

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 27 May, 1982

Time — 2:00 p.m.

## OPENING PRAYER by Mr. Speaker.

**MR. SPEAKER, Hon. J. Walding:** The Honourable Government House Leader.

**HON. R. PENNER:** Mr. Speaker, before you begin with routine proceedings, I would like to note for those members of the House who may not be aware—I think by now almost all of the members of the House are aware—that the Clerk of the House, Jack Reeves, is not present today. He has had a serious heart attack; his condition has stabilized. He is in Seven Oaks Hospital and cannot receive flowers and can only receive visitors on a limited basis. It's expected that he will be in intensive care for the next three days and, of course, we all hope for a speedy recovery.

The Deputy Clerk, Gordon Mackintosh, will assume the position of Clerk for the time that is required.

I would like to welcome to the House, someone I think known to most members of the House, Richard Willis, the Chief Electoral Officer who is an Acting Deputy Clerk by Order-in-Council and will sit in that position as required.

**MR. SPEAKER:** The Honourable Member for Fort Garry.

**MR. L. SHERMAN:** The Opposition would like to associate itself with the remarks of the Honourable Government House Leader to welcome the Acting Clerk and Deputy Clerk to their positions, to assure the family of Mr. Reeves that we are thinking about them and to wish Mr. Reeves a speedy and complete recovery.

**MR. SPEAKER:** Presenting Petitions . . . Reading and Receiving Petitions . . .

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**MR. SPEAKER:** The Honourable Member for Flin Flon.

**MR. J. STORIE:** Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report same and asks leave to sit again.

I move, seconded by the Honourable Member for Radisson, that the report of the committee be received.

**MOTION presented and carried.**

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable Minister.

**HON. A. MACKLING:** Mr. Speaker, an historic agreement between the Federal Government and the Governments of Manitoba, Saskatchewan and the Northwest Territories in Barren Grounds Caribou

Management will be signed in Winnipeg on June 3, 1982.

The new agreement will provide for establishment of a Caribou Management Board whose responsibilities will be the restoration and management of the Beverly and Kaminuriak herds of Barren Grounds caribou. An agreement will be signed by the Ministers responsible for Indian and Northern Affairs, Environment Canada, Northwest Territories Renewable Resources, Northern Saskatchewan and Manitoba Natural Resources.

Following the signing of the agreement, the Ministers will establish the Caribou Management Board which will be comprised of senior officials from each of the government departments as well as two members representing the caribou-user communities of Tadoule Lake, Lac Brochet and Brochet.

The first major task for the board will be the development of a management plan for the Beverly and Kaminuriak herds. The plan will contain guidelines and strategies and constitute the blueprint toward restoration of the herds. The signing of the agreement will mark the beginning of a new era in the management of Barren Grounds caribou and has been the product of several years of discussion with representatives of the communities involved.

I am pleased with the fruitful outcome of dedicated work by all parties in developing the agreement. It will be the first time in the history of caribou management that such a board has been established and also the first time that government jurisdictions have entered into formal agreement to manage the Beverly and Kaminuriak herds.

The populations of these once great herds has drastically declined over the past 20 years. In 1955, the population of the Kaminuriak herd was estimated to be about 150,000. Today the herd numbers less than 40,000. Similarly, the Beverly herd was estimated at 93,000 in 1980, reduced from 210,000 in 1971. The most drastic evidence of the Kaminuriak's herd decline is the reduction in range. In the 1950s, some animals wintered in Northwestern Ontario. In 1980, the herd barely crossed the Northwest Territories border into Manitoba. Similar range reductions have been observed in the Beverly herd.

Mr. Speaker, that is the formal statement and I want to acknowledge the efforts of previous Ministers of Natural Resources in respect to the development of this agreement.

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

**MR. H. ENNS:** I'm certainly pleased by the Minister's statement that it's been the case of a successful culmination of a lot of work, and if I'm pleased, you can imagine how pleased the caribou are.

Mr. Speaker, in addition to the remarks made by the Minister, it should be pointed out, and I know the Minister will agree with this, that although Manitoba's jurisdiction is not the preeminent one, but the leadership role played by the Department of Natural Resources in bringing about the agreement that was announced this morning or this afternoon by the Min-

ister, they played a very paramount role in doing so.

We had brought about the necessary discussions with our own Native groups to agree to this kind of management. I won't name some of the jurisdictions that were somewhat slow in coming to that same agreement, but it was the persistent effort on the part of - and I'd like to name just one or two specific senior Civil Service people who were dedicated to this task - one who is no longer with us, Mr. Dennis Surrendi, who was Assistant Deputy Minister in the department who made it a very personal obligation to pursue this agreement. Another one, of course, is the present and continuing Director of Wildlife for the department, Mr. Richard Goulden. Along with those and along with the dedicated effort on the part of, I believe, some four or five jurisdictions, the Territories, Saskatchewan, Ontario, Manitoba, along with the Federal Department of Indian Affairs, along with individual Indian bands, that kind of co-operation had to be sought to arrive at the agreement that the Minister announced this morning. We welcome that, Mr. Speaker.

**MR. SPEAKER:** 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.

We have 44 students of Grades 5 and 6 standing from the Ruth Hooker School under the direction of Mrs. May. This school is in the constituency of the Honourable First Minister.

There are also 44 students of Grades 7 and 9 standing from the Ochre River School under the direction of Mr. Maki. This school is in the constituency of the Honourable Member for Dauphin.

There are also 30 students from the R.J. Waugh School under the direction of Mr. K. Thorne. This school is in the constituency of the Honourable Member for Gladstone.

And there are 22 students of Grade 6 standing from the La Verendrye School under the direction of Mr. Mel Hanna. This school is in the constituency of the Honourable Minister of Economic Development.

On behalf of all the members, I welcome you here this afternoon.

### ORAL QUESTIONS

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

**MR. H. ENNS:** Mr. Speaker, I direct a question to the Honourable Minister of Natural Resources.

Mr. Speaker, there has been a longstanding request for right-of-way by the Indian bands at Shoal Lake, Bands 40, 41, but my numbers may be wrong, that have to do with the proposed development on Shoal Lake. My question to the Honourable Minister is, is that request still before the government, before the department?

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

**HON. A. MACKLING:** Mr. Speaker, I wasn't hearing - what were the specifics of the request of the honourable member?

**MR. H. ENNS:** The specific request some 2-½ years ago, Chief Herb Redsky called upon the Department of Natural Resources for permission for right-of-way to build a road that would eventually hook up through the Manitoba section, through Manitoba, the Crown lands, to the proposed area that has been talked about of potential development, cottage and recreational lot development, in that area near the mouth of the Winnipeg Water Supply Reservoir.

My question, is that request for that right-of-way been put to government. The reaction of the then government was to deny any request pending satisfactory arrangements that could be worked out with the City of Winnipeg. My request to the Minister, is that request for right-of-way still before the government?

**HON. A. MACKLING:** Mr. Speaker, yes, there was a request or a continuing request in respect to that matter and, of course, that request immediately gave rise to concerns in respect to the effect on the City of Winnipeg water supply and the environmental impact generally of a road to that area. For that reason, no definitive answer was given. The matter was going to be the subject of continuing consultation with the band and, of course, with the City of Winnipeg.

**MR. H. ENNS:** I direct a further question to the same Minister. Perhaps I could have directed it to the First Minister. I ask the question, Mr. Speaker, because the answer that I heard via the media - I wasn't here yesterday - that the Minister of Environment gave on the same subject matter seemed to indicate that there were no particular actions that the Provincial Government could take with respect to a matter that is admittedly a federal matter dealing in another jurisdiction and dealing on Indian Reserve lands. But I would ask the Minister that surely the Province of Manitoba, that this government, will be as prepared to, in effect, deny requests of that kind of right-of-way that would essentially block that development until such time that a satisfactory tripartite agreement that assures the City of Winnipeg of its continued safety with respect to water supply and at the same time tries to meet the legitimate aspirations of the bands involved?

**HON. A. MACKLING:** Mr. Speaker, I don't think the Honourable Minister of the Environment indicated that this government was helpless in making any decisions or taking any action in respect to developments, but in respect to the question of the proposed road, I think our actions speak louder than words. We have not authorized the road to be developed. We feel that there are environmental problems that would arise and they have to be addressed before we can consider the road.

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. R. BANMAN:** Thank you, Mr. Speaker, to the

same Minister, along the same line of questioning that the Member for Lakeside posed, I wonder if the Minister could inform the House whether or not the site of the road will be discussed with area residents in the area of the Falcon Lake-East Braintree area.

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

**HON. A. MACKLING:** Mr. Speaker, there has been no decision to develop a road so, therefore, there is nothing to place before residents for consideration. It's a question of decision of principle first and that decision has not been made.

**MR. R. BANMAN:** Mr. Speaker, in light of the fact that a couple of years ago the band did start some brushing work on a road which would have hooked up with the South Shore Lake Road at Falcon Lake and, I understand, at that particular time the Province of Manitoba indicated that they were not going to get the right-of-way into that particular area, I wonder if the Minister could assure us that once there are further deliberations along this line that residents of the area will be able to have some input to make sure that their concerns are expressed with regard to where this road will join the existing roads either at East Braintree or at the Trans-Canada Highway.

**HON. A. MACKLING:** Mr. Speaker, the honourable member indicates a knowledge of negotiations with residents, and so on, that I'm unaware of. I know that the previous administration did have some considerations for this road and the nature of the honourable member's questions indicate that there was some understanding that residents were going to be served by this road, if it had been developed under the previous administration. I'm not knowledgeable about that, Mr. Speaker. I do know that there was some consideration on the part of the previous administration in having some equity position in respect to any development that took place there and I'm not particularly knowledgeable about that but certainly we have made no commitments in respect to the road development.

**MR. B. BANMAN:** Well, Mr. Speaker, without going into a lengthy clarification, I wonder if the Minister could assure the House that before a permit is granted for the construction of the road, and should the road fall within the proximities of the Falcon Lake area, in particular in the South Shore area, that consultation with the residents would take place before such a permit was issued.

**HON. A. MACKLING:** Mr. Speaker, this government's record for consultation with the people, I think, is now becoming characteristic and we certainly are prepared to consult with people that are interested in any project this government is involved in, but to suggest that there is some decision or that we are in a position now to start consultation about a road isn't the case. I've indicated that there was a concern in respect to the environmental aspects and those have to be dealt with first.

**MR. L. SHERMAN:** Mr. Speaker, my question is to the Honourable Acting Premier, and arises out of the announced approval by the Federal Government of what is described as "one of the most ambitious oil exploration programs ever undertaken in Hudson Bay," a program which will cover some 5,000 kilometres of seismic tests this summer. My question to the Acting Premier, Mr. Speaker, is whether the program will encompass Manitoba's offshore region?

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. M. SMITH:** Mr. Speaker, I'd like to take that question under advisement.

**MR. L. SHERMAN:** Mr. Speaker, to forshorten the exchange, may I ask the Deputy Premier if she would also take three other questions as notice on the same subject, they being the following?

Has there been any consultation with Manitoba on this exploration project? Will there be any direct Manitoba participation in it? It is my understanding that there are three partners in it and an agency of the Ontario Government is involved. And finally, Mr. Speaker, is there clear recognition acknowledged here of provincial offshore mineral rights?

