

LEGISLATIVE ASSEMBLY OF MANITOBA
Friday, 13 June, 1980

Time — 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . .

**PRESENTING REPORTS BY STANDING
AND SPECIAL COMMITTEES**

MR. SPEAKER:The Honourable Member for Virden.

MR. MORRIS McGREGOR: Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and ask leave to sit again.

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

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .

INTRODUCTION OF BILLS

HON. JAMES E. DOWNEY (Arthur) introduced Bill No. 61, An Act to amend The Dairy Act.

HON. J. R. (Bud) SHERMAN (Fort Garry) introduced Bill No. 85, An Act to amend The Mental Health Act. (Recommended by His Honour the Lieutenant-Governor).

MR. WARREN STEEN (Crescentwood), on behalf of the Honourable Member for River Heights, introduced Bill No. 63, The Medical Act.

MR. STEEN introduced Bill No. 65, The Registered Nurses Act.

MR. SPEAKER: Bill No. 88. The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Mr. Speaker, could this matter stand please?

MR. SPEAKER: Is that agreed? (Agreed)

MR. MORRIS McGREGOR (Virden) introduced Bill No. 91, An Act to amend The Brandon Charter (2).

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I should like to introduce to honourable members 30 students of Grade 6 standing from Polson School under the direction of Mr. Reynolds. This school is in the constituency of the Honourable Member for Kildonan.

We also have 24 Grade 8 students from Sommerfeldt Hutterite Colony under the direction of Mr. Kerchner. This colony and school is in the

constituency of the Honourable Minister of Government Services.

On behalf of all the honourable members, we welcome you here this morning.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, a question to the Minister of Finance. According to the recent Consumer Price Index Report published, Winnipeg is third worst in Canada, insofar as the increase in the consumer price index, this past quarter at a rate of 14.4 percent. A question to the Minister of Finance, does the government intend upon any program of action in order to ease the pressure of increased inflation upon the lot which was mentioned in the report as the most severely affected in Winnipeg, that lot of the homeowner and the impact of rising inflation upon the homeowner, particularly in the city of Winnipeg?

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, it's approximately one month ago that the Government of Manitoba announced an increase of 100 in the homeowner rebates. Mr. Speaker, I haven't, in detail, reviewed the figures that the member refers to and until they are reviewed then I can't comment further on them.

MR. PAWLEY: Mr. Speaker, then by way of further supplementary to the Minister of Finance, in view of the Minister's reference to the benefits provided a month ago in his budget, I would refer the Minister to the report just issued yesterday by the Social Planning Council of Winnipeg indicating that the average benefit to the average homeowner in the province of Manitoba, as a result of the measures introduced by the Minister re property tax credit and cost of living cost credit, will result in only a 14 increase for the average homeowner in the province of Manitoba. Now, Mr. Speaker, in view of that information, is the Minister prepared to review the programs which he proposed in his budget as of a month ago, have a thorough analysis on the part of his department in a complete report to this House, as to whether or not the Social Planning Council of Winnipeg is correct, confirming the observations of the opposition, that indeed the new Cost of Living Tax Credit Program has shown to have redistributed the benefits away from low-income households and resulting in only a 14 average improvement in the position of the average homeowner in the province of Manitoba?

MR. CRAIK: Mr. Speaker, I did have an opportunity to review the analysis done by the Social Welfare Planning Council and I thought it was a pretty good piece of work and it says a lot more than

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that, Mr. Speaker, they have done a reasonably good analysis of the programs in a fairly short period of time and we look forward to meeting with them. That was the purpose of the issuance of the White Paper and we will inevitably have to look at some adjustments, not this one in particular, Mr. Speaker, but that was the intent. Any time you do a significant change in direction with regard to taxation on one side and benefits on the other side, you always have pictures emerge where you can crank out statistics to estimate, as the Leader of the Opposition is doing, to prove a point that you want to prove. As I say, the Social Welfare Planning Council had some very positive things to say about the direction that was being taken by the government. We welcome their contribution and we look forward to talking with them further. Their report is generally positive.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, then if that is the case, and if the Minister is indeed correct, is the Minister prepared to withdraw the policies which he introduced in his Budget, with the exception of the Supplement for the Aged and the CRISP program. But since the others do not take effect until January 1 next year is the Minister prepared to submit those programs to a legislative committee that can study the White Paper on tax credit reform, can receive submissions from Manitobans and then can make recommendations to the Minister as to whether or not the programs and announcements of changes, pertaining to tax credit reform, are indeed to the benefit of the average homeowner in Manitoba, is the Minister prepared to withdraw those measures temporarily so that there can be a full scale discussion, a legislative committee and the receipt of briefs from the public in order to fully evaluate the programs that the Minister tabled in this House a month ago?

MR. CRAIK: Mr. Speaker, I think the Leader of the Opposition knows as well as anyone in this House that tax policy, tax measures and so on are not the sort of thing you do by House committees; they're done by a responsible government, regardless of who that government is. This would probably be one of the most inappropriate exercises that you could establish a legislative committee for. Mr. Speaker, the intent of the government in putting forth the programs was to allow this period of discussion and to look forward to changes, if necessary, as we went along. The Social Welfare Planning Council makes reference in their brief to the fact that they are working from an inadequate data base. Mr. Speaker, in effect what that is saying is that it would appear that from the evidence that they have some of these figures come out of the calculations. Mr. Speaker, it doesn't matter what data base anyone ever works from it's never complete, and when you do major changes you always expect to have to come back in after and examine whether or not there are weak spots. I don't think there are, I think that any weak spots that may have been in the changes have been covered off, either through the increases in the supplement to pensioners, the reduction in the age,

Mr. Speaker, from 65 to 55 and the advent of the very substantial CRISP program that targets, really, Mr. Speaker, at the needy in a most direct way. So we will, Mr. Speaker, we will watch it closely with a watchful eye. We appreciate the contributions of the Social Welfare Planning Council and we will be doing some more consultation with bodies like that who are in the field and who are in a position to know what the impacts are.

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

MR. PAWLEY: Mr. Speaker, in view of the fact that the Minister in the past has promised full-scale public discussion, in view of the fact that we are dealing with a White Paper on tax credit reform, and in view of the fact that the Minister has at least given pretence of leaving an open government and full, thorough public discussion, what explanation does the Minister have at this time for hesitating to establish a legislative committee that can meet with the public, that can receive briefs from the public, and can participate in a thorough, going analysis of the White Paper itself, the White Paper. If the Minister indeed is serious and the First Minister is serious upon the repeated declarations across the way of open government, why wouldn't the Minister be prepared to practise that phraseology, that preaching at this point, and establish a legislative committee to deal with the White Paper?

MR. CRAIK: Mr. Speaker, this government is practising active, progressive government and open government. We have invited comment back on the White Paper and we are getting it, Mr. Speaker. And as time goes by, if there are adjustments that have to be made, this active, progressive government will make those adjustments. Mr. Speaker, we're well along on the course of bringing in substantial programs that the hidebound people across the way may not be prepared to recognize as a contribution to those most in need, but which the group that he's citing do recognize.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker. A question to the Minister of Economic Development. The other day, in answering a question with respect to lagging sales in Manitoba, sales lagging as compared to Saskatchewan's, the Minister indicated to the House that it was because of the drought. In view of the fact that those figures were for the period January to April when we didn't have a drought, could the Minister advise as to whether there is some other reason for those lagging sales.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Well, Mr. Speaker, I'm hearing the usual cackling from the Leader of the Opposition and I . . . You know, Mr. Speaker, at times I wish the camera would be on the Opposition while we're answering questions to see how they act.

Mr. Speaker, I said that the drought was one of the reasons and I would have my research staff take a look at it and the honourable member is quite right, the figures are for the first part of the year. I also have figures for the farm sales and the farm implement parts that are there and they're all for the first part of the year also. So, Mr. Speaker, and what it points up is, yes, the sales are down, and the sales are down because of inflation, Mr. Speaker. — (Interjection)— Yes, well, Mr. Speaker, the members opposite don't seem to realize that when inflation comes along and prices go up, sometimes people don't buy as much. Mr. Speaker, it's very obvious that inflation and high interest rates are the main cause for retail sales being down. Mr. Speaker, if the honourable members don't understand that, I don't know what more you can say to them.

MR. SCHROEDER: Mr. Speaker, my hearing must have been wrong the first time around. The Minister very clearly stated that the reason was the drought. He's indicated . . .

MR. SPEAKER: Order, order please. The Honourable Minister on a point of order.

MR. JOHNSTON: On a point of order. The honourable member's hearing was not wrong. I did say the drought and I said I'd have my research department look at the whole situation.

MR. SCHROEDER: Mr. Speaker, a further question to the Minister of Economic Development. In view of the fact that we have apparently the third highest inflation rate in Canada in this province, although provinces such as Saskatchewan are now 50 cents an hour ahead of us in the minimum wage, and in view of the fact that that government has consistently told us that increasing the minimum wage will cause inflation, can the Minister advise us as to whether in fact there is a negative relationship between a low rate of minimum wage and inflation; that is, if you have a higher wage you get a better . . .

MR. SPEAKER: Order, order please. I suggest the honourable member is bringing up a matter which is debatable, arguable, and this is probably not the area in which those things should be debated. I would hope that he raises the matter with the Minister during his estimates.

The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Speaker, I'll try another one, then. The Minister had indicated, in answer to my first question, some information with respect to retail sales, farm sales, and that sort of thing. I'm just wondering whether the Minister could then also advise us as to the rate of foreclosures and business closings in Manitoba as compared to the previous year.

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: The exact figures on foreclosures I will get for the honourable member, Mr. Speaker, but I can also tell him that the same report that the

honourable members have been reading from, about the index, also says the domestic gross product for Manitoba is up 9.4 over the last period. The new capital investment in Manitoba is up .5; new capital investment, private, in Manitoba, is up .7 over the last period; and new capital investment in manufacturing in Manitoba is up 27.7 over the last period, Mr. Speaker. Mr. Speaker, the Leader of the Opposition keeps talking about where we are, but he doesn't like increases. Every time you say an increase to him, he says it's not good enough, but he doesn't like increases.

MR. SPEAKER: Order please. The Honourable Leader of the Opposition on a point of order.

MR. PAWLEY: Mr. Speaker, just a few moments ago, you provided by way of an injunction to my colleague, the Member for Rossmere, that he was involving himself in argumentative questioning. Mr. Speaker, if Ministers are going to engage in argumentative responses, particularly relating to members that haven't even asked the particular question to them, I trust that you will give us equal time, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Economic Development on a point of order.

MR. JOHNSTON: Mr. Speaker, on the same point of order. Ministers are in the unfortunate position of when they're answering questions, we get comments continually from the Leader of the Opposition and the people out there don't actually see him do it, I wish they did. So while you're answering questions he keeps interjecting, making innuendoes and assumptions that have to be answered, Mr. Speaker, and if he's going to keep doing it, I'm going to keep referring to him.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Speaker, I have a question for the Honourable Minister of Agriculture . . .

MR. SPEAKER: Order please, order please. I'm sure that honourable members will be recognized by the Chair if they wish to make comments in this Chamber. I would hope that all comments are addressed to the Chair and not to individual members, and if the procedure of the House is followed properly we won't have this chitchat back and forth and I'm sure that the business of the House would proceed much more smoothly.

The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, we thank you for your admonition . . .

MR. SPEAKER: Order please.

MR. MCKENZIE: Mr. Speaker, due to the extreme . . .

MR. SPEAKER: Order please. The Honourable Member for Kildonan on a point of order.

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MR. PETER FOX: Mr. Speaker, I believe, as my honourable leader indicated, you had admonished one of our members and he raised the point in respect to debate being generated during the question and answer period and whether it should apply to answers as well as to questions. I certainly would hope, Mr. Speaker, that you would indicate whether my leader had a point of order.

MR. SPEAKER: Order please. Order please. The Honourable Minister of Economic Development on a point of order.

MR. JOHNSTON: On the same point of order, Mr. Speaker, the Member for Rossmere asked me about foreclosures. I said that I would get him the information, but when he asked me about the foreclosures he referred to the economics of the province of Manitoba and I gave him some information on it. They don't like that type of information.

MR. SPEAKER: Order, order please. The Honourable Leader of the Opposition on a point of order.

MR. PAWLEY: Mr. Speaker, I don't want to prolong this debate, but I would appreciate a comment from you as to whether or not, when you admonish members of the opposition as to their questions being argumentative, whether that same admonishment will prevail insofar as members of the government are concerned when they are responding to answers from this side of the Chamber. Mr. Speaker, we heard the Minister of Economic Development launch into one of his usual harangues in responding to the Member for Rossmere. He launched into one of his generally petty responses in an attempt to draw an argumentative response from this side of the Chamber. Now, Mr. Speaker, all that we want is some indication from you that your admonishment will prevail on the government benches as well as on the opposition benches.

MR. SPEAKER: Order please. Order please. The Honourable Minister of Economic Development on a point of order.

MR. JOHNSTON: On the same point of order, Mr. Speaker. When I was accused by the Leader of the Opposition right now about going into a harangue, it wasn't on the basis of a question. I went into a harangue on a point of order on the basis that every time, every time we stand up in this House as Ministers to answer questions, we get the harangue from the other side, Sir, and that should be stopped.

MR. SPEAKER: Order please, order please. ORDER PLEASE. Again, I want to tell all members that if you address the Chair and if all remarks are addressed to the Chair, we will not have the problems of the bickering back and forth and I would hope that all members will be recognized, if they stand in their place, at the proper time. But if you continue this constant bickering we're not going to have much . . . —(Interjection)— Again I ask . . . Order please.

I thought members in this Chamber did have some respect for the Chair. When the Speaker is on his feet it is supposed to be a courtesy to allow him to complete his remarks. If honourable members will address all their remarks to the Chair, then we will be conducting our business in the manner in which it is supposed to be conducted and we will not have a lot of the bickering that is going back and forth.

I would hope that if that occurs we can carry on in a gentlemanly manner in this Chamber. Uncalled-for remarks do not add to the tenor of debate in this Chamber. So I hope that we can carry on and complete the question period and carry on with the Business of the House.

The Honourable Member for Seven Oaks.

