

LEGISLATURE ASSEMBLY OF MANITOBA

Thursday, 6 May, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

PRESENTING PETITIONS

MR. SPEAKER, Hon. D. James Walding (St. Vital): The Honourable Member for River East.

MR. PHIL EYLER (River East): Mr. Speaker, I beg to present a petition of the Mennonite Brethren Church of Manitoba praying for the passing of An Act to amend An Act to Incorporate The Mennonite Brethren Church of Manitoba.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I beg to present the petition of Dr. David Friesen et al praying for the passage of An Act to Incorporate the Menno Simons Collegiate.

MR. SPEAKER: Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. JERRY T. STORIE (Flin Flon): Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for The Pas 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 . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we reach Oral Questions may I direct the attention of honourable members to the gallery where there are 15 students from the Red Lake High School in Ontario. These students are under the direction of Miss Laura McCrachen.

There are also 55 students of Grade 9 standing from the Minnetonka School under the direction of Mr. Koskie and Mr. Balness. This school is in the constituency of the Honourable Member for Niakwa.

There are 22 students of Grade 4 standing from the Carman Elementary School under the direction of Mrs. Anne Fisher. This school is in the constituency of the Honourable Member for Pembina.

There are 30 students of Grade 12 standing of the Park River High School, under the direction of Mr. Tony Alkaver. This school is located in North Dakota, USA.

We're also pleased to welcome the Conference Chairman of the Canadian Association for the Mentally Retarded, Mrs. Moira Grahame, for their 29th Annual Conference which is beginning tomorrow morning incidentally with a breakfast for Members of the Legislature.

On behalf of all of the members I welcome you here today.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Roblin-Russell.

MR. J. WALLY MCKENZIE (Roblin-Russell): Mr. Speaker, I have a question of the Honourable Minister of Health. I wonder if the Minister is prepared today to announce when it'll be safe the Intermountain School Division Board to open the classrooms at Grandview?

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT DESJARDINS (St. Boniface): I'd be pleased to answer to the great defender of our democratic system. I'm told that the final report should be on my desk fairly soon. A letter is being prepared that we will inform them that it is the advise of the Department of Health that it is safe to reopen the school. That should be done any day.

MR. MCKENZIE: Well, Mr. Speaker, I'm not sure what the Honourable Minister means when he says any day. I wonder could the Minister support the Intermountain School Division and the staff in its decision to transfer the blackboard, the desks, the books, etc., to other buildings in Grandview so that the elementary kids can go back to school tomorrow.

MR. DESJARDINS: Mr. Speaker, as far as moving blackboards around, that is the decision of the School Division. I think the only thing that, and that was the first question in fact that was asked, would it be safe to return to reopen that school and this is what we're addressing ourself to.

MR. MCKENZIE: Mr. Speaker, then could I ask a question of the Honourable Minister of Education. I wonder can the Minister of Education advise the House if the government will come to the aid of Intermountain School Division with financial resources to help defray the large list of incurred expenses which have come since the environment problems were brought to light; such as, they've had a heating expert there for two weeks, they've had an air conditioning expert for two weeks, they've had a mechanical engineer for two weeks, and there's other capital costs that's likely to be incurred as well.

MR. SPEAKER: The Honourable Minister of Education.

HON. MAUREEN HEMPHILL (Logan): Mr. Speaker, I had indicated before that I've been in very close

communication with the Intermountain School Division Board. They've been very good about keeping me fully informed about what is going on in the school and what decisions they have been making and why, and I fully support the position they have been taking.

I am also quite prepared to receive information from them once we have this settled and we're sure that the school is safe and the children are safe, to communicate to me any particular difficulties, financial or otherwise, that they have had as a result of this unique and unfortunate situation. I will await a report from the school division and receive any information they would like to give me.

MR. MCKENZIE: Thank you, Mr. Speaker. I thank the Honourable Minister.

I wonder can the Minister also assure the House and the Intermountain School Division that the various grants and grant structures that are in place will not be disrupted as a result of those classrooms being closed for this long period of time.

MRS. HEMPHILL: Mr. Speaker, what we would want to do in a situation like this is act both as responsibly and as sensibly as one could and to even consider for a second, and I have not considered for one second the thought that because the school was closed because of difficult circumstances like this, that there would be an alteration in the money coming to them based on the grant structure. It will not happen, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. A. BRIAN RANSOM (Turtle Mountain): Mr. Speaker, my question is for the Minister of Education.

It's my understanding that without a decision today, that the school can be reopened; that the School Division Board are going to have to make a decision to proceed to make other arrangements for the education of the children in that school. Would the Minister recommend at this point that the Division make that decision and begin to make arrangements for schooling elsewhere?

MR. SPEAKER: The Honourable Minister of Education.

MRS. HEMPHILL: I think that decision on whether or not to move the children out of the school is the hands of the School Board, Mr. Speaker, and I will accept a decision they make. I will also give whatever support and help, and we have communicated this to the School Division, that my department can possibly give, with whatever decision they make, whether it is relocate or whether to wait an additional few days and move into the existing school.

MR. RANSOM: Mr. Speaker, yes, to the Minister of Education. The difficulty is that the School Division does not know if the school is going to be opened. If they knew whether the school could be opened today or tomorrow, they would be able to make a decision.

In view of the fact that the Department of Health cannot advise them when the school can be opened,

does the Minister then support the Division in going ahead today and making a decision to make other arrangements for the schooling of the students.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I can see that my answer wasn't understood. I stated that as far as our officials are concerned it is safe to reopen. All the reports that we have had, everything that has been done, it is safe to reopen the school and I said that a letter will be signed. They requested that from me, apparently. This will be signed and then they will have to make the decision. We are not ordering the school open; we are just telling them that as far as we are concerned, the Department of Health is concerned, it is safe to reopen the school.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. STERLING LYON (Charleswood): Mr. Speaker, in the absence of the Minister of Finance, I would direct this question to the First Minister. Because today is Thursday, May the 6th, 1982, because we have had some indication from the Minister of Finance that his Budget will be brought down some time between the 11th of May, which is next Tuesday, and the 14th of May, could the First Minister be more precise today so that all of us may order our affairs for next week in anticipation of the Budget?

MR. SPEAKER: The Honourable First Minister.

HON. HOWARD R. PAWLEY (Selkirk): Mr. Speaker, I have not had opportunity this morning to speak to the Minister of Finance as to the exact date. I know that his intentions are to have the Budget ready for presentation May 11 to May 14, with the preference being for as early as possible of that range of dates.

MR. LYON: Mr. Speaker, without wanting to be overly critical, may I suggest to the First Minister and ask him in the course of his inquiries of his Minister of Finance that this is the 6th of May, Thursday, the earliest date for the bringing down of the Budget is Tuesday, the 11th of May of next week, never in my experience in this House has the Minister of Finance failed to tell the House of the bringing down of the Budget within at least a week or 10 days of that date. Now, surely, things are not so disordered in the government that they can't set a date for the Budget three or four days from now.

MR. PAWLEY: Mr. Speaker, the Minister of Finance is at a funeral this afternoon and I am sure that he will advise the House tomorrow morning.

MR. SPEAKER: The Honourable Member for Swan River.

MR. D.M. (Doug) GOURLAY (Swan River): I have a question to the Minister of Municipal Affairs. Has the Minister consulted with the Municipal Advisory Committee for the purpose of discussing the Assessment Review's recommendations?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. A.R. (Pete) ADAM (Ste. Rose): No, Mr. Speaker. I think the proper time to meet with the Advisory Committee in regard to the recommendations would be after we have had legislative committee meetings throughout the province and then it would be proper time to meet with them to discuss what the implications are.

MR. GOURLAY: Mr. Speaker, the Assessment Review Committee has spent over two years now preparing the recommendations. It is now in the hands of the government and the Minister is suggesting that nothing be done until he has some feedback with respect to meeting with various groups. Now, the Advisory Committee represents all the municipal people and the Secretary-Treasurers. Would he not consult with the Advisory Committee prior to any legislative committee meetings being held to discuss the Assessment Review recommendations?

MR. ADAM: Mr. Speaker, the recommendations are very complex and there are a lot of recommendations in that report. I think that even the local government districts should be allowed sufficient time to analyze what the recommendations are. I think it is going to take some time for them to do that, as well as the government. I have asked my staff to study the report and report back to me on the contents of the recommendations and it is my position that we should hold hearings, not only with local government groups out there, but the general public to obtain their views on what the implications are of the recommendations. Then, I think after that, it would be the proper time to meet with the Advisory Committee.

MR. SPEAKER: The Honourable Member for Pembina.

MR. DONALD ORCHARD (Pembina): Thank you, Mr. Speaker. My question is for the Minister of Agriculture. Has the Minister of Agriculture asked the Manitoba Agricultural Credit Corporation to resume long term lending to farmers in Manitoba for the purchase of land?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. BILL URUSKI (Interlake): Mr. Speaker, the Honourable Member for Pembina should know the announcement was made that those loans that were in place were going to be looked after; that direction was given. With respect to the funding that we have provided for this year, the funding that is being used at the present time will be used to assist farmers in greatest need in terms of debt consolidation, operating capital and those kinds of areas. There will be, as I have mentioned before, no funds provided for the purchase of land. Funds for the purchase of land can be provided through other lending institutions such as FCC, the Credit Unions, the banks, other institutions that have been and are in the lending business. MACC funds are limited and we are using those funds

to assist the farmers in most need.

MR. SPEAKER: The Honourable Member for Pembina.

MR. ORCHARD: Mr. Speaker, do I take it that all the farm communities in Manitoba, in particular the young farm community, the young farmers of Manitoba, cannot look forward in this fiscal year to any long-term mortgages being available from MACC for the purchase of land as was the policy in place for the last three years at a discount of interest rate to assist those young farmers in commencing a farm operation in the province.

MR. URUSKI: Mr. Speaker, the assistance in terms of farmers receiving the rebate assistance and the like is continuing, but the loaning of funds for land this year is not continuing.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, my question is for the Minister of Energy and Mines. Can I ask the Minister what action he contemplates, in view of the charge made by the IWA at The Pas, that jobs in Manitoba are being lost as a consequence of ManFor bringing in wood chips from Saskatchewan?

MR. SPEAKER: The Honourable Minister of Energy and Mines.

HON. WILSON PARASIUK (Transcona): Mr. Speaker, this matter, the bringing in of wood chips, exists under the collective agreement between ManFor and the IWA. It's something that's been going on for some time; it's a matter that was discussed by the working group consisting of management, union and government officials.

ManFor brings in wood chips that are a waste by-product from other sawmills for processing through the pulp and paper complex. The savings to ManFor range between \$1 million and \$2.1 million, depending upon the volume of the operation. Mr. Speaker, the management of ManFor is of the opinion that in order to keep as close as possible to a profit position on an operating basis, that bringing in waste by-product from somewhere else at a very reasonable price is an efficient way of running that operation.

MR. RANSOM: Mr. Speaker, a supplementary to the Minister of Energy and Mines. Can the Minister advise the House if he has been able to make any progress in consultation with the Federal Department of Employment and Immigration, Mr. Axworthy, concerning the work sharing plan for ManFor?

MR. PARASIUK: Yes, Mr. Speaker, there have been, I think, some good discussions over the last few days. There appears to be greater flexibility in the federal program which may in fact make particular projects that could be developed under that program more operational. We were concerned about signing some general agreement of intent and not having any operational projects come forward which has happened

from time to time in the past. That is why we are working specifically with respect to one project that we hope can in fact be made operational very soon, in the next week or so, Mr. Speaker. We hope that if that one is made operational that there might be a few others that could be made operational very soon thereafter. Further consultation is required between people who are developing the program and the workers who would be affected who would in fact take up the program. There is further consultation required there, Mr. Speaker, and I hope that consultation will be fruitful.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, a question for the First Minister. Could the First Minister advise whether or not the government, any of its agencies, or any of its Crown corporations, or indeed any organization supported by tax dollars is or has been recently conducting public opinion polls in Manitoba with respect to any issues at all?

MR. SPEAKER: The Honourable First Minister.

MR. PAWLEY: Mr. Speaker, not to my knowledge, but I would prefer to take the question as notice to ensure accuracy.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID R. (Dave) BLAKE (Minnedosa): Thank you, Mr. Speaker. My question is to the Honourable Minister of Municipal Affairs responsible for Co-op Development. During his Estimates recently, we questioned him on the amount of exposure to the Credit Union Central by way of line of credit to the Co-op Implements' firm. I just wonder if he has that answer for us now.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. ADAM: Mr. Speaker, I think that a line of credit between a company and its bankers, so to speak, is privileged information and I don't think it would be in the best interests of the parties concerned if we were to make any information known in that regard.

MR. BLAKE: Mr. Speaker, it was indicated by the Minister that this House was going to be asked to approve a bill providing some \$29.5 million to shore up the stabilization fund. I should think that it may be information that should be available to this House so that we might assess the position at risk with that particular company.

MR. ADAM: Mr. Speaker, again, I want to repeat that I feel that this is privileged information and it could be any disclosure of lines of credit with C.I. and their bankers could hurt them in their operation and I don't think that we, as a government, should be making that public.

MR. BLAKE: Yes, Mr. Speaker. It would seem that the government is a fairly major shareholder in that corporation and I should think that information should be available to members of this House. I don't think that could be classed as privileged information at all.

MR. ADAM: Mr. Speaker, all the government's involvement with C.I. and the financing package, we have made public; we have gone over that time and again. The Opposition are well aware of how the financial package was arrived at and the different amounts that the different participants are putting up to refinance the Co-op Implements, but when you get into an area of looking into a line of credit of the company, that is privileged information between the banker and the company itself. We should not even be getting involved in that, Mr. Speaker.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. ROBERT (Bob) BANMAN (La Verendrye): Further, Mr. Speaker, to the questions asked by the Member for Minnedosa, I wonder if the Minister in charge of Co-operative Development could confirm that the Province of Manitoba now has an exposure or has a liability with regard to Co-op Implements in excess of \$6 million.

MR. ADAM: No, I don't have that information. I can't confirm that, Mr. Speaker.

MR. BANMAN: Rephrasing the question then, Mr. Speaker, could the Minister tell us what type of loans and loan guarantees the Province of Manitoba has given to Co-op Implements?

MR. ADAM: Mr. Speaker, we have provided in the last package, the three Prairie Provinces have loaned C.I. a total of \$7 million. Our share is 42 percent of the \$7 million, which is 2.975. There is a loan guarantee that was previous to that. I believe when the honourable member was in government, when he was the Minister responsible, there was a previous package in 1978 where there were loan guarantees given to C.I. in the amount of \$7 million, again broken down I believe on the same percentage basis with the other three provinces.

MR. BANMAN: Mr. Speaker, coming back to the question the Member for Minnedosa raised. In light of the fact that we have some \$6 million liability in loans and guarantees to Co-op Implements Limited and in light of the fact that we will be asked within, I would imagine, the next couple of weeks to pass a bill in this Legislature for \$29.5 million to help out the credit union system, would the Minister not agree that since we are going to provide substantial funding for both these organizations that we should, in this Legislature, have the information with regard to the amount of exposure that the stabilization fund that the credit union system has with regard to Co-op Implements to give us a picture of what is going on?

MR. ADAM: Mr. Speaker, the two issues are not relative to one another. Mr. Speaker, the financial pack-

age of C.I. is one issue; the assistance that the province will be providing to the stabilization fund is to guarantee the depositors in the credit union system. That is all it is there for. It is there to assist and to guarantee the deposits of people who are members of the credit union and have deposits in the different credit unions throughout the province. That is what that assistance is being provided for there, Mr. Speaker.

MR. BANMAN: Thank you, Mr. Speaker. I can assure the Minister that answer isn't good enough and we will be looking forward to when he brings the bill in because I think the people of Manitoba have a right to know exactly where these funds are being appropriated to.

Another question to that same Minister in his responsibilities as Minister of Municipal Affairs, I wonder, in light of the fact that I asked him a question about a month ago with regard to Main Street-Manitoba Projects and at that time, he indicated that it would be several weeks until that program would be announced. I wonder if he could tell the Legislature when the applications will be ready and when the program will be announced.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. ADAM: Mr. Speaker, the member knows I expect to go into the Estimates this afternoon, the Department of Municipal Affairs. Once we have the authority to disburse the funds, I think that the program will be very, very quickly put on its way.

MR. SPEAKER: Order please.

MR. ADAM: Mr. Speaker, the program is pretty well . . .

MR. SPEAKER: Order please.

MR. ADAM: Mr. Speaker, the program is pretty well completely defined at the present time and it's on the Cabinet agenda for approval. It's on the agenda at the present time and we will be dealing with it probably next week, I hope.

MR. BANMAN: Well, Mr. Speaker, I wonder if the Minister could confirm, since he is Minister of Municipal Affairs, that most of the municipal corporations have struck their budgets and are now moving ahead in tendering and also in doing maintenance work with regard to all their public works projects. I wonder if he could assure this House that once the program is announced, that the municipalities will be able to take advantage of this program this year in light of the lateness of the announcement.

MR. ADAM: Mr. Speaker, we don't think that will be a problem. We don't anticipate, Mr. Speaker, that will be a problem for the groups and the municipalities that will be participating in this program. We think it's a good program; we have been very careful to look at it carefully, come out with a good program and I'm sure that it will be very well accepted once it's announced

in the House.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, my question is to the Minister of Natural Resources. A few days ago I asked the Minister of Natural Resources about consultations or discussions, negotiations that the government previously had ongoing with Native groups concerning possible amendments to The Fisheries Act to be recommended to the Federal Government.

Can the Minister advise the House now whether he's had time to look into that and whether these negotiations are ongoing and if not, will he undertake to do that and report to the House?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. AL MACKLING (St. James): I'd like to give a quick answer yes, yes to both questions. I have indicated to my staff my concern to know what negotiations had gone on in the past. We have a subcommittee of Cabinet that will be meeting and we will be discussing those issues. I have had communication with representatives of the parties most closely affected, the Native people themselves, and I've indicated responses will be coming to their concerns that have been indicated to me in respect to their treaty rights.

MR. RANSOM: Mr. Speaker, can the Minister then confirm that there have been no changes made to date then and that The Fisheries Act still prevails as before?

MR. MACKLING: Mr. Speaker, The Fisheries Act, as I understand it, is a Federal Act and of course we haven't changed that Act. We have no jurisdiction to do so.

MR. RANSOM: Mr. Speaker, my question is for the Minister of Agriculture. Yesterday I asked the Minister of Agriculture about the numbers of farmers who might not be able to get operating credit this spring. I asked the Minister, has the Minister made any effort, either through meeting with the banks or lending institutions, to assess how many farmers are unable to get operating credit this spring through any of the programs that are now in place? The Minister responded, we do know; we are and we have had meetings. Staff are continuously having meetings, etc. Since the Minister has said that he does know, will he then advise the House how many farmers are unable to get operating credit this spring?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, in terms of the honourable members question and maybe I didn't make myself clear. We do know that there are farmers who are having difficulty in obtaining credit, Mr. Speaker, and I indicated to the honourable member that staff have had meetings with financial institutions, region-

ally and centrally, and we are trying on a day-to-day basis to maintain and make sure that the farmers are able to receive adequate operating capital to be able to put in their spring crops.

Well, Mr. Speaker, there seems to be a lot of "chipping" from the Honourable Member for Pembina. If he wishes to ask a question, he can do so. That's up to himself, Mr. Speaker.

