive changes not only in the province but also within the Canadian context as well as the Western Canada Lottery Foundation, and that is the government-sponsored lotteries which now, I guess, all fall under the same umbrella organization, W.L.M.D. and the Western Lotteries, Manitoba Distributors, everything is all falling under one roof.

A number of changes that we have seen happen, of course, is the movement into the computerized game and the government has decided to reduce the amount of commission paid to the people that are selling the tickets. I know what has happened is that many of the retailers who are selling the tickets for the government were doing so to probably supplement their income

somewhat but as many retailers have pointed out to me, and I guess the government's got them in a tight spot because the Minister knows, and I guess the people that are involved in the retailing of the tickets know that in many instances the people selling it will probably just about break even, but the reason that they will continue to sell them, even though they're not going to make any money on it, is that it's a good drawing card for them; it's like a loss leader, it's like somebody selling milk or bread at cost.

I've talked to a lot of smaller operators - and I'm not talking about the people that are in the high traffic areas, I'm talking about the small convenience stores and the smaller retailers - who really, if you're looking at adding up the time your clerk spends on selling the tickets, and if you're looking at a 5 percent commission, really all you need is one error somewhere along the line and any hope for profits on the game are gone.

Mr. Chairman, I draw that to the Minister's attention, but I have a question which I guess, when we're dealing with the commission structures, is more important to me, and that is, a lot of the smaller retailers who started with this Minister selling the Winsday when he moved that game into the system, a lot of the people, like my friend Art Vogt, who really uses this as his only visible means of support. He goes around Steinbach, has certain people that he sees, this is the way he makes his living and is now, I have to tell the Minister, going to find it very difficult for two reasons.

No. 1 is the reduction in the commission on the product; but the other thing which will really hurt him - and I don't know if the Minister can do something about this - but the other thing that will really hurt him is the move now, of course, to the computer for the Winsday also. While I realize there are changes and progress that happen, certain times when individuals who have been making their livelihood in that fashion in one way or another, do get trapped and the system traps them. I have concern for a lot of these smaller people who will not be able to use the computer system because they're just not big enough and who have, over the years, the last 10 years, been on the street corners, stopped in at the different businesses to sell their tickets. I'm sure we all know of people within our local community that have developed a certain clientele over the years.

I point that out to the Minister because it's of real concern and I know the few people in my area, throughout the little towns and villages, have expressed that concern to me and wonder what their fate is in the whole thing and it is causing them a lot of concern and hardship, so I point that concern out to the Minister.

I would also like to, at this time, ask the Minister whether or not he envisions the sale of - we've got the 6/49 which is very active now; we've got the Winsday which is going computer - does he envision that within the next couple of years that the other two products which we've got on the market right now, the Super Lotto and the Provincial, whether or not he envisions those going computer, too, in light of the success of the 6/49?

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

**HON. L. DESJARDINS:** Mr. Chairman, first of all I'd like to finish dealing with the break-opens, what is

known as Nevada. People wanting to sell the tickets would have to apply to the board and the board would insist that the ticket would be of a good product, would protect the public, No. 1; and it might want to decide the people that would apply would have to be of good moral character.

I said awhile ago that we will sell at cost. I don't apologize for that, it's not for the fact that you just want to keep these people out but, if you remember, we started this discussion today saying one of the most important things is to maximize the profit to the charities, and we said that we would sell it at cost, just what it costs. There's no middleman or somebody making a profit there, so that is the reason it will be done like this.

The last question, I have very little doubt that in the not too distant future all the games will be through computers. It is a lot easier, there's no distribution; everything is done through the computers that you have to have anyway. There's much more security; there's still things that have to be done but there's security and that is what the people are buying.

We must remember that the sales force are a very important part of this, but the main thing is, like any other product, there's no game being played unless you are going to sell what the people want, and that's the main thing. The sellers are there to advance the product, the main things are not done just for the sellers. If they can make money, if there's more people that can get a job out of that, we appreciate that. So I think that unfortunately, as far as those individual salesmen, I don't know what the answer is to that.

The people, through that computer now are still making 5 percent so they're not breaking even or losing money just to have that because the people want them to attract the people. Look at much of the products and look at the markup on cigarettes and on many of these things and there's no warehousing, there's no handling of the stuff. There's a drawer somewhere or a safe to put the money in. It is delivered; it is picked up; there's a buy-back period and so on, so it's not a difficult thing.

My honourable friend talked about the days when we started building that and how difficult it was and how people had to be coaxed to become a salesman. But I want to say something else, and it's not just a question of passing the buck, we've had difficulties with the Western Canada Lottery Foundation. For some reason or other that board has been wanting to control the marketing in the provinces and this is something that I said, as far as I'm concerned, it would be over my dead body because when the Western Canada Lottery Foundation was started it was understood that they would develop the product, they would offer the product and then there's no pressure for people to buy it. There was no sponsoring or financing of the Foundation, it would be left to each province. Some provinces might want to push it; other provinces might say, no. We offer it, we're not going to advertise.