MR. SAUL A. MILLER: Mr. Speaker, we have heard your admonitions ad nauseam. Mr. Speaker, was there a point of order or was there not a point of order?

MR. SPEAKER: Order please. The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, on a point of order. The Member for Seven Oaks should be required to withdraw that comment.

MR. SPEAKER: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, if it is unparliamentary I will withdraw it, if it is unparliamentary.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I suggest that it is unparliamentary. It's a reflection on the rulings of the Chair and it should be withdrawn immediately.

MR. MILLER: Mr. Speaker, with all due respect, it does not reflect on the ruling of the Chair, it reflects on the constancy of the ruling from the Chair. But if that term is unparliamentary, I withdraw it. I'm waiting for your guidance. Is it unparliamentary to use that expression? I didn't think it was. If it is, I'll withdraw it.

MR. SPEAKER: Order please. The issue before the House is not one of whether the remarks are unparliamentary or not, it is the intent behind the remarks that is the issue at the present time. Any member in this Chamber has a right to challenge the ruling of the Chair at any time but when the Speaker of the House cannot defend himself in any argument, only the House can do that.

The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Speaker, the intention was not to challenge your ruling because you gave no ruling, therefore I could not have challenged the ruling. How, therefore, you could determine intent from my comment, I'm not sure. Mr. Speaker, all I asked was this, this is not new, this has happened in this House before. There has been heckling from both sides of the House constantly and often and you know it, Mr. Speaker. All I'm suggesting or asking is, in this case did the Minister have a point of order or didn't he

have a point of order? Did the Leader of the Opposition have that point of order or didn't he? If he didn't have one let's go on with the business. If he did have one, then would you please rule so?

MR. SPEAKER: Orders of the Day. The Honourable Member for Rossmere.

MR. SCHROEDER: Mr. Speaker, further to the last answer of the Minister of Economic Development in which he indicated that there were certain areas in which we were asking for increases where there were none, and he quoted a number of statistics, I would ask the Minister, in view of the fact that there are a number of areas where there are increases with which we are concerned, and I would specify those as increases in bankruptcies, increases in foreclosures, increases in people leaving this province, increases in inflation, what is the government prepared to do about these things?

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, I don't know that in the question period I can really get into an outline of what the government is prepared to do. If the honourable member would like me to repeat the First Minister as to what we have done, I could very easily do that. I told the honourable member when I first answered his first question, sir, that I would take a look at the bankruptcy figures and I will get them for him. The Minister of Consumer Affairs has them and my research department have them. We will present them to the honourable member and we will give the comparison with other areas, as far as that is concerned, too.

I understand the next part of his question just now, when he mentioned the people leaving the province, the figures are coming to me, but I understand that the figures of out-migration in Manitoba this year are less than last year. We still have out-migration but I've been of that understanding from my department, so we will get those figures for him also, Mr. Speaker.

I find it very hard to find that this Chamber, sir, has to be a place where it's yes or no. We represent the people and I think answers should be as descriptive as possible.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Speaker, I have a question for the Honourable Minister of Agriculture. I wonder, could the Minister advise the House if the tax laws of the government have made it feasible for the purchase of the gasohol plant at Minnedosa yesterday?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, I would say the short answer is certainly yes, but I would also like to add that the direction that the Premier, the Minister of Finance in working in this particular area, along with the Minister of Economic Development, the work that

a committee of caucus and Cabinet have been working on to encourage the gasohol production in Manitoba, have all added to the development, which I think is a first for helping the non-renewable energy business, that we will see Manitoba really be leaders in this field. The main reason for it, Mr. Speaker, is the direct move by the Minister of Finance to remove the tax on gasohol.

I'd also like to add, as far as the farm community is concerned, it's a tremendous incentive for producing crops that are conducive to the production of alcohol, particularly corn. We've seen a tremendous increase in acreage and again an opportunity for those people in the agricultural community who will be producing crops for it, plus the fact the by-product can be used for animal feed and it's a real stimulus to the Town of Minnedosa and rural Manitoba.

MR. MCKENZIE: Mr. Speaker, I have a question for the Minister on another subject. Due to the extreme drought conditions in northwest Manitoba, I wonder, can the Minister advise the House if steps or procedures can be taken to lower the level of water on Saskeram Marsh near The Pas, to make the hay supplies there available to the farmers in the area that I represent, especially where the drought is very severe?

MR. DOWNEY: Mr. Speaker, we have received requests from two of the municipalities and other numerous organizations to look at or to try and make available the Saskeram area. I think members have to appreciate that it is currently under lease. The jurisdiction or the control of the water falls within the department of the Minister of Resources. We have been working on trying to get a report on what has to be done to make that particular hay ground available, the distribution of the hay. In fact, to really quantify the work that has to be done and what efforts have to be put forward to make that feed available. So I would suggest, work is going on in that particular area. There are some further decisions have to be made but we are progressing to try and accommodate those people, particularly in the northwest region, who may be able to use that feed for winter feed supplies.

MR. SPEAKER: The Honourable Member for Roblin with a final supplementary.

MR. MCKENZIE: Mr. Speaker, as another question. I wonder if the Minister could advise the House regarding the use of pumps to move water from one area to another. Does the 200.00 deposit on those pumps still have to be paid by the farmers before they can borrow the pumps?

MR. DOWNEY: Mr. Speaker, I have a statement that is being prepared for the House this morning — it will be in a few minutes — so if I could get leave later on to further elaborate on that particular issues, Mr. Speaker, if I may have leave from the House when the statement arrives, on the dug-out fill-in program for the farm community.

MR. SPEAKER: The Honourable Member for Transcona.

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MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is directed to the Minister of Health. On May 21, 1980 he received a letter from a chiropractor indicating that patients have been denied treatment at certain health institutions because they were to a chiropractor before they were referred, by the chiropractor, to the health institutions and the two cases cited include a broken hand and a broken foot. These people were turned away from the hospital, or it's alleged that these people were turned away from the hospital, because they had been to a chiropractor first. In view of these very serious allegations in this letter, has the Minister looked into this matter and is he in a position to report to the House on this serious matter?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I'm aware of the situation referred to by the honourable member. It is under investigation. I don't have a meaningful report that I could make to the honourable member today but it has been placed in investigation, at my request, by my officials and by the Health Services Commission and I expect to have a full comment on it shortly. As the member appreciates energies and attentions of officials in the department have been concentrated necessarily in other areas in recent days and I don't have that report. I will make every effort to respond to the question next week.

MR. PARASIUK: A supplementary to the Minister. Could he tell us specifically, who has been charged with the responsibility of undertaking this investigation? Is it someone in the Department of Health or is it the Investigation Committee of the Manitoba Health Services Commission, as I believe there is a difference between those two entities, and their relationships to the hospital?

MR. SHERMAN: It's my senior officials, Mr. Speaker, basically my Deputy Minister, but he is in touch with the Health Services Commission on the subject.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, in the opening question today the Leader of the Opposition asked me a question about the Consumer Price Index, which I could not confirm because I said I hadn't the details. Mr. Speaker, I wonder if I might, partly for clarification, say that I have the May, 1980 figures.

The Leader of the Opposition used a figure of some 14 percent. The change for May, 1980, over the year, shows Winnipeg, in all of the major cities in Canada, as the second lowest at 9.1, with a national average of 9.4. But the only city in Canada with a lower CPI increase in the last 12 months, is the city of Vancouver. All the other cities in the prairie provinces are higher. Mr. Speaker, I find no figure in here that adjusts to the Leader of the Opposition's assertions.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, a few days ago the Member for Elmwood asked me a question about the comments of a member of the city of Winnipeg police department, with respect to the use of LSD. I can advise the member that my department, Mr. Speaker, has been in touch with Chief Stewart who has informed us that the police officer in question would, under no circumstances, suggest or infer that the use of LSD was anything but detrimental. The purpose of the news release was to express concern with the increase in the use of LSD.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to direct a question to either the Minister of Finance or the Minister of Economic Development and ask him whether the tax concessions concerning gasohol that were announced in the budget were part of a deal to attract Mohawk into Minnedosa.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, the tax announcement changes with regard to gasohol apply to all commercial operations for the production of gasohol. They're not directed to any one.

MR. DOERN: Mr. Speaker, I'd ask the Minister if he has any estimated cost of the concessions, based on 18 cents per gallon, in terms of production.

MR. CRAIK: Mr. Speaker, until we know what production will be, we are unable to put a total figure on that.

MR. SPEAKER: The Honourable Member for Elmwood with a final supplementary.

MR. DOERN: Mr. Speaker, I then direct a question to the Minister of Economic Development and ask him whether there were any other grants or aid to the proposed plant in Minnedosa.

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, Mohawk Oil have not made any request to us or the Economic Development department for any grants whatsoever. I believe the president of the company made that fairly clear in his press statement yesterday and it's quite true, he hasn't made any request to our department.

The Economic Development part of the announcement is something that is going to create 20 jobs in Minnedosa. The plant will purchase farm produce as was purchased before by the previous plant. The plant will produce feed for cattle or livestock. All of those things will be happening in that area because of this plant.

When the honourable member mentions any losses on gasohol, we never did have a tax on it. What do we lose, Mr. Speaker? We made a step in Manitoba, the Minister of Finance took a step in Manitoba, which is a first that has attracted this type of business, we never had the tax before so what would

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we be giving away? And we gained jobs, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. WESTBURY: Thank you, Mr. Speaker. I have a question for the Minister of Consumer and Corporate Affairs. He's not here, maybe somebody else can help me with this because this is the third time I've asked the question and I'm trying to simplify my question since he says he can't understand it.

Mr. Speaker, did the Minister of Consumer and Corporate Affairs tell the Housing and Urban Development Association of Manitoba that certain changes in terminology in The Landlord and Tenants Act — and I provided the Minister with a copy of their report saying so — that certain changes in terminology of The Landlord and Tenants Act could not be made because of the government's commitment to translate all new Acts into French as well as English?

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, in the absence of the Minister of Consumer Affairs, I'll take it as notice.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker, I'd like to address a question to the Minister of Economic Development and ask him whether his department keeps a running tab on empty office space and empty retail space available in Winnipeg and other major centres in Manitoba.

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: No, the Department of Economic Development does not keep a running tab on all of the empty office space in the province of Manitoba, Mr. Speaker, but I have been informed that the large inventory of office space, and I won't mention any figures because, as I said, we don't keep them. The people that I have been speaking to, such as the president of the Manitoba Real Estate Association, I doubt that the member has ever talked to him but we have, and we have been finding that office space is starting to be taken up. We still have a large inventory, Mr. Speaker, but all of the empty space in the province of Manitoba — I'd have to find out if that's kept anywhere, Sir.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, my question is to the Minister of Finance. Did I understand from the Minister of Finance a few moments ago that the Minister of Finance was disagreeing with the publication of the statistics yesterday that Winnipeg was indeed the third highest, by way of consumer

price index, all items index, during the month of May in Canada? Was he denying that report?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Now, Mr. Speaker, he's talking about a month. I don't know, when he asked the first question, he was talking quarterly. —(Interjection)— Mr. Speaker, what is the Leader of the Opposition talking about? If he can't prove one of his misleading statistics one way he'll try another. Now he's talking a monthly one. First question he's talking a quarterly. I'm giving the House the most up-to-date information on the CPI. It's for May, 1980. I read you the figures; if you want me to read you all the figures, I'll give it to you, and it's all . . .

MR. SPEAKER: Order, order please. Order please. A misunderstanding of statements or facts or figures is one that we run into constantly. Does the Honourable Leader of the Opposition have another question on that?

The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, I requested leave of the House a few minutes ago; to ask a question. I wonder if I could have leave now to pass a statement around and make a statement, as it relates to the drought conditions or as it relates to a program or removal of a cost on dugout filling. Do I have leave?

MR. SPEAKER: Does the Honourable Minister have leave? (Agreed)

MINISTERIAL STATEMENT

MR. DOWNEY: Mr. Speaker, I would like to give the members an opportunity to get a copy of it. I would like to make a statement to the House this morning to indicate that the Manitoba Department of Agriculture has waived the 200 fee charged producers wishing to have their dugouts filled. The charge will be waived for this year because of the continued dry conditions. Mr. Speaker, because of the severity of the drought, producers have already incurred additional costs to maintain their livestock herds, in particular, are somewhat of a hardship. The cost of pumping water to fill dugouts is another expense we felt producers should not have to face. I can understand where some producers may be holding back on their requests in the hope that it will rain, but postponing their requests will only mean that the pumping equipment will be overtaxed later this year.

Mr. Speaker, while the dugout filling charge has been waived, we will ask that producers provide the labour to lay and pick up the pipelines plus make available their tractor power and fuel for the filling which is not any different than it has been. Mr. Speaker, those producers who have already had their dugouts filled this year will be fully reimbursed the 200 that it has cost them.

MR. SPEAKER: The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Speaker, I am somewhat surprised that the Minister chose to give a

statement of this nature dealing with only one small aspect of the whole drought problem. The drought conditions are much more severe than this kind of response would indicate, Mr. Speaker, and I would have thought that at this stage, which is now the middle of June, that the Finance Minister would be in a position to indicate just what the totality of government measures are for the whole province dealing with a whole host of problems that are being faced by rural Manitobans. This is just a piecemeal or ad hoc addition to what has already been announced and we really don't know what the overall program of the government is.

The Minister of Finance the other day indicated that there are going to be supplementary estimates introduced to deal with the drought situation, the parameters of which he wasn't able to tell us at that time and here we have another sort of tidbit, if you like, Mr. Speaker, without an overall policy as to what the government is doing.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, it would be my intention to call second reading of one bill and then proceed into estimates in the House to deal with the Education estimates pursuant to the statements last night and also in Room 254, to deal with Development Agencies, Mr. Speaker, with the Minister of Municipal Affairs.

Mr. Speaker, would you call second reading of Bill No. 67?

SECOND READING — GOVERNMENT BILLS

BILL NO. 67 — AN ACT TO AMEND THE MUNICIPAL BOARD ACT

MR. GOURLEY presented Bill No. 67, An Act to amend The Municipal Board Act for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. GOURLAY: Mr. Speaker, this bill is very short as you can see and the only explanation I have is that where the Municipal Board starts a hearing, and for one reason or another one or more of the members has to terminate his serving on that board for any number of reasons, that the board can continue even though it may not have a quorum to complete that hearing, and complete its hearing even though it was acting as if it had a quorum. The way it is now the municipality would have to resubmit that to the Municipal Board. It's quite costly and I think that's really the only explanation that I think is warranted at this time.