We are trying to use the facilities and the limited amounts of money that we have through MACC to do the very things that the Honourable Member for Pembina and the Honourable Member for Turtle Mountain are and have been attempting to suggest and that is the main reason why we have not provided funds to be utilized for the purchase of land because we feel that the use of the limited dollars that we have can be better used for providing credit and operating capital for the farmers of Manitoba.

MR. RANSOM: Mr. Speaker, it was a very eloquent answer but it wasn't in response to — it didn't deal with the question that I asked. How many farmers are unable to get credit? The Minister evidently doesn't know. Yesterday, he said that a Loan Guarantee Program was what he might recommend to farmers who are having difficulty getting operating credit. Mr. Speaker, that program was brought in some time ago. It was not brought in by this government in response to the present high interest rate circumstances.

My question is, in view of the fact that there are numerous farmers with gross incomes in the past of over \$70,000 and who do not qualify under the present program, who are unable to get operating credit, and I am asking the Minister, what is his recommendation to those farmers who are faced with the probability of not being able to put in a crop this spring?

MR. URUSKI: Mr. Speaker, with respect to the Interest Rate Program, I told the honourable member that there are several hundred farmers, 200 farmers and more coming every week, to be recommended for approval under the program. —(Interjection)— Well, Mr. Speaker, that is correct. The program that we have announced on the basis of the statistics that we received from the Farm Credit Corporation were that those farmers in that income bracket constituted approximately between 70 to 80 percent of the farmers of Manitoba, Mr. Speaker. —(Interjection)— All, Mr. Speaker, in that range. Those were the statistics and I gave those statistics to the honourable members as best as we had them from the Farm Credit Corporation and from the financial institutions that were able to provide that information. With those farmers who have a gross income of higher than that, Mr. Speaker, one will have to look at the program to see what the numbers of applications that are in place now. If there is still room in the applications to make some changes for those people, that will have to be done on the basis of how many people are involved in the program.

Mr. Speaker, with respect to those who are having difficulty in obtaining credit, the normal lending institutions that are there, and MACC and all the financing that is there, are the only avenues that are open to farmers. We have no magical answers that we will be able to provide funding out of the air for everyone in the province. Mr. Speaker, we have not said that. We

will try and do our utmost to make the best use of the funds that are made available to us and that's what we're trying to do, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. LEONARD S. EVANS (Brandon East): Mr. Speaker, the other day the Honourable Member for Lakeside asked me some questions about spending on Telidon by the Manitoba Telephone System and he indicated to the Legislature he deplored this spending. I've done some investigation and I gather that the original decision to spend this money was made by the MTS when his party was in office. The original announcement was made by the Department of Communications on February 6th, 1981 and the Honourable Member for Pembina participated in an announcement with MTS on September 8th, 1981, glowing eloquently about the Grassroots Project and Telidon, —(Interjection)— Okay, I could read some of it, where the Honourable Member for Pembina says, "It's not often that a representative of a province like Manitoba can claim to be taking part in an historical event, but today's announcement, to put it plainly, describes a momentous step in the evolution of communications, and with the introduction of Grassroots as a regular service of Manitoba's publicly owned telephone company, the MTS, we are ushering in the first commercial offering of the Telidon Video Tex System anywhere in the world."

Now, I don't quarrel with what the Member for Pembina said at that time and I think that this is a rather innovative development by MTS, but I want to advise the honourable members that of the \$935,000, which was Manitoba's utility share, the MTS share, 867,000 has already been spent on Telidon equipment and the balance 68,000 will be spent in the fiscal year 1982-83. So, my only comment, Mr. Speaker, is that I would suggest that the Member for Lakeside, tell the Member for Pembina how he deplores this Telidon venture which his colleague apparently approved the MTS launching.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, I would draw to the attention of the Minister of Agriculture a message from Howard Pawley. This was an election document in which a promise was made. This is relevant to the answer that the Minister of Agriculture gave when he said that they don't have any magical solutions.

In this message from Howard Pawley it said, "With Manoil and Manitoba Hydro we can develop programs to guarantee that no Manitobans lose their homes or farms due to high interest rates."

Mr. Speaker, I have here a notice, which appeared in the May 5th edition of the Baldur Gazette, which is a mortgage sale, a piece of land, Sir, has been sold . . .

MR. SPEAKER: Order please. The Honourable Attorney-General on a point of order.

HON. ROLAND PENNER (Fort Rouge): Again, Mr. Speaker, this is not a question, it doesn't even sound

like the premise of a question. The member has read one statement, is now proceeding to read another statement. You have drawn the attention to this House before to the short preambles to the question and questions directed to obtaining information; this is neither of them.

MR. SPEAKER: Does the Honourable Member for Turtle Mountain wish to speak to the same point of order?

I believe the members are aware of what Beauschesne has to say about the preamble to questions, that they can normally be made in the form of one question. It strikes the Chair as being rather a long question that the honourable member is putting. I hope that he's prepared to get to his question very soon.

MR. RANSOM: Mr. Speaker, in view of the promises made by the New Democratic Party during the election that no farm would be lost due to high interest rates, and in view of the fact that farms are being lost due to high interest rates, what is the Minister of Agriculture going to do to fulfill the promise that was made to the people of this province?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, I am now very pleased that the Honourable Member for Turtle Mountain, the former Minister of Finance of the Province of Manitoba, is now acknowledging that their support for the Federal Government's high interest rate policy is blind, illegal and it doesn't work. They are now admitting that their support of it was not and should not have been. They are now saying, we should not have supported that policy.

I am very pleased, Mr. Speaker, that the Honourable Member for Turtle Mountain is now saying that when he was on this side of the House that he did wrong, that he admits now that his policies were absolutely wrong.

MR. SPEAKER: Order please. Order please. Order please.

The Honourable Member for Turtle Mountain on a point of order.

MR. RANSOM: Mr. Speaker, I believe that having been recently advised of the desirability of keeping questions short and to the point, Sir, that Beauschesne also says that answers should be short and specifically to the point.

MR. SPEAKER: Order please. Order please. I thank the Honourable Member for Turtle Mountain for that observation and I'm sure that the Minister would not like to make his answer argumentative.

The Honourable Minister of Agriculture.

MR. URUSKI: Mr. Speaker, absolutely not. I don't want to be argumentative, I only want to point out to the honourable member what he has just told this Legislature and told the people of Manitoba that his policies did not work and he has admitted that.

Mr. Speaker, . . .

MR. SPEAKER: Order please.

MR. URUSKI: . . . members on this side of the House decried support for the high interest rate policy of the Federal Government which that party supported. He now wants to say they didn't, Mr. Speaker.

Mr. Speaker, members on this side decried the position with respect to the energy policy of going to world prices of energy, which we are now being faced with, which they supported, Mr. Speaker. They supported those kinds of policies.

Mr. Speaker, our Interest Rate Relief Program is limited. We said it was limited, Mr. Speaker. Mr. Speaker, I want to tell the honourable member that there is, in terms of the provincial budget, in terms of the spending that we have in the Province of Manitoba, I want to tell the honourable member that even the Senior Vice President of the Royal Bank of Canada has indicated that what the Manitoba government is trying to do is to put in place a program with the resources that they had available and that the Manitoba Interest Rate Relief Program is doing all it can to help the citizens of Manitoba; this is by Mr. McDonald from the Royal Bank of Canada.

MR. SPEAKER: Order please. The time for question period having expired, Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

MR. PENNER: Mr. Speaker, on the the Orders of the Day, I would like to move, seconded by the Honourable Minister of Energy and Mines, that the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair for the Department of Education and the Honourable Member for The Pas in the Chair for the Department of Municipal Affairs.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — MUNICIPAL AFFAIRS

MR. CHAIRMAN, Harry M. Harapiak (The Pas): I call the Committee to order. We are on page 90, Municipal Affairs, 1. General Administration, 1.(b) Administrative Salaries.

Mr. Minister.

HON. A.R. (Pete) ADAM (Ste. Rose): Thank you, Mr. Chairman, members of the committee. I am pleased to present the detailed Estimates for the Department of Municipal Affairs. I will furnish members with a summary sheet which outlines the areas of increase or decrease for each of the branches within the department. The overall Estimates show an increase of

\$4,004,800 over the previous year. Staff increase involves an additional 12 SMYs located within the Assessment Branch. Before commenting on the individual branches, I would like to make a few remarks concerning the operation of the department during the past year and the proposed activities in the coming year.

The Department of Municipal Affairs is a service department servicing municipalities throughout the province. As members know, the Department of Urban Affairs has been re-established and my department's activities relate to the municipalities outside the City of Winnipeg. Within the mandate, a certain expansion in services is provided for within these Estimates. The department has undertaken certain expansion in the area of seminars for elected officials carried out this past year at Gimli and a successful seminar on mini-computer usage carried out in conjunction with the University of Manitoba Extension Branch and municipal secretary-treasurers. The response to such activity has been very rewarding and positive recommendations have been made by municipal representatives for further activity in this field.

Members will note an increase in the amount provided for Centennial Grants for the coming year. This program has proven successful, stimulating many communities throughout the province to join together in recognizing and preserving the history of municipal government in Manitoba. The increase reflects anticipated requests for grant funding.

An amount of \$1.5 million is provided for in the Estimates for the Main Street Manitoba, a program designed to assist municipalities in revitalizing the downtown or business section of the community. The amount provided will be used to assist those municipalities which organize the business community in efforts to revitalize the existing business centre. This program is but a first step in continuing efforts to maintain that vital element in any community, the main street or downtown business centre.

Another significant budget increase relates to the amounts provided for grants in lieu of taxes for municipalities, an increase this year of almost \$2 million.

Most of the remaining amounts in Municipal Affairs Estimates are incremental or related to inflationary costs for operating expenses within existing programs; however, a significant increase is provided for the Municipal Assessment Branch.

The assessment program is basically divided between assessment revision and new assessments. Staff is split approximately evenly for these two functions; however, additional staff is required in order to increase the frequency in which assessments are carried out. The completion of the Assessment Review Committee's work will require the department to review and evaluate the recommendations contained in the report. Considerable study is required concerning the application of improved computer techniques in the assessment field. Assessors have been made aware in recent years of the necessity of extending computer usage and technology to assessment programs. Obviously such innovations cannot be introduced until adequate study has been carried out.

A certain amount of innovative study was post-

poned until the Assessment Review recommendations were received in order to avoid further complicating this most difficult area. No attempts have been made to prejudice the work and recommendation of the Assessment Review Committee; however, work must proceed in order to evaluate those techniques which will enhance the assessment program and the data collection which is so critical for the preparation of municipal taxation purposes. Even while the Assessment Review Committee was carrying out its hearings and studies during the past two years, we became aware of the dangers associated with inadequate preparation for change or simplistic attitudes towards assessment. As we are all aware it is extremely difficult to maintain physical inspection programs for some 340,000 properties outside of the City of Winnipeg. It is also difficult to provide assessment levels which will be on the one hand realistic, while on the other hand responsive to changes in value. Many theories have been advanced. Many proposals have been received by the Assessment Review Commission and a good deal has been said concerning the question of assessment; however, solutions will not be simple. Time, talent and money must be involved in charting the course for assessment programs in Manitoba in the next few years. We have an opportunity to learn from the mistakes of others and to improve the existing assessment programs and structures in our province.

The 1982-83 Estimates for the Assessment Branch include 12 additional staff man years and dollars provided for continuation and enhancement of the existing programs and study in preparation for future changes. A research section has been established in the Department of Municipal Affairs and it is currently being staffed through Civil Service competition. There will be four people involved in research together with staff seconded from other branches depending upon the specific research being undertaken. Initially research will focus on the Assessment Review Report and its implications. There are no other staff increases and most funding increases relate to inflation factors and operating cost price increases for existing programs.

I will be pleased to try and answer any of the questions of the honourable members.

MR. CHAIRMAN: The Member for Swan River.

MR. GOURLAY: Thank you, Mr. Chairman. I would like to thank the Minister for his opening remarks regarding the review of Estimates for the Department of Municipal Affairs. I don't want to dwell very long making comments at this point. I think it would only probably be a duplication.

I would like to go on the line-by-line, but I would just make brief reference to the mention by the Minister of the seminars that have been held in recent years and I would like to congratulate the staff that have put these seminars together. When I was Minister, I received a lot of favourable comments from the participants in the seminars, both for the newly elected officials and I might add that there was a lot of other municipal officials who had been in the service for some time, attended these meetings and found them very useful.

Also, the seminars for secretary-treasurers went

over very well and I think it's well to note it here that these have been very well received by the participants and I think it's a program that should continue.

Also, the Centennial Grants, every year now it seems there are an increased number of communities that are reaching that very historic plateau of 100 years. The communities that have been participating with the Centennial Grants have put on some very impressive celebrations in their communities. I think it served the province well in bringing people back home and attracting tourists to various communities that are having these centennial celebrations. I note that there are increased numbers of these communities and I guess we can expect that now that we have become of age of centennial province.

So, Mr. Chairman, with those few words in response to the Minister's opening statements, I think that we could move on to the line-by-line items in the Estimates Book.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G.W.J. (Gerry) MERCIER (St. Norbert): Mr. Chairman, I believe the Minister indicated that there was an increase of seven staff man years in the department, four in Research and three in Municipal Assessment. Is that correct?

MR. CHAIRMAN: Mr. Minister.

MR. ADAM: No, Mr. Chairman, I indicated that there were 12 SMYs in the Assessment Branch and four in the Research.

MR. MERCIER: And those are the only increases in staff man years?

MR. ADAM: That is correct.

MR. MERCIER: Mr. Chairman, could the Minister indicate whether any staff man years have been transferred to the new Urban Affairs Department?

MR. ADAM: Yes, there have been.

MR. MERCIER: How many?

MR. ADAM: There have been three, Mr. Chairman. I'm sorry, it's four.

MR. MERCIER: Mr. Chairman, then there are four staff man years transferred to Urban Affairs to Urban Affairs and could the Minister indicate which functions those four staff man years represent?

MR. ADAM: The staff transfers, Mr. Chairman, were the Assistant Deputy Minister transferred to Urban Affairs, the Co-ordinator of Urban Affairs, a Finance Co-ordinator and one secretary.

MR. MERCIER: Did the individuals occupying those positions move then, I take it?

MR. ADAM: Yes, they did.

MR. MERCIER: Thank you, Mr. Chairman.

MR. CHAIRMAN: That's 1.(b) Administrative Salaries — the Member for Swan River.

MR. GOURLAY: The increase this year over last year is — I think the Minister indicated it was primarily for salary increases.

MR. ADAM: They would be just the incremental increases. I'm not sure whether the negotiations have been completed.

MR. GOURLAY: There will be no salary increases.

MR. ADAM: That has not been finalized yet. I suppose the MGEA, is it, that negotiate on an annual basis and the only increases are incremental.

MR. CHAIRMAN: 1.(b) Administrative Salaries—pass; 1.(c) Other Expenditures—pass — the Member for Swan River.

MR. GOURLAY: I wonder if the Minister could indicate — there's a fairly substantial increase of \$100,000 in Other Expenditures. Could he indicate what that consists of?

MR. ADAM: There would be the Centennial Grant increase of \$60,000 and the Other Expenditures would be \$40,900.00.

MR. GOURLAY: That's fine.

MR. CHAIRMAN: 1.(c) Other Expenditures—pass; 1.(d) Main Street Manitoba — The Member for Swan River.

MR. GOURLAY: I wonder if the Minister could elaborate more on the Main Street Manitoba, he indicated that there's \$1.5 million. I wonder how does he plan on distributing this expenditure. What are the program details that he could tell us?

MR. ADAM: Well, the Main Street Program has not been completely finalized; it's just about in the final stages. We have looked at different alternatives and have come up with what we think is going to be an attractive program for many local governments out there, in towns and villages and so on. However, I believe that we should make that announcement in the House. We should not make that announcement anyway until the program has been approved by Cabinet, and then I will be making an announcement in the House if it's possible to have it finalized. I hope that our Estimates are all gone and passed by that time but if we're still in Estimates, I would be prepared to make the announcement then. I think, Mr. Chairman, my intentions are to obtain approval for the program that we have come forward with, make the announcement in the House and to the public and then we will be notifying all local government districts out there and municipalities.

MR. GOURLAY: Mr. Chairman, I find it somewhat difficult to just pass over \$1.5 million without knowing as to some of the details in which it's going to be used. I don't disagree with the concept of the program at all

but I find it difficult just to brush over this item without having at least some discussion as to the areas in which it's going to be spent.

MR. ADAM: Well, Mr. Chairman, the idea I suppose is to try and improve the downtown area of our towns and villages to make them more attractive for shopping. We envisage that it will be a program that would improve the looks of your main street — it could be upgrading of boulevards, it could be planting of trees, it could be a number of things. What we would like to see is for the local governments to set up groups to come up with ideas on how they can improve and make their downtown areas more attractive. Then I hope that, you know, in this way they could present their projects to the government and they could be looked upon in that way. I would hope that it would be an ongoing program, that any municipality that could not take part this year perhaps could come in on the following year. We would like to see this as an ongoing program year after year hopefully.

There are some areas that one — I was speaking to one mayor of one town and he said that one of the projects they would like to do is to have their sidewalks arranged so that the wheelchairs would be able to get on to the sidewalks. There are a number of things that towns could do to make their downtown shopping area more attractive and I don't think we are going to be too restrictive on what they can come up with.

We don't intend that this program is to replace projects that are normally done anyway; this is an extra. We have looked at the Saskatchewan program. They have a program over there and it seems to be going along fairly well. That is what we envisage here, Mr. Speaker, but we would like the local groups to come up with their ideas. We don't want to impose any ideas on them.

MR. GOURLAY: Some of the municipalities have been interested in forming a local business improvement areas and in order to facilitate this kind of an arrangement, some legislative changes were introduced and passed last Session, a year ago. Provision was made at that time where municipalities that did form business improvement areas could perhaps at some future time participate with the province in grants and some financial help. Are you looking at this avenue as a means of paying out some of the \$1.5 million?

MR. ADAM: Yes, we would like to see the local involvement. We would like the municipality to get the business people involved so they can come up with joint ideas on how to improve their downtown areas so they would make them more attractive. That's the idea behind it.

MR. GOURLAY: Will the municipalities be able to participate in receiving financial aid if they don't form a business improvement area?

MR. ADAM: We hope that they will and we would certainly try to encourage them to do so, to try and get the community involvement in this. We don't think it would be very effective if just one part of the commun-

ity gets involved. We think that they should all be involved in this. I think there is room here for the business people, they are going to be vitally affected by this. We would hope that the municipality would contact the business people and form a committee or form groups of some kind, business development groups, to come up with different ideas and proposals that they could present to government.

MR. GOURLAY: Would the makeup of the board of the business improvement area, would there be any participation on that board from the Department of Municipal Affairs?

MR. ADAM: No, I don't expect that we would have. Mind you, Mr. Chairman, I think we would want to designate staff to work with them to give them ideas and work with them on their ideas, but in an advisory capacity only, not to tell them what they should be doing but rather to give them advice on what would be nice and so on.

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, I wonder if just for a moment — I have some comments on the Main Street Program, but I just received this explanation sheet on the previous item. I wonder if the Minister could indicate whether there is an increase in the amount of the grants to the Union of Manitoba Municipalities and the Urban Association.

MR. ADAM: Yes, Mr. Chairman, there will be. Mr. Chairman, there is an increase of \$4,000 over last year.

MR. MERCIER: Is that to each organization?

MR. ADAM: The Urban is different. That is to each of them.