Some of my colleagues don't like the advertising that's going on now. We have agreed to stay with the other provinces and that was the decision of the Western Canada Lottery Foundation, not ours. I think the Ministers did not have that many concerns; we have concerns. The Ministers are getting together, I had a phone call today, it was a conference call; we're

organizing a meeting, I think, around the 9th, 11th or 12th of July to discuss some of these things and I think it will be made quite clear that the marketing will be left to the provinces.

I don't say that we will be able to change the commission, but in some areas where they say if you don't sell many . . . it's been a lot of pressure from the Foundation. It's been deliver or else and they want people to sell a minimum of certain tickets or they would pull the tickets out. There's a shortage of machines at this time and they're owned by the Western Canada Lottery Foundation and we will have to pay the same as if we were renting.

I think now it has spread and naturally B.C. is paying part of the cost that we should pay because they're pushing it and, because of our sparse population spread all over the province, each unit is not bringing in as much, but eventually it is felt that there's no reason they should subsidize us so we will pay for each machine. Whatever the machine is worth, it'll be payment to buy the machine and the interest and so on will be amortized. There's not that many. They're quite expensive machines and for awhile then you have to select the place that will sell the most. But we are taking into consideration also, areas in the North and rural areas and so on.

Eventually, I would hope that we will have complete control of our sales, except that the percentage will always be the same because we have agreed not to differentiate between provinces in the sales. We will have to discuss that, although I am not saying that we will take out of them if they don't meet a certain quota; the computer maybe because of its cost, it has to pay for itself, but not the other areas. The commission is something that is set by the Foundation. This is just on the products of the - not the Foundation as I said - excuse me, let me start over again. The Western Canada Lottery Foundation, not the Manitoba Foundation. The break-open tickets have nothing to do with the Foundation in that the profit or the commission is set up by our Foundation here in Manitoba.

**MR. W. STEEN:** I would like to ask the Minister about break-opens, and I know that he partially answered the question.

Will the Manitoba Hotel Association be permitted in the future to sell tickets? If they desire to have their proceeds going to the St. Boniface Hospital Research Fund, will they be permitted to pick their own charity such as the one I have cited?

I believe I heard the Minister correctly, saying that the commission to the retailer, to the hotelier, will drop from 10 percent to 5 percent, but one area that I didn't fully understand that the Minister said the licence fee per box of break-opens in the past has been \$16.00. Did I understand him correctly that it will be in the future \$100 or \$101.00? If so, I assume that the difference between \$16 and \$100 is going into general revenues or into revenues of the Lotteries Commission and those monies will be distributed to public agencies by government. Do I understand the Minister correctly?

**HON. L. DESJARDINS:** Let me try to explain the question of hotels because that is different. Any hotels

will be licensed to sell the Nevadas or the break-opens. It's a special thing; they are retailers, special retailers. That is not a charity. A hotel is certainly not a charity.

The umbrella group will be working with the Manitoba Medical Research Foundation for the time being, because you have to look at the funds going for research and it cannot be just one hospital. Also, there is the capital. So right now the capital will be for the teaching hospitals - St. Boniface, Health Sciences Centre and Children's. The other smaller groups can qualify under the umbrella of community services because you can't multiply, there are so many people in research.

The three groups got together, not the Foundation, not the Manitoba Research Foundation - I wish somebody wasn't called "foundation," there are four foundations we are dealing with. The Manitoba Research Foundation, leave them aside, because they didn't feel that their job was to be an umbrella group as such. It was agreed that 45 percent now, starting in July, 45 percent of the profit will go for the Research Foundation which they didn't have a cent before. That's Dr. Israel's and that group and they are the ones that received the application, people that have researched and they decide where the research will go. There is a board; there is an addition created by the government. Forty-five percent will go for capital research foundations. It was agreed between these three groups that they would finish St. Boniface first. I think that is about \$1.5 million or \$2 million. When they are finished, St. Boniface is finished for good, and they have to match that dollar for dollar.

The next step will be the Health Sciences Centre. St. Boniface was \$1 million, but they received quite a bit of money. The Health Sciences Centre would be approximately \$2.5 million that they would have to match and there would be another floor put on one of the facilities at the Health Sciences Centre for the Health Sciences Centre Research Foundation. Then it would be - I don't remember exactly what the amount is - last, when those two were out of the way, it would be the Children's Hospital for certain facilities, not construction, but equipment and that kind of thing. After that, capital will be out of the way until the next government would decide.

I can't dictate for the next Minister but eventually when this is paid, that 45 percent would be added to the original 45 percent going to the foundation and the foundation would have it. In other words, everybody would apply. If the government is going to set up a foundation and the previous government start going in that direction of the previous Minister of Health, and they would decide. All applications for all research in health would go through that foundation. So eventually all that sold in hotels would be for medical research. That could be a few million bucks.

You have noticed I said 45 and 45 percent. That's 90 percent; that leaves 10 percent. There is 10 percent that will be kept for research, but research - and I should have the expert here - I don't know the correct name. It's research in the medical field but not for medical research. In other words, it would be to study, let's say, the Kaiser system in the States where doctors are paid to take care of so many people. In other words, the administration of better Medicare to maybe pay doctors and those kinds of things, so that will be a fund that will be administered by the Manitoba Health

Services Commission and that at this time would be 10 percent.