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Kildonan that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Economic Development that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee with the Honourable Member for Radisson in the Chair for the Department of Education and the Honourable Member for Virden in the Chair for Development Agencies.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — DEVELOPMENT AGENCIES

MR. CHAIRMAN, Morris McGregor (Virden): Call the Committee to order. Development Agencies, Page 33, Resolution 46, the Honourable Minister.

HON. DOUG GOURLAY (Swan River): Thank you, Mr. Chairman. I'd just like to make a few comments at the beginning. In last year's Development Agencies Estimates there was a carry-over of the 500 under Acquisition/Construction of Physical Assets. This has been deleted from this year's estimates in that the Treasury Board has agreed to allow those particular funds to lapse.

In the fiscal year March 31, 1980, the fund dispersed 259,627 from this appropriation and the balance of just over 240,000 has lapsed, although there is a general agreement that the fund should have some limited special moneys available for management assistance and/or equity provision in certain circumstances. Discussions are taking place now with Finance to that end.

MR. CHAIRMAN: 1.(a) — the Member for Rupertsland.

MR. HARVEY BOSTROM: Yes, a couple of issues that were outstanding from previous discussions is what I would like to raise. One is the policy of the government with respect to loans to Treaty Indians. The Minister outlined his policy changes with respect to that at the committee meetings and indicated that the government's intention was not make loans to Treaty Indians unless they had a loan guarantee from the Department of Indian Affairs or some other federal agency, I assume. We protested that at the time at great length and I don't intend to go into that argument again, but I'd like to ask the Minister if he's had any further thoughts on that, if he intends to review that decision, if there is any intention at all of taking a more serious look at that policy decision, since it's completely abhorrent to the New Democrats in the House and we reject the ideas that the Minister put forward as to the reasons why the

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Communities Economic Development Fund should not make loans to Treaty Indian people.

We feel that policy is discriminatory because the Treaty Indian people were one target group that the Communities Economic Development Fund was designed to work for when it was originally established. They are still probably the most disadvantaged group in our society and certainly should be entitled, as any other Manitoban within the geographic area that the Communities Economic Development Fund relates to, to be able to make application on the basis of sound financial information on projects, and that should be the only basis on which the CEDF makes loans and not on ethnic identity.

MR. GOURLAY: Mr. Chairman, on that point, I can comment that I'm expecting to be meeting with the federal Minister of Indian Affairs some time in the near future. This is one of the topics I would like to discuss with him, with respect to the Indian Economic Development Fund and the role that we may play with respect to financing projects that would be initiated by Indian bands.

MR. CHAIRMAN: The Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, I accept the Minister's answer, but I find it unsatisfactory. He's not indicating to change the policy, as I assume he's doing, he's attempting to nail down the federal government to ensure that they will work more co-operatively in terms of guaranteeing loans to Treaty Indian people. But I still find it discriminatory and in fact insulting to Indian people that they should have to be treated differently than other Manitobans in that they are the only ones that are required to a loan guarantee from a federal government agency when other Manitobans in the area that the CEDF serves are simply able to make application to the CEDF and to receive a loan if their project is considered financially viable by the officers and directors of the Communities Economic Development Fund.

With those comments, Mr. Chairman, all I can express is my extreme disappointment, displeasure, with the Minister and his policy.

MR. CHAIRMAN: 1.(a) — the Member for Rupertsland.

MR. BOSTROM: The second issue I had, Mr. Chairman, is the issue which we raised during the Minister's estimates with respect to the hotel, a major hotel investment, the Diamond Willow Inn I believe the name is. The Minister promised us at that time that he would provide us with detailed information on that project. We still have not yet received that detailed information. I wonder if the Minister can indicate when we will have that information if he does not have it with him today?

MR. GOURLAY: Mr. Chairman, I have a letter that I prepared for Mr. Cherniack. This was going to be mailed out today, so I have intercepted it and I could present it to the honourable member.

MR. CHAIRMAN: 1.(a) — the Member for Brandon East.

MR. EVANS: Just one question. On the communities that are being assisted through this fund, are any communities being assisted now in southern Manitoba or is it strictly what is defined as northern Manitoba which is the area of Manitoba in the shield, more or less, but at one point I think there was some provision that one or two communities, perhaps in southern Manitoba, may also get some assistance?

MR. GOURLAY: Mr. Chairman, that is correct. I believe there were one or two loans that were approved some time ago. There has been no further loans approved in southern Manitoba in the past year.

MR. EVANS: Mr. Chairman, just one other general question. Has the Minister got any statement to make as to any new developments that may be occurring in the coming year? Like in your opening statement, you more or less explained the half-a-million reduction, but you didn't make any reference to the coming year's program. You've got more money for administration and there's more money under the Northlands Agreement, so I just wondered if you had any statement for the committee. I don't have any detailed questions but I wondered if you had any statement for the committee as to the direction you may be going in this coming year. Is there anything new, or is more or less the same type of thrust? Is there any innovation being considered?

MR. GOURLAY: Thank you, Mr. Chairman. Yes, I've had discussions with staff as to how we might improve the communication and getting information out to the various northern communities with respect to CEDF funding and to follow up on projects that might come forward by the fact that more promotional work was being done with respect to the fund. At the present time we're in the process of establishing a toll-free line into the Woodsworth Building and also providing a pamphlet to further describe the program; how it operates and availability to the northern residents.

MR. EVANS: Since we're on Administration, how many staff do we have now in the fund? How many personnel are operating? What kind of personnel?

MR. GOURLAY: Mr. Chairman, we have 12 staff members.

MR. EVANS: What percentage of them would be professional, as opposed to secretaries and bookkeepers and the like? How many loans officers — that's perhaps another way of putting the question?

MR. GOURLAY: We have, at the present time, seven professional people, loans officers and there are five administrative support staff.

MR. CHAIRMAN: 1.(a)—pass — the Member for Rupertsland.

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MR. BOSTROM: Thank you, Mr. Chairman. Just looking over the letter which the Minister provided to us, Mr. Chairman, I note that the initial involvement of the Communities Economic Development Fund, the CEDF, had a total of 248,000 loan in the hotel in Snow Lake, the Diamond Willow Inn, the FBDB had a loan, I assume, of 172,000 and the principals who were making the loans from these two agencies, only had an equity of 42,000 in the operation, out of a total of 462,000.00. This apparently, according to the Minister's explanation, was cancelled since the project ran into problems. The present program, which was refinanced on March 28, 1980 by the Board and the Minister and I must point out, Mr. Chairman, that any loan of this size, anything over 75,000 must go to the Minister for approval. The government of Manitoba, then, through the Communities Economic Development Fund, has approved a loan for 395,000 to this facility; ARDA has an amount of 185,300 and the principals, the owners still only have an equity of 42,000 of their own money in this venture, out of a total of 626,300.00. I find that quite a small amount of personal equity in a venture of this sort. I wonder if the Minister is indicating that this is some new policy of the Communities Economic Development Fund to only require personal equity of approximately 7 percent in a loan of this nature, a loan particularly risking us of the venture and the size of the operation, the size of the total venture. Is there an indicated change in policy here in terms of the owner's equity in a venture of this sort?

MR. GOURLAY: Mr. Chairman, the 185,000 plus of ARDA funds is also regarded as equity capital.

MR. CHAIRMAN: 1. — the Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, can we assume from this information that the Communities Economic Development Fund is now and in the future going to be involved in large business ventures of this sort where the owners are only required to put up a very small portion of the equity from their personal resources? Now the Minister may consider the ARDA funds as being part of the equity of the owners, but this is still government financing. It's a government grant. The owners are still only putting up 7 percent of the equity and I'm asking the Minister if it is now and in the future going to be the policy of the Communities Economic Development Fund to only require perspective loan applicants to put up equity, no more than 7 percent of the total venture?

MR. GOURLAY: Mr. Chairman, as was explained when we were going through my estimates in Northern Affairs a few days back, it was indicated that there were extenuating circumstances involving this particular application and that the original contractor on this project had declared bankruptcy. At that time the CEDF had dispersed some 160,000 in funds as compared to some 37,000 by the FBDB. In order to complete the project, a new contractor had to be engaged and there was additional costs involved in order to get the project completed. Basically, the information that I've supplied shows increased costing from the original project and I

would say at this point that, because of the extenuating circumstances that are associated with this case, this wouldn't represent a normal application that we would consider.

MR. BOSTROM: Can the Minister then indicate what is the policy of the Communities Economic Development Fund with respect to the amount of moneys which an applicant is required to put up out of their own resources when making application for funding through the Communities Economic Development Fund?

MR. GOURLAY: Mr. Chairman, as I understand it, each application as received by the CEDF is examined and based on its own individual merits and we don't have a specific percentage of equity that has to be met. The whole project is examined and determined on the merits whether it can be a viable project or not and proved on that basis.

MR. BOSTROM: Does the Communities Economic Development Fund make grants?

MR. GOURLAY: Mr. Chairman, the CEDF has, on occasion, made grants.

MR. BOSTROM: What are the occasions, what is the policy with respect to making a grant rather than a loan?

MR. GOURLAY: It would be in connection with management of a project.

MR. BOSTROM: Well, Mr. Chairman, I'm looking at the Manitoba Gazette here of May 17, 1980 in which one operation at Pi-Mi-Chi-Ka-Mac Development Corporation is recorded as receiving a grant of 130,000. Can the Minister indicate how that fits in with his statement just now that this would be in relation to management of the corporation?

MR. GOURLAY: Yes, this was the Cross Lake logging operation or sawmill. It was moneys that were required to improve the management skills with respect to this operation.

MR. BOSTROM: Mr. Chairman, how does this grant fit in with the policy which was earlier announced by the Minister in that the Communities Economic Development Fund is not to be involved in any way with Treaty Indians? Are Treaty Indians not involved in the Cross Lake development corporation that I just mentioned?

MR. GOURLAY: Mr. Chairman, the Cross Lake Indian people are involved as employees in the project, but they have not participated as partners in the operation.

MR. BOSTROM: Well, Mr. Chairman, are they not represented on the board of directors of the Pi-Mi-Chi-Ka-Mac Development Corporation?

MR. GOURLAY: Mr. Chairman, no, they are not on the board.

MR. BOSTROM: Another specific question, Mr. Chairman, can the Minister indicate who is involved

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in the corporation P & R Enterprise Ltd., which received a grant of 10,000, according to the May 17, 1980 Manitoba Gazette, from the CEDF?

MR. GOURLAY: The Tundra Inn in Churchill.

MR. BOSTROM: Can the Minister indicate why the Communities Economic Development Fund would make a grant in this case, rather than make a loan?

MR. GOURLAY: Mr. Chairman, this was money that was intended to cover the cost of a feasibility study.

MR. BOSTROM: Is it now the policy of the Communities Economic Development Fund to make grants to cover the cost of feasibility studies and if so, who would be eligible to apply for such grants?

MR. GOURLAY: In the case of the Tundra Inn, this was a special case and I guess we have no firm policy on this, but we would look at requests of this nature on their own particular merit.

MR. BOSTROM: Can the Minister indicate how this is a special case, as he describes it?

MR. GOURLAY: Mr. Chairman, the request had come in for the moneys for the addition of a bakery into this project and the CEDF felt that they would like to have a study done to gather information as to the whole operation of the total project, which involved a restaurant, hotel and dining room, and now the principals wanted to borrow money to add a bakery and so this feasibility was done to study the whole operation.

MR. BOSTROM: Is this a widely-held community corporation, or is it one or two individuals? Can the Minister indicate who are the owners of P & R Enterprises Ltd?

MR. GOURLAY: Thanks, Mr. Chairman, it's a privately-owned operation with two individuals.

MR. BOSTROM: Can the Minister indicate why the Communities Economic Development Fund made a grant of 40,000, as recorded in the Manitoba Gazette of May 17, 1980, to John L'Abbe?

MR. GOURLAY: Mr. Chairman, this was with respect to the Churchill Outfitters, and the operator had already reached a borrowing limit and further money was provided in the form of a grant for primarily management assistance so that it could function.

MR. BOSTROM: I assume this is a private corporation owned by the person indicated here, John L'Abbe. If that is the case, what would be the rationale on which a grant would be made to one individual of 40,000?

MR. GOURLAY: The funding was granted to this operator so that he could improve his management skills and also participate in promotional activities in the advertising of his camp, to attend various shows and promotional functions that were held in other

parts of the country and I presume the United States as well.

MR. BOSTROM: Can the Minister indicate, if this is the case, that this person was made a grant of 40,000 to promote his business, and given that it's an outfitting tourist-type operation, is this type of grant going to be available, now and in the future, for other operators of this type. Is this a new policy, a new direction of the Communities Economic Development Fund, that they are advertising or at least making possible the granting of funds to individual operators to promote their business enterprises.

MR. GOURLAY: Mr. Chairman, as I indicated at the start of the procedure here today, we have discussion under way with the Department of Finance now to make provision of some 200,000 which could be earmarked for management assistance projects. Most of the applications that we receive are, for the most part I would have to identify as fairly risky operations. In many cases, the management ability is a question mark and in many instances, money is required to put the project together with respect to management help and this is the policy that we were trying to establish at the present time for the operations in the immediate future.

MR. BOSTROM: Does the Minister not consider 40,000 to be a significant amount to be granted to one person to improve their management and/or to promote their business? If this is the case and only 200,000 is going to be available, the first five people that apply are going to use up all the funds. Would it not make more sense to use these grant funds to be more effective in terms proving management assistance and advice? 40,000, after all, would presumably pay for a high-price manager for this person if you wanted to hire one for a year.

MR. GOURLAY: Thank you, Mr. Chairman. In the case of the Churchill outfitters there was a very good possibility that the whole project was going to go under. It was a decision to let the thing fold or to proceed with this extra assistance and I agree that we could not afford to bail out many operations to this extent or the 200,000 wouldn't last very long. Fortunately, this has not been necessary in many cases, although it was approved in this one particular instance and maybe one other, I believe, as well.