MR. MERCIER: Does the Minister intend to carry on the dinner for the Union of Manitoba Municipalities?

MR. ADAM: I hope to.

MR. MERCIER: It's just that, Mr. Chairman, I recall some statements made during the past few years which would have caused me to think there might be a change. The Minister does intend to carry on the dinner?

MR. ADAM: Is the member suggesting that we should not continue with them, or . . .

MR. MERCIER: No, in view of concerns expressed by members of his party during the past few years, I wondered what the Minister was going to do.

MR. CHAIRMAN: I would remind the members again, that Hansard is taping the proceedings and we have difficulty recognizing the speakers when they are printing the next day, so — the Member for St. Norbert.

MR. MERCIER: I wasn't finished, Mr. Chairman. On

the Main Street Program, the Minister's comments would indicate that he anticipates some form of cost-sharing with municipalities on that program. Is that correct?

MR. ADAM: I would anticipate that would be one of the conditions, yes.

MR. MERCIER: Could the Minister indicate the number of municipalities that will have already established their budgets for this fiscal year, say within — by the end of next week?

MR. ADAM: I don't have that information. I expect that maybe some of them have, but . . .

MR. MERCIER: Mr. Chairman, I would ask the Minister to ask his staff who will have that information, I'm sure.

MR. ADAM: No, we wouldn't have that information, Mr. Chairman, of how many municipalities have provided the extra budgeting for . . .

MR. MERCIER: No, no. Mr. Chairman, my question was, what percentage of municipalities will have already struck their budget for this year, say by the end of next week.

MR. ADAM: Well, I apologize for not understanding the exact question. My staff informs me there is approximately 70 percent of the municipalities have struck their budget.

MR. MERCIER: Mr. Chairman, that for example, I believe would include the major cities and towns like Portage la Prairie, Brandon, Dauphin, Selkirk, Steinbach, Swan River, Flin Flon, Thompson, The Pas.

MR. ADAM: No, we have a ballpark figure of approximately 70 percent, but we don't have the exact towns or villages that have struck their budgets already.

MR. MERCIER: Mr. Chairman, it is my understanding that I asked the Minister to confirm it, that the major cities and towns that I have referred to, I believe strike their budget and issue their tax bills with taxes due and payable at the end of June. Is that not correct?

MR. ADAM: Mr. Chairman, normally they have passed their Budget by the 15th of April, but there are a number of them that have asked for extension times to set their budget.

MR. MERCIER: Mr. Chairman, my purpose in asking the Minister these questions is because it seems to me that the Minister is going to be announcing this program very, very late in the year and I would expect that all of the major cities and towns in Manitoba, as he indicates, at least 70 percent of the municipalities will have already struck their budget by the time and established their millrate by the time the Minister announces his program and they do so because of Legislative requirements.

Now, the Minister will be announcing a program

under which he anticipates there will be cost-sharing with municipalities. Does he expect municipalities to operate in a deficit position in this year to take part in that program or will the program be covering 100 percent of the municipalities' costs in this fiscal year?

MR. ADAM: Mr. Chairman, I know there are a number of local governments that have already provided some extra funding for any contingency, particularly in view of the Main Street Program, and there are some municipalities that already have provided extra funding in the event that they wanted to get involved in this program. However, if that is not the case, I don't see a problem that they would not be able to proceed. They could go ahead with the program and we would certainly want to approve any overexpenditure for their share of any cost-sharing.

MR. CHAIRMAN: The Member for Gladstone.

MRS. CHARLOTTE OLESON (Gladstone): I thank you, Mr. Chairman. I was going to ask similar questions as the Member for St. Norbert, but I wondered what do you anticipate for the cost-sharing, what percentage of the cost.

MR. ADAM: Well, as I mentioned previously, we haven't completely finalized the details of this and until we have, I would prefer not to go into complete detail of a program. I have given you a broad overview of how we see the program working but other than that, I would prefer to wait until the program is completely finalized. Certainly the members of the Legislative Assembly will be the first ones to hear about the program, the conditions of the program and so on and the local governments will be notified immediately afterward.

MRS. OLESON: Is this strictly work through municipal corporations or can individuals — do you anticipate individuals being able to apply and would they also be on a cost-shared basis or do you have to work through a municipality. What I am envisioning is someone that wants to update their store front. Is that the sort of thing that might be included?

MR. ADAM: Yes, but it will be part of the package. We hoped that they would set up a group and a development group would decide with the business people and the local government, you know, how best to improve their downtown area and if there is any store front rehabilitation or revitalization, that will be taken into consideration there.

MR. CHAIRMAN: The Member for Minnedosa.

MR. BLAKE: Mr. Chairman, I just wondered if on the item, Main Street Manitoba, if the Minister could give some general indication of the type of undertaking that may be carried out by businessmen on their own without local municipal assistance. If they wanted to do something on their own, fixing up their stores or making their premises more attractive in some way, does he envisage considerable assistance along this line or does it have to be in participation with the local government?

MR. ADAM: I see no reason why a businessman or any business would want to — if they want to improve their premises, I'm sure they would be encouraged to do so. For instance, if a community or a town decides to go ahead with a program, we hope that they would all work together on a proposal, but I think in view of the fact that the local government is going ahead with the upgrading of a main street, that this would encourage local businessmen as well to improve their premises.

MR. BLAKE: But this has to be undertaken by the local government authorities?

MR. ADAM: That's right.

MR. BLAKE: It can't be undertaken by a businessman on his own with the Provincial Government?

MR. ADAM: What we are looking at is a group that would set up the municipality and the business people, would get together to upgrade their town and they can discuss what they want to do there, whether there are any businessmen that want to upgrade their facilities and make it more attractive. We think that this would be all part of a package.

MR. BLAKE: Yes, Mr. Chairman, but John Doe as a businessman in Minnedosa couldn't go to the Provincial Government and say, I want to participate in your Main Street Manitoba Program. This is what I want to do to my premises. He couldn't qualify.

MR. ADAM: No.

MR. BLAKE: Thank you.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, the Enterprise Manitoba Program under the Department of Economic Development has a section in it that is used for going out and working with towns and doing surveys to find out what the town would need to help upgrade the economy of the town and the betterment of the town, generally. There are three stages to the work that is done with a municipality or town. Has there been any liaison with the Department of Economic Development regarding this program or using any of that information?

MR. ADAM: Yes, Mr. Chairman, the Minister of Economic Development and myself have been working very closely together on this program and we will certainly be co-operating with the Department of Economic Development in the delivery of the program, as well.

MR. JOHNSTON: The Minister made the statement "It will not be used for work that would be done anyway." Who is going to do that assessment?

MR. ADAM: Each project will be evaluated on its merits. It will be reviewed, I presume, by staff and they will make recommendations as to whether a program is intended for what the program is intended for, to

revitalize the main street. That is what I meant when I made the statement.

MR. JOHNSTON: Is there going to be a certain amount allotted to the towns on the basis of population or size? What basis is the funding going to be done?

MR. ADAM: We are still defining that part of the program. We are looking at different alternatives and at this moment, I just can't give you that information. Until it is finalized and approved by Cabinet, I will be making the announcement in the House on the parameters of the program.

MR. JOHNSTON: Mr. Chairman, the Minister must know some principle of the program. You could go into Portage La Prairie, say, and use the whole 1.5 million. You could use the whole 1.5 million in Dauphin; you could use it in Selkirk, Swan River, wherever. There must be a principle involved as to the amount of money that is going to be used in each place, or some formula put in, or formula being thought of from a point of view that some towns are much bigger than others.

MR. ADAM: Mr. Chairman, we are looking at different options and we are going to hopefully bring in a program that will be well received out there and as many as possible will be able to take part in it. Certainly, I would not want to see the entire program go into one area. I would hope that we could do a number of them every year. That hasn't been finalized yet.

MR. JOHNSTON: The Minister mentioned in an answer to the Member for Minnedosa, I believe he said, painting or fixing of signs on stores, etc., could be done. On that basis, painting is regarded certainly in the Travel Manitoba Program and fixing up hotels, etc., as an ongoing maintenance program that should be done by the owner. Does he not believe that the painting of buildings and maintenance of buildings is the responsibility of the owner and not this program?

MR. ADAM: Yes, Mr. Chairman.

MR. JOHNSTON: Mr. Chairman, the Minister of Economic Development, when she announced the Interest Rate Relief Program, was very thorough in that she was able to give to the Legislature the list of names of a board of businessmen that were set up to assist, and businesswomen I might add, that were set up to evaluate all the applications and make recommendations to the Minister or, as a matter of fact, the Minister has given them the authority to make the final decision. Is there going to be a board of people experienced in municipal affairs or experienced in the development of towns? Will there be somebody from the University of Manitoba who is involved in the urban development or municipal development that will be available to advise the Minister or will there be a board set up to assess the applications to advise the Minister?

MR. ADAM: Mr. Chairman, I would think that staff would be able to evaluate the programs. We have professional planners in the department and we don't

see that we would have to go to a large bureaucracy to implement the program. We only envisaged perhaps a couple of people at the moment that would be required to be involved.

MR. JOHNSTON: Does the Minister believe a board of five people is a large bureaucracy?

MR. ADAM: I am just saying that we want to keep it as simple as possible. I don't see the need for that. We have not finalized all those details yet, Mr. Chairman, but we are looking at the possibility of having staff review the applications that come in.

MR. CHAIRMAN: The Member for Virden.

MR. HARRY GRAHAM (Virden): Thank you, Mr. Chairman. I think it was about two months ago that we got our Estimates of expenditure and I am sure the Minister must have known what he was doing at that time. We also got a list of the various departments that were coming up in committee and that list has been out for a long time, I find it rather strange that we should be asked to pass \$1.5 million in one item and we don't really know what it is all about. The Minister has had several months now to get it in place and I find it rather strange that he is asking us to pass an item in his Estimates and he can't tell us what it is all about.

MR. ADAM: Mr. Chairman, I think I have given a pretty good broad overview of the intent of the program. I can't give you all the details at this particular time because I think that once the program is finalized along these general lines that I have outlined to you, it will be announced in the House and then the local governments out there will be notified and I think we'll be able to get the program on the way very shortly as soon as the Estimates are completed. I would expect within a couple of weeks that we can get that program going.

MR. GRAHAM: Well, Mr. Chairman, I want to register my concern. When the Minister has had ample time, he knew when his Estimates were coming up, he knew when he printed the Estimates what he was going to have in them and to come here today and tell us that he hasn't finalized the program, I find it very difficult to give my own personal approval to an item such as this in his Estimates when he's all the time in the world to get the program completed, and approved, and ready for inspection here in this committee. I would think that probably the best thing we could do is defer this meeting until he does approve his program or hold that item out until he does get final approval for it.

MR. ADAM: Mr. Chairman, this is the first time that the province has embarked on this kind of a program and we looked at several different alternatives on how this program should be structured and that has taken time. The Cabinet agenda has been very very busy up until this point in time. We were looking at the programs in Saskatchewan, Ontario, and in British Columbia, because they have programs up there. Just to be quite frank with the honourable member, we have just about finalized the details, but they have not

been approved as yet, and until that is done I just can't give the honourable member any more information. If he thinks that is not sufficient, well there's nothing I can do about it.

MR. GRAHAM: Well, Mr. Chairman, I'm not just concerned for myself but I'm sure that every municipal council in Manitoba will have to be somewhat concerned if the Minister of Municipal Affairs is unable to get his programs approved in Cabinet. It does little to instill confidence in the Minister by the various local municipalities. That is the concern that I have. I'm sure every municipal council in Manitoba would like to see a strong Minister who can get his programs passed through Cabinet in record time. It does leave a black cloud over the Minister's head in the eyes of the municipal people of Manitoba.

MR. ADAM: Mr. Chairman, I'm surprised that the member is suggesting that we should withhold this program. I'm sure that the local municipalities out there would be pretty concerned if it was the Member for Virden that was asking us to withhold the passing of this Main Street Program. I think the honourable member should be co-operative and allow us to pass this so that we could get on the road perhaps by next week.

MR. GRAHAM: Well, Mr. Chairman, if that's the feeling of the Minister, I would suggest to the Minister that he should have asked to have his Estimates delayed until he did have his program in place.

MR. ADAM: Mr. Chairman, the program will be ready to go, I expect, by next week. It will be announced in the House. The members will be the first ones to hear about it, and I'm sure the municipalities would be very anxious to hear about the program as well, and we certainly are unable to go ahead with the program until the Estimates are passed.

MR. CHAIRMAN: The Member for Swan River.

MR. GOURLAY: Yes, Mr. Chairman. How many requests has the department received for assistance or information under Main Street Manitoba? Does he have that information?

MR. ADAM: Well, there have been a number of enquiries, Mr. Chairman, from different towns and municipalities on the program, but to give him the exact figure, I'm unable to give him an accurate figure on how many.

MR. GOURLAY: Do you think it's fair to say that these municipalities that have been enquiring and are interested in the program will be budgeting for some money to participate?

MR. ADAM: I think some of them have, Mr. Chairman.

MR. GOURLAY: Mr. Chairman, earlier the Minister indicated that he had examined a number of programs from other provinces. I think he said that he was looking very closely at the program that was in place from Saskatchewan. I wonder if the Minister can

tell us how that program works in the province, more specifically with the various details as to how the municipalities participate in getting provincial dollars?

MR. ADAM: The Saskatchewan program was based on a per capita, I think it was, depending on the population of the different towns. There was, Mr. Chairman, a basic grant given to each local government or municipality and then there was a balance on an escalating scale. I don't have the exact figures of that.

MR. GOURLAY: Did the Minister or his staff look at any other provinces? I recall that there are a number of provinces have programs like this. Were any other provinces looked at as far as tying in with some of their areas that looked maybe attractive?

MR. ADAM: Yes, Mr. Chairman, the staff has looked at the programs in Ontario and British Columbia as well.

MR. GOURLAY: Has the Minister participated or gone to any of the other provinces to look at some of the projects that have been undertaken by this type of program?

MR. ADAM: Yes, Mr. Chairman. In fact, my Deputy has just returned from Ontario after looking at their program and seeing how that program works.

MR. GOURLAY: Have you yourself, Mr. Minister, had the chance to look at some of these projects firsthand?

MR. ADAM: Not on-site inspection I haven't; I've looked at some of the brochures that have been put out by the Province of Saskatchewan. I haven't gone there myself to see any of them yet. Time will not permit.

MR. GOURLAY: Mr. Chairman, earlier the Minister indicated that the applications would be reviewed by some staff members. Now he also indicated that there would be some participation by members from the Department of Economic Development. When these applications are received does he anticipate that there'll be a joint inter-departmental review of the applications or how does he envisage the applications to be dealt with?

MR. ADAM: Yes. I think that is how we will handle that, Mr. Chairman. We would have interdepartmental people to review the applications as they come in and make recommendations on their innovative forward-looking ideas and to revitalize their main streets.

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, I wonder if the Minister could indicate when he first submitted his proposals for the Main Street Program to Cabinet.

MR. ADAM: Two or three weeks ago, I would say.

MR. MERCIER: Mr. Chairman, could the Minister indicate what the difficulties he has in getting this

program through?

MR. ADAM: Mr. Chairman, I think I advised the committee a while ago that we had looked at a number of different alternatives before we went to Cabinet with any proposals. We have what we now believe is a good program design for approval and hopefully that Cabinet will accept the program.

MR. MERCIER: Mr. Chairman, is the Minister then of the view that the proposal he has before Cabinet next week will be approved and he will definitely be able to announce this program by the end of next week?

MR. ADAM: I can't say for sure whether I will receive Cabinet approval, but I think I will because it is a very very well thought out program. I expect that they will approve it.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Mr. Chairman, the Minister indicated that several communities had expressed interest and written to him for details on the Main Street Manitoba Program. Could he indicate which communities have indicated that kind of interest?

MR. ADAM: We have received inquiries. Just off the top of my head, I would have to go back to correspondence to look. We haven't received that many letters; we perhaps received half-a-dozen or so and we have had a lot of verbal inquiries in regard from different towns. I would expect that the Town of Morden would probably be one of the first ones to come forward with a program.

MR. ORCHARD: Mr. Chairman, could the Minister with the staff here today indicate which half-dozen or so communities have written in and requested by letter the information?

MR. ADAM: I made mention of half-a-dozen; I am not sure whether it is three. I put that at the outside of six, I don't know which ones they are. I believe the Premier was asked about the program in Morden when he was there. I think we have had letters from Swan River, Portage and Brandon. That is about all that we can recall at the moment.

MR. ORCHARD: Does the Minister have any preconceived ideas as to which communities would be successful under this wonderfully planned and developed program that he hasn't got passed by Cabinet yet?

MR. ADAM: No, I don't, but I would hope that as many as possible qualify and I hope that it would be an ongoing program, that those who don't get in the program this year because of the limited amount of money involved that it would be an ongoing program hopefully and it would have a program next year, so that it would be ongoing. This is only seed money, Mr. Chairman, it is just a start. We are going to monitor and see how acceptable it is to the people out there and if it is doing what it is intended to do and hopefully, we will be able to continue with it on an ongoing basis.

MR. ORCHARD: Mr. Chairman, to the Minister, is there an upper limit per community that will be established and is there a minimum amount that an application would be processed for?

MR. ADAM: We are looking at that at the moment and that will be finalized by Cabinet. Upper and minimum limits, we are looking at that alternative, so as to try and have a fairly wide base at least so that more than one community could qualify. I don't think we would want to see the entire program to go to one community.

MR. ORCHARD: Mr. Chairman, that presents me with a wee bit of a problem in the Minister's optimism about getting this passed. If he is only just now looking at maximums and minimums, then obviously that isn't part of the proposal that he has got before Cabinet and that would make Cabinet at a very serious disadvantage in making a decision on it as quickly as he would like to tell us a decision is going to be made.

MR. ADAM: Mr. Chairman, I expect there will be no problems getting our proposals through Cabinet. I am sure that I have a very co-operative group of colleagues out there and they will take the Minister's advice and approve the program and we will get it on the way as soon as possible, as soon as our Estimates are through and as soon as we can get the forms out to the people to apply.

MR. ORCHARD: Are the forms printed?

MR. ADAM: Not yet, no.

MR. ORCHARD: How long does the Minister expect it would take to print the forms after he gets his program hopefully passed in the near future? In other words, are we looking at, at least, two to three months before that program is to be approved by an applying municipality or town?

MR. ADAM: I wonder if the member would settle for one day to get the applications printed.

MR. CHAIRMAN: The Member for Portage La Prairie.

MR. LLOYD HYDE (Portage La Prairie): Yes, Mr. Chairman, to the Minister, I was wondering if he could advise me if and when his program, his Main Street Program, is passed by Cabinet, if and when it does get that approval, would the main street of Portage La Prairie qualify for that — Saskatchewan Ave.?

MR. ADAM: There is a possibility that they would, yes.

MR. HYDE: Mr. Minister, you are quite aware of the fact that we are in need of an upgrading of Saskatchewan Ave. in Portage La Prairie. It has been on the books for some time and we, today, have a mayor and council who are just ready to act on this as soon as you and your government will approve it. It is my hope that you will certainly do what you can to see that we get our share of that Main Street Manitoba Program.

MR. ADAM: Mr. Chairman, I want to thank the Honourable Member for Portage for his comments because I realize that when you have a big shopping centre that starts outside of town, it doesn't take long that your main street starts to deteriorate. As a matter of fact, I have toured Portage myself on a number of occasions, two or three occasions, with the local governments there and we have gone through the entire city. We agree with the honourable member that there is a need for such a program.