All the umbrella groups and all the set-up will be reviewed next year to start with because we are bound to want to correct some of the things. I hope that we have things pretty well in hand, but it would be reviewed. So that one will be reviewed also.

The hotels were making an awful lot of profit on that. Mind you, they were helping the St. Boniface Hospital. Now they were making - what? - they were making 10 percent. They will still make 7.5 percent. So then 2.5 percent, the difference will be thrown back in the pot, not the government, to get more money for research. So the hotels were extended the time. Also we will keep the same commission until July 1st, the same commission of 10 percent; after that, they will go to 7.5.

Now we had not licensed any new hotels. Anybody that wants to, we couldn't stop them. You know, we are not going to be selective. During this review, we will try to put the lid on some of these things. They will still make 7.5 percent for the hotels and, of course, the tickets then will be controlled, the distribution will be controlled by the commission. There will be more of an accountability than they have had in the past. So, therefore, the hotels will be given the credit of raising this money through hotels, through that system, and they are certainly entitled to a commission as salesmen, but we will give the credit of making this possible, this amount of money for medical research and I think they are very proud of it and very happy. They will get a little less profit.

**MR. W. STEEN:** To the Minister, in the break-opens or Nevadas, with the change in format and the change in policy as of July 1st, will the government be compensating any of the persons that were in that business before? Is there going to be compensation paid to any private sector people?

**HON. L. DESJARDINS:** No, we are not recognizing compensation. I think that many of these people were there and some people suspect that they were there illegally or very close to it. It's just that maybe we didn't have the proper legislation. It is still controlled by the Criminal Code, these people. The Criminal Code authorizes the provinces or anybody delegated by the province and it should be a - I am not saying to sell products on commission, everybody is entitled to that - fairer share of the profit. So the RCMP or some of them are certainly questioning that. They feel that only the province or non-profit organizations authorized by the province should be partners in any of these games of chance.

But we are competing with them. If anything, they could still sell their products except we don't want to make money on it. We are giving that money back by selling it nearly at cost and I think that's fair. It could be that some of those people will try, some of these groups will try, will go to court trying to get compensation, but we feel that the situation, what we are doing now, the main thing is that there is no compensation. We have bent over backwards, as I say, and they have printed many more tickets than they should have. Some people have supplies of tickets you

wouldn't believe and as I said, we've delayed the time so they've made more money on that. We will buy, as I say, a month's supply at the cost that they paid. We will subsidize that although we'll get less for it, so that will help. We are not trying to hurt anybody. If there's anybody that we could help in any way, but our main three points is accountability, increase the share to the charities, and fair distribution; that is what is guiding us.

**MR. W. STEEN:** Mr. Chairman, my colleague, the Member for La Verendrye made reference earlier to the 6/49 and the computerization of how 6/49 is played. Can the Minister tell me where the profits in the last year that 6/49 has been in business have gone to?

**HON. L. DESJARDINS:** Mr. Chairman, it was never felt that game was part of any agreement; that's the way it was then when we authorized 6/49 and it had to be authorized by the province. Because of these changes it was kept in a special account, that is, until the 1st of January and then we agreed to put it in the pot. In the meantime, there's a certain amount of money that will be used to advance some of the costs that we will have and then that'll be decided, it'll probably be distributed to sports and culture for programs in that area, but through the government, or it could be a special fund to help something like the Jets and something like that.

In the meantime, we bought the property where we will have all the staff, also the warehousing and everything; we had a chance for a good deal. The money will be advanced from this pool and reimbursed in rental charges by the Foundation. That will have to be what the ultimate fate of that amount of money, it'll have to be decided by Cabinet, but it'll be in either special program, the programs we have now in Sports, Fitness, Recreation and Culture.

**MR. W. STEEN:** So I hear from the Minister that as of January 1 this year, Manitoba received a share of the proceeds from the 6/49 tickets purchased in Manitoba, but prior to that the money went where?

**HON. L. DESJARDINS:** No. The honourable member misunderstood or I didn't explain well. As of January 1st, the money is in the gaming, it'll go to the charities. It is part that we're putting it in the pool. Before that, in the period Manitoba was still getting a share, although we didn't go as fast as the others because we were reorganizing. We could have more of these, we haven't any in the main malls, for instance, in the place where they would sell the most, that will be done, but there was an amount of money in excess, I think, of \$2 million, close to \$3 million that was set aside. It's close to that now because of the interest and so on. That was earmarked for a special thing and that's what I say where you're looking at the cost of this reorganizing, if anything, of advancing the money for the purchase of this building, and eventually a decision will be made of what is left in there, how it'll be disposed of. That fund is not increasing, except if it's not used with interest. As of January 1st it's stuffed in with the rest of the money going for charity. It's added money going to the fund, to the charities, including the Sports Federation and these groups.

**MR. W. STEEN:** He made reference to a building that they have purchased, could he tell us just where the building is and what size of a building it is and what did the taxpayers of Manitoba or the Lotteries Commission pay for the building?