MR. BOSTROM: Can the Minister indicate why the Ilford Community Development Corporation received a grant of 40,000.00?

MR. GOURLAY: This was with respect to the Ilford Development Corporation and the fact that they had received a reduced winter road project and this money was required for cash flow and was also conditional. Those conditions applied to — that only part of it was used. There was some stipulation, the total amount was used. If there was a good cash flow or good results from the project, then part of this would be repaid to the CEDF.

MR. BOSTROM: Mr. Chairman, I'm sorry that the Minister of Highways is not here because he's

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responsible for the winter roads system and I'm wondering if one branch of government is being used to bail out another branch of government because, after all, if the Highways Department is paying a fair rate, a reasonable rate, for the construction of winter roads, then it shouldn't be necessary for any company to require a grant to operate and to construct winter roads. They should be able to operate at the most on operating capital loan funds which may be required at the beginning of the season to carry them through until they receive income from the operation. It should not be necessary for them to receive grants. If it is necessary for them to receive grants then, obviously, the Department of Highways is attempting to rip off people that are building winter roads and they are causing, because of the prices they're paying, they're causing small operators like the Community Development Corporation of Ilford to not be able to meet their legitimate expenses with respect to the construction and maintenance of winter roads. So what is the issue here? I mean if that is the problem, is the Minister having a discussion with his colleague, the Minister of Highways, to ensure that the Department of Highways are not setting rates for construction of winter roads that are unreasonably low. Because I wouldn't think that the Communities Economic Development Fund shouldn't be called on to bail out the Department of Highways. The funds from the Communities Economic Development Fund should be made available to assist enterprises where they require some venture capital and/or where they require some start-up assistance, but not as an ongoing subsidy to assist a company to operate in conditions where another government department is presumably paying them too little for their operation.

MR. GOURLAY: Mr. Chairman, in the case of Ilford, the number of miles of winter road that they were allocated, those other miles were allocated to other communities. It left Ilford community with not a big enough contract to make it economically feasible, although I don't think there was any question with respect to the allocation of funds per mile by the Highways. As I understand it, although we advanced some 40,000, we will be recovering a portion of this money from Ilford.

MR. BOSTROM: Well, seeing that the winter road season has been completed now and several months have passed since the end of the winter road season, can the Minister indicate if the accounting is completed, which it should be, and indicate how much, if any, of the grant will be recovered?

MR. GOURLAY: As I understand it, Mr. Chairman, the accounting is not yet completed, and I might add that because they had other contracts involved and so their complete accounting has not been completed at this time.

MR. CHAIRMAN: 1.(a)—pass — the Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, it certainly should be, if it's a winter road operation as the Minister described, the accounting should have been done by now. There is plenty of time to have that completed.

But nevertheless, I'll go on to other issues here. Can the Minister indicate why the Communities Economic Development Fund made a grant to Duck Bay Hardwood Enterprises Limited of 7,000.00?

MR. GOURLAY: This money was used for market development for the product that they were producing at that bay.

MR. BOSTROM: Is the Minister aware that the Duck Bay Hardwood Enterprises Limited is the recipient of grant funds already from the federal government department of LEAP and they have funds to cover things like market studies and market development and if so, if the Minister is aware of that, why is the Communities Economic Development Fund making additional funds available to a project that's already amply funded by another government department?

MR. GOURLAY: Mr. Chairman, as I understand it, LEAP and Special ARDA funding was used up, they weren't prepared to advance any further funding and the 7,000 was required necessary to try and develop further markets for this product.

MR. CHAIRMAN: 1.(a) — the Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, it appears just from this short list that we were looking at, May 17, 1980, that the Communities Economic Development Fund is not really operating with any established policy with respect to making loans and grants, and particularly with respect to making grants. I would urge the Minister to have a look at this operation and to see if he can't come back next year, when we consider these estimates, to be able to give us a firm policy as to how the Communities Economic Development Fund is making grants. I would urge him, in particular, to look at things like individual grants of 40,000 to individuals to prop up their failing businesses because, Mr. Chairman, I consider this to be not a very good application of the limited funds that are available. When the Minister only makes 200,000 available for grants and hands them out 40,000 at a crack to outfits like this, there is not very much left over for people that require some assistance perhaps to get them over an initial startup period. I think the Minister should be able to tell us, at least by the next time we come to a committee like this, what the policy is of his department with respect to the making of loans and grants.

I note here something else which I have never seen before with respect to the making of loans and that is a loan to an Edna Nabess of 27,500 for five years, interest nil. Can the Minister indicate why this loan was made at nil interest? I've always noted that the Communities Economic Development Fund gave loans which were at least as good as what could be obtained anywhere else. In fact, the given the period under which these loans were made, the average interest rates on loans were indicated here at 12-1/2 percent, which is a good interest rate today but it was even a better interest rate when this loan was made since the bank rates at that time were probably 17 or 18 percent. So, Mr. Chairman, even at 12-1/2 percent, the government is making a

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substantial subsidy to these operations by making loans to them. So I would ask him why they would make a further subsidy to an individual, by the looks of it, to make them an interest-free loan of 27,500 for five years.

MR. GOURLAY: Mr. Chairman, this applicant had qualified for a 10-year loan of 56,000.00. There was an additional 10,000 provided as a conditional grant with some hope of recovery of at least a portion of this money.

MR. BOSTROM: Mr. Chairman, is the Minister saying that this 27,500 that's indicated in the Manitoba Gazette of May 17th, 1980, is not the total loan, can the Minister indicate what the total loan is to this person and what interest rate, if any, this person is paying on any of the loans received from the Communities Economic Development Fund?

MR. GOURLAY: The information that I have is that the loan was based on a period of ten years involving 56,000.00. An additional conditional grant of 10,000 was also provided through CEDF.

MR. BOSTROM: Where does the reference come in, to the Manitoba Gazette Report, page 824, May 17th edition, where it lists a loan to Edna Nabess, interest nil, for five years, loan amounted to 27,500.00? Is the Minister indicating this to be a misprint or how does that fit in with the information he's providing to the committee?

MR. GOURLAY: Mr. Chairman, we don't have anything that relates to what you described from the Gazette. We'll certainly check that out. We don't feel that information is in keeping with our information here. We'll certainly check that out and get the information back to you.

MR. BOSTROM: Can the Minister indicate then, on the loan which he is indicating is the correct amount of 56,000, what the term is of the loan and what the interest rate is on the loan.

MR. GOURLAY: It's a 10-year loan at 11-1/2 percent interest.

MR. BOSTROM: And the Minister indicated that there is an additional grant involved here?

MR. GOURLAY: Conditional grant of 10,000.00.

MR. CHAIRMAN: 1.(a)—pass — the Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, it all is very confusing because just from this short list it appears that the Communities Economic Development Fund, as I indicated, is operating with very little policy direction, if any, from the Minister, and I would want the Minister to indicate to us what he is doing to look at this situation and what, if anything, he plans to do over this next year so that he can come back to us next year, hopefully with a more firm policy direction to the operations of the Communities Economic Development Fund. These are all indications of new directions that the Communities Economic Development Fund is taking. To my

knowledge they did not make grants in the past; to my knowledge they did not make interest-free loans in the past; and in particular, they didn't make grants to individuals to bail out failing businesses. I mean it's getting back to the horror stories of the old Manitoba Development Fund, when the Progressive Conservatives were in government before, where individual companies were getting grants and loans under very dubious circumstances and with very little hope of any of that money being repaid and I would think this is extremely ironic when you consider the heaps of criticism that the Progressive Conservatives, in opposition, attempted to foist upon the New Democratic Government of the day.

Mr. Chairman, you may think this is nickel and diming it but there are moneys here that are questionable as to their application. And when one looks at hotel loans to individuals that have had no experience in the hotel business; when you see grants being made to individuals and interest-free loans; and grants to winter road construction companies that should be able to make it on their own without any kind of grant assistance. These are all things which are highly irregular in my opinion and they are things which I recommend to the Minister that he have a look at and personally attend to so that he can give some direction to the Communities Economic Development Fund and some policies to follow with respect to the making of grants and interest-free loans. Because, Mr. Chairman, there is a potential here for many horror stories to be coming out in the future. They may not be here yet because these are original applications of these loans and grants. But, Mr. Chairman, I recommend to the Minister that he watch it because there is plenty of potential here for difficulties, there's plenty of potential here for people to make accusations and allegations about the operations of the Communities Economic Development Fund and in particular the operations of the Minister when he gets involved in putting his personal stamp of approval, as he's required to do, on any of these loans and/or grants — I assume grants would apply as well — that are over 75,000.00.

This hotel one which we referred to before is one case in point where not one but two Ministers of the Progressive Conservative government had their hand in this one. The original one made the loan of — it was indicated in the letter today from the Minister — of 248,000, which did not succeed. The company got into difficulty. They bailed the company out to a tune of 395,000 in order to have a first mortgage. Mr. Chairman, a first mortgage on a hotel that's not making money is not worth very much, as anybody knows who's in the loan business.

So I would recommend to the Minister that he have a careful cautious look at this operation.

MR. CHAIRMAN: (1)(a)—pass; (1)(b)—pass; (1)(c)—pass; (1)(d)—pass. Resolved that there be granted to Her Majesty 399,600 for Development Agencies—pass.

Committee rise.

SUPPLY — EDUCATION

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the

honourable members' attention to Page 39 of the Main Estimates, Department of Education. Resolution No. 50, Clause 1.(a) Minister's Compensation—pass — the Honourable Minister.

HON. KEITH A. COSENS (Gimli): Mr. Chairman, I have a number of requests from honourable members opposite for material on a variety of subjects that I now have available for the honourable members and will send over to the education critic, on that side of the House.

That does not complete all of the information that has been requested, Mr. Chairman. Some of it will take two or three more days to gather. In the case of the summary of school budgets, it may well take a matter of one or two weeks until that particular summary is complete.

Mr. Chairman, at this point in my estimates I thought it would be appropriate if I was to summarize, from my point of view, once again the accomplishments and particular initiatives and directions of the Department of Education, because I would like to harken back, Mr. Chairman, to the first session regarding these estimates when I believe it was the Member for St. Vital stood in his place and said, this Minister has done nothing but tinker, there's really been nothing accomplished by the Department of Education, they have merely tinkered around with a few small items. Well, Mr. Chairman, I'd like to take a few minutes and actually summarize some of the initiatives, some of the accomplishments and some of the new directions that we have taken in the Department of Education. I would suggest, Mr. Chairman, that far from tinkering, they are major accomplishments and actually the sort of initiatives that were taken in the eight years of the previous government in education, rather pale by comparison.

I've pointed out to honourable members but I will point out again, that the revision of The Public Schools Act and The Education Department Act is a major undertaking and I would suggest, Mr. Chairman, a major accomplishment. Well, the Member for Elmwood thinks it's a joke, but I'll tell him it was such a joke to the Ministers of Education under their administration that they didn't even tackle it. So if he considers it a joke, I suggest to him there are an awful lot of other people in Manitoba do realize what a major task it is and they can appreciate that, though the Member for Elmwood says it's insignificant. Of course, many things to him are insignificant. He talked about a paltry 7 million here a few days ago.

So I say that is one major undertaking, one major task that we have addressed, Mr. Chairman, and the finished product is now before the House. The second task, of course, is the review of educational financing in the province; that is nearing completion and hopefully will be completed in this calendar year. I suggest not a minor task at all, Mr. Chairman. Certainly something that was not addressed by the honourable gentlemen opposite in their term of office. They merely applied the band-aids as they went along; that was easier than attempting to come to grips with the problems. That would be a second major initiative, Mr. Chairman.

Let me suggest a third area that we have addressed and done something about. That is the excess interest costs that school boards have been

carrying and we have done something about that and it is estimated that the particular increase in cash flow to school boards of the provincial grants to education, will result in a saving of close to 4 million for the school boards of this province. I noticed a little newspaper clip a few days ago, Mr. Chairman, where it is estimated by the Winnipeg School Division No. 1 that they will save close to a half-a-million dollars alone.

A fourth area, Mr. Chairman, that I consider more than tinkering, I consider it a major direction, and that is the provincial testing program that we have put in place and is now operating. I suggest that is not tinkering, Mr. Chairman. I suggest that is a solid direction that we have taken and, of course, the — insignificant I suppose would be the word the Member for Elmwood would attach to that — but, Mr. Chairman, it is more than that. It is a solid program and the first time in a number of years that a government has taken a particular position and set in place a program that is designed to assist the school programs of this province.

Another area of course, Mr. Chairman, where we have taken particular initiatives in the area of special needs. I have pointed out to honourable members opposite that over the last three years, each year we have added to that particular staff of specialists that are located throughout the province. We have increased those people. We of course three years ago, on coming into office, made them permanent civil servants rather than having them act in the temporary or contract category that they were in. We have increased the high cost-low incidence grant money this year rather significantly. In fact that particular category of grant has risen from one-half million to 1 million this year, Mr. Chairman.

The core area grant, which of course does deal with special needs to a considerable extent and Winnipeg No. 1 has been increased by half-a-million dollars. There are certain other initiatives that I outlined to honourable members when we were dealing with the area regarding special needs. I pointed out to them certain pilot programs we were putting in place on early identification and remediation. I talked about accessibility to physical plants across the province and I touched on several other initiatives that we are putting in place, that will add to the services, that school divisions are providing children with special needs across this province. I could go on that one to a greater extent, too, Mr. Chairman. I see us continuing to increase to that delivery of special services to the special needs area. It will grow. It is sometimes likened to a cascade of services. I suggest that is a rather accurate way of describing it.

Mr. Chairman, another point that I consider significant has taken place this year in relation to the French branch of our department. We realize that we are seeing a considerable interest and growth in the area of Immersion education in our province in French language. We realize that there has not been an adequate program development or curriculum development in that area in the past and we have added seven SMYs to that particular department this year. In order to provide greater curriculum development, greater curriculum service, greater support service in general to the French programming that exists in this province, Mr.

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Chairman, I would suggest that seven SMYs, seven more personnel in that department, is a rather dramatic increase. As well, I have mentioned to honourable members during my estimates that we changed the regulations regarding transportation of immersion and français who have to travel outside their division to receive programming and that again is a significant move.