MR. CHAIRMAN: The Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. The Minister is assuring us that the program is going to be approved. I just want also to have his assurance that during the election when this promise was made that in the Town of Selkirk, there is a Main Street and there is also a Manitoba Avenue. The rumour persisted that Main Street Manitoba meant there was going to be \$1.5 million spent on Manitoba Avenue in Selkirk and I just wanted the Minister to confirm that this was going to be spread throughout all of the constituencies of Manitoba, not just Selkirk.

MR. ADAM: I can assure the honourable member that there isn't going to be \$1.5 million going to Selkirk out of the Main Street Program; I can tell him that.

MR. CHAIRMAN: The Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I wonder if the Minister could inform the House whether or not this is going to be a cost-shared program.

MR. ADAM: We're looking at that at the moment.

MR. BANMAN: Before, he mentioned that he is waiting for this to be passed. Is the Minister saying that if this appropriation had been passed, let's say a month ago, if he had been first up on the Estimates, the program would have been out sooner?

MR. ADAM: We've come up with — we have looked at a number of alternatives and we are going to Cabinet now with a proposal that we think will receive approval.

MR. BANMAN: The only thing I am trying to determine, Mr. Chairman, the Minister left some explanations on the record that sort of said that the reason the program wasn't coming out was that it was not passed by the Committee or was not passed by the House. But I just wanted the Minister to confirm that regardless when the committee was sitting, in other words, whether we pass it now or if we would have passed it a month sooner, the program really is not ready to be announced because Cabinet hasn't passed it.

MR. ADAM: Well, I hope that it will be passed next week, Mr. Chairman.

MR. BANMAN: Well, Mr. Chairman, let me put it this way. I sure hope for the Minister's sake, it's passed next week too.

MR. ADAM: So do I.

MR. CHAIRMAN: 1.(d)—pass — the Member for Swan River.

MR. GOURLAY: I wonder if the Minister could indicate, under a cost-sharing arrangement with the municipalities and if the money is paid out on a per capita basis, could he give us some indication as to the maximum amount per capita grant, what we would be looking at.

MR. ADAM: No, it is not possible to give — I don't have that information right now. We have to finalize it first.

MR. GOURLAY: Does the Minister recall what level they pay out in Saskatchewan or Ontario?

MR. ADAM: We have those figures, but we would have to get them brought down. I don't think we have them here at the moment.

MR. GOURLAY: I think that's all the questions I have, Mr. Chairman, unless some of my colleagues . . .

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Just a recap on this program which is well thought out by the Minister here. He hopes to get Cabinet approval on Wednesday of next week and after having Cabinet approval, it will take one day to get the forms printed so that we could probably have forms in the mail by Friday of next week to the municipalities, should this program pass Cabinet on Wednesday as he anticipates.

MR. ADAM: Mr. Chairman, I don't envisage any problem at all to getting the applications printed, no problem there at all. We will just be sending out and saying here, this is the program, you come up with a project, get together, form a committee in your local town with the Council, the business people and so on, come up with a nice project and send them on in. We don't envisage any major delay there at all, Mr. Chairman. There shouldn't be any problem.

MR. ORCHARD: In this explanation which says, send them on in to the municipalities, the application form was going to be part and parcel of that and that will only take one day to get printed as well?

MR. ADAM: Mr. Chairman, I don't envisage that getting the forms printed would take any time at all. I see no problem there.

MR. ORCHARD: The municipalities will be pleased to open their mail Monday morning, a week hence, and have their application forms right there and ready to go.

MR. ADAM: I hope so.

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. HYDE: Well, the Minister just stated, Mr. Chairman, that he was ready to go as soon as the applications were out. Well, you would think — I want to go

back to Saskatchewan Avenue, Portage la Prairie — that has been well advanced in the planning stage; we're ready to go. I would take it from what you are saying, Mr. Minister, that it's just a matter of Portage la Prairie making that application and you will proceed with the work. Am I right?

MR. ADAM: Mr. Chairman, the projects will be evaluated by a staff that will be appointed by the Department of Economic Development. All projects will be evaluated; they will be reviewed on their merits. I expect we will be inundated with applications and in view of the fact that we have a very limited amount of money, I am sure that the staff people that will be looking at the projects will make very valued decisions on the projects to be accepted.

MR. HYDE: Well, Mr. Minister, I thought for sure after you had made a personal tour of the city and seeing the need there, that you would act on that request very soon.

MR. ADAM: I don't intend to get involved personally in making any decisions as where the projects will go. I would like to allow the staff the independence to make a valued judgment on the projects that will be brought forward and I expect that would be the best way to handle it.

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, further to the Minister's assurance that the program will be approved at Cabinet next week, would the Minister indicate how long he thinks the process will be for sending out application forms and information about the program to municipalities and then what will the deadline be for submitting applications by municipalities?

MR. ADAM: I don't envisage that it would take very long to get the applications out. I would envisage that it would take some time for local governments to set up a group and decide what they want to do. That might take some time and we hope that the program would be ongoing and there would be no time constraint. As far as those who would miss the construction season, they will be able to have their projects looked at the following year if weather prohibits or stops any construction or plans that they have.

MR. MERCIER: Mr. Chairman, in view of the fact that this program has been cited as a major economic initiative of the new government, will there be a deadline for making submissions by municipalities in order that the applications have to be in by a certain date so that programs can then be approved, projects can get under way and people can begin work on these projects, or will it be on a first-come first-serve basis?

MR. ADAM: Well, you know, there may be some towns that are more advanced than others with their programs, as the Member for Portage la Prairie has indicated, that they already have a program in the works. There may have been some other areas that have already done some ground work in this. I don't

see any deadline. However, the member says that this is a program that is going to have a very big effect on economic — it's going to help, there is no doubt about it. It is going to create some work activity in the province, but it is only a minimal program at the moment. It is a pilot project really that we are undertaking and I believe that the previous administration was looking at a similar program. We are just carrying this forward and hopefully it will be well accepted out there and it can continue in another year. I don't see any reason why we would want to say, well, if you don't apply by this date you are out. I don't see that.

Of course, we have to recognize that an application that comes in October or November to pour cement or something, the weather will not permit. That would have to wait for spring, there is no doubt about that.

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: Firstly, Mr. Chairman, I want to thank the Minister for his statement that the previous administration was considering a very similar type of program and had in fact passed legislation which would have enabled our party, if we had formed the government again, to initiate a similar program, but the Minister hasn't answered the question. What I would like to know is, will there be a deadline for all municipalities to submit their applications and then the Minister and his department could consider all of the submissions or applications that have been made and decide on whatever criteria they use to approve the number of applications they can within the monies available or will they be approved on a first-come, first-served basis? As they come in, will they be approved?

MR. ADAM: Mr. Chairman, we would like to give the municipalities and the local groups sufficient time and it is going to take time for them to formulate a program. We don't expect that the next week we are going to get a flock of programs here. They are going to, first of all, have to have their local meetings and set up development committees, corporations or whatever they want to call them, main street revitalization, and we think this is going to take time. Once that starts coming in, we don't envisage any delay, as far as our part is concerned, getting the information out there and the applications out there. We think it is going to take a little while before the local groups out there will be ready to come up with a proposal. I think the honourable member would understand that. When we start getting these proposals and applications, then our staff will be reviewing them. The worthwhile projects will be accepted.

MR. MERCIER: Mr. Chairman, how long then does the Minister anticipate allowing for the municipalities to review the program and consult with their own downtown businessmen or downtown corporations, etc., to make their applications? How long does he think that whole process will take before any applications are approved?

MR. ADAM: I would think that it would take, possibly, a month or two for the local groups out there to get organized before applications start coming in. I am not sure whether we would get any in two months;

there may be some coming in. I suppose we would want to allow sufficient time to get a number of them in so that we could start reviewing them. We don't know how acceptable this program will be as yet, but it does look as though it will be very popular. We have had a number of inquiries. We think that there will be people out there interested in it and want to revitalize their towns. There are a number of towns out there that I can name you now that really should have a program like that.

MR. MERCIER: Mr. Chairman, I don't think there is any doubt there are people interested in the program. We thought it was a good idea too and that is why we were planning it. The Minister expects to have a plan approved next week by Cabinet. Is he not, and without getting into any of the details of the program, when he announces that program to the municipalities going to advise them of a date that they have to have their applications in by?

MR. ADAM: No, I don't think that we have to give them a deadline. I would like to see them organize their groups as soon as possible and get their projects or applications rolling in. I am not following the member's question, whether he wants us to put a deadline or is the member saying, Mr. Chairman, that he would like to advise the local government because I will take it under advisement. If he is saying, look, June the 15th, you are off, after that, you can't have any more applications in. Is that what the member is saying, or July the 15th, you are finished or the end of July, no more applications for this year?

MR. MERCIER: Mr. Chairman, the Minister may wish to consult with the Municipal Advisory Committee or some better authority than I, but I would think that the municipalities would want to know a date by which they had to have their applications in. They would want to know that, so they know that it is the same for everybody and they all have to have their applications in by that date and everybody who does will have their applications considered this year. Without that knowledge, I think you might find a situation where some municipalities perhaps too quickly consider a program and submit it at too early a stage where it hasn't been properly considered or, otherwise, other municipalities might hold off thinking they have time and then, by the time they submitted their program, find that other municipalities have been in before them and there is no money left in the program.

MR. ADAM: Mr. Chairman, I am sure that there may be some municipalities who will hurriedly get a program put together; I don't think that is wise. I think that they should set up a group there to look exactly at their long-term plans to revitalize their area on an ongoing basis and would hope that what they do is good planning. That is why we would want to have some staff to go in there and assist them in planning. We have some professional planners on staff that could go in there and assess, help them, help the local groups to come up with a good plan for their revitalization of the main street.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. RANSOM: Mr. Chairman, since this program was cited as an economic initiative by the First Minister and we recognized that \$1.5 million really isn't going to go very far. As I recall, when we had looked at this proposal previously in Treasury Board that it was estimated at that time that it really might take \$15 million or \$20 million to do something that would really be significant in this program. We know that it will be popular. So I'm wondering, Mr. Chairman, if the applications come in the way I expect they might come in, will the Minister be entertaining going for a supplementary amount of money for the program?

MR. ADAM: Mr. Chairman, that would be a matter of policy that we would have to look at in view of what happens, but that would be a policy matter that we would have to look at.

MR. RANSOM: Mr. Chairman, would the Minister have any indication, any thought, as to how many municipal governments might be able to take advantage of this, given that I think in its full form, it would take \$15 million or \$20 million to be effective. How many municipal governments might benefit from this economic initiative?

MR. ADAM: Mr. Chairman, we hoped that perhaps 10 to 12, maybe 15 projects would be able to go ahead this year with the amount of money that we have and depending on the applications that we have.

MR. RANSOM: Mr. Chairman, perhaps this has been dealt with before and if it has I won't persist with the Minister, but given the fact that it has been referred to as an economic initiative and it's really not going to go very far, will the Minister be trying to direct it into some areas of the province where it's considered that it's necessary to have this sort of money being expended or will it be determined purely on the basis of need from a town requiring whatever it is that's going to be allowed to have these funds expended upon?

MR. ADAM: I think the intent of the program is to revitalize depressed areas, the towns that need some facelifting and upgrading. I think each project will be looked at on its merits and evaluated by staff as to where they feel the programs should be going.

MR. RANSOM: It is then going to be used for what the Minister would term as depressed areas. Has there been any determination made at this point then of which are the depressed areas in the province?

MR. ADAM: Mr. Chairman, if the Member for Turtle Mountain got that impression by my reply, it was not my intention to leave that impression. I said there were towns that needed some revitalization of their main streets and no, it's not necessarily going to go into a very very depressed area, not necessarily any more than in other areas. Each program is going to be looked at upon its merits.

MR. RANSOM: So then there will be no direction of these funds into some region of the province simply because it's determined that region of the province

requires some economic initiative.

MR. ADAM: At this moment in time that's not the intention, anyway.

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, can the Minister indicate what type of cost-sharing formula he is looking at?

MR. ADAM: That has been asked a number of occasions, Mr. Chairman, and I indicated that I would be making that announcement in the House when we have determined that.

MR. MERCIER: Mr. Chairman, I raise it because of the answers to the last few questions by the Member for Turtle Mountain, wherein the Minister indicated that the program would likely be implemented in areas of greater need and I expect . . .

MR. ADAM: I didn't say that.

MR. MERCIER: Oh, well, perhaps the Minister would like to clarify.

MR. ADAM: I would say the Member for Portage la Prairie said that it needs some help there to uplift the main street and I was referring to that. That's what I am referring to.

MR. MERCIER: Mr. Chairman, I just raise the concern that in those areas and in those cities and towns, particularly, where there is a real need, I think the Minister will find that those are probably the cities and towns that have the above average mill rates, to impose an onerous cost-sharing formula with the municipality is not what those municipalities particularly require at this time or the added burden of borrowing at the current high interest rates. I want to bring that to the Minister's attention because there always has been concern expressed by municipalities that senior levels of government introduce cost-sharing programs when the municipalities are having enough difficulty looking after their own requirements and mill rates have increased everywhere this year, some fairly significantly as a result of education and property tax increases, so that if the Minister imposes a particularly onerous cost-sharing formula on municipalities he's going to be making it very difficult for the municipalities.

MR. ADAM: Mr. Chairman, I appreciate the honourable member's views and we are aware of the fact that in some areas the tax base may not warrant or enable the local government to take on any major project. We are aware of that and we're not imposing anything on anyone. It is a voluntary program and it's the municipality that will have to determine and make the decision that whether they wish to participate. They will have the responsibility of coming up with a project if they feel that they are able to avail themselves of the project. Outside of that, I don't know how else I can answer, to say it's the municipality that's going to have to make the final decision whether they want to

enter into a program. It's a voluntary program; it's nothing that we're imposing on any local government to say that they have to get involved in it.

MR. CHAIRMAN: 1.(d) Main Street Manitoba—pass. The Member for Virden.

MR. GRAHAM: Thank you, Mr. Chairman. Out of the \$1.5 million, how much of that money would be apportioned to the Westman region, a rough ball-park figure?

MR. ADAM: No idea at all.

MR. GRAHAM: Well, Mr. Chairman, perhaps I should put the question another way. Is it the intention of the Minister to apportion a certain percentage of it to each region of the province and split it up so that all areas of the province getsome, or is it going to be the intention of having it a first-come, first-serve basis, where it may indeed all go to one area of the province?

MR. ADAM: The intent is that it be a universal program and that anyone wishing to apply would apply and each application will be viewed upon its merits. My staff will be evaluating these programs, Mr. Chairman. We don't envisage that this would be based on a reasonable basis at this point in time. There are towns throughout the province that may be willing to participate in this program and they are free to do so.

MR. GRAHAM: I was a little bit concerned, and I think all municipalities will be a little bit concerned on that basis. The very thing that the Minister didn't want to see happen when he wanted them to take time in their planning and come up with some well thought out proposals. If the money is not apportioned to various regions, there may indeed be a sort of a panic that the first guy in is going to get the most of it and you will end up with some very ill-conceived programs coming in mainly to be the first ones there.

MR. ADAM: Mr. Chairman, is the member suggesting that we do that? If that's a suggestion that he's making, we'll take it under advisement. Is he suggesting that we split up the funds and split up the province in different regions? Is that what the member is suggesting?

MR. GRAHAM: Well, Mr. Chairman, if the Minister's memory will go back to the very first question I asked him, I asked him how much money would be apportioned to the Westman region, an area which I happen to be concerned about?

MR. ADAM: Well I have answered that it is a universal program and that I can't give him a ballpark figure of how much is going through the Westman area and we will be talking to the Urban Association sometime in May I expect, and we will be getting their views on how the program should be delivered.

MR. CHAIRMAN: 1.(d) — the Honourable Member for Virden.

MR. GRAHAM: Well, Mr. Chairman, I believe it isn't

too far down the line when the Minister may have the opportunity to talk to the various regions of the municipal corporations of Manitoba. If he has his program passed through Cabinet by that time I would hope that he maybe address that matter with the various municipalities and give them some indication of how much each region can expect or whether or not they can expect any.

MR. ADAM: Yes, I will certainly do that. I will be talking to the Urban Association and getting their views on it.

MR. CHAIRMAN: The hour is 4:30, we'll interrupt proceedings for Private Members' Hour. The committee will sit again at 8:00 p.m.

SUPPLY — EDUCATION

MR. CHAIRMAN, Jerry T. Storie (Flin Flon): The Committee will come to order. I direct the members' attention to Page 45. We are here to consider the Estimates of the Department of Education, Resolution No. 49, Item No. 1, Departmental Administrative Support Services, Item 1.(a) Minister's Salary.

The Honourable Minister of Education.

HON. MAUREEN HEMPHILL (Logan): Mr. Chairman, before I introduce the Department of Education Estimates I would like to thank the staff of my department for their assistance in preparing this package and I would like to single out for special recognition my Deputy Minister, Dr. Ron Duhamel. Dr. Duhamel brings a wealth of experience, administrative skill and creative leadership to his post and to the province, and I and Manitobans are fortunate to have him as their Deputy Minister of Education.

I would like to pay a final thank you to my colleagues in Cabinet in caucus and indeed to all members of this House for making my adjustment to government a positive and very stimulating experience.

It is my pleasure to introduce the Estimates of the Department of Education for your consideration. The Estimates total \$566,951,500, which represents an increase of just under 13 percent. I believe these Estimates represent an increase which is realistic and fair, Mr. Chairman, considering the resources available to government today and the heavy demand on those resources, that it represents an increase which is prudent and yet sensitive and which is based on the very real direct needs and acute needs facing the education system in this province.

Before we consider these Estimates line-by-line, I would like to highlight some of the items in the Estimates, which I believe demonstrate our government's commitment to ensuring educational opportunity for all young Manitobans to equity and to providing creative leadership in critical areas in these difficult times.

First of all, Mr. Chairman, we have kept the Education Support Program established by the previous administration. We did so because that program has a number of positive features, Mr. Chairman, and I want to recognize some of the positive features of the Education Support Program now.

It helped school boards with their planning, Mr.

Chairman, because it was a three-year program that they could count on and because it indexed grants and support to school divisions with an automatic CPI increase.

It provided an exceptionally good shot in the arm, Mr. Chairman, to support programs for special needs students. I think we all have to recognize that \$34 million in one year is an indication of and a recognition of the needs for our special needs children.

It provides a measure of equalization by placing greater reliance on the province-wide Education Support Levy and we support that. In introducing the program, the government increased the level of direct provincial support to education from roughly the 45 percent level it had been during the first three years of their administration to 53.1 percent which eased the property tax burden and we recognized the efforts that were made there, Mr. Chairman.

In line with legislative and regulatory provisions enacted in 1981, our administration has increased the size of the Education Support Program by \$46.5 million this year. Under those provisions, the entire 46.5 million could have been raised through the Education Support Levy. Instead, our government has opted to fund 26.13 million of the 46.5 million increase directly from provincial general revenues. In so doing, we preserved the direct provincial input to the ESP at approximately the same proportion as that established last year by the previous administration. In so doing, we will also limit the Education Support Levy increase to 4.2 mills.

While keeping the Education Support Program intact, our government, as well as many school divisions and informed observers that communicated with us in our first month in office, have identified certain inadequacies in the Education Support Program, Mr. Chairman; some, I think, that were built into the program perhaps, and others that have become more apparent as the program has been in existence for a longer period of time. These inadequacies would have become more serious if certain changes were not made. They would have resulted in a severe strain on the ability of many school divisions to provide and maintain quality education for their young people or they would have resulted in drastic mill rate increases this year in those divisions or in some combination of reduced services and higher special levies.