**HON. L. DESJARDINS:** I don't know if I heard all that question. It's a building on Empress Street practically in line with the - what's the name of that hotel there? - Polo Park Inn I think, it's in that area. It has the facilities to house the staff, the vault and all that for the depot, the warehousing will be there, everything will be there. In that area there's parking facilities.

Now you have some in a building at the corner of Donald and St. Marys; you have some on Portage East, and some in the Convention Centre, so that will be brought together. Of course, there's money that will have to be spent to renovate the building to put the proper security building because there'll be tickets and that's an important thing.

Now, that is advanced from this fund. Then the commission will have to pay rental to that fund. We'll have to pay back this money on a rental fee so much a month to pay for the purchase and the interest and the renovating and so on. Eventually what is left in that fund, the government will have to decide, it could be a special project, it could be facilities, it could be that the Western Canada Games will be financed out of that, it could be that some of it will go to Culture, but the intent is certainly to stay with the announced policy of government which wasn't changed, that this would go to Sports, Fitness, Recreation and Culture.

**MR. W. STEEN:** The Minister didn't directly answer my question as to what was paid for the building. Maybe he could get that information and also tell us the number of staff persons that will be working out of this building?

**HON. L. DESJARDINS:** It's quite a large building, there's 20,000 sq. ft. There's a lot of parking also, the property is large. The purchase is \$480,000 which is a figure to the Government Services who dealt with this, who looked at the property, a more than reasonable price and, of course, any change to the building, as I say, the security and all that will be added, that could be another \$100,000 or so.

Now, all the staff will be there and that's not finalized now. When everything is finished it could be anywhere from 75-100 people or so. Of course, everybody will not be there, some of them will be working directly in the casinos and bingos, but the headquarters will be there.

**MR. W. STEEN:** Just one point that I would like to raise with the Minister is that if another branch of government were to acquire a building it would normally be taken out of government revenues, like the Floodway that was built around Winnipeg was paid for by the taxpayer out of general revenues. Here what we are doing is we are taking monies that are being generated by the 6/49 in buying the facility which is a government facility, rather than having these monies going to our charitable organizations. For the first year or two they're using the profits in the form of capital to buy a facility, rather than the charities getting the money. What I'm

saying to the Minister is that this is a little unusual step for government to take proceeds of a charitable group and use it to buy a capital building, rather than having government buy the building, own the building and then lease it to that department of government.

To me it's a change, but it's also gambling dollars and if gambling dollars are going to be spent on facilitating future gambling dollars, perhaps it's a good investment, but it is in my opinion a break from the normal trend of how governments acquire buildings.

**HON. L. DESJARDINS:** I'm glad, Mr. Chairman, that my honourable friend added the possibility maybe it was right because I was going to disagree very very strongly with him at this stage. I'd sooner go with his final explanation.

First of all, indirectly it is money that would go, not to charities, but to Sport and Culture because that would have been administered by the department. But my honourable friend is right, so far it has always been earmarked for that.

There is no way in the world that this government, or that any government, should take taxpayers' money to subsidize gambling, no way in the world. This is what I said before, if we have to fight the Federal Government, the money will come from the lottery not from the taxpayers. First of all, it's not the government, not a department of government, it is a corporation the same as the Manitoba Telephone and any of these areas from the very top, the cost. We will not subsidize gambling or encourage gambling with taxpayers' money. It has to come from the top, and it's certainly an expense of raising the money. It is an expense. They will pay monthly rental, the same as they are paying now. That will be advanced through that pot, but they will have to pay back. Then we will be doing the same thing also with the deal that we made with these three commercial bingo halls.

The intention is to take over their lease, if they want. If they feel that they can't rent that place and make the money, that's something we offered, it was up to them. It is taking into consideration any changes that improvement in the building and buy the equipment that we can use, but this is all for gambling. Again that fund could be used to advance the money, and then that will be repaid to that fund. It will be through their rental. Eventually, it will all go back to these programs through sports and that.

But I would resist very strongly the fact that we would use taxpayers' money, money from the Consolidated Fund, especially that we're probably the only province in which all the money stays with the charities, that nothing has gone to the Corporation. A lot of people say, why don't you put it in the Consolidated Fund like maybe Quebec and other areas, maybe even use it for much-needed hospital or a CAT scanner and so on. We're not doing that, but I certainly never advocate that we take taxpayers' money to buy buildings to promote gambling.

**MR. W. STEEN:** Mr. Chairman, just one comment along the same vein is that usually the Telephone System will raise the rates if they have to build more buildings to make improvements. The Hydro is normally the same way except, in the past, the Hydro has had to come



to general revenues of government to get necessary capital for expansion.

I agree with the Minister that gamblers should pay for the facility except, as I said earlier, usually government if they're going out to acquire something do it out of general revenues and not out of proceeds. In this case, the proceeds would have gone to a charity, but I agree with the Minister that gamblers should pay their own way. He and his government have opted to pay for the capital that was necessary for this building out of 6/49 monies that have been held in trust. To me, that is satisfactory.

From here on in, when the building is paid for, the 6/49 monies, as he said, will be distributed to various agencies as are other lottery monies.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. R. BANMAN:** Mr. Chairman, there has been some controversy in the last little while with regard to the 6/49 machines and the government's wish to sign leases with the major shopping centres, particularly the City of Winnipeg, with regard to the 6/49. Is it the government's intention to own the leases on the stores where they will be putting in 6/49 machines in these larger shopping centres in Winnipeg?