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

**MR. W. MCKENZIE:** Mr. Speaker, I have a question for the Honourable Minister of Natural Resources who looks after the Water Resources Branch. Since the PFRA report on drought, the 1982 report, was released there's been a lot of concerns expressed in my constituency about the shallow water levels that are reported in the area. I wonder if the Minister has had a chance to look at that report yet; I think it was released last month.

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

**HON. A. MACKLING:** Mr. Speaker, I haven't examined with my officials the reports of . . . Is he referring to the PFRA Report? I haven't had an opportunity to discuss that with my officials, I can take that as notice.

**MR. W. MCKENZIE:** I thank you, Mr. Speaker. I wonder then maybe the Minister could advise me at a later date if he's prepared to use his staff or PFRA to go into the area and just see how actually serious the problem is that's reported from Swan River down to Pipestone. There are wells reported already that are going dry in the area so there's quite a bit of concern being expressed and, if he could report back later, it would be most grateful.

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** Thank you, Mr. Speaker. Two weeks ago, I gave verbal notice to the Minister of Natural Resources regarding a supposed new PFRA Report dealing with La Salle River diversion. I'm

wondering if the Minister can indicate whether he or his department has now received that report and, two, will he table copies.

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

**HON. A. MACKLING:** Mr. Speaker, I believe I have received that report; I've received so many reports in respect to water. I think the specific report that the honourable member is referring to is a fairly extensive one. I haven't had a chance to examine all the details of that report, but I see no reason why, if it's the report I believe that he's referring to, I have received it and I have no problem in tabling copies.

**MR. C. MANNESS:** I'm wondering if the Minister can indicate what action his department will take on the report and will consideration be given to including the project in 1983 appropriations.

**HON. A. MACKLING:** Mr. Speaker, there are extensive developments in the southwestern part of Manitoba and throughout Manitoba involving water drainage and water storage. Certainly we'll have to look at our priorities in spending, given the difficult times in which we live, but certainly any appropriation of funding or any expenditure of funding will not be dictated on the area of the province and whether it is represented by an honourable member of the Opposition or not. We're concerned, in respect to the development of resources in Manitoba, and will be fair in connection with that, whether the timing is right for that development and whether it's appropriate will have to be determined.

**MR. SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Mr. Speaker, to the Minister of Natural Resources, in view of his answer to my colleague, the Member for Morris, that there's a lot of work being done in the southwest part of the province, is the Minister applying the policy to the rest of Manitoba that he's asked the constituents in the Arthur constituency, the municipalities, to proceed with there; if there's any work to be done on the Hartney Dam, a diversion put around it, the cost of that diversion would be applied to the municipalities and it would be the local taxpayers that would have to pay for it rather than the government responsibility of paying for it. Is that his policy for all of Manitoba, or just for southwest?

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

**HON. A. MACKLING:** Mr. Speaker, I hear some chirping from the Honourable Member for Pembina. Mr. Speaker, the residents in the immediate vicinity and upstream of the Hartney Dam have a particular problem. That dam was built for the purposes of water storage to facilitate various uses there. Those uses are still legitimate and I believe that during the course of the previous administration they sought to maintain that dam inviolate against the wishes of residents in the area who wanted to have the dam opened and release more water. As a matter of fact, a farmer who

did take the law into his own hands was prosecuted during the course of the previous administration. There's been a longstanding problem in connection with that facility. We have indicated that we don't want to injure the facility. We are looking at the problem. We've suggested that in the short run, if the municipality feels that the flooding upstream could be alleviated, yes, we would be agreeable to the municipality making an additional channel and building it in accordance with our specifications because we don't have money in our Budget at this time for that appropriation.

**MR. J. DOWNEY:** Mr. Speaker, I appreciate the Minister agreeing that the people in that particular part of Manitoba do have a problem. And as well, I have a further question to the Minister. Is he prepared to proceed immediately with those jurisdictions then to make the spillway around the Harney Dam this spring if, in fact, they were to agree to a cost-sharing program which, by the way, Mr. Speaker, I do not think is the responsibility of the municipality and would think it would be the responsibility of the government seeing that it is an international waterway? Is he prepared to proceed with it immediately if those jurisdictions are prepared to pay for it?

**HON. A. MACKLING:** Mr. Speaker, I've indicated that the problem was a longstanding one and the previous administration and the previous member who spoke had an opportunity, of course, to deal with that problem; nothing has been done with it, the problem continues to plague some people there. Now whether or not the solution that's been proposed is appropriate is something of which I'm not certain. However, of this much I am certain, that we are prepared to meet with people, talk to them about their problem and see how it can be resolved. I'm not suggesting however that it is possible for us to commit ourselves to a very very substantial expenditure of money if the priorities do not justify it.

**MR. J. DOWNEY:** Mr. Speaker, the Minister in his answer, I would consider somewhat contradictory, that initially he said he would have agreed to the spillway around the dam and they had a problem and that would help assist that particular area of the province. Now he's saying he has some question in his mind whether, in fact, it is of any use. I really don't think he's very consistent in his response.

A question to the Minister, Mr. Speaker, if in fact his first answer to the problem, that there is a problem and that a spillway would in fact help the situation, would he put in his Estimates for next year, the proper funds to alleviate or solve that particular problem at Hartney? Another point, Mr. Speaker, I have a question to the Minister that if he would look back and, just for the record of this House and the people of Manitoba, see that the majority of years we were in office we had extreme drought conditions in the southwest and, in fact, probably was not the appropriate time to make such changes.

**HON. A. MACKLING:** Mr. Speaker, naturally my department is concerned about drought and lack of water in any part of the province and certainly con-

cerned about the improvement of conditions for agriculture in all parts of the province. In respect to the particular problem, I have received the same kind of advice the previous administration received, that a mere alteration of that dam will not change the problem that has existed. The channel, the Souris River channel, is just not sufficient, upstream from that dam, to maintain the kind of flows that are on the Souris River in the peak periods. The advice from the same engineers that advised the previous administration have advised me that it is doubtful that an additional spillway or passage will make any difference.

Despite the fact that I am receiving the same advice that my previous friends opposite received, I'm prepared to commit myself to looking afresh at that question. We've indicated, and I have indicated through my department, that if the municipality feels that the work is justified and they're prepared to do it in the short run, and pay for it, yes, that we're prepared to supply the specifications and so on to allow that work to go ahead. The honourable member is suggesting I ought to button my jacket; well, I'll button my jacket to suit you, make you feel good.

**MR. SPEAKER:** The Honourable Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Mr. Speaker, to the Minister of Natural Resources. A few years ago the previous government managed to stop the Roseau River Channel Improvement Project with the United States because of lack of agreement regarding the mitigating costs. Can the Minister indicate whether the United States is again proposing to proceed with the Roseau River project?

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

**HON. A. MACKLING:** Mr. Speaker, I haven't been apprised of any fresh developments on the part of American authorities in respect to that. Of course, we are watchful and concerned about that and I do want to recognize that initiatives were taken in the past in that area, and the previous administration did, quite properly, recognize and note their concern and I believe that there was some change made by the American authorities in that development. We are still going to be very watchful about that.

**MR. D. ORCHARD:** Thank you, Mr. Speaker. My question is for the Minister responsible for the Manitoba Telephone System. Does the Manitoba Telephone System hold any proprietary rights to the technologies developed by Interdiscom Systems Ltd., now that the Telephone System has decided their \$500,000 loan is not collectible?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. L. EVANS:** Mr. Speaker, the honourable member refers to a loan that was made when either he or his colleague for Lakeside were the Minister responsible for the MTS and I guess it was the Board of MTS who made the decision that they had to write off that half million dollar loan as a bad debt when the Honourable

Member for Pembina was the Minister responsible for MTS. It seems that it was a rather poor decision made at that time. On the specific question, rather than make a generalization, to be very accurate I am going to take that question as notice.

**MR. D. ORCHARD:** Mr. Speaker, it took the Minister a long time to take that question as notice. I wonder if I might have the indulgence of the House to reply in kind. Thank you.

Whilst the Minister is taking that question as notice, as to whether the Telephone System has retention to any patent or proprietary rights of the technology developed there, would he also take the time to enquire with MTS, as well, if there is any businessman interest in pursuing development of the technology developed there and whether there's any market value to the technology and interest by the business community in furthering that technology as there was some months ago?

**HON. L. EVANS:** Mr. Speaker, I haven't heard of any but I'll certainly take that as notice and check with the MTS officials.

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, my question is to the Minister of Education. Would the Minister of Education indicate if she will be intervening in the closing of Ashland School in Winnipeg School Division No. 1?

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

**HON. M. HEMPHILL:** Mr. Speaker, I do not intend to intervene or interfere with any decisions that are under the responsibility and jurisdiction of school boards.

**MR. G. MERCIER:** Mr. Speaker, I have a supplementary question for the Attorney-General. In view of the report recently tabled in the federal House of Commons with respect to wife battering, would the Attorney-General immediately consider that report and act on the recommendations contained in that report that relate and are within the jurisdiction of the Provincial Government, and do so in full consultation with the City of Winnipeg Police Department, RCMP Force in Manitoba and other agencies in Manitoba?

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

**HON. R. PENNER:** Yes, I certainly have every intention of examining that report in great detail and taking what steps are within our jurisdiction to deal with the recommendations.

I would like to point out that there is already on the Order Paper, under Private Members' Hour, a motion by the Honourable Member for Kildonan on the federal report on wife battering and I think such discussions we may have in the House will assist in developing a policy.

**MR. G. MERCIER:** Mr. Speaker, I appreciate that the

discussions that may go on in this House may assist the Attorney-General and other members of the government in proceeding with improvements in present procedures and practices, but would the Attorney-General undertake to proceed immediately, I think, with some of the recommendations? I don't think he need wait for the resolution.

**HON. R. PENNER:** Mr. Speaker, I'll take that as notice. We'll want to take a look at the specific recommendations and reply to the question when I have taken a look at all of the recommendations and identified more closely those which fall within our jurisdiction for implementation.

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** Thank you, Mr. Speaker. I'd like to ask a question of the Minister of Natural Resources. In Capital Estimates, or the Estimates in his department, under Resolution No. 113 which was the Capital Estimates, we passed, specifically, an Agro-Man project for some \$450,000 under the name of the Domain Drain which was 40 percent provincially funded. It has come to my attention, in fact, this project will be ceased and there will be no spending on it. I'm wondering if the Minister could tell me, the \$180,000 savings to the province, to what ends they will be used in his department?

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

**HON. A. MACKLING:** Mr. Speaker, there are a number of Capital items in the area of Natural Resources that require priority treatment. I can take the question as notice and catalogue for him areas in the province where emergency treatment has to be given to issues that are important to various communities within the province.

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. C. MANNES:** I'm wondering if the Minister could indicate whether the \$180,000 savings that will be brought about by this project that will be cut, will any part of it be directed towards the payroll tax his department will have to pay?

**HON. A. MACKLING:** Mr. Speaker, that is a very facetious question and I won't — (Interjection) — and they say oh, no. You see, Mr. Speaker, the item that the honourable member talks about is a Capital item and has nothing to do with current expenses and is not a matter that directly impinges, therefore, on current expenditure and is one where provision is not made in any direct tax basis. It's a matter of borrowing that the province has to make and sure, indirectly it reflects on cost. But since the honourable member has raised the question of the Domain Drain, perhaps he wants me to elaborate on it and I will if that's his purpose.