To alleviate these inadequacies, this government has also announced a program of supplemental and other new grants totalling 14.4 million, all of which, I underline "all," all of which is funded from provincial general revenue. These new grants will not affect the Education Support Levy mill rate and will not affect the existing structure of the Educational Support Program.

While every division and district educating pupils in this province will collect a special levy this year and will receive some portion of the \$14.4 million in new provincial funding, the new grants have been distributed in such a way, Mr. Chairman, as to make education funding more equitable from division to division.

Specifically, we have provided for:

\$6.6 million in equalization supplements to help divisions with low property tax assessment basis, to provide a quality education for their pupils. In the absence of these supplemental grants, these less for-

tunate school divisions would face severe financial strains and undue special levy mill rate increases in their efforts to maintain the kind of quality education we believe all young Manitobans have a right to expect and which governments have an obligation to ensure is provided:

\$5.8 million in eligible expenditure supplements to help in the provision of quality education in those divisions whose Education Support Program grants have been held to inadequate levels by the use of their actual 1980 expenditures as a base, expenditures which by historical coincidence were so far below the average of all school divisions province-wide as to be simply inadequate and unfair as the basis for calculating grants two and three years later. A continuation of the policies put in place would have in effect frozen educational opportunities in those divisions, Mr. Chairman:

A \$2 million special grant to Winnipeg School Division No. 1 to help with the extra costs of dealing with extraordinarily high levels of social need with some schools within its boundaries. This special grant amounts to the equivalent of an additional 2.6 mills of relief for property taxpayers in the division. It was approved by Cabinet after submission of a special brief by the Winnipeg School Board and is not reflected in the Estimates, Mr. Chairman.

In addition to the supplemental and special grants, there is included in Estimates 2.5 million in grants to assist school divisions maintaining quality programs in small schools, in dealing with critical enrolment declines and in fostering an awareness of Manitoba's geographic and cultural richness.

The supplemental grants of 14.4 million and the \$26.13 million additional provincial infusion into the Education Support Program means an overall increase in direct provincial support for education of \$42.5 million.

In summary, our government has limited the increase in the Educational Support Levy mill rate to 4.2 mills, about 8 mills below the level to which they would have risen if the previously legislated Education Support Program increases had been funded at the local level.

Further, the government has provided supplementary direct funding from general revenue to assist school divisions to provide adequate educational programming. However, the striking of the special levy mill rate and the control of expenditures, Mr. Chairman, and I want to repeat that the control of expenditures of a school division remains the responsibility of the division's locally elected trustees. In some divisions, due to local circumstances, trustees may decide to increase special levy mill rates despite the relatively generous levels of new direct government assistance. We have no quarrel with such decisions where additional funds are required to maintain or establish quality programs. The extent to which such mill rate increases are required is of course a matter for trustees and their electors to decide.

There are other instances where vagaries in the assessment system, a critical decline in enrolment, or a school division's unique circumstances, for example, the use of a surplus or the accumulation of a deficit in the previous years gives the division little choice but to increase their special levy. Again, the

decision rests with the elected trustees in that school division. I am confident, Mr. Chairman, that this government has gone as far as is prudently possible this year towards alleviating the need for under special levy increases, towards correcting inequities inherent in the Education Support Program.

As previously announced, the Estimates contain \$133,235,800 in operating grants to universities, an increase of 15.7 percent over last year and enough support to enable them to hold tuition fees at east year's level. Inherent in this level of support is a recognition that Manitoba's universities have not been given fully adequate support in recent years. Grant increases did not keep pace with inflation, programs suffered, tuition fees rose, and this year's grant support will allow the universities to maintain programs, to respond to increased enrolment demands and to initiate new programs without a tuition fee increase.

The universities will also receive \$5 million in miscellaneous capital grants, Mr. Chairman. This support, an increase of 66 percent over last year, will enable the universities to purchase much needed teaching equipment and make repairs to their facilities. The Estimates also contain \$2.6 million in capital funds for the universities. This will enable the University of Winnipeg to complete planning and to begin construction of its long awaited field house facility. That facility will be of significant benefit to the core area residents who will share in its use and will support the renewal effort in the core area initiatives. Capital funds are also included to enable the University of Manitoba to begin planning a facility to house Earth Sciences and other programs needing space, and to enable Brandon University to conduct a planning study in order to examine its total building requirements.

All university students will benefit from the freeze on tuition fees. The almost 17,000 full-time students and over 21,500 part-time students, and those 25,500 part-time students who are housewives, office workers, senior citizens, and labourers are especially deserving of that benefit as they are not eligible for student loan and bursaries. I wish to point out that by keeping Manitoba's universities healthy and vibrant the entire province benefits, Mr. Chairman. An example of that benefit is the \$22.5 million in research funds brought into the provincial economy last year by Manitoba's universities.

Manitoba's 33,000 community college students will also benefit from a freeze on tuition fees. Again, over 16,000 part-time students who do not benefit from student loans and bursaries will have less difficulty taking advantage of post-secondary opportunities than if tuition fees had risen. Overall community college expenditures show a modest rise to \$34,039,100; this reflects the refinement of program offerings to meet critical labour market needs. Programs have been expanded in child care services, in computer technology, in animal health technology and fast food service, and new apprenticeship levels have been added in tool and dye making, power electronics, and mold and pattern-making. Courses that did not meet skill shortages where there is a lack of student demand have been discontinued; this has freed space and resources for needed program expansion. As the

recently released community college outcome survey demonstrates our community college graduates are doing well, Mr. Chairman. They are finding employment in their fields and using the skills they have gained.

I will be asking for \$419,000 for the Research Branch of my department. This includes some funds to assist with our proposed review of Education Finance, a review which will be the first comprehensive review of Education Finance since the McFarlane Report of 1959 and the Michener Report of 1964. That review will study a system which has had current dollar expenditures grow from \$198 million to an estimated \$611 million in the last decade. That review will examine longstanding inequities in Education Finance as well as current problems due to declining enrolment and our sparse rural population. Funds are also included for a study examining the direction the department should be pursuing in the field of computer education, an area where the department needs to provide increased leadership to school divisions.

During the course of the Estimates, I will be giving details of the employment training centre component of the Core Area Agreement which will be administered by the Post Secondary Career Development Branch of the Department of Education. My department will be developing a college without-walls approach to the training centre which will train core area residents for identified and available jobs in the public and private sectors. It is an approach that will put resources into people and jobs.

I will be asking your approval for an increased Estimate in the Bureau de l'Education Francaise. This reflects the government's commitment to equality and French language services and to meeting curriculum needs flowing from the success and popularity of bilingual programs. I also wish to point out that the Bureau recovers \$2,115,000 in revenue from Canada for its programs.

You will be asked to approve Estimates of \$3,707,900 for Child Development and Support Services; this is an increase of \$600,000 and reflects this government's commitment to providing adequate services to students with special needs throughout the province.

During the coming year, I will be actively working with the Ministers of Health and Community Services to develop effective service linkages. Our intent will be to seek means of co-operation in order to identify and help at-risk children before they become problem children.

The Estimates contain \$7,847,000 for the Student Aid Branch. This includes an increase of 152,000 to cover expansion of Native Bursary Programs. Funds for Native Bursaries had been frozen at an inadequate level and demand had far outstripped resources. Our government, as part of our commitment to ensuring educational opportunities, has increased these bursaries to a level which will meet the needs. This bursary support is an important resource for needy families and helps keep students in school who might otherwise be forced to drop out. It helps to curb an alarmingly high drop-out rate among Native students.

The Student Aid Program has been strengthened in other respects, Mr. Chairman. Grants of up to \$1,000 will be provided to students whose needs exceed the maximum awards. All allowances and deductions will

be increased by the 14 percent in line with the consumer price index and students whose summer earnings are reduced due to illness or injury will receive extra assistance. In short, we are continuing to make Manitoba Student Aid Program sensitive and flexible to the needs of students so that no Manitoban is denied access to post-secondary education because of financial need.

In closing, Mr. Chairman, I feel that I am presenting a set of Estimates which are responsible, both in financial terms and to the critical needs of Manitoba students, schools, colleges and universities. I have presented a set of Estimates which narrows inequities in school funding, which restores program quality in the universities, which increases access to post-secondary education and which reflects the leadership role the Department of Education will be taking with respect to critical issues such as school finance, declining enrolment and computer education.

Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Tuxedo.

MR. GARY FILMON (Tuxedo): Thank you, Mr. Chairman. I was just noticing that the Minister and I, both new to our roles respectively as Minister and Critic of Education in this Legislature, seem to have gone to great lengths to prepare ourselves for the Estimates procedure which lies ahead, even including colour co-ordination as to our respective party affiliations and, perhaps, philosophical beliefs.

In beginning, Mr. Chairman, I would like to suggest to the Minister, with her permission, that since we are both new to our roles that perhaps the easiest way for us to handle the matter would be to table as much information as possible in the beginning and if I could, at the end of my brief response to her opening statement, indicate some areas that I plan to explore in great detail and ask for some detail, which I am sure she won't have available to us at the moment, if her staff could arrange to bring it, either for this evening or tomorrow, so that when we arrive at those sections we can go through this without having to have the Minister ask that we leave a certain item and come back to it when she obtains the information. It might make it a great deal easier.

I noted from reviewing the Estimates debate of last year, when the then Minister of Education was introducing the new education support program for the province and it did require a great deal of detailed statistical information on a division-by-division basis involving figures on assessment and balanced assessment and adjustments and so on and so forth and mill rates, that the questions were asked by the then Critic for the Opposition, the Member for St. Vital, in advance and the information was brought in later that day or the next day, so that he was in a position to deal with them in detail on a fair comparative basis.

I do not intend to belabour at unreasonable lengths the Estimates process in Education. I do believe that there are points on which the Minister and I will certainly eventually agree to disagree, but it would, I think, shorten the process if I didn't have to talk in speculative terms about the programs and the

adjustments, particularly to the financial aspects of support for public schools, universities, and colleges in the province, if I could ask some of these questions, leave the information that I require on the record. I am not sure if the Minister has somebody taking notes up above, I suspect she does as most Ministers do and if so, perhaps we can proceed much more quickly if I leave some of these questions on the record.

I appreciate the Minister's opening statement with respect to particularly public schools financing in the province and her compliments and her criticisms of the program which was put in place by our administration. I believe that much of our discussion will focus around that particular program; what was in place before, what changes the Minister has already made on an ad hoc basis and what changes perhaps she has in mind on a more long term basis.

In addressing the comments that she made, I want to attempt to remove from her mind the statement which she continues to make over and over again about the fact that there was some intent in the original proposal. I will agree if she says that there was an option in the original proposal for a future government to change the original intent. But certainly if she persists in saying that there was an intent in the original proposal of the Education Support Program to raise all of the necessary increases by way of additions to the Education Support Levy in order to produce the CPI indexed increased amount for each successive year of the three years that were projected when it was announced last year, I would like to, right in the beginning, disabuse her of that thought. I have, as part of the information that I retained from last year as a member of the former government and former Cabinet and as part of the information that is available from many people who obviously were interested, information sheets along with the news releases distributed by the former Minister, one of which indicates right as part of its information, right up front, what the government expected would have to be raised in order to maintain the integrity of the financing of the plan from the general revenues of the province. This was based on an assumption, as I recall, of a CPI of something like 10 percent. Right at the time that the Minister announced it early last spring, he indicated that for the remaining two years of the plan, the additional contribution by the government is estimated at \$40 million and \$55 million respectively, with the CPI, as I say, being estimated at somewhere in the 10 percent range for it to arrive at those figures. Obviously that would have translated into something like \$48 million, I suppose, as my mathematics — \$48 million at 12 percent, which I think is about the figure that the Minister used, out of government contributions and there was no intent right from Day One that figure ought to be supplemented or raised by additions to the Education Support Levy.

And if the Minister is getting that information from sources within her department who may not have been familiar with the program's intent because they may be new to their positions, I will certainly say that information was left in public hands by the former Minister, and for her to suggest that there was any intent whatsoever for the government to raise the additional \$46.5 million that was required this year by other than the general revenues, as I say, I will indi-

cate that there's no truth whatsoever to that statement. So the decision that the Minister took in arriving at her split for raising the funds necessary to support both the Education Support Program, as mandated by the original proposals of the former government and for the supplemental grants, to add 4.2 mills to the ESL was one strictly made by her government, by her administration and certainly not in any way required of her by the program that was left in place by the former government.

I am pleased at the positive features of it that the Minister has left on the record. The fact of the matter is that it was a comprehensive program that allowed for a substantial hike in the provincial contribution from general revenues to public schools financing in this province that broke us out of a steady decline that took place over an entire decade, whereby the contribution from provincial general revenues continued to slide downward and put us into a situation that was intended to take and did, in fact, take a great deal of the load for public school financing in this province off the property taxpayers' shoulders and onto general revenues. Indeed, by giving the security of three years of projected revenues for the various school divisions, it certainly enabled them to do the proper kind of long-term planning that they need, they were never able to do under previous administrations and indeed, by pegging recognized or the term, or the concept of recognized expenditures as those based on 1980, plus annual CPI increases, it gave a benchmark or a goal towards which school divisions could aim in terms of their own financial planning. Again, a very positive feature that would enable people to know at least at a minimum basis what support they could expect from the government and from the plan that was put in place.

The increase in provincial contribution of course, as I've stated before in the House, resulted in the fact that only 5 of the 58 school divisions in the province last year experienced a net increase in mill rate for school purposes. I think that was an achievement that was lauded throughout the length and breadth of the province by school divisions and indeed by taxpayers and one that, I think, is going to be difficult for this Minister to live up to in view of the fact that her government, for whatever reasons, has not given education as great a priority in terms of its increased expenditures on an overall basis as it has to other departments, other functions of government in the province. Therefore, that has resulted in the fact of the additional approximately \$66 million being spent in education — no, I think it is about \$69 million being spent in public school education in the province this year. Only 42.5, I think she said, is coming from general revenues. Therefore, property taxpayers are having to pick up an additional \$27 million or so and certainly the property taxpayers and the school divisions are not going to be happy with the Minister for that resultant effect of the various changes that she's made.

Now indeed, I will acknowledge and I'm sure we will have an opportunity to have the Minister explain in some detail some of the minor changes she has made that are designed to bring about relief to specific circumstances which she indicated were inequitable as a result of some of the rigidity that her administra-

tion saw in this program. As I've said before, the specific relief is aimed at specific divisions and obviously those divisions have made their case before this Minister and have managed to achieve some relief as a result of making their case well.

I suggest though that if the Minister continues to give relief on an ad hoc basis, on a sort of a patchwork basis of making equality, she runs the risk of bringing into position some equalization grants and formulae that over a period of time, because they bear no logical premise, will become totally out of whack and will themselves result in inequities that are going to then be a burden on other divisions or on other aspects of education financing in the province.

I refer her specifically to the Greater Winnipeg Equalization Levy or Greater Winnipeg Education Levy which was eliminated by virtue of the Education Support Program introduced last year and that was without question the most inequitable, unreasonable, illogical aspect of public school education financing in this province which in effect saw the low income, low assessed homes in the core area, in Logan Constituency, in Ellice Constituency and other areas paying additional taxes in order to reduce the property taxes for education purposes in suburban bedroom communities such as Transcona, River East, indeed St. James, Fort Garry and many other divisions. In order to reduce the mill rates on all of those areas, Tuxedo, Charleswood, people in Winnipeg No. 1 Division, people in the core area, people of far lesser means who were asked to pay very substantial amounts.

The amount of the equalization grew in a fashion that wasn't arithmetic, that wasn't — well, I suppose it was closer to geometric when you looked at it. It started off in an amount that was just over 200,000 as I recall in 1972, and by 1980, the amount of the equalization had grown to over \$7 million that the taxpayers of Winnipeg No. 1 were paying. Without question, the result of that was a disadvantage and an unfair burden on the City of Winnipeg No. 1 School Division taxpayers. It resulted from a political premise that the former New Democratic Government of this province had and that was in order to soften the blow of the increased mill rates that they knew would occur as a result of the unification in the City of Winnipeg — the Unicity Bill — throughout this city, what they would do would be to make some equalization adjustments to the education portion of that property taxpayers' mill rate.

That was, as I say, based on no logical premise but a formula that was developed to give the equalization that was required at the time in 1972 and because that formula had no logical premise and really ought not to have been used on the education side of the mill rate at all, it should have probably been applied in some way to the municipal portion of the mill rate, but they didn't have that option at the time for a variety of reasons. They left the taxpayers of the City of Winnipeg No. 1 School Division with a monstrous millstone around their necks that could not have been in any way corrected for on the premise that what they were doing was spreading out the commercial industrial assessment of the City of Winnipeg and making it a benefit to all divisions throughout the City of Winnipeg, many of which were bedroom communities with small commercial industrial assessments.

This program that was brought in, the Education Support Program, enabled us to eliminate that formula and also to transfer the benefits of the high commercial industrial assessment that do exist in the City of Winnipeg, in St. James-Assiniboia and others throughout the province, so that not just the bedroom communities of suburban Winnipeg benefited from the transfer of assessment for the equalization aspect but, indeed, by putting the emphasis on the Education Support Levy rather than the special levies in each division, we were able to transfer that equalization throughout the province and let all of them benefit and not have it just a special equalization within the City of Winnipeg.

There was a great deal of time spent on that plan and therefore, the Minister's assertion that a complete review of education financing has not been done since 1959, I don't think is again, quite a correct statement because although the education finance review that was done previously was done by primarily staff of the department and primarily the experts who have worked with education finance in the Department of Education over the past couple of decades and had a great deal of information to bring to bear on it, their review was no less thorough or no less complete than any that I suggest is going to be done by this Minister and this government. I wish them well because I never object to people reviewing matters, but I suggest to the Minister that if inequities have become apparent within the scheme that was left in her charge by the former government, those inequities can perhaps be adjusted for over a period of time as the results of the inequities become apparent without having to bring into place a whole new system of education finance for the province.

Indeed, any new system that she will bring into place will have its inequities and they will show up very quickly. We will be happy to point them out to her and I am going to be happy to point out to her some of the inequities of the current adjustments that she is already making because formulae that are engraved in stone based on certain conditions that exist at the time the plan is adopted will never be totally, completely and fairly applicable three years down the line or five years down the line or ten years down the line. Unless she as a Minister, and her party as a government, are prepared to have some flexible approach to any scheme that they bring in and recognize and adjust for needed changes, she is going to be in much more difficulty than she already is by virtue of the plan that was left in her care.

The second area that the Minister commented upon which is, of course, of great importance to all Manitobans and to us as legislators is the support that will be given this year to universities in Manitoba and I commend the Minister for giving the universities a substantial increase in their funding this year. I do not accept necessarily her comments that programs suffered and that the university students suffered in a variety of ways as a result of things that she said happened in the past because very quickly thereafter, she went into a complimentary statement about the excellent results that have been achieved in terms of employment opportunities and career opportunities for those who have graduated from universities and community colleges in this province in recent years.

Indeed, that was something we had said and we felt was falsely and very cynically used as a criticism of the former government's programs in terms of university and community college development in the province, that the whisper campaign and the suggestions that were made by the New Democratic Party in Opposition and in the election were to the effect that there was a great deterioration in terms of the quality of graduates, opportunities, employment and all of those things.