**HON. L. DESJARDINS:** Not necessarily. We would prefer to own the lease, but if we can achieve the same thing or what we feel we would achieve by owning the lease, it would be satisfactory to us. It doesn't mean that much. But we want to be able to have the people operating these kiosks to follow the rules that we have.

In other words, if a deal is done, if a lease is between those operating the mall and private individuals, they must conform to the rules that we have. If it is agreed to in the lease that the mall might have with the individual, we're satisfied with that.

No. 2 also, if for some reason - because we would have to license these people - they would lose their licence, then there would have to be an understanding also that the mall owners would replace these people very fast so we wouldn't lose the sales. So that is the kind of control that we want. We don't really care who owns the lease.

Also, we would not want to license anybody to sell our product - I made that quite clear - that would then sell the Federal Government's product. We think it's wrong that they should be involved in that. We want people to sell our product, to concentrate on our product, especially when, as I said earlier, there is a shortage of machines. There is no reason that we are going to develop a system for the Federal Government.

Then of course if that is done, the mall operators would be free - we couldn't stop them - to say, okay, there will be another kiosk for the Federal Government. But we would want to make some kind of arrangements that it will be at some distance from the kiosk that would handle our product. We think we could get that easier if we had the lease. We don't think there is anything wrong with that.

One of the reasons again, it was the Western Canada Lottery Foundation that was trying to get the lease, and it's none of their business. We are not interested in them, because they are not in charge of marketing

here. A lot of harm was done in the negotiating that was done, because of the Western Canada Lottery Foundation. It is our intention to, I think, discuss with them also and, if they insist on dealing directly with individuals for the lease, providing that they go along with the safeguards, we have no problem.

**MR. R. BANMAN:** I think last week, most of the members of the Legislature received a letter from an individual who was trying to get a 6/49 machine. Is that particular individual caught in the determination whether or not the government holds the head lease on the stores, or is there some chance that particular individual might be getting a 6/49 machine without the government controlling the lease on that facility?

**HON. L. DESJARDINS:** Mr. Chairman, many of the things that were in that letter can be refuted, but the main thing is that until there is an arrangement with the owners of the kiosks - and as I say, we straightened out this business that we have the responsibility, not the Western Canada Lottery Foundation, so we have to start dealing with them all over again. As I said, we don't necessarily have to hold the lease, providing those safeguards are there. When that is done, we can deal with that person if the people decide to work a deal directly for this kiosk. Then those machines will be put in once we know more about it.

As I say, there is a shortage of machines now. I guess until there is a decision made, I guess he is caught in the middle somewhere. You see, he hasn't got a machine now. Nobody has a machine now.

**MR. R. BANMAN:** Well, that leads us to the next question. Has the government put a dollar figure on the amount of money that is not being spent right now on the 6/49 machines in the major outlets? In other words, is there a revenue here which isn't being realized? I guess that's my first question.

The other thing, maybe the Minister could provide me sometime over the next week or so, dealing with all four products, could he give me a breakdown of this year to date what Manitoba sales versus Saskatchewan and Alberta are on the 6/49, the Winsday, the Provincial and the LotoCanada. I think, if memory serves me right, the Foundation has those and, if he could get those for me, I would appreciate that.

I guess the only information anybody that is seeking to have a 6/49 machine in one of the major shopping centres is that they're just going to have to wait and see, and see what develops. Is that basically what the Minister is saying?

**HON. L. DESJARDINS:** Mr. Chairman, yes, we will endeavour to provide the information that my honourable friend has requested, as the information that was requested earlier.

Yes, I'm afraid that - well there is no way that, until it's decided who owns the lease and what condition, what protection and what co-operation the Foundation will have with the mall owners if they enter a lease directly with individuals. Until that is done, there won't be any machines put in. That is clear.

If I understood my honourable friend's question, the other question is, will you insist on at least a minimum

of sales before you put in a machine? Well, that might well be. We wouldn't do that in other tickets, but if it's a machine and if there is a change with the Western Canada Lottery Foundation, the four Ministers were asked now - the cost is all spread out between all the machines, and we are not selling in the same percentage of machines that we have compared to B.C. It has been agreed that, in principle, no province should subsidize another province. It could be that they will have each machine - there would be a rental on it.

In other words, the machines are the property of the Western Canada Lottery Foundation, and they have to pay interest on that, so it will be decided how much we will have to pay a month for each machine. There is no way that the Foundation will subsidize any individual. The minimum they would have to do is enough to pay for the rental of the machine, the same as you rent anything else, and then whatever the charge is for the kiosk if they're in a kiosk and so on. In other words, they would have to break even. We will not subsidize any machines at all. There is no way we could do that. We'd be losing money for the charities.

**MR. R. BANMAN:** Mr. Chairman, the hour is getting late, so I won't get into too much discussion with regard to the Federal Government's entry. I know what this Minister's position is with regard to the Federal Government trying to get into the lottery field. I would suggest to him that the Federal Government, if they were to get into the business from a provincial standpoint, probably picked the best game in the world to try it with, because the Minister, who has had some experience years ago with a Sports Toto system and we've seen what happened in Quebec when they tried their sports game.