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

**MR. W. MCKENZIE:** Mr. Speaker, I have a question for

the Honourable Minister of Co-op Development. I wonder, can the Minister advise the House today when the plants at Rossburn and Pilot Mound, the cheese plants, are going to open so that the 50 workers could go back to work?

**MR. SPEAKER:** The Honourable Minister of Municipal Affairs.

**HON. A. ADAM:** Mr. Speaker, I have met with the Board of MANCO informally and we have discussed problems relating to the production of cheese in Manitoba. I have requested the board to present a formal brief to me on what they see are the problems affecting the cheese market in the Province of Manitoba and I am awaiting that brief from them. I hope to have further discussions with them on this matter.

**MR. W. MCKENZIE:** Thank you, Mr. Speaker. I wonder, can the Honourable Minister give us a guesstimate of when the plants will open or if they'll ever open again?

**HON. A. ADAM:** Mr. Speaker, it would be premature for me to suggest any particular time for the reopening of the plants or whether or not they will ever be opened again. That is something for the board members of MANCO to decide for themselves.

However, while I'm on my feet, Mr. Speaker, if I could ask the people of Manitoba to go out and buy five pounds of cheese when they go home tonight. I appeal to the Province of Manitoba and to members of the Legislative Assembly to go out and buy five pounds of Manitoba cheddar cheese and I'm sure that the plants will reopen again.

**MR. W. MCKENZIE:** Mr. Speaker, do I hear the Honourable Minister, he's going to put an advertising program on and see if we can move some of that cheese? Is that what he's planning?

**HON. A. ADAM:** I have just done that on television, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Fort Garry.

**MR. L. SHERMAN:** Mr. Speaker, I'd like to ask the Honourable Government House Leader if he can advise the Assembly, in view of the fact that the month of June is looming on the calendar, how many more bills does the government intend to introduce during this Session?

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

**HON. R. PENNER:** I'll take that as notice and be happy to make an announcement on that, an update in fact, because I've previously made an announcement on that - tomorrow in the House.

While I'm on my feet I would hope that the plea for the purchase of cheese was not impliedly accompanied by a plea for the purchase of wine to take home with it and, if so, that it be drunk at home and not in the automobile ought to be the further message for our audience on television.

## ORDERS OF THE DAY

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

**HON. R. PENNER:** Mr. Speaker, would you please call Second Reading on Bill No. 23.

### SECOND READING - GOVERNMENT BILLS BILL NO. 23 - AN ACT TO AMEND THE LEGAL AID SERVICES SOCIETY OF MANITOBA ACT

**HON. R. PENNER** presented Bill No. 23, an Act to amend The Legal Aid Services Society of Manitoba Act for Second Reading.

**MOTION presented.**

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

**HON. R. PENNER:** Mr. Speaker, Bill No. 23, an Act to amend The Legal Aid Services Society of Manitoba Act introduces amendments which will permit the society to grant legal aid to a group which has an objective or interest relating to an issue of public concern. The amendments make specific reference to consumer or environmental issues as examples of issues of public concern. The amendments will give a legislative sanction to legal aid for those groups such as these involved in consumer and environmental issues. This hasn't taken place before but there has been some doubt as to whether or not the Act mandates the issuance of such certificates.

Members may recall that two years ago under the previous administration, a previous board of Legal Aid, a Legal Aid certificate was issued on behalf - I'm just using this as an example - of Rossbrook House to take legal action and opposition to the proposed Sherbrook-McGregor Overpass.

I would characterize the rest of the amendments in Bill 23 as being of a housekeeping nature, amendments which, in effect, clarify certain provisions of the Act and which remove all masculine references in the Act. I should say that in doing this, we're beginning a process in which we hope, bill by bill as we deal with amendments, to bring our Statutes in the Province of Manitoba into line with what is happily developing as contemporary thinking on the effect of the discriminatory sexist use of language. I would commend this bill to the House.

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, the Honourable Attorney-General was kind enough yesterday in his Estimates for us to go into some discussion of this bill and I thank him for giving me that opportunity to discuss some of the details of it with him. He has referred in his introduction to the fact that this bill will allow the Legal Aid Society to issue a certificate to a group with an objective or interest relating to an issue of public concern. Mr. Speaker, no one on this side is opposed to the granting of Legal Aid to an individual who has a clearly defined problem. As it stands now, an individual who comes within the income guidelines

established by Legal Aid, who, for example, is charged with an indictable offence virtually has a right to receive a certificate from Legal Aid to obtain legal services without cost.

I'm not indicating at this stage whether or not I intend to oppose the bill, Mr. Speaker, but I do want to reiterate a concern that I expressed to the Attorney-General yesterday, that this bill gives the Legal Aid Board the absolute discretion to issue a certificate to a group who has an interest in one of these public issues, public concerns. But, Mr. Speaker, at the same time in using the example that the Attorney-General indicated, the issuance of a certificate while we were in government to a group headed by Sister McNamara in Rossbrook House with respect to the construction of the Sherbrook-McGregor Overpass, there is no guarantee that the Legal Aid Board would, for example, in any hypothetical situation, issue a certificate to another group who perhaps opposed the first group.

There is a possibility under this discretion which has been given to the Legal Aid Board that they may only issue certificates to those groups who are advocating causes, that they themselves on the board support and that they will not grant certificates to groups who perhaps take a different view of the issue. For example, using the situation that the Attorney-General referred to, the construction of the Sherbrook-McGregor Overpass, would a group in favour of the construction of the Sherbrook-McGregor Overpass be issued a Legal Aid certificate?

Mr. Speaker, I indicated this concern to the Attorney-General yesterday. I indicated to him again today, we're going to have to consider this bill and determine whether or not it can be improved, so that this complete discretion is left in the hands of the Legal Aid Board, might somehow be further defined so that there is not the danger that the Legal Aid Board will issue certificates to groups only where they support the cause of that particular group.

I feel that there has to be some justification given or some criteria established to ensure that the board is not put in a situation where they can turn down one group on the basis of their own personal beliefs and views. There has to be some objective test so that a group would be entitled to this type of certificate even if the board wasn't in favour of it, so that one group is not put in a difficult financial situation with one side being supported by public funding and another side not supported by public funding because they happen to take a different view.

Mr. Speaker, as I've said, I'm not indicating at this stage that we intend to oppose this bill but I want to express this concern again to the Attorney-General.

**MR. SPEAKER:** The Honourable Member for Virden.

**MR. H. GRAHAM:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Fort Garry, that the debate be adjourned.

**MOTION presented and carried.**

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

**HON. R. PENNER:** Mr. Speaker, there's an agreement

between myself and the Acting Opposition House Leader that there will not be a Private Members' Hour today and we're anticipating that the Estimates when we move into Supply for Education may be finished by the end of the afternoon. Because of that, in the House the Estimates of the Attorney-General may be finished in committee.

I'd like to announce that when we continue with Estimates in Supply in the evening that the Estimates with respect to flood relief, flood control and emergency expenditures will be proceeding with in committee and that the Estimates dealing with the Legislative Assembly will be proceeded with in the House.

Accordingly, I would, with the consent of the House, move, seconded by the Minister of Community Services, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty and that the House do now adjourn.

**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 the Attorney-General.

The House adjourned and stands adjourned until 10:00 a.m. tomorrow. (Friday)

## CONCURRENT COMMITTEES OF SUPPLY

### SUPPLY - ATTORNEY-GENERAL

**MR. CHAIRMAN, H. Harapiak:** I call the Committee to order. We are considering the Estimates of the Attorney-General. The item left is 1. General Administration, (a) Minister's Salary.

Mr. Minister.

**HON. R. PENNER:** Really, we're utilizing this item primarily but not exclusively to invite further observations and questions from the members present, but particularly, I have available this afternoon the General Manager and Chief Executive Officer of the Manitoba Liquor Control Commission, Mr. William Emerson and the Chief Financial Officer of the Commission, Mr. Allen Ahoff, available to help me deal with any questions which may be asked about the operations of the Manitoba Liquor Control Commission.

**MR. G. MERCIER:** Thank you, Mr. Chairman. I thank the Attorney-General for following through with this procedure which we started during the last few years, because the Attorney-General has been responsible for the Liquor Control Commission of having officials from the Commission available when we get to his salary, to discuss matters relating to the Commission.

My first question is, Mr. Chairman, could the Attorney-General advise as to the amount that the payroll tax will cost the Liquor Control Commission?

**HON. R. PENNER:** Approximately \$150,000.00.

**MR. G. MERCIER:** Has the Liquor Commission yet incurred any indirect costs, and by that I'm meaning, if

there are truckers for example supplying the Commission, or other supplies, or other contracts with employers who also have to pay the payroll tax, has the Commission yet incurred any indirect increase in their costs that way, or are they anticipating any in this fiscal year 1982-83?

**HON. R. PENNER:** Well, let me just make a general observation and then I'll refer to Mr. Emerson for any additional information he wishes to supply to me. I expect it's rather early to see whether there is any ripple effects that come through in that way.

I do know that with respect to trucking we have recently submitted for tender and have had tenders for both the east haulage and the west haulage and have firm contracts with hauling firms and we are protected against anything, whether it's increased interest rates or increased taxation, federal or provincial. We're protected by the terms of those contracts for, at least, the next year in that particular area, but let me just check with the General Manager as to whether there are any other actual or anticipated ripple effects of this specific tax. The answer is no.

**MR. G. MERCIER:** So, not yet. Mr. Chairman, the Liquor Control Commission had issued a new price list effective May 4, 1982 and the Commission has been kind enough to supply me with a revised price list effective May 30, 1982. Could the Attorney-General indicate the cost of reprinting the price list?

**HON. R. PENNER:** \$20,000.00.

**MR. G. MERCIER:** Mr. Chairman, the Estimates of revenue for the fiscal year ending March 31, 1983 show estimated revenue for the year ending March 31, 1982 is \$87,500.00. Was that the actual figure?

**HON. R. PENNER:** The actual figure for the net profit for the year ending March 31, 1982 is \$91,200,000.00.

**MR. G. MERCIER:** Mr. Chairman, as we all know the Liquor Commission has been directed in the Budget of the government to increase its revenue by \$20 million effective starting May 30 of this year. The Estimates show a total revenue of \$117,500,000 as the estimated revenue for the year ending March 31, 1983. I guess that's taking into consideration the \$20 million additional revenue they've been directed to raise. Did the increase of May 4 of this year, was that intended to increase the revenue, I suppose up to \$107,500.00?

**HON. R. PENNER:** The anticipation prior to the Budget was \$98 million and the amount now to meet the requirements of the Budget is almost exactly \$20 million more than that.

**MR. G. MERCIER:** Mr. Chairman, the Attorney-General and Mr. Emerson provided me and the Attorney-General with a statement that would seem to indicate that the new markups on spirits, for example, domestic, have gone up from 110 percent to 127 percent. How long has that markup of 110 percent been in effect?

**HON. R. PENNER:** My information is, that with respect



to domestic and imported spirits the effect of the '81-82 Budget was a 5 percent increase but the markups for wine and beer have been in effect from approximately 1976.

**MR. G. MERCIER:** Mr. Chairman, are not the increases in these markups 110 percent on spirits, domestic, go to 127 percent; wine - 110 percent to 127 on fortified wines, 55 percent to 65 percent on domestic, 55 percent on imported wines going to 70 percent? Does this not mean that in the future when the suppliers, as they do virtually on an annual basis now, increase their prices that the Liquor Commission will be increasing their prices to a greater degree because of the increase in the markup?