I am glad that the Minister's own statistics reveal that indeed, graduates have done well and continue to do well. The opportunities are there and, hopefully, this government will provide more opportunities for the upcoming graduates this year, next year and on and on, and that this government will recognize the need for economic development in this province and for a strong vibrant economy to employ with very high quality opportunities those graduates who we all look forward to joining the work force.

They include in the not too distant future some of my children and, no doubt, family, friends, relatives of all members in the House. So we hope that this Minister will not by virtue of some of the changes that she makes, change the opportunities that will exist. That is, we hope that you won't change them for the worse, rather will continue through her role and through her initiatives provide a climate that sees these graduates in the future of our universities and colleges well and gainfully employed in career opportunities that challenge them and they will thank this Minister for.

Finally, I have to comment on the Minister's assertion that the 3 percent increase to the community college funding for this year is adequate. She has indicated a number of areas of initiative for program expansion and I am sure that they are all valid and ones that will be of benefit to prospective students at the community colleges, but I think that there are great expectations that rightfully ought to be placed on this government for continuing the kind of growth and development at the community college level that was seen during the past four years.

Even from their own Throne Speech, this government on at least five occasions indicates the need for well-trained people in Manitoba to help take advantage of the economic development opportunities that exist and that will exist in the future. Those opportunities require skilled, trained people in primarily trades, technologies and highly knowledge-oriented areas. Manitoba's past has been built on having adequate supplies of well qualified, trained people and Manitoba's future will even more be dependent upon having adequate numbers of people who are highly skilled, well trained and very knowledgeable in the high technology industries and applications and knowledge-based activities that this province will grow on.

Consequently, I think that the assertion that 3 percent will result in continuing growth and development of the community colleges to the extent that it has been done in the past is probably not one that is likely to be kept or likely to be shown as possible or probable. In fact, I have in recent times spoken with a number of the staff at the community college at various levels, all of whom are very concerned that the increases that are put forth in these Estimates may not enable the community college to continue offering

needed programming and that there will be reductions in programming over and above the minor ones that the Minister indicated that will result in loss of opportunity for many Manitobans to attend the community college, who should attend the community college and who have the desire to pursue careers that can be entered only through training that is offered at the community college.

So, I say that is one that we will have a little more discussion on as we come to that point, but I am not persuaded that the financial support that is offered on the face of the Estimates is going to be adequate to carry out what the Minister says are her commitments to this particular area. If I can turn now finally, Mr. Chairman, to the questions that I would like to leave on the record for further answers.

Number one, is the 1982 Education Balanced Assessment for the province by division, (a) education, farm and residential assessment, (b) education, other assessment and (c) total of (a) and (b)?

Number two, is the Education Support Levy required to be raised in each school division in the province in 1982, (a) on farm and residential property, (b) on other property and (c) total of (a) and (b)?

The other one is what the special levies will be in each division on the same basis, farm, residential, other and a total of the two.

The other area that I would like some further information on is what amount each division will receive of the \$14.2 million special grants that the Minister has indicated will be paid out, the amount by division and what that means in terms of mills per division.

Another area that I would like some information on surrounds the universities and I would like the Minister to, if she could, provide for me a listing of the tuition fees charged at Manitoba's universities, starting in about 1975 and up to the present. If she could provide, and this might be a little more difficult, a listing of enrolments in full-time equivalent students by faculty for as far as she can provide it back for me without going to unreasonable lengths.

I will leave that at the moment and perhaps, we can begin to proceed with the Estimates unless any of my colleagues have further comments.

MR. CHAIRMAN: We move to 1. (b) General Administration. At this time you could bring your staff in, the departmental officials in, if you wish. The Member for Tuxedo.

MR. FILMON: Mr. Chairman, I wonder if I could also ask a favour, if the Minister could give us copies of her opening statement. There were some aspects of it that I didn't hear.

MR. CHAIRMAN: Are there any questions or comments on Item 1. (b) General Administration: 1. (b) (1) Salaries.

The Honourable Member for Tuxedo.

MR. FILMON: Does the Minister have any opening comments under General Administration?

MR. CHAIRMAN: The Honourable Minister.

MRS. HEMPHILL: I think perhaps just a very short

summary of the General Administration area, Mr. Chairman. Sorry, Mr. Chairman, I was getting a little too relaxed.

The Department of Administrative Support Services consists of central programs that involve Field Services; Teacher Certification; Management; Information Services and Statutory Boards and Commissions.

There is only one increase in staff in this area, Mr. Chairman, and we can go into discussions of what that person is shortly and the other increases are related to a new Canada Youth Program and increased cost in transportation. Those are the two major additional expenditures in this area.

The salaries have increased only 4.6 percent and that is simply the incremental increase for that department. The other expenditures have increased \$80,000 and we can give a breakdown of those increases if the member wishes.

Apart from a couple of items, we are holding the line in this department, Mr. Chairman.

MR. FILMON: The Minister indicated one additional SMY, I guess SPY, staff person year. What is the role of the new person?

MRS. HEMPHILL: This additional staff man year increase, Mr. Chairman, is in the Capital facilities area and the position is a new position that's been created for a safety officer and that is safety in schools.

The staff person will be collaborating and working with the Department of Labour and the job is really to oversee safety in schools, particularly in science. In science labs there is a tremendous increase in materials that are volatile and that need a lot of understanding about storage and handling. It's getting to be an increasingly complex and important area and it's become obvious that we must provide resources and help to school divisions to make sure that these things are being handled safely and properly in the schools.

MR. FILMON: Mr. Chairman, I wonder if the Minister could indicate what classifications of personnel are paid from this appropriation.

MRS. HEMPHILL: Does the member want the classification for the new person or for all of the . . .

MR. FILMON: All.

MRS. HEMPHILL: Would the member like me to read all of these off individually?

MR. FILMON: No, what I'm looking for is if the Minister could indicate that this is where the Deputy Minister, the Assistant Deputy Minister; you know, where does the Public Schools Finance Board come under for instance? Is this where the staff are located and so on? What areas are covered under that General Administration?

MRS. HEMPHILL: The Minister's office includes administrative and secretarial support to the Minister, three SMYs; the Deputy Minister's office, administrative and secretarial support to the Deputy Minister, four SMYs; Assistant Deputy Ministers and secretarial

assistance under Executive, two SMYs; Administration is 16.2 SMYs and that is where the increased staff member comes, under the Director provides internal administrative support. Included in this area is public school transportation and administration of schools in undeveloped settlements. There are eight SMYs in accounting, this provides all accounting functions for the Department of Education, Public School Section. There are 18 SMYs in Public Schools Finance, this provides service in all areas of public school finance. Six SMYs in Capital Facilities, it provides analytical and recommendatory functions to the Public Schools Finance Board re Capital Expenditures for public schools throughout the province. Seven SMYs under Personnel, provides personnel and payroll functions for the Department of Education, and three SMYs under the Information Office, which provides public relations for the department in preparation of written material in response to public inquiries.

I believe that the only changes in numbers there is the additional officer that we indicated to you.

MR. FILMON: Mr. Chairman, if I or any of my colleagues wanted to discuss plans for new schools or rebuilding of schools or additions to schools in any of the areas of the province, would the Minister suggest that we ought to do it now or is there another appropriate place in the Estimates.

MRS. HEMPHILL: I think those discussions would be more appropriate to come under the Capital.

MR. CHAIRMAN: 1.(b)(1)—pass.

MR. FILMON: I'm sorry, what number is that? No. 7?

MR. CHAIRMAN: Could the Honourable Minister indicate what number that would come under?

MRS. HEMPHILL: I'm sorry, I didn't hear the question, Mr. Chairman.

MR. FILMON: I asked what number is Capital, I'm not sure which . . .

MRS. HEMPHILL: It could come under either 3.(a) or 7. 3.(a), I think, might be the appropriate place, Mr. Chairman, since that is the item where we will be discussing funds going to school divisions, we will be discussing the individual school division's funding and it might be an appropriate time to discuss their building program then, too.

MR. CHAIRMAN: If there are no further questions on 1.(b)(1) — the Member for Tuxedo.

MR. FILMON: Mr. Chairman, how many staff are attached to the Public Schools Finance Board and how are they paid?

MRS. HEMPHILL: That is the 18 SMYs that I indicated previously and we are reimbursed by the Finance Board for 60 to 70 percent of the salaries.

MR. FILMON: In other words, some of the work they do is billed to divisions? What is the

reimbursement for?

MRS. HEMPHILL: They do the work under the Support Program as opposed to departmental support.

MR. FILMON: It comes under the amount that goes into the Education Support Program, right? Do the Estimates, Mr. Chairman, provide for increases in salary as a result of a new collective agreement?

MRS. HEMPHILL: No, they do not, Mr. Chairman. They just provide for the incremental increases, the normal built-in incremental increases.

MR. FILMON: The incremental increases are for length of service?

MRS. HEMPHILL: Yes, they are for people who have gone to the next level within their department which allows for an automatic increase when they reach that level.

MR. CHAIRMAN: 1.(b)(1)—pass; 1.(b)(2) Other Expenditures — the Member for Tuxedo.

MR. FILMON: What is included in the Other Expenditures, Mr. Chairman?

MRS. HEMPHILL: The items that are included under Other Expenditures are: Minister's Office, Deputy Minister, Administration, Accounting, Public Schools Finance, Capital Facilities, Personnel and Information Office, the same categories that I indicated to you when I was describing the support staff.

MR. FILMON: I think the Minister indicated, Mr. Chairman, that there was a special explanation for some \$80,000 or some particular item additional.

MRS. HEMPHILL: Perhaps, I can list the increases in the category of Other Expenditures for the member opposite in total. It is a dollar increase of 80,200, Mr. Chairman, I will list them all, but I would just indicate that in most cases it is just general operating increases, normal increases, except for a special Canada Youth Program which is a cost of \$21,000, that is called the Terry Fox Youth Centre and it is a program sponsored by Unity Canada for high school students to go to Ottawa for a week and to attend workshops to get a better appreciation of their country. One hundred and seventy-six students are eligible from Manitoba; they apply directly to the Centre. We fund \$75.00 per student plus salaries and substitute teachers for three teachers from Manitoba who will be advisers for three weeks at a time. I think all of the provinces are participating in this program, Mr. Chairman, and Manitoba is pleased to give our young people that opportunity.

The other major increase, I think in that area, is transportation with an increase of \$12,000 and that is because of the new position and the travel allowance for the safety officer who will be out in the field a great deal.

Secondly, because we do have a lot of people working in the field and transportation costs are going up tremendously for all of us who are driving cars, there are much more minor increases. The Information

Office, for instance, has an increase of \$8,000 and that is for the Education Manitoba Magazine that is produced, I think, about 10 times a year plus a final report and there is one other major activity through that department. It is for increased printing costs for distribution of those materials. There is an increase of \$5,000 in capital facilities, \$3,000 for increased coverage to employees. We provide insurance coverage for school division employees and this is an increase that gives them significant additional insurance coverage.

I think that the \$21,000 and the \$12,000 are the two major costs. There is some increase in the WATS Line, \$3,000; general increase in costs for supplies, an additional \$9,000; Public Schools Finance Board is 4; furniture \$5,000; capital facilities, \$5,000 and that generally makes up the \$80,000 increase.

MR. FILMON: In the area of General Administration, all of those SMYs that are covered that the Minister listed earlier, can the Minister indicate how many actual staff have changed and been replaced since her administration has taken over?

MRS. HEMPHILL: The changes made within my office are the Deputy and there has been one secretarial change, the Executive Secretary to myself.

MR. FILMON: Does the Minister have an organization chart by any chance that I could have?

MRS. HEMPHILL: We don't have one right here in front of us, Mr. Chairman, but it's something that we can get very quickly. It is in the Annual Report, we can find it and have it taken over.

MR. FILMON: It's not necessary then, that's fine.

MR. CHAIRMAN: 1.(b)(2) Other Expenditures—pass; (b)—pass.

Then we have Item No. 1.(c) Statutory Boards and Commissions.

The Member for Tuxedo.

MR. FILMON: Could the Minister list what boards are covered under this item and if they're not too lengthy perhaps the members and their remuneration and role and so on?

MRS. HEMPHILL: Yes. I'll indicate the boards first, Mr. Chairman, and then talk about them individually, I think.

First of all is the Board of Reference.

Does the Member for Tuxedo wish to have some short description of the activities of each of the boards or would he just like me to list them?

MR. FILMON: I'm familiar with some, so perhaps if they're just listed I'll ask on specific ones.

MRS. HEMPHILL: Okay, you'll ask the ones.

The boards covered are the Board of Reference, the Advisory Board, Collective Agreement Board, Arbitration and Conciliation, Languages of Instruction Advisory Committee, and Certificate Review Committee.

The Board of Reference Membership, 1982: the

Chairman is John Kuhl from Winkler, Manitoba; the Vice-Chairman is John Shineton; Camille Shaput is a member; Joe Sigurdson; Ross Vasey; and the Secretary, non-voting, from the Department of Education is Charles Bridle.

The other Boards; for instance, the Advisory Board and the Languages of Instruction Advisory Committee are made up of representatives of specific representations from organizations like the Manitoba Association of School Trustees, Manitoba Teacher's Society, Superintendents and some lay people. We don't have a list of the members of those major committees. The Advisory Board, for instance, I think has something like 26 members. If the Member for Tuxedo would like that list, we can get it for him. It has not changed. I can say that there have been no changes on any of these boards since this government took office.

MR. FILMON: Okay, that's fine then, Mr. Chairman, I'll accept that.

I'd like to know how many hearings were held during the past year by the Board of Reference?

MRS. HEMPHILL: There has been a significant increase in the number of hearings held by the Board of Reference, Mr. Chairman, and I might indicate to the member that is almost completely the reason for the increase in that expropriation. I think there is a \$6,000 increase. While it's a 25 percent increase, it is due almost entirely to the increase in the number of hearings that the Board of Reference have conducted. It's gone from 15 meetings in 1979 to 33 meetings in 1981 and the expenditures for the 1979-80 year with 15 were 4,500. The 1981-82 is 14,955. It is an indication, I think, of what we all recognize as a significant increase in interest of the members of communities and the public to appeal or to ask for changes in boundaries or in the organization of their school division. There is a lot more public activity and interest.

MR. FILMON: I wonder what the new Minister or the new government's policy is regarding this general question of boundary reorganization?

MRS. HEMPHILL: That's a very large issue in question, Mr. Chairman, and one that we have not begun to deal with.

MR. FILMON: Just offhand, does the Minister believe that the question of boundary reorganization ought to be looked at more closely and there are some cases for reorganization of boundaries that have been brought to her attention that she feels merit her attention?

MRS. HEMPHILL: I must say, Mr. Chairman, that some of the referrals to the Board of Reference are related more to a local concern or situation or issue and not as much or as often to a general problem related to boundaries. In other words, I think what I'm suggesting is that in some cases there are frustrations or problems that people are trying to resolve and one of the few vehicles open to them is the Board of Reference and therefore they are using it to try and attempt to solve, not always boundary problems, but some-

times other concerns and problems that they have. I don't think that the increase in the number of hearings is necessarily an indication of a significant problem of boundaries across the province. I'm not ruling out looking at the issue, I am saying in terms of priority that ours are well established for our first year, I think, with the educational finance review and computer programming and a few other matters. I don't at this time see any reason to raise the question of existing boundaries up higher than it presently is.

MR. FILMON: Is the Minister saying that the Board of Reference is being used as sort of a Supreme Court of Appeal when people disagree with the decision of the local school board, that then they ask for certain change that would give them powers over a new division?

MRS. HEMPHILL: The only time that I refer cases to the Board of Reference, Mr. Chairman, is when they are requesting boundary changes. I think what I was saying is that while they are requesting boundary changes, the reasons they are requesting them are not always problems of boundaries.

MR. FILMON: What types of problems then are resulting in references to the Board of Reference?

MRS. HEMPHILL: In some cases, the reasons are probably as varied as the numbers of individual situations, Mr. Chairman. In some cases, they believe that by joining a division or an area that is close to them, they will have better educational opportunities for their children, that if they stay alone because of the numbers or other reasons, they might be in a disadvantaged position. Whereas if they joined in a school division, those boundaries coexisted with theirs, they would have opportunities to have access to more options or more educational services than they do have on their own. Some of the changes or some of the requests are coming about obviously because of the impact of declining enrolment, but in reasonable number of divisions or areas, the loss of students is causing a significant problem to many of them in terms of being able to maintain and retain existing programs. In some cases, it is a reflection of frustration of a community and trying to communicate their concerns or what they would like to see for their school division. It's very complex and a very wide variety of reasons.

Another reason I would suggest is simply that the public is becoming more aware and more informed in all areas, not just the field of education. They are doing the job of communicating to their elected representative their feelings and wishes. They're doing it more clearly, more strongly and more openly and I think that is a reflection of things that are happening in our society today.

MR. FILMON: I agree with the Minister that people are taking a much stronger advocacy role in debating, discussing and challenging the decisions and the problems that face school boards as they are throughout our society — not only school boards, but all levels of authority and responsibility. But it seems to me that if the Board of Reference is being used as a

sounding board or a decision-making body for decisions other than boundary changes, that it ought to be changed in some way and there ought to be another mechanism for appeal for these kinds of problems and concerns that people have with the system.

MRS. HEMPHILL: Mr. Chairman, the Board of Reference is not making decisions on other matters other than boundary changes. Those are the only matters that they are being asked to deal with and the only matters that they are dealing with.

MR. FILMON: Well, I am trying to understand what the Minister said initially about what the Board of Reference, about the appeals basically not being ones motivated by boundary changes but by other reasons. Is it that the only manner in which people can appeal a decision, say on reorganization of schools, closure of schools or other things via a school board, the only method that they have of appealing it to a higher authority is to make a determination that what is needed is new boundaries and a new division. Therefore, although it's not really a question of boundaries, the only way they have to fight such a decision is to apply for a change in boundaries.

MRS. HEMPHILL: I think I was indicating that the reasons for wanting boundary changes are varied. There is a wide variety of reasons for wanting boundary changes. That is the request they are making and it may be based on a wide number of factors. There are, I think, mechanisms for the people in the community to appeal or ask for reconsideration of decisions that have been made. We all know that they can appeal any decision made by a local school division, to that division, and that they are entitled to, and have full opportunity to present their feelings and their attitudes and their recommendations and get a hearing by school division boards.

In many cases are able to work together between the community and the school division to resolve issues or problems that they have. There is also an appeal mechanism to my office related to the building of Capital facilities and if they are not happy with the decision made by the Public Schools Finance Board related to renovations, additions, or new buildings there is an appeal process directly to me and I review the request and the decision. There is also an appeal process set up in our department for the Student Aid Branch where any individual who is not happy with the decision by the department of the Student Aid Branch can appeal that decision to my office. The Certificate Review Committee that hears and reviews requests to revoke a teacher's certificate also has an appeal mechanism to my office.

MR. FILMON: Would this be the appropriate place in which to discuss the issue of curriculum changes or would that come under Curriculum Services, Item 4.(c)?

MRS. HEMPHILL: I think that should come under the Curriculum Branch of the Department of Education, Mr Chairman.

MR. FILMON: Is this where the Curriculum Advisory

Committees come, though?

MRS. HEMPHILL: It is under Section 4.

MR. CHAIRMAN: Item 1.(c)—pass; Item 1.(d) Field Services: 1.(d)(1) Salaries — the Member for Tuxedo.

MR. FILMON: What services and what staff are included in this section? Specifically, I wonder if the Minister could indicate how many staff are included under Field Services and where are they located? Have there been any increases or decreases in staff in that section?