I have mentioned to the honourable members that the heritage language program is progressing very well, it's now into its second year, and every indication is that that program is being well received and is being most effective.

I also pointed out, Mr. Chairman, again, to the honourable members, that we have increased our post-secondary career programming. It applies chiefly to native people of this province. We will have 40 more people enrolled in the BUNTEP program this year than we had last year. I pointed out that the pre-med program that we brought in a year ago has been an undoubted success. The universities are very enthusiastic about it. As a result, we are having a further intake of students into the program this year. We have maintained an ongoing curriculum revision, Mr. Chairman, to ensure that the curriculum of the province is relevant in the society that we are living in. We have to maintain that type of ongoing revision, otherwise our school system very easily could fall behind the society that it serves.

I pointed out to honourable members also, Mr. Chairman, that in the area of vocational education, we have increased the funding in that particular area, recognizing that equipment is costing more money today than it has for some time. I outlined to honourable gentlemen a work education plan that we are contemplating putting in place, in fact, not contemplating, Mr. Chairman, we will be putting in place, where young people can go to the workplace in industry or business and receive credits for the experience and the training that they receive in the actual workplace. They would then receive academic credits that would be put in place and counted along with their academic credits as far as graduation is concerned.

I pointed out to honourable gentlemen that our community colleges are continually looking and evaluating their programming and attempting to make sure that they are offering programs that are relevant to the needs of Manitobans, Manitoba industry and business. Of course, one of the highlights in the community college area this year is the 6.3 million addition that will be going ahead at Assiniboine Community College this year and the farm mechanics course that will be operating at Assiniboine Community College in Brandon serving the western part of the province.

There are other initiatives, a host of them, Mr. Chairman, and I'm not going to go on at great length with them. I point out the amount of school building that we are doing in northern Manitoba, in particular places such as Norway House; Duck Bay; Wanipigow, where a new school is proposed; at Ebb and Flow, the Hill Ridge School. That particular construction, Mr. Chairman, amounts to a considerable amount of money and I think has been long overdue. Many of these buildings were in a rather deplorable state, Mr. Chairman. In fact, on coming into office, when I toured the Norway House High School, I was

absolutely appalled at the facility. It's not the type of facility that any one of us would have wanted our children to attend, I'm sure.

So, Mr. Chairman, I wanted to take this opportunity to do a bit of an overview of what I consider are the accomplishments and some of the major initiatives and directions of the department that have been undertaken. I think it dispels rather effectively the statement of the Member for St. Vital who suggests that all we have been doing is tinkering. If this is tinkering, Mr. Chairman, then I really would like to know what he considers good solid accomplishment, because I suggest this does represent good solid accomplishment.

Mr. Chairman, I'm not going to go on at great length because I know that there are members opposite who no doubt want to get up and compliment me on how well we have conducted the department during the past year, and no doubt they will be overjoyed at some of our accomplishments and will likely want to heap praise on my head in regard to some of these excellent programs that we have put in place.

MR. CHAIRMAN: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. There are several people on the opposite side who remain very silent. I had assumed that it was because they didn't have anything nice to say, and that they had learned a long time ago that if they didn't have anything nice to say they wouldn't say anything at all. Throughout these estimates, we haven't heard from them. I have several questions which I had received from some people interested in special education areas which I don't expect the Minister to have answers for at this time, but I would hope that possibly in reading Hansard, he might look at them and provide me with an answer later on.

First of all, what was the amount budgeted in 1979-80 for the high cost-low incidence special needs children? How many categories of high cost-low incidence special needs children were identified and how much was spent on each specific area? How many children are there in each of the categories which were identified? How many handicapped children, as classified above, were in the public school system in the last school year? What was the amount spent for their education? What was the average per capita cost? How much of this was spent on (1) teachers' salaries, (2) therapists, (3) teaching materials, (4) other? How much of this was spent on administration? How much was spent on transportation?

And the next question, what amount was spent in direct funding for programs for children with specific learning disabilities? How many children, school-age children, now reside in public or private institutions? How many of these are in any school in the public school system at this time? Is the government in this current budget year making provision for all school-aged persons to enjoy their right to an education, regardless of the degree or type of handicap, including the children in public institutions? Is provision currently being made for further education of children with severe disabilities for an extension of their right to attend school beyond the age set out in

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The School Act in view of the fact that the age of majority is fairly meaningless with respect to some of those children?

Is the government providing for an extended school year for pupils whose rate of learning is slower and more difficult and would therefore require continuous educational programs to prevent regression in their development.

Who does the Minister see as being responsible in the future for providing the diagnostic and therapeutic services required by the so-called high cost-low incidence pupil, who will monitor and evaluate the province's special education services? What funds have been allocated to commence an early screening program to identify those children outside of Winnipeg No. 1 and St. James? How much as been allocated to cover the special needs children who will be affected by the new Schools Act?

I believe the Member for St. Vital had raised this issue earlier, but is the Ministry doing anything specific to encourage greater teacher participation in training courses which will provide them with the information they require in order to detect the children with learning disabilities, the high incident-low cost, other than to just simply hope that these particular programs will be taken by the teachers and that they will be aware of those kinds of disabilities. I believe the Member for St. Vital wishes to make a statement and also add some questions as well.

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

MR. WALDING: Mr. Chairman, the Minister invited us to heap praises on his head and I'd be very glad to that in just a few minutes, Mr. Chairman, but I did have a few questions that were missed as we moved through the estimates. They tend to be fairly small in seeking information from the Minister. I wonder if I might now ask him.

In one instance he had promised to provide the committee with some more information on the matter of H & S Transport and its school bus inspections, as it affected Winnipeg No. 1. I'm not sure whether that material was tabled or whether the Minister did answer the question. But there were matters of detail raised as to just what had happened and in what order, and the Minister gave an indication that he would provide that.

I also wanted to ask him on the matter of special warrants. The Minister indicated that he would tell us as we moved through the estimates where the special warrants had applied and I can only recall one that was fairly early on under the first appropriation. I wonder if there have been any further special warrants, and if so, could the Minister give us a list at this time, please?

MR. COSENS: Actually, Mr. Chairman, there were three, one large one and two smaller ones. I think I referred to one of the smaller ones in Inter-Provincial Training Agreements, I believe it was some 17,900, Mr. Chairman. The large item is 1,660,000 and it falls under University Grants Commission and this special warrant covered an additional sum of money for miscellaneous capital to the universities. There is a

third one, Mr. Chairman, and unfortunately I don't have that information with me at this time. It's also a small amount of money and I regret that I don't have it, but I can certainly get the information for the member, but the large one is the one that applies to the University Grants Commission for miscellaneous capital.

MR. WALDING: Mr. Chairman, I thank the Minister for that information. I had also asked him under Vocational Education if the department was aware of how many vocational courses had been dropped over the last year with a particular reference to the rural areas. I realize that might be difficult information to come by readily and I wonder if the Minister does have it or whether it will be supplied.

MR. COSENS: Mr. Chairman, I've just provided a file of information requested by the honourable members opposite during the process of the estimates and that particular information, I believe it was regarding in one instance the number of vocational courses that have been dropped in Manitoba as opposed to new courses that have been brought in. I have forwarded that to the honourable member and I know he hasn't had a chance to peruse it. I've been looking at those particular figures, Mr. Chairman, and I believe there's about one-and-a-half pages of courses that have been dropped and five or six pages, I believe, of new courses that have been brought into the schools in Manitoba over the past year.

MR. WALDING: Thank you, Mr. Chairman. The Minister is right, there is a whole stack of information and one of them would appear to refer to this matter. It will take me a few minutes to go through it, Mr. Chairman, and seek the information that I was looking for. I notice that the Minister has also provided me with information on correspondence courses showing, as we had both expected, that there would be an increase in the number of correspondence courses for this year over the previous year, which in its turn was up over the year before that.

I had also raised with the Minister the matter of one extra staff person who was charged with some responsibility having to do with something called "patriotic exercises". I believe that the Minister had told me that it was in Appropriation No. 4. I wonder if the Minister is in a position now to comment on this matter of patriotic exercises; perhaps he could tell us just what that means — who is it that waves the flag?

The sheet of staffing changes that the Minister sent over to us indicates an increase in this department of .26 staff man years. If there is in fact one extra person hired to do this, is that person from somewhere else within the department and merely moved over, or is this a person that is hired as the report of the Minister indicates. If so, would this not indicate that there is some decrease in the staff from last year, if this one person is taken into consideration?

MR. COSENS: Mr. Chairman, in relation to staffing, the sheets of information that I provided to the honourable member indicate that our staff

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complement is diminished by some 5.19 SMYs in this particular year. I have some problem following his particular rationalization that there is an increase overall in the staffing. However, perhaps I have misunderstood his point.

In the area of patriotic exercises, the advisory board of the Department of Education, a board made up of a very widely representative group of educators and citizens in the province and a board that has existed for many many years in this province, to deal with such matters as religious questions as they affect education and the policies of the Department of Education regarding religion and patriotic exercises, and also the matter of curriculum materials.

This particular committee recommended about a year ago, after a study that they had carried out, that there was some concern, not only among educators, but I think among the general public, that our young people were not really aware of the importance, perhaps would be one way of putting it, of things such as our flag, and really aware of how important our national anthem was. They felt that there might even be factors outside of the school and outside of the home, in fact, that were mitigating against children developing that feeling for country that they felt really should be part of citizenship in any particular country. And whereas in schools of the province we do have patriotic exercises conducted, they also felt that from the studies they had completed, surveys they had completed, that in many cases children were going through an exercise that was not very meaningful.

In looking at that particular problem and studying it at some length, they came up with a pilot program that they felt would make patriotic exercises more meaningful. In other words, rather than just singing the national anthem or mouthing the words or standing at attention or standing there while the record played the national anthem, there would be some additional materials available to teachers who wished to use them that would more or less focus on the business of being a Canadian citizen and on accomplishments of outstanding Canadians, because we have much to be proud of in this country, Mr. Chairman. I know that the Honourable Member for Elmwood has said on a couple of occasions during these estimates that he is concerned about the influence that our young children are subjected to, our neighbours to the south, that there is an Americanization that subtly takes place through TV and the electronic media.

I think this type of thing is a reaction to that in part in the school system where the Advisory Board and Department of Education was saying we should be making patriotic exercises more meaningful. It shouldn't be just a matter of standing singing the national anthem or standing while it is being played. There should be some relevancy to accomplishments of outstanding Canadians whether it's in the arts, the athletic field, in government, and so on, and our young children in our schools should be exposed to what it really means to be a Canadian and perhaps during their school career, be able to develop a pride in country that in some cases, Mr. Chairman, the survey indicated was not the case at all.

As a result, that particular committee has employed a person to write a small program of

support materials that will be available to schools to use across the province as they see fit. This is nothing that is very extensive, Mr. Chairman, and it is only perhaps something that will take three or four minutes a day if the schools so desire to use it. I find that in my estimation most worthwhile and I recommend its use to schools of the province. It will be their decision as to what degree they utilize these materials, but I feel it is a step in the right direction.

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

MR. WALDING: Mr. Chairman, I wonder if I might clarify the matter of the staff position that the Minister was a little bit unsure about. Without checking back through Hansard, I recall that I raised this matter some part way through the estimates and the Minister said that would come under, and I'm just going from memory, I believe he said under Administration under appropriation 4. Program Development and Support Services. He's shaking his head; perhaps it comes under some other general administration.

MR. COSENS: Statutory Boards and Commissions.

MR. WALDING: I see. Then can the Minister confirm . . . Let me first of all perhaps read from the report just what I'm referring to, Mr. Chairman, and this is under the Education Department Advisory Board and under Activities. The report says, "Subsequently the Minister has authorized the hiring of a person or persons to prepare a program of patriotic observances for Grades K to 6. Can the Minister confirm that he has hired a person or persons, and if so, under which appropriation or which line are they hired?"

MR. COSENS: Mr. Chairman, that falls under appropriation 16.(1)(c) Boards and Commissions, and would fall under the allocation of the Advisory Board.

MR. WALDING: Mr. Chairman, I see an amount of 24,000 under this line that we approved last year and 24,000 that we approved this year. Can the Minister explain where that salary position is under this line?"

MR. COSENS: Mr. Chairman, I would have to check on all of the details of this particular program once again, but just to give the honourable member my impression, this is not as major a task as I think he envisages. The Advisory Board, having done their survey and having received different types of materials from teachers and people in the educational field, had come up with what they felt were possible programs that could be followed, materials that could be utilized, and this particular position that he refers to is, again I would imagine without checking, a part-time position and perhaps it's only a matter of a persons being engaged for a matter of two or three months to put the material together into a form that can be easily utilized by the schools. I don't see it as a regular position that would exist in the department from year to year. I think we are referring here, Mr. Chairman, to someone who has been hired as a writer for a matter of two or three months and I say that without

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checking the specifics, but that is my impression of this particular position.

MR. WALDING: Mr. Chairman, the Minister has clarified to some extent what is involved here. I also read in the report that the committee itself had looked into the matter and made certain recommendations as far as patriotic exercise observances or exercises is concerned but then I was a little confused when the report said that the Minister has hired someone and it doesn't appear then in his estimates for this year. If in fact it is to be just a small amount then that would explain what it was.

I have no further questions at the moment, Mr. Chairman.

MR. CHAIRMAN: (a)—pass. Resolution No. 50 — the Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman, just several comments on the department and some of the comments that the Minister made. The major concern that I have with this department, as I have expressed throughout these estimates, is for true equality of opportunity for all of the kids in the province, not just for the 80 or 90 percent who come from basically middle-class backgrounds who are near fairly decent schools, but also for those from poor families, from native families who are poor, from single-parent families, and I would suggest to the Minister that in those areas we have a long way to go to bring true equality of opportunity into the education system.

Twenty years ago we didn't see the problem with respect to the native children in our province because to a large extent they weren't in the middle of the city. They've moved in, they're here, we see them, we have to do something. We have to be prepared to provide an education to these children which is suitable to their needs so that they can, when they grow up, take a part in our society as regular producing citizens. We can't afford to blow that opportunity.