**HON. R. PENNER:** Well, the markup, as any markup is, necessarily is a markup on purchase cost, so that if - let's take an example and I'll just use it as an example - the basic plant price of a bottle of Scotch is \$4.00. Would that it were so, then, the markup will be 127 percent on that in the absence of any further budgetary impact.

**MR. G. MERCIER:** Well, to try to make it simple. If the suppliers —(Interjection)—

**HON. R. PENNER:** I thought I did.

**MR. G. MERCIER:** Well, to try to make it even more simple. If in the fall, or some time during the winter of this year, the supplier of this bottle of Scotch increases its price to the Commission by \$1, am I not correct in the assumption that, whereas previously the Liquor Commission took a markup of 117 percent on that dollar, that they will now take a markup of 127 percent of that dollar?

**HON. R. PENNER:** That is right.

**MR. G. MERCIER:** So, the price increases which we are seeing this year and this method of establishing these much higher markups mean, not only is the consumer in Manitoba going to pay significantly greater prices - and we'll get into that later - this year as a result of this Budget but, by increasing this markup there is going to be in fact an additional - using the spirits - an additional 17 percent markup every time there is a price increase in the future from the supplier.

**HON. R. PENNER:** Well, we have to be careful about how we're using the figures. Clearly, if you base pricing, in part, upon a percentage markup of cost, then every time cost goes up necessarily the price will go up by the increased markup. That is the same in any business. Myself, being involved in the book business and the furniture business and in other businesses, and in order to exist, in order to maintain a given level of profits, each industry establishes a markup. In the furniture business it used to be 40 percent was basically what you marked up on cost. Well, immediately costs went up, if the cost of a chest of drawers went up from \$30 to \$50, the markup would be on the \$50 cost so that there would be that expansionary element. That is not anything strange or new.

The other point is, that the change, for example, in

markup from 110 percent to 127 percent is in itself, of course, not a 17 percent increase because the difference of 17 percent is a smaller percentage of the markup as it was originally. It's not an increase from 100 percent to 127 percent but from 110 percent to 127 percent and the percentage change from 110 to 127 is not 17.

**MR. DEPUTY CHAIRMAN, P. Eyler:** The Member for St. Norbert.

**MR. G. MERCIER:** Well, Mr. Chairman, just to talk about wines for a minute; the domestic wine markup is going from 55 to 65 and imported 55 to 70 percent. So what this means is that the markup on future suppliers' price increases is going to be 10 percentage points higher in the future.

**HON. R. PENNER:** Yes, stated that way that is correct. If the market moves from 55 to 65 percent, then the markup is 10 percentage points higher.

**MR. G. MERCIER:** What the government is doing here is not just imposing a very significant increase on the consumers this year but for all future years because the markup has been increased, they are going to be taking a bigger and bigger slice of future —(Interjection)—

**HON. R. PENNER:** Swallow.

**MR. G. MERCIER:** Okay, swallow of future revenues on suppliers' price increases to the Commission. Is that not correct?

**HON. R. PENNER:** Agreed, as a markup it will be a larger markup and as cost goes up the price will go up in accordance with the markup.

**MR. G. MERCIER:** Mr. Chairman, the next item on this sheet shows that the net profit sources; spirits \$9,500,000; wine \$4,300,000; beer, domestic and imported, a total of \$6,200,000.00.

**HON. R. PENNER:** Yes.

**MR. G. MERCIER:** That doesn't seem to take into effect the payroll tax effect.

**HON. R. PENNER:** The payroll tax is only as you term it — the levy for health and education is only \$150,000 — and we're clearly, in looking at net profit sources, rounding out here when you're dealing in the order of \$20 million or dealing at \$150,000 with less than 1 percent.

**MR. G. MERCIER:** Mr. Chairman, I have a price list from November 2, 1981 and I would just like to compare some of the price increases from that period of time to the new price. If the Chairman can bear with me for a minute, this is done in the metric system so it causes me some problems; 710 litres I suppose is what would be referred to as a 26 . . .

**HON. R. PENNER:** It's 710 millilitres. We would like to be able to sell liquor in a volume of 710 litres. You can't

carry it away.

**MR. G. MERCIER:** You can't afford it now. A price of a bottle of Seagrams Five Star, if I'm correct, has gone from . . .

**HON. R. PENNER:** What page are you on?

**MR. G. MERCIER:** Page 50. November 1981, it was \$10.20 and it's now \$11.60. What is the price in Ontario?

**HON. R. PENNER:** \$10.15.

**MR. G. MERCIER:** A bottle of Seagrams V.O. was \$11.35 and is now \$12.85. What is the price in Ontario?

**HON. R. PENNER:** \$11.30.

**MR. G. MERCIER:** I wonder, Mr. Chairman, I did mention at the beginning of the Estimates that I would like some comparisons and if the Attorney-General has some sheets of information, perhaps he could provide us with some price comparisons.

**HON. R. PENNER:** They're not yet in a form because I just passed that information along to the General Manager. They're not yet in a form where I can give the Member for St. Norbert a copy this afternoon, but I'll be glad to provide him with a copy.

**MR. G. MERCIER:** Beer in November, 1981, was \$5.70 for a carton of 12 bottles and is now \$6.90. What is the price in Ontario?

**HON. R. PENNER:** \$6.55.

**MR. G. MERCIER:** Does the Attorney-General have a comparison of an average wine?

**HON. R. PENNER:** I think we can give you a comparison on wine, yes. What do you like to drink, imported or domestic?

**MR. G. MERCIER:** I can't afford it.

**HON. R. PENNER:** You can't afford it, but when you could? I know you are a man of sophisticated taste so I won't give you Andres Baby Duck, but what about Blue Nun? The price now in Manitoba after the increase, it was \$5.55, it's now \$6.40. The same bottle of wine will cost \$6.95 in Ontario.

**MR. G. MERCIER:** Mr. Chairman, the sheet that the Attorney-General has supplied me with indicates that the Commission expects volume decreases in spirits of minus 4 percent; wine, plus 4 percent; and beer, minus 3.5 percent. Is that . . .

**HON. R. PENNER:** Yes, these are volume changes, minus in two instances and plus in another. I should say that this is somewhat in accord with general long-term trends in changes in drinking habits, that is, that prior to the tax on liquor that is imposed in this Budget it was anticipated that there would be a decline in volume sales of spirits and beer and an increase in

wine. So that still holds true but in somewhat different percentages.

**MR. DEPUTY CHAIRMAN:** The Member for Virten.

**MR. H. GRAHAM:** Mr. Chairman, just to recap and go over this pricing thing once more, I believe the Budget that was presented in the House was stated fairly simply and instructed the Liquor Commission to provide another \$20 million of additional revenue to the province. Was that not correct and the basic instruction of the Budget Speech?

**HON. R. PENNER:** Yes, I should tell the Member for Virten that we've gone over much of this in the last 10 minutes, but that's right.

**MR. H. GRAHAM:** What I was getting at was, the Liquor Commission could have achieved that in one of two ways. One was by the method you have chosen which was the increase in markup on commission, or the same results could have been achieved by increasing the retail sales tax on liquor. I was wondering if the Commission had done any studies on taking that approach and, if they had gone that approach, how much the increase in sales tax would have to have been to achieve the \$20 million, had they gone that route.

**HON. R. PENNER:** That's not difficult. I'll round it out, but the anticipated volume of sales in '82-83 at retail price is about \$270 million, \$280 million, about that. If we had a selective sales tax on liquor and liquor only, then the amount necessary to produce \$20 million would be something under 1 percent; no? In fact, to produce it you'd have to go to about 8 percent.

**MR. H. GRAHAM:** Mr. Chairman, I haven't got the 1982 figures in front of me but I have the . . .

**HON. R. PENNER:** I'm giving you the anticipated '82-83; the anticipated '82-83 volume at retail is about \$270 million - \$280 million. Just to take off the tax component to get back to basics, say \$275 million; right? To produce \$20 million out of that I need pretty close to 7.6 percent of a selective sales tax if I'm doing it at the retail end.

**MR. H. GRAHAM:** Mr. Chairman, I'm going by the Annual Report of the Liquor Commission for the year 1981, on page 31, where they list the Manitoba retail sales tax in 1980 produced \$11,052,750 and in 1981 that increased to \$12,391,851.00. Projecting those figures you would come up with approximately \$13.5 million for 1982 and probably 15, at the maximum, for 1983. To add an additional \$20 million you would probably have to have another 15 percent on top of the 10 percent on retail sales tax on liquor to achieve that \$20 million. Is that correct?

**HON. R. PENNER:** It doesn't sound like it's correct. I'll change you computers or pocket calculators, but perhaps we're starting from a different premise. Are you, in your first assumptions, assuming that the sales tax is constant but the dollar value of sales has gone up?

**MR. H. GRAHAM:** I am using the figures provided to us by the Manitoba Liquor Commission.

**HON. R. PENNER:** What assumptions are you making though in asking the question?

**MR. H. GRAHAM:** I was trying to get at a comparison as to how it could be arrived at to achieve \$20 million. It is done, the way you have done it, with 7 percent on beer, 8 on liquor and 15 on wine, I think; and I was thinking there is another way of doing it and that is by increasing the retail sales tax on liquor that presently is on the books and I was trying to arrive at what percentage increase in the retail sales tax would be necessary to achieve the same result and that's the question I was asking. Would it be in the 15 percent or would it be more - additional?

**HON. R. PENNER:** My answer to that was - and I stand to be corrected of course - I thought to produce the additional \$20 million, because built into the Budget already is an Estimate of what we expect overall from the same 5 percent sales tax spread throughout the economy, given anticipated sales throughout the economy for '82-83. We've already made an assumption in the Budget that affects income on the sales tax level from liquor control sales as much as from Eaton's and The Bay. We've already made an assumption about that at the 5 percent level. Now if I were to say, however, we wanted to produce \$20 million from booze, how could I do it by dealing specifically with the sales tax on the sale of booze and not on anything else; then it seems to me that if the sales level anticipated is - and I rounded out the figures - about \$270 million, \$275 million, that to produce \$20 million I would need about 7.6 percent added to the specific retail sales tax on the sale of liquor.

**MR. H. GRAHAM:** Mr. Speaker, what I was basically getting at was trying to give public information that reflects the true state of taxation and by increasing the markup 7 percent on beer, 8 percent on liquor and 15 on wines, it leaves the impression with the people that they are not being taxed as much as they actually are because, when you add that increase to the markup, it also automatically increases the amount of revenue generated from the 10 percent sales tax that presently is in effect. What I was trying to get at was to get a true picture of what would have been necessary if you increased the retail sales tax only, you would have to have a much larger markup than 7 or 8 and 15 percent.

**HON. R. PENNER:** I don't know why we're at cross purposes. The present equivalent of the sales tax on liquor is built into the price. When I go to The Bay - and Eaton's will excuse me for using the particular example although that's about the only thing they'll excuse me for - and buy, let's say, a big ticket item, fridge, \$1,000; I get a bill which says \$1,000 and then it says 5 percent sales tax and the calculation is made, \$50 and I pay \$1,050.00. When I go into the liquor store and buy a bottle of booze, let's say, for \$10, I pay \$10; I don't pay \$10 and the 5 percent, 50 cents, \$10.50. But that is there, it's built in and the way in which the sales tax in effect is built in on the sale of booze, it's already in the price. —(Interjection)— That's right. That is

already the case with liquor.