MRS. HEMPHILL: Mr. Chairman, the Field Services Branch is comprised of 17 professional staff and 7 support positions for a total of 24 staff man years. There has been no additional staff in this branch this year in this budget. The major roles and activities in sort of summary form, not specific detail, Mr. Chairman, would be in three areas, I think. They respond to requests from school divisions for evaluations and they often do a co-operative evaluation on anything that a school division wants evaluated. It could be program; it could be the administration, the function of the administration office within the school division; it could be curriculum; it could be related to teachers or organization. They go in on request and they usually work on a co-operative basis.

They also do specific studies where they might be asked to go in and study the financial structure and expenditure of a school division, and they do evaluations of private schools and their programs for the Department of Education. In general, they try to maintain a general overview of the educational programs being offered in the schools in the province and they do a lot, I think, to provide information. One of their major roles is information exchange between the Department of Education and people in the field. They also provide data. One of their jobs is to help school divisions by getting information from the department that will help them with whatever decisions that have to be made and they provide support services to Public Schools Finance Board and to the Schools Buildings Projects Committee and other sections of the department when they are dealing with activities of the various school divisions.

They conduct surveys and studies at school board requests, as I suggested, and provide ongoing administrative and consultative support to school boards, secretary-treasurers, superintendents, principals and teachers.

MR. FILMON: Is the Minister satisfied that they are contributing a worthwhile service to the boards and the various groups that they serve in the functions that they perform?

MRS. HEMPHILL: Mr. Chairman, times are changing and as times change, so do the roles, functions and activities of people who work in a department like the Department of Education. I think the role and the function of the Field Services personnel has been changing significantly over the years to keep pace with changes that are taking place in the field of education and out in the school divisions where they now

have a much higher degree of professional support than they had previously; in other words, they are not dependent upon Field Services Branch for the same kinds of help that they were.

There was a fairly heavy monitoring component, I think, and that is changing. It is becoming more, I think, supportive and the gathering of information, the co-operative evaluation approach that I mentioned where school divisions find that they have expertise and people that can look at things, but it helps sometimes to bring somebody in from outside to look at it from an objective point of view.

So that as the needs of the school divisions are changing, I think, Mr. Chairman, so are the activities and work that is being done by the Field Services Branch changing to accommodate those changing needs and times.

MR. FILMON: So, in general, the educational community, whether that be teachers, administrators, boards are supportive of the services that are provided by this branch and appreciate the role that they have to play and therefore, as well, the Minister feels that there is a positive role to be played by the Field Services Branch?

MRS. HEMPHILL: I'm sorry, I didn't quite hear the — you dropped your voice just as . . .

MR. FILMON: I called it a branch, I am not sure if it is.

MRS. HEMPHILL: No, I didn't hear the question, Mr. Chairman. I heard the preamble.

MR. FILMON: Is the educational community and I include in that teachers, administrators, boards supportive of the role and the function that this branch is playing and therefore is the Minister satisfied that there is a role and a function to be played by the Field Services people and is supportive of that position?

MRS. HEMPHILL: I have a couple of letters, Mr. Chairman, commenting on specific work done by the department where the Catholic School Trustees Association is expressing appreciation to the department for their work in evaluating programs in three of our schools. I mentioned the work they were doing to evaluate private schools.

I can say that I believe that the requests that are coming from school divisions are for a wide variety of activities, are an indication of reasonable help given or that this branch is operating as a useful resource to school divisions in meeting these requests at this time and to myself, because of my responsibilities, I think the fact that they have been able to evaluate 75 out of the 88 private schools in terms of curriculum, programming and qualification of teachers is a help to me in meeting my responsibilities.

I think that if I was to speak generally, I would say that the role has changed significantly over the last few years; that I believe that the Field Services Branch has been changing to meet the changing demands and requests that are coming about and that as we go into an even more complex period, that there will be additional change and that the role and activities of the department will probably continue to alter in the

future as they have in the past, to meet the new demands and requests.

MR. FILMON: So, Mr. Chairman, may I take it that the Minister, or may I ask the Minister if she has any plans to abolish or wipe out this particular branch, or if she has any plans to make any major role changes in the branch.

MRS. HEMPHILL: I wouldn't, Mr. Chairman. I think perhaps without separating, although we are talking about the Field Services Branch right now, I will indicate to the Member for Tuxedo, I think it's important that we continue to look at the role and function and activities of the Department of Education in its entirety and there are some things that we might be doing now that are no longer required, or not as important; that we continue to deliver those services.

There are other areas — and I can give some examples — where we are perhaps not doing the job that we could do in providing support to school divisions and that is in the area of Computer Technology.

There are a number of spots where we recognize a lot of work has been done and others where there is work to be done. I expect that the role and function of the Department of Education in general and the individual departments within that specifically, will continue to change and alter their activities related to our responsibilities to provide certain support and the changing needs of the school divisions for that support.

MR. FILMON: So the Minister then does not have any plans at the moment to abolish this branch or to drastically alter its role.

MRS. HEMPHILL: Mr. Chairman, I do not have any drastic plans at the moment. —(Interjection)—

MR. FILMON: Mr. Chairman, the only reason that I wished to get that on the record was that of course, the former New Democratic Government in the province did abolish this branch and its role and function and was critical of the former Minister under our administration, for bringing back such a function.

I know that the Minister's intention was, of course, to have a different role but when in Opposition, the New Democratic Party criticized primarily the monitoring function and wasn't able to accept the other positive features of the Field Services Branch and I'm pleased to hear that she hasn't any intention to abolish it or to drastically change it.

MR. CHAIRMAN: 1.(d)(1)—pass; 1.(d)(2) Other Expenditures—pass; (d)—pass; 1.(e) Teacher Certification, Records and Education Data Services; 1.(e)(1) Salaries.

The Member for Tuxedo.

MR. FILMON: I wonder if this might be a place in which the Minister would like to discuss some of the recommendations or motions passed by the Manitoba Teachers' Society at their annual meeting, with respect to changing teachers' professional status in a variety of different ways. the so-called 20 - 20 proposition and Teachers' Professional Bill that has been

discussed publicly and so on. Is this the appropriate place or is there another more appropriate place?

MRS. HEMPHILL: Mr. Chairman, I'm trying to figure out what is the appropriate place to discuss those. That's not as clear as the fact that this is probably not the appropriate place to discuss those. They deal fairly narrowly with three points and that is, High School Records, Teachers' Certification — which has nothing to do with the numbers of students that they face in the classroom, of course — and Correspondence School. So perhaps we could deal with this item and think what might be an appropriate time to deal with some of the philosophical questions which he has just raised.

MR. CHAIRMAN: Committee come to order. The time being 4:30, it's time for Private Members' Hour, therefore I am interrupting the proceedings and will return at the call of the House.

Call in the Speaker.

IN SESSION

PRIVATE MEMBERS' HOUR

MR. SPEAKER: The time being 4:30, Private Members' Hour. The first Resolution on our list for today is Resolution No. 4, on the proposed motion of the Honourable Member for Thompson.

The Honourable Member for Sturgeon Creek has 13 minutes remaining.

RES. NO. 4 - INDEPENDENT CANADIAN ECONOMIC POLICY

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker.

Last week I believe when I was speaking on this Resolution, I said towards the end of remarks that I would show the members on the other side the Resolution where it says,

"AND WHEREAS in particular, the adoption of this approach by the previous Conservative Government of this province and their support of the approach to the Federal level, has caused Manitoba's economy to slip to the point that was stagnant over the past four years. Mr. Speaker, I was about to tell the members that is not fact.

As a matter of fact, Mr. Speaker, in the Estimates of Economic Development, the Minister of Economic Development complimented the Department of Economic Development's work that was done in the last four years in increasing the manufacturing expenditures and the manufacturing investment that had been put in place by the previous government. I said that this government was left with some very good statistics regardless of what the Member for Brandon East has put forward, and I have stated before that if I was a person that lived in Brandon East I would have tarred and feathered him and taken him out on a board for the comments that he made about his own Town of Brandon being an economically depressed spot. As a matter of fact, he didn't even look in the phone book. He'd have found that there was an increase in business in Brandon over the last

four years.

Mr. Speaker, the —(Interjection)— I hear the comments from the Member for Springfield, it's very easy to see he's back. I'm pleased that he's over his illness - I certainly hope he cures the one that involves his mouth, Mr. Speaker, and we'll all be very much happier.

Mr. Speaker, the Conference Board Quarterly Forecast, Mr. Speaker, of December, 1981 placed Manitoba third in Canada for real domestic product increase. Mr. Speaker, in Manitoba the 1981 increase was estimated to be 3.3; in '82 to be 2.0. Canada in 1981 was forecast to be 2.7 and in 1982, 1.7. We've just had the Conference Board come out and say that they believe the economy of Manitoba will be possibly the second best in 1982 after Alberta. That could only happen in 1982 if there was good planning over the last four years.

Well, Mr. Speaker, the Member for Thompson laughs and I'm quite willing to table this. It was done by the department before I left and as the First Minister says, and it's one of the few things he says that's accurate, that these figures come from the Bureau of Statistics. With what the Member for Turtle Mountain was able to show the Minister of Finance regarding the Bureau of Statistics figures the other day, we have some reason for concern when we look at them, but I understand the Minister of Finance is going to give us an explanation for the change in figures from June until March of this year. If we look at '73 through to 1981, value of goods and services rose continually and they rose continually from '77 through '81.

Value of resource shipments stayed pretty well stable until 1977 and moved up from '77 through to '81. Value of construction, Mr. Speaker, was very high in '77, remained fairly high in '78, took a very bad drop in 1980, but the province held its own across Canada. In the value of manufacturing shipments, Mr. Speaker, we did nothing but move continually up from 1977 on. The value of total investment, Mr. Speaker, remained fairly constant through 1977, '78, '79, '80, and '81. Total employment, Mr. Speaker, '77 it was just about staying level through 1974, '75, '76, '77, and it's moved up drastically from '77 on. Value of manufacturing investment, Mr. Speaker, was dropping from '74 down to '76, about the same in '77 as it was in '76 and started to move up continually during the next four years.

This is a very interesting one, Mr. Speaker. Manufacturing employment, you'll see that it dropped in '77 to the lowest point we had from '73 through to '81 and started to move up in '78 to an all-time high of employment within the province.

Value of interprovincial trade, Mr. Speaker, moved up steadily over the past four years. As a matter of fact, I must say it moved up steadily through the '70s. Value of export shipments were pretty well stagnant down in this area here and moved up continually from '78 on. Small manufacturing establishments dropped from '73 to the lowest we ever had in 1977, and from 1977 on to '81 they increased considerably. There are the figures.

Value of tourism expenditures, Mr. Speaker, were continually moving up. They were stagnant in this particular position and in 1978, '79, '80 and '81 moved up very drastically. Tourism being our fourth largest industry, Mr. Speaker, I must say that I will always

have this book very close to me. This is the Minister of Economic Development and Tourism, a very nice picture of her, which explains in the Prairie Hotelman that Manitoba had its largest tourism year that they've ever had in the province and it had moved up continually.

Let me just show the honourable members, Mr. Speaker, what happened to tourism during the years when they were in government, and by the way, Mr. Speaker, I see the Minister of Health looking up at me because he and I went through this graph once before, so I must say that under his leadership of tourism it did move up. But from 1970, the expenditure, the dollars spent, moved up under the Minister of Health and the number of tourists moved up continually while they were doing promotion. In 1975, Mr. Speaker, the expenditure in investment to promote tourism dropped to its lowest ebb. It went down to there in 1978 and the number of tourists started to drop continually under the NDP and, Mr. Speaker, when we started to promote again, we've had nothing but increases in tourism, our fourth largest industry within the province.

Mr. Speaker, obviously the Member for Springfield didn't get the cure I suggested but he mentions gas prices. Mr. Speaker, I would say that the gas prices this year coming up are not going to be helpful to tourism within the Province of Manitoba as far as American visitors are concerned, and I certainly hope that the Estimates given by the Minister of Economic Development and Tourism regarding promotion will be helpful to overcome that. She obviously is taking the same attack that we took as far as the development of tourism is concerned.

Mr. Speaker, there will be, and I will be asking the Minister of Economic Development to give me - I have a book here that is published by her department, Capital Investment Profile, 1978-80 - the number of new companies and expansions that took place in the Province of Manitoba and the Manitoba's investment activities January to June, 1981 and I will certainly be asking for June until the end of 1981 or the complete June rundown of new investment that took place within the province. I am sure the honourable members on the other side should really take a look at these figures or the statistics that are available to them before they get up, as the Member for Thompson has done, and make an erratic statement that is meaningless, as he has done in this Resolution. But that obviously is the tact of the Member for Thompson and of course it comes from the top; it is something that is directed from the top to say anything in that government over there.

Mr. Speaker, he says that we are for the high interest rates, we support high interest rates. There is nothing further from the truth. They base that on statements that were questioned by the Member for Brandon East one day to my colleague, the Member for Turtle Mountain, the Minister of Finance at the time. When you talk about taking something out of context, I wouldn't mind if you took it out of context, but when you completely turn around and make misleading statements from it, that's another ball of wax and it's all right here in Hansard what they base their statement on. Mr. Speaker, there is no question that our side of the House - in fact, when I was on Treasury

Board and a member of the Cabinet, we were concerned and deeply concerned with the interest rates in Canada that were being put upon us by the financial policy of the Federal Government. It is a complete admission by the Federal Government that they are not capable of increasing the economic situation of this country and the only way they know how to get money is to go out and tax people or plug loopholes, as they call it.

Mr. Speaker, I would refer the members to the Saskatchewan Government under Douglas and the Saskatchewan Government under Mr. Blakeney. They found more little taxes to place on people than any other government ever did in Saskatchewan.

MR. SPEAKER: Order please. The honourable member's time has expired. Are you ready for the question.

The Honourable Member for Sturgeon Creek.

MR. JOHNSTON: Mr. Speaker, I was going to move an amendment when my time was up. I'm sorry.

MR. SPEAKER: If the honourable member has leave of the House he may proceed, otherwise, I am sure some other member could move it.

The Honourable Minister of Health to the same point.

MR. DESJARDINS: We are ready to grant leave providing it is just for the amendment.

MR. SPEAKER: The Honourable Member for Sturgeon Creek has been granted leave.

The Honourable Member for Sturgeon Creek.

MR. JOHNSTON: Mr. Speaker, I move, seconded by the Member for Turtle Mountain

THAT the Resolution be amended by deleting all the words after the first "WHEREAS" and substituting the following: "fiscal and monetary mismanagement by the governments of most western countries over the past two decades has led to the unprecedented rates of inflation and lowered productivity; and

"WHEREAS some western countries, the United States for example, have adopted monetaristic economic policies requiring tight control of money supply and restraint in government spending; and

"WHEREAS United States has reaffirmed the private sector as a basic engine of economic initiative; and

"WHEREAS the United States has succeeded in significantly lowering interest rates and inflation during the 15 months of President Reagan's term; and

"WHEREAS the Government of Canada has consistently failed to support the policies of the Bank of Canada with realistic fiscal energy and economic development policies; and

"WHEREAS the Government of Canada has embarked upon the centralization of economic planning in the hands of Ottawa bureaucrats and has crushed the co-operative federalism; and

"WHEREAS these actions by the Government of Canada have led to a loss of confidence in the Canadian dollar, a multi-billion dollar Current Accounts deficit, unnecessarily high interest rates, soaring

unemployment and double-digit inflation;

"THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba call upon the Government of Canada to work in co-operation with all levels of government to adopt complementary fiscal and monetary policies, to adopt realistic energy policies and to encourage private initiatives in the investment to reduce inflation, reduce interest rates and increase employment by means of revitalized economy, thereby restoring confidence in the future of our country."

MR. SPEAKER: The amendment was moved by the Honourable Member for Sturgeon Creek and seconded by the Honourable Member for Turtle Mountain. Do you require it read?

MOTION presented.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. RANSOM: Mr. Speaker, as the seconder of the motion it would be appropriate to speak to it at this time. —(Interjection)—

Mr. Speaker, the Member for Thompson says, let's hear about interest rates and I would be happy to take a few minutes of the time that I have available to deal with that. I am pleased, Mr. Speaker, that indeed the Member for Thompson has seen fit to introduce a Resolution into the House dealing with the extremely important subject of the economic situation that prevails in Manitoba and in Canada and, indeed, in North America.

I was a little disappointed in some of the things that he had to say about it because I think that perhaps it portrayed a bit of a superficial approach that the member was taking, but at least we do have the opportunity, Mr. Speaker, to deal with this serious question and I hope to be able to shed a little bit of light, at least on what is happening and to outline what my position is.

I've heard the members opposite say on many occasions, that our government had favoured high interest rate policy and, Mr. Speaker —(Interjection)— yes, we heard it this afternoon in an answer from the Minister of Agriculture, when asked a question about his policies. He responded with a speech about the alleged position of our government in support of high interest rates. I can show you, Mr. Speaker, if it was necessary where in many cases in the New Democratic Party election material that was widely distributed both before and after the election last year, that our government and myself, as Minister of Finance were quoted as being in favour of a high interest rate policy.

Well, Sir, I can assure you that was, I might say, a gross distortion at best, of the position that had been put forward by our government and, Mr. Speaker, it all arose from an exchange that took place in this Chamber on at least one perhaps two different occasions, where I had been asked questions by the Member for Brandon East and I had advised the member that we had, to the best of our knowledge the best advice available which was that basically the Federal Government, the monetary policies of the

central government or the Central Bank were sound but had not been supported by the fiscal policies of the Federal Government.

Had the government over the past 10 or 15 years paid the attention to the economic situation in the country which it should have been paying to it, we would not have been in that situation and that what was now happening, was that the government was relying solely on the policies of the Central Bank, on the high interest rates and restrictive money supply of the Central Bank, to control a problem of inflation and slowed economic growth that had been created over an extended period of time.

We acknowledged that policy by itself was not going to work, but said that the best advice available, Sir, was that the position taken by the Central Bank was the only position that could be taken, without worsening what was already a bad situation in the province and that Sir, is far from being something that prefers, that is in favour of high interest rates. We said that the policy that was being put forward by the Central Bank was not a policy as such, but was a tool being used by the Central Bank to try and fight the inflation problem which besets this country and which still besets this country and will become worse, if the policies of the honourable members opposite, or the policies of the New Democratic Party in Ottawa were to be followed.

So, Sir, the Member for Springfield says, are we in favour of the interest rates? That portrays the very shallow understanding that the members opposite have, that in this complex situation it is possible to single out one piece of the action, Sir, and say, are you in favour of high interest rates? It would make equal sense to ask the Member for Springfield, is he in favour of high inflation. I had a little discussion here yesterday in the Estimates with the Minister of Finance and he acknowledged that the actions which he's proposing: to allow the Canadian dollar to slide; to force the interest rates lower than the market demands; to increase the supply of money - he acknowledged that those things would lead to an increased level of inflation. I asked the Minister of Finance and said, would that be fair to characterize your policies as being in favour of inflation and the Minister said, no, that really it wouldn't, and he acknowledged that neither was it fair to say that the policies of our government had been in favour of high interest rates. Because he acknowledged . . .

A MEMBER: Your Minister of Finance acknowledged that?