Twenty years ago we didn't have the difficulty with the single-parent family that we have now, today, in the last ten years or so. Throughout the country and throughout the continent this is a new phenomenon of the family breaking up. It seems to be something that probably is world-wide. It's a phenomenon which is costing that parent which stays with the children and it is costing the children. It is simply not true that a family can break up and live as cheaply when the father leaves and starts contributing maintenance payments. The maintenance payments plus whatever the mother is earning are never sufficient to provide the same kind of life, the same quality of life, as was provided before that separation and very often it's especially the children who suffer economically.

There are children in our inner city areas who are growing up in apartments, one-bedroom apartments, because of cost, because of poverty. Those kids are in a situation where they don't have many of the cultural advantages of the children in the suburbs. Their mothers simply can't afford to take them to many of the events and lessons that other children are able to take and I believe that the education system is going to have to accept the proposition

that we are going to have to do more for those children in order that they will have a somewhat more equal chance in life when they become adults than they have now, because I suggest that they don't. If you give them the same education as the kids in the suburbs, they simply do not at the end of it have the same opportunity as the suburban children.

The Minister spent some time talking about the accomplishments of the department. I would point out that any department with 1,668 employees could not possibly survive I would imagine for three years without doing anything, without doing absolutely anything; 1,668 people deployed in this department ought to be able to come up with something that will improve the quality of education every few days or every months. That should come as no surprise to us that if there have been improvements, there have been improvements.

The Minister refers to the new Act. I would point out that in the new Act which I have partially read over, and again one of the problems has been that the new Act that was introduced, was provided to us on the same day that the Minister expected the estimates to start and we, quite frankly, haven't been able to go over this thing as closely as we would have liked. But I haven't seen anything in this Act that says the government is going to provide more funding for education. I don't see that in this Act. As long as we're not going to provide more funding for education, we are still going to have problems with the disadvantaged in our society. When we talk about disadvantaged, the Minister pointed out in his opening comments that the high cost-low incidence handicapped students were being well looked after or better looked after than in the past, and I certainly would agree that area is improving.

If the Minister feels he ought to have some commendation, I would be prepared to give him some commendation in that area. I would not, however, give him any commendation in the area of the low cost-high incidence learning disability problems.

I was speaking with a lady just yesterday who was saying that she so often talks to people who are teachers who tell her that they are saddened, they are embarrassed about the many kids, especially usually in their first few years of teaching, that teachers have assumed were dummies or lazy or just didn't want to learn, and it's only later on that the teacher realized that in fact there was a learning disability involved. It had nothing to do with the child who didn't want to learn; it had to do with difficulties in learning, and there again I was referring to changes which we have experienced.

We have experienced the influx of the native families in the last 10 years. We have experienced the breakdown of the family in the last 10 or 15 years. Here we have experienced not an increase but simply an awareness in the last 10 or 20 years that these problems exist. And because of the fact that we have discovered that these problems exist, it is incumbent on us to begin to do what we can to provide equality of opportunity for those kids. Again, it is not enough, as the Minister has alluded to the new Act, it's not enough to say, as he has said in his new Act, that every school board shall provide or

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make provision for education of children, for those children who have a right to an education.

I suggest that the government has to provide, insist that every school board shall provide an education appropriate to the needs of the children, and their needs do vary, not only the so-called low cost-high incidence kids but also the poor kids, the kids from the inner city. There's no point in putting that into an Act either, Mr. Chairman, if the government is not going to pay the money. There's no point in saying in the Act, that yes, you're going to provide quality education for everybody if the Minister isn't prepared to fund it. I would suggest that the taxpayers of this province are prepared to fund education. Historically, Manitobans have always been people who are prepared to spend the necessary money to provide their children with an education which will give them an opportunity in life. I don't believe, no matter how troubled our times are, that that has changed.

I would hope, in one other area, that the Minister would provide some equality of opportunity and that deals with the area of women and their equality of opportunity under this system. I had asked the Minister in the first day or two of these estimates how many of the field officers employed by his department are women. There are 17 people. There are no women in that department. I would hope that the next time we come to these estimates, if the Minister is still on that side of the House, that he will have come up with a positive action program to get rid of some of the stereotypes that develop so quickly in our society.

I have a 3-1/2 year old daughter and she was playing with her toys a little while ago — and she has a truck; she likes playing with that on the floor — and I asked her whether she would want to be a truck driver. She laughed. She thought that was funny because girls don't become truck drivers, at 3-1/2 years of age. Now she has picked that up on the street. She's picked that up on television. I'm not going to lay the blame for that on the Minister. Possibly her parents have some responsibility for this. But I would suggest that is not unusual; that kids are very quickly taught the rules that the women are going to be housewives and the men are going to be the truck drivers, and the earners of income. I would hope that the Minister would consider some positive programs in the school system that will get us away from those kinds of stereotypes. I don't believe that the system can do it with any kind of perfection but I believe it is important that we try. I would urge the Minister to do so.

Again, during the estimates, the Minister indicated that the Lions Centre for the Learning Disabled is not funded by the government. Now that is a centre to which parents send their kids. I talked to one parent whose child was in that centre for a few weeks. She claims that her child picked up practically one year of school education in that several weeks but the cost is 750.00. It's an expensive program. It is one which not one nickel of it is borne by the public and, at the same time, under this Minister, this government has begun to fund, for the first time, St. Johns Ravenscourt. The Minister has, in so doing, indicated his priorities to those of us on this side. I'm not saying there's anything wrong with funding St. Johns Ravenscourt; that is provided

that the native kids have got their fair share; that is provided that the poor kids have got their fair share; that is provided that the high cost—low incidence disabled kids get their fair share; that is that the high incidence—lost cost learning disabled kids get their fair share in the public system, but they have to get it first.

I would suggest to the Minister that his priorities are wrong, that rather than funding the upper income kids in going the private route in order to avoid the public system, the Minister should improve the public system. —(Interjection)— The Member for St. Boniface can have his opportunity after I'm finished. I believe that the purpose of the Ministry of Education is to provide a public system. That has to be the No. 1 priority. Once a public system has been set up which provides equality of opportunity for all of our children, and if there is money left over, then I would be the first to suggest that it go to the other schools but not a nickel until then, not one nickel. I would hope, again, that next year when we come back here, the Minister will have a program for the kids with special needs and that includes, not only those whom I have mentioned but also the gifted, the ones who get bored to tears in school in a matter of several years, with a fairly boring curriculum. I would hope that something would be done for them, as well.

MR. CHAIRMAN: (d)—pass — the Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I would like to make some concluding comments in the debate. My original intention was to speak for 20 minutes on universities — I know the Minister cringes about that — but I have to remind him that repetition is the mother of learning. But I have decided not to deal with that and to deal with the pretty paltry list of accomplishments. I don't believe I used the word 'paltry' in regard to 7 million. The Minister keeps saying that; I don't think I said that at all. But I certainly say that in regard to his list of accomplishments and when he listed that series, Mr. Chairman, I just threw aside my other speech and made a few notes.

I recall talking to my colleagues when we sat here with bated breath when Bill 33 was being introduced, or Bill 31, and we were going to take notes. Remember, we were taking notes on Bill 31 on the stupendous breakthrough, the long-awaited revision of The Education Act. Well, Mr. Chairman, that really was a bust. I think it was Immanuel Kant who said, when he wrote his critique of pure reason, that it fell stillborn from the press and I think the same thing happened here, not only in the first instance but for all time. But the Minister had an opportunity to make a major revision of the Act and to have a major impact on education, to put his stamp on the educational system of Manitoba. I think that he struck out; that he really made what amounts to an insignificant revision of the Act. For him to list that as foremost among his accomplishments, I think, is either a case of self-deception or a misconception because we'll deal with the Act in detail, Mr. Chairman, but I think it was a great disappointment. It tended to be, in my judgement, a Civil Service cleaning up. Oh, sure, there was a couple of points in

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there on private and parochial schools and there was something about school inspectors, now called field representatives, something like that, but essentially it was just a lot of loose ends that have been accumulated by civil servants. It would have been given to any Minister.

While I'm looking at the Attorney-General, I have to say to him, that when he talks about bringing in all these bills, he's going to have to do some hard screening in Cabinet, I think, to eliminate a lot of similar bills, the little loose ends that can wait another six or 12 months with no adverse effects on the legislative process or on the ability of the executive to act.

So I say that the Minister lists his first accomplishment, I say it doesn't amount to a hill of beans. I say that for the Member for Emerson so he can understand what I'm saying. —(Interjection)— I will tell that to the people. I certainly intend to. You'd better believe it. From now on, up to and through the election, I will say that.

The second point is, the Minister says he came up with a finance study. He wants to study the Greater Winnipeg Educational Levy and I guess a lot of other things. Well, that's hardly an accomplishment, Mr. Chairman. It's a potential accomplishment. I mean, there are studies going on night and day. This is a government that made its mark by monitoring things. It's a government that studies everything, everything that moves. We don't know what the result of that study will be. We knew what the Tritschler Commission would say before it was even completed; we knew that. We knew what their conclusions were. We knew what the conclusions were on the Burns Commission. We just didn't know that the government wouldn't have the guts to proceed, that's all we didn't know. But we knew what that report was. I knew years ago, when —(Interjection)— Yes, we are. I knew years ago, Mr. Chairman, what the results of the Erwood Currie Report would be. We knew that before the report was written. We knew which direction it would go. We said publicly, long before it was released, what the recommendations would be.

Mr. Chairman, the Minister says he's going to have some studies, well, okay, so he always has studies. Every time we ask the Minister do you have any studies going, every day of every year for at least the past 20 years, every Minister of Education could say, well, there's a whole bunch of studies going. He has people who do nothing else but. —(Interjection)— You're going to take action on those studies. Well, we'll see; we'll see.

Then the Minister lists another of his personal accomplishments, testing. Well, in the old days there were all these province-wide exams. I wrote them and he wrote them, pretty well all of us wrote them. Now they don't have that anymore. So the Minister is going to move in that direction. That's like somebody saying, I'm going to swim Lake Winnipeg and they go up to the lake and they put their toe in the water and you say, well, are you going or not, and they say, yes, I'm going to go, I'm going to cross that lake, but they never get all wet or they never actually start swimming. —(Interjection)— It's simply a half-hearted measure is the way I describe it. Yes, I'm not impressed.

This is a case of neither fish nor fowl. We're not having provincial testing. We're not having the old autonomy in the individual school or in the school division or individual testing or programming. We got some sort of a half-hearted — I'll be careful of what I say — measure, Mr. Chairman. The Minister doesn't have the courage of his convictions to go all the way, so he wants to fake it. He wants to sort of suggest or intimate or give, create an impression or an image of testing, but he's afraid at the same time to alienate a vast segment of professional people who don't believe that the old province-wide exams were the best. So this government made a lot of mileage against our government on things like that. They talked about back to the basics and the 3 Rs and provincial testing. They fought an election campaign on that. They make fun of Lionel Orlikow; they thought Lionel was terrible. I think he was probably one of the most imaginative and one of most creative people in the field. They scored some political points, but they won't do it again. They won't do it again.

Mr. Chairman, the other thing the Minister said, is that he paid attention to special needs. Well, I suppose there are some points there. He can make some points about some dollars on some programs. I think that's simply a continuous program. I don't see any breakthrough there; I just see normal educational department activity. But when it came to one area where he could have really put his money where his mouth is, it was in the city of Winnipeg. It was in the special needs of a particular division which has peculiar and particular problems, problems of the poor, problems of transients, problems of immigrants, problems with native education, nursery schools, summer courses, counselling, physical education, you name it; significant problems in the core area of the city of Winnipeg — what does the Minister do? For two years, he doesn't give them an extra penny for their special needs, but in the third year, he comes up with a half-a-million. Well, not bad, Mr. Chairman, but on 7 million, not enough. He talked about some accomplishments in French and miscellaneous and so on.

Mr. Chairman, I don't want to review the things I have said in any detail, I want to simply conclude at this point my observation on the Minister's performance. I think it's disappointing. I used to throw up my hands in despair when George Johnson was the Minister because he gave these billowing, foggy, amorphous, vague but friendly, always friendly, always concerned answers, and my colleague, the Minister of Education, he gives the same kind of answers. He gives that same kind of foggy, murky, friendly type of responses. But he is a teacher, he is a professional educator, and I think we could have expected better from him. We could have expected him to hold the line against some of the type of programs that his government implemented, that he might have made some progress and that he might not have buckled to the restraint imposed upon him, or that he acceded to by the First Minister and the Minister of Education.

So I say, Mr. Chairman, when we look at the list of accomplishments, they just don't amount to a hill of beans, and when we look at what is the hallmark of this Minister and this administration, Mr. Chairman,

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it's three things. No. 1, cutbacks in the public school sector; No. 2, cutbacks in the universities and the community colleges of Manitoba; and No. 3., more aid for private and parochial schools. Those are the accomplishments of this Minister. Mr. Chairman, I say in conclusion that they are disappointing and that he will have to answer to the voters for his record in the next election.

MR. CHAIRMAN: (a)—pass — the Honourable Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. The Minister had invited us on this side to compliment the Minister and to heap praises upon his head. Let me see if I can accommodate him, Mr. Chairman. The Minister is a nice man; he is polite to the House and he is smartly turned out. He is a very presentable man. I believe he likes children. He doesn't beat his wife and he doesn't kick dogs. But, Mr. Chairman, I have to wonder why it is that the Minister asks us on this side to compliment the Minister. Is this because he is not getting any compliments from any of his colleagues on the three benches over there? You know, I would perhaps have expected his legislative assistant, the Honourable Member for Springfield, to stand up and tell the Minister what a fine fellow he was and all the good things that he's doing for education, and how wonderful things are in the rural areas. The Member for Gladstone — I see over there — I would have expected him to stand up and tell us of the increasing quality of education in the schools in Gladstone, and how the children in that particular area can be confident that they are getting a quality education, an education as good as anywhere. The Member for Portage la Prairie, who is the session's most improved heckler, Mr. Chairman, I would have expected him to stand up and make a few complimentary remarks about the Minister and tell us of the good things in Portage la Prairie. And those various other rural members from there, too. I would have expected the Minister for Thompson, the Minister of Labour, to get up and tell us that education is alive and well in Thompson, Mr. Chairman, because we have reason to believe that education is not alive and well in Thompson, that there have been problems. But there also have been problems in other areas of the province, not excluding the city of Winnipeg.