The Federal Government showed an incredible lack of judgment when they entered that game. I think, doing my own little survey when I stop for coffee in Ste. Anne or when I talk to a few other people in Steinbach, talk to the grocer, people, my friends and that, I find that what has happened is that there just aren't any sales. The game is much too complicated. There is a total lack of control. What we will be seeing is that the game will not only be a total flop, the difficulty is that it is going to cost the Canadian taxpayers about \$30 million, if that's enough to bail them out of this mess.

In the meantime, it is my understanding that the provinces are continuing to pay the Federal Government, as per the agreement signed with the then Clark Government, their monthly cheque. Has the Federal Government cashed these cheques in the last little while?

**HON. L. DESJARDINS:** Mr. Chairman, I don't know if the Federal Government has cashed the cheques, but this was done at the recommendation of our solicitor. I say "our," the Interprovincial Lottery Foundation representing the 10 provinces, because they felt that's exactly what the Federal Government wanted, an excuse to say we haven't lived up to our agreement. We don't think they have lived up to theirs, but the money has been sent but under protest. In fact, I don't know what the latest is, but it was a request that money be placed in trust in the meantime. In other words, the full amount of money and, if something happens we might sue for the full amount, the \$150 million or so.

**MR. R. BANMAN:** Mr. Chairman, I would like to move on and deal with the bingos now. The Minister has made several remarks throughout the evening about their intention with regard to the people that were operating the bingo halls. The government is now, with employees from the Lotteries Commission, running the bingos in three larger bingo halls here in Winnipeg. Have they now made an agreement with the owners of those bingo halls to rent from those owners, to purchase the facilities? What kind of an agreement has been made with those owners so that they are running these bingos now?

**HON. L. DESJARDINS:** I have covered that, but I will try to cover it again for my honourable friend. First of all the idea, as I say, when we set out with these reforms were the three aims that we had not to go out after anybody, to hurt anybody.

The situation is that we had to control these halls also to protect the smaller bingos. We have to control a number of these halls, and we had to license them. We still feel that there was an exorbitant profit. We feel that there was no accountability. We feel that certainly there are a lot of things to be changed.

If these people were free to use the building, it was their building or they held the lease on it, they could use it for socials, for anything they wanted - that was their business. There was no question of expropriating at all, but what we did say that if they were interested, if they felt that it would help them in any way if we took the lease over from them because none of them owned the building, we would be ready to do that if we felt that it was a fair lease. We would take into consideration or probably it would be part of the lease, the improvement on the building, and then we would also offer to pay at the depreciated value, the equipment.

My understanding is the three of them so far have said, yes, we'll go along with that. The deals are being finalized at this stage to do exactly that, to take over the lease. But we are not recognizing compensation or anything like that.

**MR. R. BANMAN:** Mr. Chairman, I want to continue on this. Before I forget, I have two other questions which I want to ask which flow from some of the previous conversation that we had or answers the Minister gave.

Two things, going back to the casinos, the government is now taking the money from the casinos and is putting the profits into their own account, and then paying out to the different groups. What kind of time frame is the government looking at when paying out to the charity? In other words, are you looking at paying a month after the funds are received? That's my first question.

The other one is related to the existing agreement with the United Way and the Manitoba Sports Federation and the Arts Council. If my understanding is correct, that agreement with the original three W.L.M.D. people is terminating, I believe has terminated or is in the process of being terminated June 30th, and then this new system takes over. Since before these groups were, in essence, in control of those funds themselves because they made up the board of directors, how will those funds be flowed now to these groups?

**MR. DEPUTY CHAIRMAN, S. Ashton:** The Honourable Minister.

**HON. L. DESJARDINS:** Actually, the date was January 1st that it was terminated, but the money that was due to them or any game that they had started selling in the previous year, that would be honoured. It would be considered as part of them.

Of course, most of them are still in control, but it is a different division. All the sports groups have been put together, and the umbrella group would be the Sports Federation. So it is bigger. They'll have more responsibility, more people to satisfy, but they'll have more funds. Also the private schools were taken out of that, and they were given so many days of casinos. So that would satisfy that umbrella group.

The culture and community projects and so on and all the groups which belonged to one of them would be part of this new business, and they would have a certain percentage of the Gaming Fund. They would have also so many days of bingo in what were commercial halls - in other words, those run by the Foundation - and also some certain days of casinos to make up for that.

Now besides that, the members of TCI, those that were members of TCI with the understanding of the umbrella group and the approval of the umbrella group to phase this thing out, they would be given based on what they had for the last year. I think they would be given 100 percent the first year, two-thirds the second year, and one-third the following year, if they chose to accept that with the understanding that they would still have their people promote the sales to their people, and then eventually they would go through the umbrella group. That was done voluntarily to help phase out this group.

That would be of their profit. For instance, I won't name any group, but Group A in TCI \$400,000 but they passed on 50 percent to a promoter or middleman, well they wouldn't get this amount, they would get the 200, not the 400.