**MR. H. GRAHAM:** I believe the public does generally know that the retail sales tax on liquor is 10 percent, not 5.

**HON. R. PENNER:** Well, it's 5 on beer and 10 on spirits and wine.

**MR. H. GRAHAM:** I was just trying to arrive at a picture that the public, knowing what the present sales tax is, and the government insisting on another \$20 million, if that could be told to the public in a form that was equated to an increase in present taxation which they already know, they would probably then get a better picture of how much tax has really been added to the price of liquor, rather than doing on the markup basis. That was the only point I was trying to make.

**HON. R. PENNER:** Thank you.

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

**MR. J. DOWNEY:** Mr. Speaker, the question that I have is dealing with the policy of the Liquor Control Commission on penalizing of permit holders or facilities on which permits are issued when there's a breach - a breach probably is not the word, but a breach would probably be the proper word to use - when in fact the regulations or the rules which are laid out to deal with permits are not fully adhered to in the operations of the particular function which a permit is issued for.

I'll give you a specific situation, and really it's information that I'm trying to get a clarification of policy, and I think there's an actual situation in my own constituency at the present time that is affected by it, and that is, for example, there's a facility where a lot of families rent the particular hall or the facility to have a wedding dance or that kind of function. They either have a local service club or take it upon themselves to permit the particular function that is going on and because of an infraction or an extended period of time that the alcohol was left on the table following a particular dinner or dance or whatever, and the people who were having that particular function didn't enforce the permit the way they should have, it is my understanding that the policy is that the following functions coming up are now unable to receive a permit to provide liquor for their guests.

The point I'm trying to make is that to remove the right to permit that particular facility for the following three months - be it that period of time, I think, that's roughly what it is - that the people who are causing the problem to start with are only there one night and the people who are being penalized are those that are subsequently following the particular event that the problem was caused at. I think there has to be some way that the penalization of people who abuse the rights, giving them a permit, and I'm not against the regulations as they are now, don't get me wrong, I'm not against that, I think they have to have that kind of control over it but what I'm saying is that the penalization or the penalizing of abuse of a permit has to be, I think, changed so that the people who now want to entertain their friends in the same facility at their fami-

ly's wedding aren't going to be hurt in a way which isn't fair to them.

I would hope the Minister would take a look at this policy with the Commission and see if there isn't some way that it could be worked out. I'm going to get some more detail on the specific one that was brought to my attention last weekend because I think two families that are hoping to have wedding functions, entertain their friends, and provide liquor and if the permit people won't allow that to happen then it pretty much throws a curve into their plans. Maybe the Minister has a comment to make and maybe he would look specifically at this one for me.

**HON. R. PENNER:** Thank you. Let me, first of all, to the Member for Arthur give some background information which might help and then indicate where our mutual concern in fact lies.

For the first six months, for the six-month period, November 1, 1980 to April 30, 1981, there were 556 occasional permits which were inspected. That figure, by way of comparison for the six months from November 1, 1981 to April 30, 1982 is 594, an increase of 7 percent, so it's not in that respect an alarming increase. Now with respect to halls, where an infraction was found or where in the comparative period, the earlier period, two suspensions and one warning and in the later six-month period only one suspension and seven warnings.

With respect to permittees the figures were as follows: there were for the earlier six-month period three suspensions and three warnings; and for the later, three suspensions and 12 warnings. Now having given the background information, the whole question of occasional permits is a source of concern. First of all, socially it's desirable that they should be permitted, clearly I think everyone would agree. They're difficult to supervise and we don't want to restrict and be overly restrictive, and yet we're concerned about the facility and about the way in which the occasion itself is run. We do not want to be so severe that, as I say, we limit the socially effective use of the occasional permit.

So, in fact, there are ongoing discussions between myself and the Commission and within the Commission, and between the Commission and the General Manager and the Inspection and Enforcement Branch, as to a policy that might ultimately require some legislation or regulation, but we're concerned that there be some responsibility that the hall itself have adequate fire exists, safety features, health facilities. We want to set a standard on that and once that standard is there, then substantially put the onus on the permittee. So we have, for example, a split jurisdiction; the hall owner for the safety and health of the hall; the permittee for the way in which the occasion is run.

**MR. J. DOWNEY:** Yes, Mr. Chairman, I think just to again give a little bit more of the background in the way in which the social activities have changed, particularly in rural Manitoba. The halls, initially I can remember as I was a young person growing up, they didn't have the facilities that the member has referred to and through different administrations of government, through recreation grants, or lotteries funds, have been provided to assist the communities. The

government backed them and helped them to put a wing on the side of their hall so that the modern society could drink in the dance hall instead of drinking either in the basement, or out in the car, or on the way, or at home before they got to the particular function. So we have a society that has changed and accepts that kind of lifestyle and supported by everyone by the appearance in the way in which it's gone over. So government really have helped that kind of process take place.

The facilities the Minister refers to, health, safety, I think is certainly a point that has to be agreed to as well. The responsibility by the permittee, I think, has to be the key to what we're talking about when it comes to an infraction of the regulations, because the point I was trying to make is that if I have a family do and I break the law or I'm in an infraction of the particular permit that I have, I'm the one that should be penalized. It shouldn't be the people that are going to rent the hall next week for their family, who aren't able to have that particular function because of the actions that I carried out and that's the point I'm trying to make. If the Minister, I think only being the reasonable person that he is, he should I think be subject to that same consideration or agree to that.

**HON. R. PENNER:** I think we are agreed in general. It'll be a question of seeing what we can develop and come forward with for the next Session in terms of any changes that may be required to the Acts and Regulations.

**MR. J. DOWNEY:** The point I'm trying to make, I don't think it needs a legislative change. I think it's a policy decision of the Commission itself. If I leave alcohol on the table in a particular hall past the hour of 1:30, then there's some particular penalty that I have to pay and the penalty that I've seen imposed is that for the next three months the hall can't have a licence or there can't be alcohol served. I don't think that's correct. I think the individual who created the infraction or was in violation of the permit should be charged in a way and not the next groups of people that want to rent the hall next week for their daughter's wedding or their son's wedding anniversary or whatever. That's the point I want to make and I would think it's a matter of Commission policy rather than a legislative or a regulation change. The point I'm trying to make is, I think I have a situation in my own constituency right now where that kind of problem has developed and I will be getting back to the Minister after I get more detailed information on it, if that is in fact the case.

**HON. R. PENNER:** Thank you very much.

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

**MR. G. MERCIER:** Just to revert to the price increases once more, I just want to make a final comment. I think the Minister responsible for the Commission has to fend off the desires of the Minister of Finance almost on an annual basis to try to achieve more revenue in his budget. We have a situation here where with the price increases that came into effect in the beginning of May, the revenue from the Commission to the government would have gone up to \$98 million; that is the

figure the Attorney-General indicated. That, in itself, would have been at least approximately a 10 percent increase in profit from the Commission. To then exact from the consumers of Manitoba a further \$20 million, Mr. Chairman, I think is laying it on a little heavy on the consumer in Manitoba and I would simply urge the Attorney-General in the future to resist a little more strenuously the requests from the Minister of Finance. Sure, it's an easy item to tax; it's a so-called luxury item. But there are many people in the province who are customers of the Commission and good citizens of the province and as a result of this Budget, the prices have, I think, been unjustifiably increased and increased substantially as they will find out starting next week.

Mr. Chairman, on another question. Could the Attorney-General indicate since his announcement in February of this year or his directive to the Commission to remove wine and spirits from South Africa from the shelves of outlets, does he have any information as to whether the sales of these products has gone up or down?

**HON. R. PENNER:** There's been a decrease in sales of 35 percent since the announcement of that policy.

**MR. G. MERCIER:** Well, Mr. Chairman, I just want to indicate and there's no use belabouring it because I think the Attorney-General knows my position. I believe the consumers in Manitoba should be allowed to choose freely whether they wish to support the products of that particular country. I think it is wrong for the Attorney-General to direct the Commission to simply remove them from the shelves. If he believes so strongly, Mr. Chairman, in his position, he should have the fortitude to de-list them completely. To simply place them on the back shelves is in my view a wrong decision. Particularly, it is extremely difficult to justify when you look through the price list and you see some of the other countries whose products are sold freely on the shelves of the Liquor Control Commission and the Attorney-General takes no action with respect to them. I think the Attorney-General was aware of my position and this is an item I guess on which we must agree to disagree.

Mr. Chairman, on another matter. I asked the Attorney-General a question during question period on the establishment of the duty free shop in Emerson. I have since seen a newspaper advertisement, I think on behalf of the Federal Minister, inviting applications to apply to operate that duty free store. I take it from that advertisement that the applications are to go directly to the Federal Minister.

The Attorney-General indicated in response to my questions in the House to the effect that he was working jointly with the Federal Minister. Does he not acknowledge that the operation and the approval of the operator of a duty free shop in Manitoba should be him, the Minister responsible for the Liquor Control Commission in Manitoba, that he has jurisdiction to do that?

**HON. R. PENNER:** The duty free shop in the first instance is not necessarily a liquor store. The duty free shop - the name is descriptive - is a shop from which goods sold are sold to Americans leaving the

country on a duty free basis. Now, that comes within the jurisdiction of the Minister of National Revenue.

The moment the would-be proprietor or any would-be proprietor wants to sell liquor, then that comes within provincial jurisdiction. He cannot sell one ounce of liquor or one milliliter of liquor or any combination of ounces and milliliters of liquor without being licensed by the Manitoba Liquor Control Commission.

So the working arrangement as it were or the understanding that has been fully accepted by the Minister of National Revenue, Mr. Romkey, is that when they look at the applications for running a duty free shop and want to consider a number of them, that they cannot tell that person you have a duty free shop and you're able to sell liquor without us having agreed that the proposed franchise holder - if I use that term as generally descriptive - that you can sell liquor unless we say so.

**MR. G. MERCIER:** I take it then, Mr. Chairman, there will be a joint approval of the operator - each side has a veto?

**HON. R. PENNER:** In effect, that is right. That is the effect of it.

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

**MR. D. BLAKE:** Mr. Chairman, I don't know whether this has been discussed or not and I haven't had time to go back to some of the other reports. In reports in previous years, the convictions and the fines imposed were broken down and at one stage, they showed a staggering difference between rural and the City of Winnipeg, the charges lodged by the rural and by the City of Winnipeg. I just wonder if you'd have that information at your fingertips or what that relationship is now. It's not broken down this year. I'm not criticizing the amounts of the fines or the convictions. I realize a lot of the convictions were probably city residents that were charged with the offence outside of the city, but there was a staggering difference at one stage. I just wondered if that was still the case or if that gap had been closed because as the Minister knows, in rural areas with rural detachments, it doesn't take long to get to know everyone in town and it's pretty easy to get a conviction if you need one, if you have a quota to fill. I just wondered if there was any breakdown on the convictions by the City Police and by the RCMP because half of our population lives in the City of Winnipeg and half of it's rural. At one stage, there was a tremendous imbalance between the amount of fines levied in the rural areas and the amount levied in the city.