But, Mr. Chairman, I attempted a couple of days ago to make a few remarks about the Greater Winnipeg Education Levy, and I was ruled out of order and gave an undertaking that I would attempt to deal with it under the Minister's Salary. I had the opportunity to check back in Hansard since that time, Mr. Chairman, and I noticed that the Minister in explaining this measure stated that it was based on the school division in the Winnipeg area having the lowest per pupil cost. Now, Mr. Chairman, that is not accurate. I won't accuse the Minister of misleading the House, because it's a complicated subject, and I believe not too many of the members in this Chamber realize the basis for that education levy and the effects that it can have. What the equalization is based on, Mr. Chairman, is the division having the lowest special levy per student. In

other words, it's a residual amount and it is based every year on Seine River.

MR. COSENS: Mr. Chairman, I correct the honourable member, . . .

MR. CHAIRMAN: The Honourable Minister on a point of order.

MR. COSENS: . . . it is not the lowest additional levy cost per student, it's the lowest additional per pupil cost above revenues.

MR. WALDING: Mr. Chairman, that translated means additional special levy per pupil. In other words, the special levy itself is the amount above revenues, and that is the whole point. But how is that figure arrived at? It is arrived at taking into consideration provincial equalization, and this is why I raised the matter with the Minister. The Minister said that they are two distinct programs and that they have no effect on each other. He is right on the first one, that they are distinct programs; he is wrong on the second, they do have an effect on each other, because the special levy for Seine River is set after it has received money from the provincial equalization, as all of the other divisions in the greater Winnipeg area are also. But because of the assessment values and the number of children in Seine River as compared with the city of Winnipeg, the effect is markedly different. Now, the special levy per student in Seine River last year was 630; I've rounded it off to the last 50 cents. The special levy per student in Winnipeg was 1,500 to round it off to the nearest few dollars. The effect of provincial equalization, Mr. Chairman, was the fact that Winnipeg received 30 under equalization and Seine River received 210.00. So if there had been no provincial equalization, the special levy per student in Seine River, instead of being 630, it would have been 840, which would have been much higher and would have put it in a different position according to the list of school divisions within the Winnipeg area. Winnipeg, which was at the top, would only have been increased by the 30 that it received.

Not only that, Mr. Chairman, but the levy is distorted to some extent, because Seine River receives a goodly amount of federal funds for its French program. But the Seine River's equalization is based, not only that part of the division which is in the greater Winnipeg area, but it is also affected by an area running out into the country. The Member for Springfield would know that better than I do. Schools in Landmark and St. Adolph, the farming area there, affects the number of students. It affects the balance assessment, and that is what is having an effect on keeping Seine River's special levy per student rate at a low level. This in turn is what is taking money from Winnipeg School Division, Fort Garry School Division and Norwood School Division. So when his colleagues behind him are concerned about the levy, they should be, because they are being affected by parts of Seine River which is 20, 30, 40 miles outside of the city, and also to some extent by Transcona-Springfield, because it has parts outside of the city, too. These have a bearing on what the people on Dominion Street, other areas of downtown Winnipeg are paying. I think the Minister

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know this, at least his staff know it, and I'm sure that they have told him some of the difficulties. But I want him to bear in mind the fact that the province has set up a provincial equalization scheme to do one thing, and has set up a Greater Winnipeg Equalization Levy to do another thing, and that one is impinging upon the other. They are, I suggest to him, perhaps working at odds with each other and this is something that must be taken into account.

When I had said that the Minister had been tinkering with the system over the last three years, I meant it, Mr. Chairman, but I didn't say that the Minister had done nothing but tinkering. The Minister has done something, Mr. Chairman, the Minister has done several things. We have difficulty in understanding from him just what the government's policies are when it comes to education, but when we look at what the government has done, the funds that it has increased, the funds that it has decreased, those programs that it has allowed to go to the sidelines, then it becomes clearer to us as to what the government's programs are. When you strip away the fancy verbiage and get down to the actual effects, the figures, the funding in constant dollars, then it becomes a little more obvious as to what the government's policy is.

To sum up, Mr. Chairman, it would be to turn education back 30 years. Let me give the Minister some indication of why I say that. Two problems have been facing education over the last few years, Mr. Chairman, it didn't start when the Minister came in. These problems were there before that, and I say that quite honestly to him; those two problems have been inflation and declining enrollment. They have both caused considerable problems, particularly to the rural divisions, and to some extent, a less extent perhaps, to Winnipeg and to the other Winnipeg divisions. Inflation has put up the cost of everything that school boards have to buy, whether its fuel or buses. It has put up the salaries and books and papers and all of the other supplies, too. Inflation rate running at the moment somewhere around 9 to 10 percent. School boards are finding that their revenues are increasing at a lesser extent. Their revenues, at least from the provincial government, have been increasing at a lesser extent. One reason for that has been the declining enrollment. Our whole system, present system, was put in place in the mid-'60s on the basis of per student grants, which was fine when there was a steady year-by-year increase. More students meant more buses, more teachers, more classrooms and more grants coming in from the provincial government. That enabled the school boards to keep the lid on special levy increases. But what happens when the whole basis of the system turns around and instead of more children coming into the school system every year, you get less children coming into the schools every year? And what it means is that the costs keep going up, Mr. Chairman. It costs the same amount to run a classroom whether it's full or whether it's half full. It costs the same amount to run a bus whether it has 30 children in it or two children in it.

So with grants from the provincial government geared to the numbers of students which are going down on the one hand and inflation going up on the other, school boards were caught in a squeeze. In the first year that this Minister came in, well they

pared a little bit off here and they squeezed a little bit off there and they tried to keep their rates down. Inflation hit a second year and the government increased its grants to the school divisions by 4-1/2 percent, again well below. The crunch is coming this year, Mr. Chairman, in education, exactly as it has done in Health. Our health spokesmen on this side have been prophesying for two years the effects that the government's cutbacks in health programs would cause, and it came to a crunch this year. The Minister of Health is now grappling with those problems. Exactly the same effect in education, with the Minister's cutbacks for three years, keep clamping down, keeping the lid on education; now we are seeing the results of it.

Some of the results that we are seeing is a group of parents on strike out at Elkhorn in Fort la Bosse, keeping their children out of school. We're seeing teachers in Thompson withdrawing voluntary services. We're seeing a group of taxpayers in Elie threatening to withhold their education taxes this year. We're seeing a whole 1,800, I believe was the estimate, parents and teachers in Winnipeg No. 1 at a massive public meeting, complaining not about increased taxes but about education services to their children.

The Minister says it's under study. But they are going to do something about it. Well, Mr. Chairman, they had all of the answers before they came into government. Apparently, they don't have the answers now. I'm not telling the Minister it's a simple problem, it's a very complex problem, but there are problems to be faced and we look to this Minister for some indication.

One particular effect that these declining enrollments and declining government grants have had on rural divisions is insidious, Mr. Chairman, and it's dangerous. After the divisions had cut out all of the frills that they could, they started cutting into muscle. The things that they looked at to cut first where the programs that cost the most: Special education classes, vocational education programs, business ed., home economics. These sorts of programs are the ones that are being cut out from rural high schools. Now those children who intend to go on to university and are taking the university entrance courses have not been affected by those cuts. They can still get their programs at school. What about the children who were taking the vocational education courses? They have now been cut off and the pressure will obviously be for them to leave the school system. So what we are getting is a two-tiered education system in the rural areas. Going back to the 1950's, Mr. Chairman, when the emphasis, along with provincial testing, was to get those students in the university entrance course through and the rest could sit in the classroom or they could leave, no one was too interested in those. That is the direction we see this Minister going.

Not only that, but we see an inordinate increase in the number of school inspectors. Again, going back to the scheme of 30 years ago, the Minister doesn't call them inspectors and insists that this is not their function. However, he calls them something else and I forget what this year's title for them is but it is obvious that they have all of the powers of the former inspectors, plus, if we can believe the new bill, they will have expanded powers.

We've seen a steady decline in the amount of aid that this Minister is giving to native education. I believe that the Minister coined a new phrase here the other evening, which I'm sure will go down into history along with the one about the "muffled cadence of jackboots", the Minister said "We're not cutting out the program, we're only cutting out the funding". Mr. Chairman, that is a classic and you know, Mr. Chairman, I think that that should be engraved over the portal of Conservative Party Headquarters, so people know what they could expect from a Conservative government.

I mentioned transportation a little while ago and this is another problem. I referred to it during the estimates and gave the Minister a few representative figures which showed that in some cases, for some school divisions, the entire 100 percent of transportation costs were covered by those grants because of various local factors of distance and sparsity of population. In other divisions, the amount covered was pitifully low. What we are suggesting, Mr. Chairman, is that if it is the intent of a government to provide transportation for children, then it should be the cost of that transportation that is paid, not some portion of it on a per student basis which will not cover all of the students to an equal extent.

The Minister has spoken many times about local autonomy; that these are problems out there that he is not responsible for and he doesn't want to interfere with local autonomy. I want to suggest to the Minister that what local autonomy means these days is not a school division deciding what it can do, it's a school division deciding what it should cut out.

The matter of the closing of schools has also been referred to in these estimates and again the Minister takes a hands off position. He says that's local autonomy, let the school boards take the flak; they should decide for themselves what to do. I pointed out to him the differing and more progressive approach that is taken in Ontario and I would suggest to him that the Minister should be concerned and show some responsibility when it comes to school closing. I'm not suggesting to him that no school should ever be closed. What I'm suggesting is that the government should make it quite clear to parents, to teachers and to school boards what must be done and the steps that must be taken in order for that to happen. I believe that the Minister should also interest himself on the future of those school sites. A school, particularly a high school in a small rural area, is a centre of local social activity; close a school, there is less to hold a community together. The people are more likely to move somewhere else and are not in a position to take advantage of the school during school hours or after school hours, as well. When school closings are being contemplated, the building itself, the school site, should be examined to see whether or not uses could not be found for that building, which again would tend towards a community cohesion and continue to act as a positive force in that area.

My colleague has referred to testing. Again, we see a move back towards the 1950's. My colleague from Rossmore has spoken about special education. I don't want to deal in too much depth with this except to note that the Minister's 1,500,000 this year that he's given to Winnipeg, the special grant, he

says is a 50 percent increase over last year. It is if you want to consider last year at 1 million, but he should also consider the year before that when it was 1.2 million. So the Minister can claim that it's 50 percent up from last year. I tell him if he takes the three years into account it's an increase of 25 percent over two years or, if you want to average it out, it comes to about a 1.2 million . . .

MR. CHAIRMAN: The honourable member has five minutes.

MR. WALDING: Thank you, Mr. Chairman. Averaged over the three years it's 1.2 million, which is what it was three years ago.

I'd also pointed out to the Minister the matter of special needs education and this is receiving some prominence. The Minister explained very proudly in his opening remarks that 28.5 million was going to special education. That may well be, but what is the Minister doing for it? Last year, and in round figures, the Minister of the Department of Education gave 11 million to special education, 11 million out of the 28-1/2 million. This year he is increasing it by 1 million to 12 million, again in round figures, which is an increase of about 9 percent. That's not bad. But the school divisions who also last year gave 11 million to special education, this year are giving 14 million. The government provides 1 million extra; the school divisions provide 3 million extra. Whatever happened to that principle that increases in education costs were to be absorbed four to one by the provincial government? Well the opposite has happened. The school boards have recognized their responsibilities by finding an additional 3 million for special education; the Minister comes up with 1 million. He is not keeping up with the school divisions; he is not showing them the sort of leadership in this regard that we would expect.

One further example, if I may, Mr. Chairman, from the Minister's own report, of the effects of his policies over the last couple of years. Under the Collective Agreement Board, the Minister set up conciliation services in 1977-78 for 27 school boards. Where there was negotiation in process between the teachers and the school board, the department helped out on 27 occasions. The next year, 1978-79, that figure went up to 46. When it comes to arbitration, and this is another stage along in negotiations, 1977-78, the board provided arbitration services in 11 school boards. Again, this is from the Minister's report. The next year, 1978-79, arbitration services were provided in 34 schools boards, Mr. Chairman, a substantial increase in both cases and which I believe indicates the effect that this Minister's tight-fisted programs are having on education.

The Minister was quoted, a couple of years ago, maybe it was three years ago, as saying that education was like a car heading out of control for a precipice, or something like that, words to that effect. I would like to suggest to the Minister that after three years of his administration that has changed. It is now a car without a driver that's slipping backwards slowly into the 1950s.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

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MRS. WESTBURY: Thank you, Mr. Chairperson. I just have a few brief remarks. First of all, I want to say how disappointed I am that the Minister has not seen fit to provide adequate relief to School Division No. 1. Many of the points that I want to touch on, Mr. Chairperson, have been covered thoroughly already and I merely want to touch on them to express concurrence with what has been said or perhaps to add a thought or two of my own. The 1.5 million grant does not adequately does not adequately compensate the taxpayers of School Division No. 1 for the special situation in which they find themselves, and I suggest that the wrong way to provide the relief is in the form of a grant anyway.

Personally, our party would like to see education removed from property taxes altogether and I think that this is an area in which the Minister should be showing some concern. The School Division No. 1 has been the sacrificial lamb, one of the sacrificial lambs but the principle one, for the funding and for the support of other school divisions for the past number of years and it's time that came to a conclusion.

Mr. Chairperson, the previous speaker mentioned the closing of schools in areas of declining population and I spoke about this earlier in the estimates. I just wish to say that it's a very serious concern for the members of our party, who feel that because the urban policies of the province and the city are lacking and population trends are changing — populations are moving from core area for obvious reasons, some of which I mentioned on another occasion — and because of the declining population, there is the constant, it seems, threat of the closing of schools and so the cycle continues. The children who do remain are under threat of having their schools closed down on them for situations in which they have no control.

I want to refer briefly to the special needs children. My position is that children with special needs have the same right to be educated to their full potential as the children of any other taxpayers. I do not feel that government in Manitoba has moved quickly enough and far enough in this particular concern. I believe that a lot of later problems could be dealt with if some of these children were not as frustrated as they become under the present situation.