MR. RANSOM: . . . he acknowledged that he is hoping, he is hoping — (Interjection) — now that's all, that he was hoping the situation would improve as a consequence of letting the dollar slide and increasing the money supply and putting on exchange controls and that sort of thing. He was hoping that but he had really no analytical basis for it. But he did acknowledge - and I give the Minister of Finance credit - that the position our government had taken was not one that we had any hope, or any desire of seeing perpetuated in the long term.

We don't want to see high interest rates any more than the members opposite. It's a question of how

high interest rates can be brought down. The difference is that the members opposite have attempted to portray a position that was taken by our government in a manner which was totally, totally, unrepresentative and the member still doesn't understand, the Member for Dauphin doesn't understand. I don't suppose if we had 20 hours, instead of 20 minutes to deal with this subject, Mr. Speaker, that the Member for Dauphin would understand the position that was being put forward.

So, Sir, I will acknowledge that the members opposite don't favour high inflation, even though their policies would definitely lead to that. I would suggest that they, taking a forthright and honest position, might also acknowledge that the members on this side do not like high interest rates. We don't favour high interest rates as a policy — (Interjection) — now this is a subject that requires some examination.

The Member for Thompson says, "Wedisagree with Reagan." I'm not saying that we necessarily disagree with the thrust of Reagan. In fact, I believe that the general thrust that's being followed by President Reagan is one that will succeed in returning the economy to the position that everyone would like to see it.

What the member opposite must not do, is confuse the various positions that have been put forward, say, by the Government of Canada - the Government of Canada has relied on a tight money policy and a high interest rate policy for several years and they have not supported that with a fiscal policy that would have been necessary to make it work, so it was destined to be unsuccessful because there was not a whole program in place.

At least what President Reagan has done, is to adopt a package that has a chance of succeeding if the entire package is put to work. Well, Mr. Speaker, again we have the interruptions opposite as to whose expense — (Interjection) — It's a question of having arrived at a situation that everyone agrees is undesirable. It then becomes a question of how does the country, how does the western economy extricate itself from that position.

What President Reagan has put forward is a position that has at least some intellectual basis to it and it has some possibility and indeed probability of working, whereas positions put forward in alternative to it, Sir, offer very little, very little, by way of any sort of intellectual backing. Let me point out to the members opposite who have decried what they call Reaganomics at this point. Bear in mind that President Reagan has been in power for approximately 15 months in the United States, and in the 15 months that he has been in power the prime interest rate in the United States has dropped by almost 5 percentage points; almost 5 percentage points, Sir, in 15 months. The rate of inflation, Sir, in March was running at only 6.8 percent above last year. It is now down to a level somewhere between 3.5 and 5 percent in the United States. That means that the inflation rate in the United States is running a full 6 to 7 percent below what the inflation rate is running in Canada. And bear in mind that the United States has already taken into its economy the rising costs of energy. The U.S. no longer has to absorb the rising costs of energy.

Canada is in the position now of still being a long way removed from international prices for energy.

And as those costs go into the Canadian economy Canada is going to be in an extremely difficult situation in attempting to stay somewhere close to what's happening in the United States. Never undersell the success that is happening in the United States right now. If that persists for an extended period of time while Canada continues to have a very high rate of inflation, Canada is going to be in a very difficult situation.

For the members opposite to advocate that the support of the Canadian dollar be withdrawn, that the dollar be allowed to fall, international money markets are such that once a country takes the decision that they don't care about the value of their currency, Sir, I can assure you that the monetary markets won't care about the value of that currency. If the Canadian government ceases to support it, either through its monetary policy or through the use of its reserves, we will have a situation here where the Canadian dollar could well slide below 70 cents which would be an unmitigated disaster for the Canadian economy, and for people that have debt, whether they're cities in this country, or whether they're the provinces, or whether they are people who have lifelong savings, Sir, that are going to be eroded by inflation. We could see inflation rise to the range of 20 percent or more if the dollar takes that kind of slide. Sir, that is the kind of policy that those members opposite are advocating; that inflation be allowed to go to those kinds of levels because they are prepared to take some sort of immediate gain without knowing what the long-term effects of it are going to be.

Would you advise me, Mr. Speaker, how much time is left? Thank you. Perhaps we could look for a moment at what has happened in France because the members opposite are soul brothers to the government in France and even bear some resemblance to the Cabinet makeup of the government in France. Sir, they have been in power now for about a year in France, Sir, and the inflation rate in that country is running around 14 percent today. They have had to devalue their currency by close to 50 percent during the last year; they have pursued policies such as dealing with their unemployment situation by expanding the public service. I recall very clearly one of the policies that President Mitterand had when he was elected. That was that he was going to solve the unemployment problem by hiring more people into the Post Office. Now, that is the kind of thing, the sort of philosophy, Sir, which is simply going to lead to an economy that is less competitive and less productive than it previously was.

That's a problem that we have had in a good deal of the western world is that our productivity has declined. That's what happened in Canada, Sir, when the Canadian dollar fell from \$1.03 against the American dollar, down to where it is now. Canada gained a temporary advantage in being able to export because the dollar was lower, but the industries didn't really become more competitive in that time. They didn't adapt. They weren't in a competitive position the way that industry is in Japan. They only have a temporary advantage and now, Sir, they're advocating a further decline in the value of our dollar so that we see our industries sheltered once again from facing the realities of having to become more productive.

But back to the situation that prevails in France. One of the solutions that's being put forward — (Interjection)— Mr. Speaker, I'm amazed by the number of people that now want to speak on this resolution, Sir. I thought a few moments ago that they were prepared to let it come to a vote. There now seems to be a great number that would like to speak. I trust they'll have their opportunity when I'm finished. As an example of the policy practised by President Mitterand, he reduced the work week to 39 hours from 40 hours. This was going to be a scheme to take that one extra hour that everybody who worked previously and distributed among the rest, but the problem was that they agreed to continue paying everybody for 40 hours, but you only work 39. Well that has a nice piece of logic there because if it's good to work 39 and get paid for 40, why isn't it good to work for 38 and get paid for 40, or for 35 and get paid for 40? There's no end to that kind of logic of dealing with it, or don't work at all. I suppose, that is where it could eventually come to. But that is the kind of policy that a socialist believes in, that somehow you can take more out of the system by doing less.

Well, Sir, that isn't going to work and I can guarantee you that it isn't going to work in France and they know that after a year. This article in the Free Press said that the socialists have begun to lose elections. The bloom is off the socialists' symbolic rose. They find themselves with a government which is trying to impose a recognizably Keynesian policy of reflating the country out of the recession, a policy which is not working very well and which important people in the socialist movement admit will not succeed so long as the other major western economies go on practicing deflationary economics.

So, Sir, you have a socialist government attempting to extricate itself from a situation which it is going to be impossible for them to do. They would be far better off to be co-operating with the rest of the western economies in trying to make our system more productive. That really has to be the key to increasing the standard of living that we have, or indeed even keeping the standard of living we have, is to be more productive. We are not going to be more productive by simply printing more money and by creating further inflation. That isn't going to work and the members opposite may find that is acceptable in the short run; well, it may be desirable in the short run from their perspective. I am sure that someone who would get a job tomorrow or next week because the government had decided to artificially lower interest rates, it would indeed be of value to them, Sir, but a year or two years down the road the consequences of those policies would be felt and they would be much, much grimmer than the situation that we have today.

MR. SPEAKER: The Honourable Member for Springfield.

MR. A. J. (Andy) ANSTETT (Springfield): Mr. Speaker, I only read the Resolution of the Honourable Member for Thompson this afternoon when I sorted through the material that I had missed during my absence and I was impressed by it. I was impressed by it because it had something to say about issues that we have not really been addressing in this House because, on a

provincial level, a lot of the issues that are addressed in this Resolution are not issues which we commonly debate. But it gives us an opportunity to address some questions which, in this House, need addressing in view of the record of the previous government over the last four years and in view of the changes in fiscal policy that we have seen by the present administration over the last four or five months. I think that is important and I think we need to establish, within this House on both sides of the House, the philosophical framework that demonstrates the differences between the approach of that previous government from the other side and this government. Those differences are embodied in some of the principles that are outlined, both in the Resolution of the honourable member and also in the amendment proposed by the Member for Sturgeon Creek. I think from that point of view, this debate is exceptionally worthwhile and it will give us an opportunity to focus on some of those issues.

The Member for Turtle Mountain, the former Minister of Finance, Mr. Speaker, commented briefly about fairly dramatic differences in opinion, as he saw them, between the question of one group in this Chamber being in favour of high interest rates and the other being in favour of continued high inflation. —(Interjection)— Mr. Speaker, I don't think that is true. The Member for Minnedosa says, it's a lie. Mr. Speaker, I concur with the Member for Minnedosa because it is not so much a lie as it is a misrepresentation by exaggeration the positions of members on both sides.

I understand when the Member for Turtle Mountain said last year that he was in favour of the monetary policy of the Federal Government, that he didn't believe that for all time interest rates in Canada should be at record highs and those people who represented him as believing it for all time would have been misrepresenting him. I am saying he did not say he wanted high interest rates for all time. He said he was basically in favour of the monetary policy of the Federal Government at that time; he said it was basically sound. The Member for La Verendrye has the Hansard, if he wishes to correct me in the phraseology I'll stand corrected, but the Minister of Finance last year endorsed the interest rate policy of the current Federal Government and declared that he considered it basically sound.

Now, Mr. Speaker, I am not going to suggest in this Chamber that means that the previous government wanted interest rates in excess of 20 percent for all time. Just the same, Mr. Speaker, as it is a misrepresentation - I won't use the unparliamentary expression which forced Mr. Speaker to come to the edge of his chair that the Member for Minnedosa used - because he means as well that it is just a misrepresentation and exaggeration of a statement that a member makes when the Minister of Finance suggests that certainly, in the short run, we may have to tolerate some higher inflation if the value of the Canadian dollar is forced down by a Made-in-Canada interest rate policy which is an arbitrary Bank of Canada decision no longer to support the dollar at its present level.

If that were to occur you would have a short-term rise in inflation. I don't think there is any question about that. What we are talking about here is whether or not the penalties to be imposed on the people of the

province whom we serve will be greater by a short-term solution, which demands high interest rates, and hopefully eventually, by good fiscal management, will bring the economy back under control, the kind that is proposed in the amendment by the Member for Sturgeon Creek; or whether, in rejection of that monetarist policy, we'll go to a policy which addresses more directly the specific requirements of the Canadian economy, the balance of the Canadian economy and the value of its dollar in relation to other currencies which will produce in the short run some inflation, will produce in the short run greater employment, greater investment. And investment — and I will come to this a little later in my remarks, Mr. Speaker — is the key to the development of the economy; not because we are going to have an Alsands plant or a pipeline or other megaprojects, whether they be national or provincial in scope, but because the single most important factor in the decline of western economic survival in the last 35 years, basically since the end of the Second World War, has been a dramatic drop comparatively in productivity of our labour force, of our economy, of our independent business people, the whole economy, relative to the expanding, burgeoning, new technology economies in other parts of the world. That's been at the core of it.

Mr. Speaker, I'll argue later that the way to solve that and the single most important factor in productivity is investment: Capital investment, new processes, new technology, new developments. I don't think there is any economist regardless of what school he portends to belong, is going to argue that's not the single most important factor in increases in productivity. But, Mr. Speaker, that's not the nub of the issue here.

The nub of the issue here is whether the short-term pain for long-term gain is better purchased through high interest rates or through inflation. That's the nub of the argument that the former Minister of Finance, the Member for Turtle Mountain, was making. —(Interjection)— The Member for Sturgeon Creek says it isn't that easy. I recognize that for purposes of the debate with only 20 minutes, sometimes we have to simplify.

But the argument that was made constantly on the other side was an argument that in the short term, the way to manage the fiscal policy meant we would have to support high interest rates in the short run; to diminish demand, to cut down inflation, to throw people out of work, to slow down investment, to do all those things which were necessary to deflate the economy. Now, Mr. Speaker, that's the policy.

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

MR. RANSOM: No. I just wondered if the member would submit to a question?

MR. ANSTETT: Certainly, Mr. Speaker.

MR. RANSOM: Thank you, Mr. Speaker. I wonder if the honourable member would do us the courtesy of finding in Hansard where we made the statements that we supported high interest policies or that we supported the monetary policies of the federal bank. Will the member do that please?

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

MR. DESJARDINS: Mr. Speaker, on a point of order, these questions, and the member knows when there is a speech the questions are for clarification, not an exchange of ideas. That's abusing the House at this time in the debate, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Turtle Mountain to the same point.

MR. RANSOM: Sir, the question deals with clarification of the statements that have been made by the Member for Springfield.

MR. SPEAKER: The Honourable Minister of Health to the same point of order.

MR. DESJARDINS: Yes. On the point of order, that is not in order. These are not the type of questions, this will go on all the time, that is part of the debate. All year round we have examples of these people saying this is what you did, this is what you did and that takes care in the debate. They are not challenged every time to . . .

MR. SPEAKER: The Honourable Member for Sturgeon Creek to the same point of order.

MR. JOHNSTON: Yes, Mr. Speaker, the Minister of Health is playing games because of his length of time in the Legislature. He knows very well that the member on the other side while speaking attributed a statement to the Member for Turtle Mountain and the Member for Turtle Mountain just asked for clarification whether he could show where he made that statement, Mr. Speaker; that is a perfectly legitimate question.

MR. DESJARDINS: That's not clarification at all.

MR. SPEAKER: Order please. Order please. The Honourable Minister is quite correct, that questions during a member's speech are designed to be for clarification purposes. However, I find the request reasonable and permissible.

The Honourable Member for Springfield.

MR. ANSTETT: Mr. Speaker, I do not have in front of me the volume of Hansard which the Honourable Member for La Verendrye had a few minutes ago and which I believe the Member for Sturgeon Creek now has. But I think the phrase, if my memory serves me correctly, used by the Member for Turtle Mountain last May was that he considered the fiscal and monetary policy of the Bank of Canada to be basically sound. That monetary policy was a policy of high interest rates.

The Member for Sturgeon Creek is offering to read the exact quote. Mr. Speaker, I would be willing to yield if we can have the exact quote, but I think the nub of the whole point is that the member felt that a policy followed by the Bank of Canada and the Federal Government of this country, which advocated high interest rates, was basically sound. Now, there's

no fudging that, Mr. Speaker.

Mr. Speaker, if the Member for Sturgeon Creek will send the appropriate volume of Hansard over I'll be glad to read into the record the exact statement. The nub of the issue is, and it's repeated here in the amendment proposed by the Member for Sturgeon Creek, that the Government of Canada in co-operation with other levels of government should, "adopt complementary fiscal and monetary policies." Mr. Speaker, they didn't say, lower interest rates. If that's what they meant you can be damned sure that's exactly what they would have said, Mr. Speaker, because lower interest rates would be popular but, Mr. Speaker, that's not what they mean. When they talk about complementary fiscal and monetary policies, they are talking about policies which in the long run will reduce inflation, reduce interest rates, increase employment and that's admirable. That's what this debate is about, whether or not those admirable long-run objectives can best be achieved by that monetarist policy which includes high interest rates.

Mr. Speaker, the former Minister of Finance and the Member for Sturgeon Creek both claimed some knowledge of monetarist economic theory. In fact, both suggested that there was no intellectual content in the debate from this side because they had some claim to knowledge from the Friedman School. Well, Mr. Speaker, I don't know how many of them studied economics in Chicago and I really don't care.

The first thing they're trying to deny from that side of the House is that they don't believe in high interest rates. Well, that's the first tenet of monetarist policy, that to control inflation you must reduce investment, reduce spending in the economy by raising interest rates. That's the first tenet. Mr. Speaker, for them to claim some knowledge of that theory, which they applied rigorously for four years, and then deny its basic tenet and try to tell the Members of this House that when they said what they said last year they didn't mean it, Mr. Speaker, is a denial of their own amendment. Mr. Speaker, I'm sure the Member for Turtle Mountain doesn't mean that.

Mr. Speaker, the Member for Inkster in his remarks on this debate suggested that the vast majority of economists buy the principle of Keynesian fiscal management and that the number of economists who subscribe to the Milton Friedman monetarist school - it's about the same percentage as the number of doctors who believe in the effects of Laetrile in fighting cancer. No one questioned the Member for Inkster at that point. But, Mr. Speaker, that's been evidenced in the effect on the economies of two great western nations in the last four or five years; of monetarist policies which have included high interest rates. But, Mr. Speaker, they didn't just begin . . . —(Interjection)—

MR. SPEAKER: Order please. Order please. If there are two honourable members who wish to conduct their own private debate, maybe they would find another place to do it so as not to interfere with the Honourable Member for Springfield's remarks.

The Honourable Member for Springfield.

MR. ANSTETT: Thank you, Mr. Speaker.

Mr. Speaker, my concern here is that we have de-

veloped a debate despite the tossing back and forth of comments between the Member for Turtle Mountain and myself, and I certainly welcome his comments and his questions, which has exaggerated, perhaps for purposes of making the point, positions on both sides. But certainly the major point that has to be made is that members on this side do not subscribe to policies which require, for their implementation, the throwing of people out of work; the reduction of investment; decrease in spending power through increases in interest rates. The evidence of the failure of that policy is that even monetarists are now claiming that interest rates have become a contributing factor to inflation, rather than a controlling element.

The President of the Bank of Montreal made a speech which was reported in the newspapers in the middle of April, Mr. Mulholland, referring to the fact that he too, recognized that as being the case; whereas over the last three or four years I can remember him repeatedly making statements in support of the Bank of Canada interest rate policy. So we're seeing a separation of some of the leading financial management people in this country from the Bank of Canada policy.

So, Mr. Speaker, that's the question, whether or not there is merit in the proposal put forward by the members of the Opposition in this amendment; to have a monetary policy which will do those things, or whether or not we need a monetary policy which will respond more directly to Canadian circumstances and Canadian needs.

Two things, Mr. Speaker, that are often ignored about the Canadian economy and the first I mentioned briefly earlier; the whole question of productivity and the fact, investment in productivity increases in the Canadian economy, has been lower than virtually any other western nation since the Second World War. We're not talking about investment in a power dam or an aluminum smelter or a tar sands project. Investment in modernizing, developing, facilitating increased productivity by labour or by machines in plants. It's been lower than virtually every other modern industrial democracy in the western world.

Mr. Speaker, that has something to say about why we're in the problem we're in today. That increase in productivity will only be available through massive increases in investment and R&D which will not take place under a high-interest-rate policy.

The second point, Mr. Speaker, — and I think that's something else which has been ignored and not commonly known — is that the Canadian economy actually generates virtually all the capital it needs for investment and megaproject capital development. Everybody on the other side is going to say, where did you get that figure? Well, Mr. Speaker, all I have to do is subtract all the interest and dividend payments — the cash payments on our balance sheet — those things which throw our fairly consistent merchandise trade surplus in a negative balance every year, and add them into the capital available for expansion in this country.

Those profits are made in this country, Mr. Speaker, and are exported every year. If we have a Made In Canada interest rate policy and policies which keep capital generated in Canada, working in Canada, we'll get out of the mess we're in far sooner than throwing

people out of work; than cutting investment and increasing interest rates. Thank you, Mr. Speaker.

MR. SPEAKER: Has the Honourable Member for Springfield completed his remarks? Order please. Has the Honourable Member for Springfield completed his remarks?

MR. ANSTETT: Yes, Mr. Speaker.

MR. SPEAKER: The time being 5:30. The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I intend to move the adjournment of the House with the understanding that we'll be in Committee at 8:00 o'clock to consider of the Supply. I move, seconded by the Honourable Member for Springfield that the House be now adjourned.

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