**HON. R. PENNER:** I'm sorry, Mr. Blake - convictions for what?

**MR. D. BLAKE:** Liquor offences. Prosecutions under the Act by the RCMP and by the City Police.

**HON. R. PENNER:** And there are more in the country than in the city?

**MR. D. BLAKE:** Tremendously, a staggering differ-

ence, like about 75 percent in the rural and 25 percent in the city. I can't remember the figures because I just picked up —(Interjection)— about 20 to 1. Two or three years ago, they broke it down but I notice it's not broken down now and I didn't have time to go for the other report.

**HON. R. PENNER:** I didn't know that the moral fibre of rural society had deteriorated to that extent. I'm shocked to hear it.

**MR. D. BLAKE:** It's not really that. That's my point in making the question up. I don't want to say that you can drive around the City of Winnipeg bouncing off curbs and never get stopped, but you try it in the rural area and see how far you get.

**HON. R. PENNER:** First of all, I don't have the current breakout of figures and I'll endeavour to get them, but I would certainly agree that those figures do not represent a different attitude towards the law or a different approach to the law as between people who live in rural areas and city dwellers.

I would expect and I admit this is speculative that something the member said is right: namely, that it's law enforcement which really explains statistics of that kind, as it so often is where you have, for whatever reason, an easier kind of area to patrol and law enforcement is therefore better.

The statistics for any given crime will tend to rise and it's not a rise in the crime rate so much as it is in more effective law enforcement up to a point where it gets marginal and indeed, this is something that is fairly well known to criminologists generally. They are very careful when they examine statistics as to whether or not they really demonstrate an increase in crime or an increase in the effectiveness of law enforcement, so I really think that's what happening there.

**MR. D. BLAKE:** I just wanted to make that point, Mr. Chairman, before moving on to reinforce what the Member for St. Norbert has said about the South African wines being kept under the shelf or in the back shop. I think that move hasn't really served any purpose whatsoever unless you're going to go all the way and remove some of the other brands from countries that have other offences or other policies that aren't in agreement with our philosophy. By removing South African wines only, I think it's been rather a foolish move.

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

**MR. R. NORDMAN:** Mr. Chairman, to the Minister, I just wanted to make a comment with regard to when you are considering changes with the occasional permits. I have spent a good many years in the hospitality industry and I feel that to a point the Member for Arthur has a point, but by the same token, I feel that the hall owner, regardless of who he is, whether it's a private person or a legion or a community centre, they have a certain responsibility too. They are beneficiaries by way of the rent that they charge and they have a responsibility towards that and I just hope that you give some consideration to that when you're considering any changes in the occasional permit.

I know about five or six years ago, there was in the west end of Winnipeg, one of the places, their licence or their permit to operate was taken away from them and there were a great number of people who were inconvenienced in that there's no way that they in the time they were given could relocate, not necessarily their social, but their wedding reception. They had an awful time. They restricted them for this particular business for about three months and people were really in dire straits.

**HON. R. PENNER:** I would thank the member for his suggestion as to where the responsibility lies and I don't want to be taken as having said that I see a clear line between fire, safety and health on the one side and the way in which the occasion is run on the other. I do agree that the hall owner who is renting the hall for profit, for gain, must bear some responsibility. One of the reasons for that is it is not possible except at enormous cost for the inspection staff of the Liquor Control Commission to be Johnny-on-the-spot throughout an evening or on any given evening, and the hall owner has to know that to some extent that if indeed there's a spot check and there's an infraction, that there may be fairly serious consequences. That will tend, one hopes, and indeed there is some experience to prove that it will make the hall owner himself or herself or itself, through one of its agents, more effectively patrol the occasion.

**MR. R. NORDMAN:** Thank you.

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

**MR. H. GRAHAM:** Thank you, Mr. Chairman. To carry on somewhat with what the Member for Minnedosa indicated to the Honourable Attorney-General, I would like to refer him to pages 10 and 11 of the Annual Report of the Liquor Control Commission which deals with the Chief Inspector's Annual Report. The figures that are given for the last five years have indicated approximately between 9,000 and 10,000 convictions per year have been registered in the province.

I was wondering if the Minister could provide us with:

- (1) the number of convictions that were secured by the RCMP;
- (2) the number of convictions that were secured by the RCMP that existed within the city limits;
- (3) the number of convictions that were secured by the City of Winnipeg Police and;
- (4) the number of convictions by the Municipal Police.

**HON. R. PENNER:** I will take that as notice as if it were a question in the House and provide the member with that information at the earliest opportunity.

**MR. H. GRAHAM:** I would think that when the Minister gets those figures, I would think that he would be quite shocked, as most members are, because I would think that the figure that he will get of the number of convictions by the City of Winnipeg Police will range in the 200 to 300 class and the other 9,000 will be registered by the RCMP. Of those from the RCMP, I think very few will be within the city limits.

This indicates the - I don't think it is a reflection at all on the lifestyles of the people of Manitoba, but probably the degree of efficiency used by the various police forces and the degree of activity that they place on certain levels of crime. I think you would have to come to the conclusion that the RCMP consider crimes under The Liquor Control Act and the Criminal Code dealing with that to be much more important in their activities than do the City of Winnipeg Police. The Attorney-General, being the Chief Law Officer of the province, I think should take cognizance of that and I would hope that he would consider it quite seriously.

**HON. R. PENNER:** Thank you.

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

**MR. G. MERCIER:** Mr. Chairman, I'd like to ask the Attorney-General some questions on the recommendations of the Michener Advisory Committee Report. Firstly, does the Attorney-General intend to implement the recommendation that the legal drinking age in Manitoba be raised from 18 to 19 years?

**HON. R. PENNER:** I have not yet developed a position on that recommendation and any position that will be developed will be that of the Government and Caucus. I made a decision, given the length of time I've been in office, and am undertaking to try in terms of legislation to fulfill election promises that with respect to The Liquor Control Act, I would deal substantially in this Session if I could, and I hope with the co-operation of the Opposition, with minor amendments, and anything major such as the example given or the question of advertising on TV in prime time hours and others of the major Michener recommendations, that they would not be dealt with at this Session. So that, in fact, they have not been discussed at Cabinet level of Caucus and indeed I have not, myself formed an individual opinion.

**MR. G. MERCIER:** Mr. Chairman, could the Attorney-General indicate whether he supports the recommendation that a photo identification card be issued to all persons upon reaching the legal age for drinking. I believe the Commission had undertaken a study of identification card programs in other provinces and that information should be available now.

**HON. R. PENNER:** Yes, on that one, I'm inclined to support the implementation of that recommendation and it's just a question of looking at the mechanics of it, how it can be made effective, what the cost is and when it will be made effective, but that suggestion indeed is a good one.

**MR. G. MERCIER:** Mr. Chairman, the report recommended that the Commission should study this area further to ascertain the long-term viability of privately operated specialty wine stores. Has the Commission undertaken that study?

**HON. R. PENNER:** Yes, the Commission has been working on that particular proposal quite actively and had hoped to locate a specialty wine store in a prime area on the basis of market research. Its expectations

were somewhat dashed when it was unable to secure a lease on what it thought would be an appropriate area. As a result the Commission, I'm advised, is looking at another possibility and one which I think has merit. It has been tried elsewhere with some success and that is, rather than have a specialty wine store, to pick perhaps three prime targets to begin with and have within an existing liquor store an area that can be done up as a wine shop that would carry specialty wines and be known to those who are interested in specialty wines, a select stock of specialty wines. So in effect, we would have three smaller it is true, but nevertheless, three specialty wine stores if we targeted three particular areas to begin with.

**MR. G. MERCIER:** This would be stores operated by the Commission?

**HON. R. PENNER:** Yes, stores operated by the Commission.

**MR. G. MERCIER:** Mr. Chairman, does the Attorney-General support the recommendation that the current ban on TV advertising before 10:00 p.m. at night be removed and that new regulations be instituted?

**HON. R. PENNER:** This is again a major policy question which has not yet been considered by the Cabinet or Caucus and in which I have not developed a position.

**MR. G. MERCIER:** Mr. Chairman, does the Attorney-General support the recommendation that the supper hour closing in beverage rooms be made optional?

**HON. R. PENNER:** That suggestion has some merit and it's one that we want to look at a little further to make sure of all of its implications. I am aware of the fact that it may be apprehended that there is an element of discrimination with respect to beverage rooms, in that the mandatory closing only applies to beverage rooms. It does not apply to cocktail rooms, for example, and it is something that is under consideration, but there'll be nothing brought forward on it at this Session.

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

**MR. R. DOERN:** Mr. Chairman, I assume that in the questions from the Member for St. Norbert, not only questions, but indications of his own position, and I just want to make a few similar points to the Attorney-General in regard to the Michener Report, that I don't think it is worth the time of day of the Attorney-General or the Assembly to consider raising the drinking age. We've gone through this exercise before when the Conservatives were in power. The Member for Emerson brought in a Private Members' Resolution which eventually failed and it's simply not a solution. If it were a solution, then we may as well raise the drinking age to 65 and logic would dictate that, therefore, there wouldn't be anybody drinking until they were senior citizens' age.

I think it made great sense when the age of majority was changed in the Schreyer administration to have the drinking age changed to 21. It's a fact that most

young people drink when they're teenagers, starting at 13, 14 or 15 regardless of what the law is and regardless of whether it's 21 or 19 or 18, they're going to start drinking as teenagers despite that and the effect of such a law would be nonexistent other than to cause some general turmoil. There'd be no practical effect.

I would say to the Attorney-General that I would like to hear more sometime about what he intends to do about cracking down on drinking drivers. That's where he should spend his energies and also there was, I think, an excellent campaign a few years ago, prior to '77 at least, about encouraging people to drink in moderation. That was sponsored by the MLCC and I don't know whether that campaign is still going, but I think there should be a program like that in effect.

I also, as an individual, am not in favour of changing the ban on late night TV advertising. That measure was brought in here some, I guess, 15 years ago or whatever. I remember Doug Campbell was the one who introduced it. I think it was a good measure. It was designed for the purpose of discouraging the encouragement of young people to drink. The assumption was, correct or otherwise, that people are stimulated by advertising and that the less advertising around encouraging people to drink the better and that when the advertising was relegated to late at night - maybe I'm not speaking precisely here - but that advertising would only be allowed in a certain period of time so that young people wouldn't see it and therefore wouldn't be encouraged to drink. I don't think any change is required in that particular area. So, the Michener Report is interesting and some of the views of the members of the Opposition are interesting in regard to drinking, but I think many of them are impractical and backward looking.

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

**MR. H. GRAHAM:** Thank you, Mr. Chairman, through you to the Attorney-General. The Liquor Commission has embarked on a program of converting the government liquor stores from the old system to a new system of self-serve.

Could the Minister indicate how many of the government owned liquor stores now are self-serve and which ones are not?

**HON. R. PENNER:** I haven't got the precise figures, but there's been an enormous change. I think that roughly speaking, about 45 of the stores are self-serve now and there's only somewhere about eight or nine that are still of the old style.

**MR. H. GRAHAM:** That naturally begs the second question.

What is the policy of the Commission towards the conversion of those eight or nine that are still left? Is it their intention to convert them to self serve as well?

**HON. R. PENNER:** Yes.

**MR. H. GRAHAM:** Could I get an indication from the Attorney-General then when the people in the Russell area can expect the liquor store there to be converted to self-serve?