Earlier in the estimates, Mr. Chairperson, I tried to ask some questions about affirmative action and I kept being moved down the estimates and, unfortunately, we passed very quickly the curriculum and I was not able to be present in the House when we did touch it, so I want to now ask some questions. I presume the Minister has the answers because he knows I have an interest here, and I just want to make a couple of points on this.

I know that Winnipeg School Division No. 1 has brought in an Affirmative Action Program which is to take effect, I believe, in September. One of the questions I wanted to ask the Minister was whether this Affirmative Action Program — and I presume he has the answer to this — is in effect now that hiring is taking place for the fall or whether in fact it's going to commence after all the hiring has been completed. The position that I want to take, Mr. Chairperson, is not that 50 percent of principal shall be men and 50 percent of principal shall be women,

because that's not a proper way to get a successful Affirmative Action Program.

The appropriate and acceptable way is to make sure that everyone has the same opportunity to upgrade themselves and, when they have upgraded themselves, has the same opportunity to take advantage of senior positions such as principalships and vice-principalships as any other members of the teaching profession. I understand that 57 percent of the teachers in School Division No. 1 are female but something like one-quarter of the principals are female and 11 percent of the vice-principals. Of course, we find that in several instances women are indeed principals of the very small neighbourhood schools. I would appreciate anything that the Minister can tell me. I suggest that he has an obligation, as a Minister of this government, to insist that where taxpayers is being expended that affirmative action programs are in place and that equal opportunities are made available.

I want to refer also to the situation at the University of Manitoba where again there is taxpayers' money expended and I suggest that this government has an obligation to ensure that . . .

MR. SPEAKER: Order please. The hour is now 12:30. Committee rise. Call in the Speaker.

The Honourable Government House Leader.

MR. MERCIER: Mr. Chairman, I think it is agreeable, by leave of all members, that there is a relatively short period of time left to complete discussion of this final resolution. By leave, members wish to pursue this matter to its completion.

MR. SPEAKER: By leave.

The Honourable Member for Fort Rouge.

MRS. WESTBURY: Yes, I'm almost through, Mr. Chairperson. I just want to refer to the fact that there has been a study called Rankin Salary Differentials in the 1970's, a comparison of male and female full-time teachers in Canadian universities and colleges and I presume the honourable Minister is aware of this report. The figures for 1978-79 at the University of Manitoba show that, of the teaching staff, only 15 percent are female. I can see that explanation may be given for that. It would be possible to say that fewer females have the qualifications, although I don't accept that until it's proven to me, but the median salary for female staff at the university, for the professorial staff, is 4,000 less than it is for males and, in my opinion, the Minister and his government have a responsibility to insure that differential is changed as quickly as possible. Thank you, Mr. Chairperson.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Thank you, Mr. Chairperson. I'll be brief and to the point with respect to only one subject, namely the provision of transportation grants to urban school divisions. This will mark the third year running that I raised this matter with the Minister. I believe it to be very important, and I am very sorry that the government has not acted on this matter.

I think the case I put before was that you had certain school divisions, especially suburban ones, that really were part rural, part urban. There was a grey area in between and that it was very difficult for these school divisions to provide proper transportation, especially for very young pupils. There is not a good public transportation system in these areas and often schools aren't located on a public transportation route. The matter has become a bit more complicated over the last two years in that we do have immersion programs. We have a French Immersion Program which the government and I think the Legislature says, yes, we should proceed with. We have, as well, an embryonic Ukrainian Immersion Program which some school divisions have taken up. One of these is Transcona-Springfield. It has both the French Immersion Program, it has a Ukrainian Immersion Program, and it is one of these rural urban school divisions, so it has all these particular problems. It does not, for its urban part, receive transportation grants from the government. The government has now said that it will provide transportation grants for an urban school division to transport its pupils from its school division to a school division which is undertaking immersion programs. That's a partial step but really is quite unfair, I believe, to those school divisions like Transcona-Springfield School Division, which has the creativeness, the courage, to take on these new programs like French Immersion and like Ukrainian Immersion. I can't understand it's all right for this government to provide grants for those school divisions that aren't providing these programs for their own students so that these students can take them in these school divisions which are providing these programs, but it's not the policy of this government to provide transportation grants to the school division like Transcona-Springfield which undertakes both types of immersion programs and also has the other problem of being a rural urban school division.

The thing that also really does surprise me is the fact that my colleague, the Member for Springfield, has this school division within his constituency and is also the Legislative Assistant to the Minister, and I would have hoped that he would have been able to join forces with me to press the Minister for changes in this, to support my position which I have taken over the course over the last three years, to provide transportation grants to Transcona-Springfield School Division for immersion programs, for the rural urban grey area, which I mentioned before. That's not been forthcoming and yet I would suggest it is one of the most significant problems facing those school divisions like Transcona-Springfield.

I believe, furthermore, that it is wiser, prudent, and less expensive to provide those transportation grants to urban school divisions so that they can bus students, where it's practical, from places where there possibly aren't sufficient school facilities to schools that might be empty. It's an irony that the government — and this is not just this government and past governments, but I think the time is right for those changes — that government will provide financing, capital financing for the building of a new school, even though it's very difficult to project growth in subdivisions. We have schools in Transcona and other places which are only half full

because it is very difficult, especially in the time of this economic recession in Manitoba, to predict the growth of the number of homes in the suburban subdivisions. It is far more prudent, far less expensive to all taxpayers if a school division holds back a bit in building the schools and, instead, busses students.

School divisions have been asking this. The Manitoba Association of School Trustees has repeatedly asked this of the Minister. I have repeatedly raised this, and I'm disappointed that for the third year running the Minister has not acted on this, and I suggest that he is penalizing school divisions like Transcona-Springfield. It is unfair and it is also not right in economic terms and financial terms, because ultimately we end up spending more money that way. I guess this is something that will in fact have to be solved by an election and we look forward to that opportunity.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Chairperson. I would like to use the opportunity now to ask the Minister a number of questions on what is occurring in his department in regard to the asbestos contamination situation that we have talked about from time to time in this House. I had mentioned that I would ask it at some course during the estimates, and believe since it is a matter that is so extremely important to the well-being of the school children, that perhaps this particular section under the Minister's Salary is indeed the best place to ask it, so that the Minister can provide us with some information as to what direction he is taking and what directives he has applied to his department, in order to deal with what is a very serious concern . . . as well as workers who must study and work in environments that may be contaminated by asbestos. So I'd ask him if he could update us as to the status of this program.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, I can report to the honourable member that the survey of the schools of Manitoba concerning asbestos, has been completed. Samples of material that school divisions have submitted have been tested. The testing of the samples is not absolutely complete at this time, there are still some to be done. In the best interests of time consideration at this time, what I would be prepared to do is forward to the honourable member an up-to-date report of the number of samples taken; the number of samples tested to this point; the number of schools that have been identified as having asbestos materials in them; the number of schools where those materials have been removed; and without at this time going into greater detail, Mr. Chairman, I will make that information available to the honourable member.

MR. COWAN: I thank the Minister for that information, but would like to discuss the matter in some generalities, if I can, while we have the opportunity. And I don't plan on taking a great deal of time, I can assure the Minister that, perhaps

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maybe 10 or 15 minutes to discuss the item in general terms, an item that is, I believe, worthy of such discussion at this juncture.

MR. COSENS: Mr. Chairman, I only say to the honourable member, I was under the impression that we would complete this particular discussion at 12:30. I have an appointment in Brandon, Manitoba in a matter of two and a half hours, I believe it is, from now, or maybe less. I'm quite prepared to submit all of the up-to-date material that we have on what has taken place in this program, for the honourable member. As I have outlined, it specifically states a number of samples, the number of schools, the testing procedures that have been used. Now if the honourable member is intending to get into a discussion on this, I'm sure it will take us till 1:00 o'clock and that was not my understanding of what was going to be taking place here this morning, Mr. Chairman.

MR. COWAN: I'm not certain who had given the Minister assurances that we would be done at 12:30. I believe that if you check with the Whip you'll find out that there were not assurances from the Whip that we'd be done at 12:30, and that's why we provided leave in order to carry these estimates through so we could finish them today. I do not wish to prolong the discussion, but I do wish to put on the record a number of statements. Now if the Minister does not feel he can be here while I'm putting those statements on the record, that's another matter altogether. But I do intend to put the statements on the record; I do intend to be as brief as I can, but I believe it is an item that is worthy of some discussion now and I will pursue it as quickly as is possible.

The reason I wish to pursue it, is the Minister tells us that there have been surveys done. The Minister tells us that there have been in some instances, asbestos removed from different schools. The Minister indicates that there is an ongoing program and that it is a comprehensive program. I do not believe it to be so, Mr. Chairperson, and I want to make that plain right at the onset of my remarks.

I do not believe that the department has, in any sort of a systematic or comprehensive way, set about to determine the extent of this problem. I do not believe that they have involved all those persons who should be involved in it and I do not believe that they have, in every instance, acted in the light of the best available evidence, as to how to deal with an asbestos problem.

I say that because, starting right from the very area of surveys it's my understanding that there has not been a special team to go out and to survey the schools for asbestos, but that survey has been done on an ad hoc basis by people involved in the schools, maintenance workers, etc. I would just like to read, if I can from an annals New York Academy of Sciences' publication called "Asbestos abatement in Schools, Observations and Experiences," in which it states under the item of surveys, "Passive or mail order surveys rely on local extremely variable levels of motivation, incompetence to suspect, detect and sample viable materials," and I believe that is exactly the type of survey that we have had in this province. At the same time I'd like to read from an Ontario

Department of Education memorandum on the asbestos hazards, where it says, "That samples of the materials described under Item 1, which are asbestos samples, should be carefully collected and sent for analysis for asbestos content, to the Occupational Health Laboratory of the Ontario Ministry of Labour." Then it goes on to say "That the method of collecting samples should be in accordance with manual inspection of buildings for asbestos produced by the Ministry of Labour," and that's a manual that I have before me called "Inspecting Buildings for Asbestos."

This are the procedures under which the Ontario Department of Education is dealing with this serious problem. I would suggest that it is a type of process that we in Manitoba must also utilize in order to deal with what appears to be a very serious problem, because the Minister will agree with me, that asbestos has been found in a number of schools in the province already. The Minister will also agree with me that we should not be exposing our children, nor the workers in those schools, to asbestos.

I quote from the news release from the Department of Labour, September 21, 1979, where it says: "That there is no safe level of use for asbestos." I quote from an industrial hygiene bulletin from the Manitoba Department of Labour, Workplace, Safety and Health Branch, dated September 12, 1979, where it says: "There is no safe level of exposure. The harmful dust that enters the lung is so small that it is invisible; asbestos-related cancer may develop 20 to 40 years after exposure," and again it says, "that there is no safe level of use." Under precautionary measures on that, it suggests that wherever possible use safe substitutes and that would imply the removal of asbestos and the use of safe substitutes. It also says, "Use caution signs and labels to notify workers and others of the exposure problems," and that has not been done in this province. It also calls for "Medical surveillance of all users of asbestos," and that would refer of course to people who have been exposed to asbestos, and that has not been done in this province.

So the program is not, in fact, a comprehensive program at all. But when we do find asbestos in the schools, Mr. Chairperson, then we have a different situation. We have, far too often, the asbestos being painted over or enclosed by a sealant. Let me just go through a 1980 budget document from the Winnipeg School Division No. 1 and the Maintenance Department. At the Ellen Douglas School in the boilerroom there, the job that they have listed is to spray paint asbestos area. In Gladstone, spray-paint asbestos area. In Gordon Bell, in various classrooms where students would be exposed to this on a daily basis, spray-paint asbestos on classroom interior beams. Isaac Newton School, spray-paint asbestos. Kelvin School, spray-paint asbestos. Landsdowne School, spray-paint asbestos; R.B. Russell, laundry and dry cleaning area, we have a different method of control here, install suspended ceiling over asbestos, still an unsatisfactory method of control; St. Johns school, spray-paint asbestos; Sargent Park, spray-paint asbestos; Wellington, spray-paint asbestos.

Now, let me just read — and I'm being as brief as I can — from a document, again from the New York

Academy of Science, and it may take me just one moment to find the appropriate statement.

I'm going to have to paraphrase, not being able to pull the quote, being under some time limitation. But what it says, is that the removal of asbestos is the only proper method of dealing with the problem. That if you spray-paint it, you will invariably leave the asbestos in place and from time to time the asbestos will become damaged; it's a friable material and it will fall down, and by doing so, expose those persons who come in contact with asbestos. We know that there is no safe level of exposure.

We also know that if you put up a suspended ceiling to cover it, you are leaving the asbestos in place and you may well have a problem if that ceiling is ever disturbed or if renovations are made. The common procedure and the most accepted procedure, of course, is to remove the asbestos entirely so that it cannot present a problem to people who might come in contact with it in the future. That is the only recommended method of dealing completely with asbestos situations, and we are not doing that here in the province. We are relying on the cheaper method, which is that one of containment, one of spray-painting and one of hiding behind suspended ceilings.

So I just want to point out, that we are not satisfied with the program that the Minister has in place, right from start to finish; that we believe the surveying is not being done in a comprehensive way, and that we believe that once the areas are identified, that the removal of that material is not being accomplished in a comprehensive manner also. I only wish that I had more time to discuss this in more detail, but I recognize that there may have been some misunderstanding and I don't want to aggravate that situation as to the amount of time that would be available to me, except to say to the Minister, that I look forward to his report, and I also look forward to corresponding with him in this regard, so as we can work out a better asbestos control system, the present one being entirely unsatisfactor, and for that reason students and working persons in the schools are being unnecessarily subjected to an exposure to a known carcinogen and that need not be.

MR. CHAIRMAN: (a)—pass; Clause 1.—pass; Resolution No. 50—pass. Resolved that there be granted to Her Majesty a sum not exceeding, 3,294,900 for Education; Departmental Administrative Support Services 3,294,900—pass. That completes the estimates of the Department of Education. Thank you.

Committee rise. Call in the Speaker.

IN SESSION

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

MR. SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, report of committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Highways, that this House do now adjourn.

MOTION presented and carried, and the House accordingly adjourned and stands adjourned until 2:00 p.m. Monday.