**MR. W. STEEN:** To the Minister, we've been talking about lotteries to a great extent tonight and obviously the government is into a Crown corporation, as he has said. Are the new people that are being hired to facilitate this new corporation, are they all being hired from within Manitoba and are they Manitobans? Are you able to find the people that you want to work within the new lotteries foundation? Are you able to find them all within Manitoba?

**HON. L. DESJARDINS:** The biggest majority of them come from Manitoba, but I can't guarantee that all of them were from Manitoba. I know, for instance, that one person had been in Manitoba a short time, but I don't think he could be classified as a Manitoban, but he was by far the best person for that particular job. I can't think of any others, there might be others. I think there's just the one that was outside of Manitoba.

**MR. W. STEEN:** Is the one that the Minister speaks of fulfilling the role of Co-ordinator of the Bingo Foundation and, if that is, is he from Ontario?

**HON. L. DESJARDINS:** That's the gentleman I was thinking of.

**MR. W. STEEN:** Mr. Deputy Chairman, one of my colleagues who was involved in the other committee asked me if the Minister could give us a breakdown as to what the rules for the smaller bingos, the churches and community clubs, are and will they have to buy their paper through the government or will they be out buying it separately, meaning the bingo cards will be printed on paper, rather than the old hard cardboard cards and where will they get this paper from?

**HON. L. DESJARDINS:** Mr. Chairman, bingo in certain places use cards, the old style cards, and also there's paper. The commercial bingos all use papers. It is the decision, after some negotiating it was felt, because of the concern, people that have never tried the paper, we've allowed \$800 prize per event, in other words, per night. Anything, \$800 and under, they could stay with the cards, there would be no change.

Any people over that will have to use the paper. The paper which was sold in commercial bingos, what is known as commercial bingo, for up to 200 percent markup, as far as we could ascertain, will be sold now just about the break-even point, in general, but it will be kind of a sliding scale that was suggested by the Member for La Verendrye awhile back, that the larger halls will pay way less than they paid in the past because there was a markup of a crowd of 200, but they will pay a little more and that will help subsidize the smaller bingos. All those with 800 and less prizes for an evening at this time will be using cards, that will be compulsory, but we are encouraging as many of them as possible to come and try the paper because the accountability, and all those that have tried are now thanking us and telling us that they are making more money. We are encouraging them and to help them for a month or so or two months, I don't remember exactly the time, we were providing the paper free of charge.

There's much better accountability. It's a better chance and more protection to the public. Right now these cards could be put in people's purse or pocket and used again. There's no control over them and then people that are . . .

**A MEMBER:** I don't have a purse.

**HON. L. DESJARDINS:** I saw you going around with a purse over your shoulder. It was your twir.

For instance, people selling cards, there's cards missing, there's cards torn and so on and people selling cards could - I'm not saying it was done - but these are all the more accountability that we want in security. They could go ahead and sell four cards and maybe say they sold two. There wasn't the same accountability that we have with paper, but anyway that's the rule, it's only those with 800 and less.

**MR. W. STEEN:** I hope that, under this new Foundation, and with the co-ordinator for the bingo, that we will not see what happened a few years back with the Kinsmen Club of Winnipeg where a middleman played a role as a distributor between the printer of the paper and then sold the cards to the Kinsmen Club, a service club, the Kinsmen Club of Winnipeg, and also how he, the middleman, also played the role of co-ordinator within the Kinsmen Club, so he was not only the seller

but he was the purchaser. It is history now in regard to that particular case where this particular person who acted as a middleman and had a great markup made a fortune off of a service club which is basically the public.

If, for no other reason, I hope that the new co-ordinator of the Bingo Foundation, being a salaried person, will police it to the extent where the service clubs or churches and community clubs will not be going out unwisely and purchasing two and three years supplies at one time because someone tells them that there's a small discount if you buy in great bulk, when what they're really doing is overbuying and ending up with a lot of paper products in the garbage container and somebody in the middle is making a ripoff, as was the case with the Kinsmen Club in Winnipeg here some half-dozen years ago. So I hope his co-ordinator will be made aware of that case and will not allow high pressure sales tactics to be used on these church groups that are being operated by volunteers from within the church and they're not professional bingo operators.

**MR. R. BANMAN:** Mr. Chairman, this particular section, as far asingos are concerned - while I have a few more questions, I think I'll leave it right now - and basically deal with some general comments as far as the total overall lotteries situation, the direction it's taking in the province and some of my final concerns with it.

I have, this evening, Mr. Chairman, expressed certain reservations on a few of the issues. A number of weeks ago, the Minister and myself were asked by, I guess, the Western Lottery Foundation, to attend a luncheon where there were a number of Senators and Congressmen, I guess, from down Minnesota way. They are looking at putting a bill before their House over there which would allow a plebiscite to be held on gaming within the State of Minnesota. After having talked to them for quite awhile, they asked me the question - the Minister had another meeting and they asked me the question. I was sorry that the Minister wasn't there because I would like to have heard his answer.