**HON. R. PENNER:** I'm advised that there's a target date within the next two years, so soon.

**MR. H. GRAHAM:** Thank you.

**MR. CHAIRMAN:** 1. (a) Minister's Salary \$20,600—pass.

Resolution No. 18 - Resolved that there be granted to Her Majesty a sum not exceeding \$1,533,600 for Attorney-General for General Administration for the fiscal year ending the 31st day of March, 1983—pass.

That concludes the Attorney-General's Estimates. I believe there's another standing rule that Committee will sit again this evening at 8 o'clock?

**HON. R. PENNER:** That's right, yes.

May I thank all members who have participated in the discussion of these Estimates over the last couple of days. I think they have been productive, constructive and very helpful, I think maybe in a sense a model of the way Estimates should go.

**MR. CHAIRMAN:** Committee rise.

## SUPPLY - EDUCATION

**MR. CHAIRMAN, J. Storie:** Continuing with Item No. 6, the Universities Grants Commission, 6.(a) Salaries. The Honourable Member for Tuxedo.

**MR. G. FILMON:** Mr. Chairman, I wonder if the Minister could indicate how many foreign students attended Manitoba universities last year?

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

**HON. M. HEMPHILL:** Mr. Chairman, 1,223.

**MR. G. FILMON:** Is any consideration currently being given to raising the tuition fees for foreign students attending universities in Manitoba?

**HON. M. HEMPHILL:** Mr. Chairman, that decision will be up to the universities and it's my understanding that they have not given consideration to a change at this time.

**MR. G. FILMON:** Mr. Chairman, yesterday when I was quoting figures on the costs of tuition for universities across the country, or at least making the comparison, and when I said that Manitoba was the lowest and the Minister corrected me and said there were, I believe, two or three other provinces in which university fees were lower, I was actually looking at a study of foreign student tuition fees, and in that case I believe we are the lowest in the entire country.

It brings up the point, that since the cost per student is approximately \$5,400 per year at Manitoba universities - and that's an aggregate average I guess and it would vary, I'm sure, from faculty to faculty, many of them being much more expensive to train - the fact of the matter is, that in rough mathematics I guess that works out to over \$6 million of cost to the taxpayer by virtue of the fact that foreign students attending universities here are not paying the full cost of what is required for their education. I realize that there are



arguments on all sides about our obligation to do some part in foreign aid, shall we say, or aid to underdeveloped countries and so on and so forth. Mind you, many of these students may not be coming from necessarily just Third World countries or what we might consider to be underdeveloped countries. At the same time, of course, I think it's also known that even those who do come from underdeveloped countries are, to a large extent, probably coming from fairly much the upper income group in those. Oftentimes they are coming from the privileged group in any case and the cost of their coming over here in terms of what they spend to live here and so on and travel, is such that probably there isn't any great justification in keeping the fees low for that purpose.

There is, of course, the argument I suppose, that it enriches the cultural exposure of our own Manitoba students to have the opportunity to mix with foreign students and so on, but I'm just wondering if the Minister or her department through the Universities Grants Commission has given consideration to this, to the equity perhaps, from the viewpoint of the Manitoba taxpayer of having, as I say, something like \$6 million worth of training done for outside students, most of whom will not become taxpayers in Manitoba and are not obviously children of Manitoba taxpayers, and just exactly whether or not the Minister sees a need or a reason perhaps, to intercede here and have some discussions along this topic.

I look at the particular article I have that makes the comparison and it ranges from a level of about \$4,100 in Quebec that's being charged for foreign students, \$4,100 per year, to Ontario which has moved its fees upwards as of this year to a level of between \$2,700 and \$4,400 per year, depending on the course. I note from the article that the decision was made by the Minister in Ontario, so I'm just wondering how the Minister is indicating there is a difference in Manitoba, where the universities are permitted to make their own decisions with respect to this, when really it is a very large cost to the taxpayer.

**HON. M. HEMPHILL:** Mr. Chairman, first of all I would just indicate that universities do set fees and these fees would not be seen in any other light. I would expect that they would continue to make decisions on all fees.

The point that the Member for Tuxedo is raising though is one that we have recognized. The student population, or the numbers of students coming in, have not significantly increased in the last three or four years, so there isn't a tremendous influx and that's not the major concern. But what we have realized, and I think he is suggesting, is that we are one of the few provinces that doesn't have a differential. Quebec I think, is charging full costs.

What we are anticipating is that there is a possibility that the few provinces who do not have the differential will be the ones that the foreign students will want to go to and that factor may cause a significant increase in the numbers of students applying. So we have identified it as something that is of concern and I have been in discussions with the Universities Grants Commission and the Presidents. We have identified this as an area of some concern that they are presently looking at and I think they will be looking at it

very seriously.

I'm not sure I asked for leave of the Committee for a moment, Mr. Chairman, to communicate to the members of this House, that this morning at the University of Manitoba Convocation, Dr. Wes Lorimer, who is the Chairman of the Universities Grants Commission and sitting here before us, was recognized and honoured. His years and contribution to education in the Province of Manitoba were honoured this morning when he was given an Honourary Doctor of Law Degree and we want to congratulate him on this great honour and thank him for his significant and long contribution to the people and the children of Manitoba.

**MR. G. FILMON:** Mr. Chairman, I certainly, on behalf of members of the Opposition, would like to join the Minister in congratulating Dr. Lorimer on that significant recognition for his contributions to education in this province over many decades and we certainly agree with the Minister that it is a very well-deserved honour.

**MR. R. DOERN:** Mr. Chairman, I also would like to add my congratulations to Dr. Lorimer and maybe somebody could tell us how we will address him now since he has three PhDs, I was going to suggest "Double Dr. Lorimer" but it may be "Triple Dr. Lorimer" at this point.

**MR. G. FILMON:** Mr. Chairman, I'm pleased that the Minister is, through the Grants Commission and through her meetings with the presidents of the universities, going to look into this because when I saw the article and the information with the great disparity between us and the other provinces I, too, would have the fear that the numbers would increase, that many more would seek Manitoba out as the place to take their university training and, in fact, that the cost to Manitoba taxpayers would rise even more substantially as a result of that sort of thing happening. So I'm pleased that the Minister is going to look into that, or at least open some avenues of discussion on that topic, because I think that it is one that certainly will be an important factor, particularly when the government is looking at a prospect of cutbacks in federal transfer payments and so on and these will, of course, have some long-range effects on our ability to fund post-secondary education in Manitoba. We will have to look at all avenues to ensure that our revenues and costs are being closely scrutinized.

There is a problem, I believe, at the University of Manitoba - I don't believe, I know - a problem in the ability of the Faculty of Administrative Studies to really do all the things it wants to do. I know that it, by all yardsticks suffers from space problems, resource problems of all sorts and it is, of course, one of the faculties in greatest demand now and indeed, I suppose, one of the faculties for which the opportunities for graduates remain at a very high level. So I know that there's all sorts of things going on. There is a fund raising activity being carried on by the faculty itself through the auspices of the university and all sorts of other opportunities of fund raising within the business community and corporate community and so on. Specifically, is the Minister concerned about this and

does she have any thoughts about what may happen in the future with respect to the Faculty of Administrative Studies?

**HON. M. HEMPHILL:** Mr. Chairman, one of the ways of giving some relief to some of the problems of that department in terms of facilities will be the completion of the Earth Sciences Building. They're going to use some of the space to relieve the pressure there. Unfortunately, it takes a while to build the building and that solution, I suppose, is a little way down the line. We recognize the pressures and the advancement in that department and I suppose feel that apart from approving the priority facility that was established as the most needed space for the university, that the universities have been given a reasonably good financial package this year in order to address their most serious and important problems and that those decisions on how to utilize the money will be made and can best be made by them.

**MR. G. FILMON:** Well, I think it isn't as simple as that, Mr. Chairman. I know that the method by which the funds are allocated within the university's budget process at the U of M is such that if the Minister feels that by global block funding she is going to address specific problems, it's not possible. Their budgeting mechanism is such that for faculties that have a demonstrated need for additional funds there is a certain allocation of the budget that is based on pluses and minuses, sort of add-ons and credits, and all that it eventually does, even though a faculty may demonstrate specific great needs over and above all of those of the rest of the faculties, they may end up getting an additional few percentage points more than their normally allocated share; it's a complicated system. I know I've talked with Dr. Campbell in the past, Dr. Naimark briefly, when I was out there not too long ago, and so on.

It just isn't possible through the global block funding approach to address specific problems. I don't know whether the Minister has any thoughts about that, but I know that it was a problem that we faced when we were in office.

Firstly, we did not want to tamper with the autonomy of the university to run its own affairs, but secondly, where there are areas of demonstrated specific critical need more so than others, one can't address those needs through the normal budgetary process that the university has by simply adding to the package, because of the added amount a very, very small percentage will go to address the specific problem that you may be faced with. The same thing holds true in faculties in the past that have been in danger of losing their accreditation. It was very difficult through the normal budget process to give them specific funds to help them with their problems and I think it needs to be looked at more closely. Perhaps the Minister, again, will have to enter into discussions with the universities to see how it can be addressed outside of the normal budget process.

**HON. M. HEMPHILL:** Mr. Chairman, it appears to me that the Member for Tuxedo is suggesting that the government decide what they believe is important or what the needs are for the university and perhaps

direct fund, give money directly to the universities for those programs and direct them to put them on. There has been some that has been done to a very minor degree and very unique situation, I suppose the Engineering was an example. In the discussion with the presidents of the universities we have been talking about the process and how we do communicate about what we each believe the needs are to be, so that there is some passing of information, thoughts, values and priorities between us. There is an opportunity for that since I think they do see that kind of direct funding as interference with local autonomy and would prefer that it doesn't happen.

When I talked to them I was saying we have to look to see why it happened. You know, what were the problems at the time that triggered that kind of action, which was unusual. If that's not the best way of going about it, then how do we handle identification of problems and concerns without routing it that way, but by having a chance to talk about it together so that you can perhaps use the existing route and process, but still have some opportunity to address the problems.

I think there's agreement to have fairly open discussion by people at all levels; that we can have fairly open discussion and communication between the Grants Commission, the universities and government, where people know the decisions that are being made and the reasons that they're being made, which I think is important for them to know if funding is coming for certain things, what it is the government believes and why they've made the decisions that they have made. So we have begun to open up opportunities for discussion so that if there was another area like that with Engineering where there was concern, we would have an opportunity to sit down and discuss it and have information go back and forth.

**MR. G. FILMON:** As I say, I acknowledge that there's always that fine line, that one doesn't want to pass beyond, of really becoming the agency for setting the university's priorities. That aspect of its autonomy is very important to those at the university. I know that the Minister will have to treat that very gently and very carefully.

But there still is the question of having to solve certain specific problems in the past; Engineering was a problem; Dentistry, I believe, had some serious problems in the past with major requirements for replacement of equipment and so on. Ultimately, it may be that the Minister will find that the university administration themselves recognize those problems as being a priority but can't, within their own budgetary process, address them adequately. So there may be some receptivity to the Minister involving herself with the process through the Grants Commission and finding out just exactly how, working together, the problem can best be solved.