One of the older Senators finally put it to me very bluntly. He said, given the opportunity to turn the clock back, would you vote for the entry into the field of lotteries and gaming in your province, realizing the revenue that you now achieve from it? Mr. Chairman, I guess I surprised some of them by saying that I think, given the opportunity, I would probably vote against a bill like that even though I have been a Minister in charge of it.

So having said that, Mr. Chairman, I want to say to this Minister, that what we are seeing happening in the field of lotteries in this province, and I guess in the country, is something that is of such large scope that many of us find it hard to envision where this will be in 5 or 10 years from now. Unfortunately, within the lotteries field, there are things that happen and governments react to something that's happened, rather than being able to deal with it before or foresee what will happen and then deal with it before the actual event happens.

Really, what we see here this evening is a department of government - the Minister says, well, it's a Crown

corporation - it still is a major department, is becoming a major department in government. I was just paging through my Estimates book here. We are looking at a corporation here that is bigger than Northern Affairs, is bigger than Consumer Affairs, is bigger than Co-op Development, is bigger than the total Environment, Workplace Safety and Health, is even bigger than Industry, Trade and Technology.

Mr. Chairman, this department now, or corporation, for which the Minister is responsible, is three times as big as far as total dollars spent, three times bigger than Industry, Trade and Technology. Mr. Chairman, it is almost as big as the Department of Labour. It is going to be employing, the Minister says, from 75 to 100 people. We are going to be spending this year \$175 per man, woman and child on gaming. So it is becoming a very major department or major corporation within the government and is affecting the lives of many people.

So while up to the last couple of years, we have been downplaying the effect of lotteries on people, I think many of us in the last little while have come to the realization that this amount of money and the number of people involved not only at the staff level now on the government side but all the people that are involved at the community level, is starting to become a very very large - not corporation - but is having a very large effect on all the people of Manitoba.

Mr. Chairman, I say to the Minister, if I have one major criticism to levy here and on this department right now, it would be that we have had over the last little while some major changes and all too often it has been hard to get the exact, precise information on the direction the government has moved. Now, thank goodness they have, in certain instances, listened to some of the pressure from some of the different groups and made some certain changes.

But if I were to say one thing, Mr. Chairman, tonight, it is that while some of the changes were taking place, there probably could have been better communication with the people involved. For instance, simple things like the figures on the Nevadas, there was, rightly or wrongly, a perception and it was very hard to find out. You could phone different people involved in the selling of the Nevadas and it was very hard to find out exactly what the bottom line was. The Minister says today it's almost exactly the same, under the government system as the old system. But there are many people out there that still don't understand the system the way it is right now.

I say to the Minister that that is one of the major problems he has right now, and that is to try and ensure that the people understand what has happened here. I don't know if he moved too quickly on it, if he did it all too quickly; maybe that was part of his strategy, to get it all over at one time and then move on to other things. But there are a lot of people who are really confused out there and fortunately he has made some changes. One of changes was the bingo thing where a lot of the older people who had played bingo all their lives now suddenly had to switch from a card to a sheet. So he has made some changes there.

I say to the Minister that the information has to get out to the public, and I say to him that he is now in charge of a department which really is starting to play a major role in the lives of very very many Manitobans

and is having a major effect on them. He is charged with that responsibility. Hopefully, Mr. Chairman, the majority of Manitobans will understand the direction that he is taking and he can make that clear to them so that they can in one way or another either respond to it in the affirmative or negative and give him the benefit of their doubts. But it's very hard, Mr. Chairman, to deal with something when you are not quite sure what all the facts are.

As a result, I have gleaned some information here tonight; I will scrutinize that a little closer. Then I will do my own checking and talk to the people who have expressed concern to me about the different areas of concern, and I can tell the Minister that should some areas of my concern be not answered by the different responses that I got in checking, I can assure him that I will be back to him and make him aware of what I feel should happen and what should be changed.

So, Mr. Chairman, we are looking at a \$25 million department employing something like 100 people. It's a big operation, and I hope the Minister goes slowly on dealing with many of these issues like the ones I mentioned on the casino and some others because as we are saying, we are on a slippery slope and we seem to be sliding pretty quickly in some areas. Hopefully, we can throw a little sand on that slope so we can slow down a bit.

**HON. L. DESJARDINS:** Mr. Chairman, the former Chairman, we were dealing at this time, we had passed 5.(a) and (b), but you still have to call Resolution No. 5 on Page 90 and then call my Salary.

**MR. DEPUTY CHAIRMAN:** Resolution No. 91: Resolved that there be granted to Her Majesty a sum not exceeding \$622,600 for Health and Sport—pass.

The Minister's Salary—pass.

Resolution No. 87: Resolved that there be granted to Her Majesty a sum not exceeding \$2,310,000 for Health, Administration and Finance—pass.

Committee rise. Call in the Speaker.

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

## IN SESSION

**MR. DEPUTY SPEAKER, H. Harapiak:** The Honourable Member for Thompson.

**MR. S. ASHTON:** I move, seconded by the Honourable Member for Riel, that the report of the committee be received.

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** The Chair will accept a motion to adjourn.

The Government House Leader.

**HON. A. ANSTETT:** Thank you, Mr. Speaker. I move, seconded by the Honourable Minister of Health, that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. tomorrow (Tuesday).