The topic of the School of Music at Brandon - and I'm asking this question on behalf of the Member for Turtle Mountain - I'm not totally familiar with the situation but I know that he asked a question earlier on this year and the Minister responded to the effect that a trust fund was to have been set up for money that had been allocated by the previous administration and money that was in this budget and so on. Then, later on in the Minister of Finance's Estimates he asked the

Minister how that trust fund worked and the Minister indicated that there wasn't a trust fund. It wasn't able to have been set up. So he wants to know just exactly what is happening with respect to the funding for that facility at Brandon University.

**HON. M. HEMPHILL:** Mr. Chairman, the Universities Grants Commission has authority that most other departments do not have when it comes to not spending money that exists in an existing budget. For most of the departments, the money becomes surplus and it lapses and if you don't spend it, you lose it. The Universities Grants Commission under Section (a)(4) - I'll just read you this so you know what they are entitled to do - it says, "If at any time the balance of the credit of the fund is in excess of the amount that is required for immediate purposes of the Commission, the Commission shall pay over the excess to the Minister of Finance for investment for and on behalf of the Commission." And goes on in (8)(5) to say that "They may establish and maintain reserves deemed necessary or advisable for its purposes and any money set aside for the purpose of any such reserve shall be paid to the Minister of Finance for investment on behalf of the Commission."

It could be that when I used the words 'trust fund,' knowing that the money had been set aside and I was thinking that the words 'in trust' were not an accurate description, the money that was held by the Universities Grants Commission, the \$1 million, has been turned back to the Department of Finance for holding. Mr. Chairman, I've just been informed by staff that the money was turned back; I thought it was being held. It is not being held and has been allowed to lapse.

**MR. G. FILMON:** What does that mean with respect to the development of this facility then? What's going to happen?

**HON. M. HEMPHILL:** Mr. Chairman, it doesn't have any effect on the government's commitment or intention to make available the funds that we have committed ourselves to for the building of the music facility at the Brandon University. It has not altered our decision or our commitment or our intention to follow through with that.

**MR. G. FILMON:** Could the Minister indicate what is the present timetable then? What is the expectation for the development?

**HON. M. HEMPHILL:** Mr. Chairman, it's very difficult to say what the timetable might be, since the decision will be largely determined by the success of the fund raising drive, I believe, the private fund raising drive that the university has presently undertaken. It's \$4.4 million which is a significant amount of money to raise in the private sector.

I might just indicate as a bit of background that when they first applied - it was in 1977, I believe - the first application, originally, was for an addition to the music building. Subsequent to that, they have submitted significant changes of plan. The first major change was that it not be an addition, but it be a new building which was about double the 16,000 square feet of existing space. Subsequent to that there has been

another fairly major change where they have taken it from the 32,000 square feet up to about 53,000 square feet, so the project has grown considerably from its original application and inception and the board of governors of the university have undertaken a major fund raising drive in order to provide most of the funds required for the new building. It's my understanding, I believe the communication to the Grants Commission was that they had about a \$5 million, not in hand, but in committed funds. Just last week was the last communication on that matter.

**MR. G. FILMON:** Is \$4.4 million the total cost of the project or is that the amount that they have to raise and if so, I've forgotten, what is the provincial commitment?

**HON. M. HEMPHILL:** The provincial contribution, Mr. Chairman, is \$1.6 million and the \$4.4 million is the amount of money that Brandon University has committed themselves to raise.

**MR. G. FILMON:** So it's a \$6 million project.

**HON. M. HEMPHILL:** A \$6 million project.

**MR. G. FILMON:** I wonder if the Minister could indicate what the status is of the Winter sports complex at the university and the library addition. I think the library addition may be completed now, I'm operating from memory, but I know that away back in the time when I was active on the Alumni Association, we made the commitment to raise certain funds for the dual project of the winter sports complex and the library, both to be proceeded with and they were based on a certain formula of matching funds from the government, \$2.00 for every \$1.00 raised by the university itself, and I noted in the paper yesterday that the Max Bell Foundation has offered \$2.5 million and the sports complex is now going to be named after Max Bell as a result of that rather large contribution that they are making to it.

I know again there, because of the length of time in the development, that the costs have risen dramatically over the years from what was originally going to be about somewhere under a \$10 million expenditure. I'm sure it's much beyond that, if the Minister could just bring me up-to-date on that.

**HON. M. HEMPHILL:** Mr. Chairman, it's my understanding that the commitment was, for every \$1.00 raised they would get an additional \$2.00 and that commitment was met and they used the money for the library. The library is presently completed and they are doing a fund-raising program themselves for the sports complex, which is partially completed.

**MR. G. FILMON:** What is the projected cost of the sports complex and what was the cost of the library?

**HON. M. HEMPHILL:** \$3 million for the library and \$8 million for the sports complex. I was further advised that the sports complex is expected to be almost completed and ready for the fall term, except for the running track.

**MR. G. FILMON:** What are the areas of priority needs at the university? I'm not sure that the Minister has agreed with me that the Faculty of Administrative Studies is an area of priority need. She indicated what was going to happen that would allow it to get additional space but at the various universities, all three of them, what are the areas of priority need that are being worked on at the moment?

**HON. M. HEMPHILL:** Mr. Chairman, the priority needs I think, might be explained in terms of new program, or expansions of program might be the best way. At the University of Manitoba, first of all, there will be some space freed - the Administrative Studies will get additional space when the Earth Sciences Centre is completed - and they do long-term planning, is the other point I wanted to make, for their facilities and it really does look down the road, not just next year but for a four or five year period, and at all of their needs. I imagine that they recognized ahead of time some of the pressures, maybe not all of them, but on the Administrative Studies, and dealt with that in terms of having the Earth Sciences Centre come in which would free up additional space when it's completed for the Administrative Studies. I suppose we're often a little bit behind the need, the facilities often don't keep pace with the exact timing of the need.

The University of Manitoba has received \$500,000 in terms of new programs. I think that it is the first time this year in about four years that the universities have received new program money, specific money, that they can allocate to new programs. Prior to that they could put in new programs if they wanted to, but they had to take it out of operating, had to take it out of existing money.

The University of Manitoba has been allocated \$500,000 and they have program improvements in Administrative Studies, Engineering and Health Sciences, those are the three areas, with the distribution of the \$500,000 to be determined by the university.

The University of Winnipeg has selective program expansion to meet additional needs and high demand programs in Biology, Chemistry, Business Computing, Statistics and Psychology. They also have an increase in requirements for library, labour relations and physical plant and they have \$123,000.00.

Brandon University has received \$50,000 in funds to assist in the continued establishment of the Mature Student Centre, and St. Boniface College has \$10,000 to assist in expansion of the athletic programs, for a total of \$633,900 for new programs, distributed among the universities and the colleges.

**MR. G. FILMON:** Do these decisions require the approval of the Universities Grants Commission? I see the staff are nodding yes. So what role does the Minister feel she will exercise through the UGC in looking at the possibility of duplication of offerings in terms of the discussion yesterday, of whether or not the U of W would now start up a Faculty of Physical Education as a result of the field house decision, and so on? Similarly, what role will the Minister play through the UGC in looking at the duplication of services and offerings in terms of faculties among the three universities, what sort of role will this Minister play?

**HON. M. HEMPHILL:** Mr. Chairman, the Commission, by statute, has to approve all new programs. I think that in terms of talking about not duplicating programs or expansion of programs in a number of universities, the Commission does have a large role to play and I think in terms of communicating direction and direction of government funds that might be made available, and activities that are going to be undertaken, that will have an impact on the job that universities do and I can give some examples of what I'm thinking of. I think the government has some responsibility to communicate those things.

In terms of program, for instance, when we were implementing the Special Needs Program in the school system, it is very important and when we're improving the day care, bringing in The Day Care Standards Act, I think that we must let the universities and the Universities Grants Commission know the direction government is going in, so that they can accommodate the needs that are going to be placed on the system as a result of expanded or changed programs. I think that is one role that the government can play.

There is another role. When we're talking about capital facilities, for instance, we all have a very important job to do in terms of revitalization of the inner core and the importance of all building that goes on in the downtown area and its relationship to that revitalization. That is a commitment by this government and it is an area where I also see us communicating that if we're going to put money into capital projects that when building facilities we have to take into consideration and attempt to revitalize the inner core and that we would like to encourage the building of facilities that enhance and improve the quality of life for the people in the downtown area.

I think we are not just passive players. I do not believe that although we have a Universities Grants Commission with a statute and with responsibilities that government itself is a totally passive player, where we do not communicate priorities or directions. I believe that we have a responsibility to do that and that we have been setting up opportunities to have open discussions between the universities and ourselves in order to do that.

**MR. G. FILMON:** Mr. Chairman, as part of our discussion on the whole area of the universities in Manitoba, a number of times the Minister has made the comment, and certainly I think we all recognize the changing demographics, the changing client groups from which university students are coming now and the different situations in which university students find themselves, i.e., single parents going back to university or people going back to university after their families are grown up and so on. We've talked about some of the difficulties in funding the universities, the problem of additional funds not necessarily helping out specific situations, not being able, adequately, through the present system to address specific problems because of the difficulty of treading on the university's autonomy and so on. All of these things are obviously continuing problems; they're not ones that have cropped up in the last six months or a year. Many of them have sort of developed over the decade. The entire role of the University, each one with respect to

its community that it serves and so on, perhaps the growth and expansion of the need for a downtown campus kind of thing that is being fulfilled by the University of Winnipeg, all these things that have changed over the years were leading, I know our government, in fact had lead us to the conclusion that it was time to strike a task force with some pretty broad objectives and scope to review the whole role of universities in Manitoba. What is their function now? What is it going to be a decade from now and what things ought to be done to ensure that we get maximum benefit for the entire community of Manitoba out of our universities which are such a vital and important resource to us.

We were, I know, at the stage of appointing a task force and looking for the right person to chair it as we left office. I'm wondering if this Minister or this government sees the need for this kind of overview and review so that we can go forward through the '80s and towards the end of the century with, perhaps, some long-range plans in mind and some more defined goals for the universities. Does the Minister have anything on the back burner at the moment or is anything like this being contemplated?

**HON. M. HEMPHILL:** Mr. Chairman, I don't know if I would describe it as actually being on back burner. I was aware that the former government was considering naming a task force and I believe that they were looking for a permanent Chairman and being unable to find one that was the major reason for not setting up the task force. It was my understanding that they were going to look at both the planning for the next decade for the universities and the role of the Universities Grants Commission. I think when they first discussed it, it was a more narrow examination and then they were thinking along the lines of broadening the Terms of Reference and having a fairly major activity.

I have not, as yet, had time to give what I believe is the necessary amount of time to devote to giving consideration to this question. I can say that I do agree that the purpose that you were meeting in terms of looking at the changes coming and the needs and the requirements and the importance for planning in making the necessary changes is something that I agree with. I am not sure at this point what vehicle or mechanism I would give consideration to, but I think that it's not a dead issue. It hasn't been dropped or considered and decided not to do a review. I simply have not had time to consider it fully and make a decision on how and when I would like to proceed on this issue.

**MR. CHAIRMAN:** 6.(a)—pass; 6.(b)—pass; 6.(c)—pass. That completes the items considered under Resolution 54.

Therefore be it resolved that there be granted to Her Majesty a sum not exceeding \$133,592,300 for Education, Universities Grants Commission, for the fiscal ending the 31st day of March, 1983.

Continuing on page 50, Item 7. Acquisition/Construction of Physical Assets. No. 7(a) Community Colleges, 7.(a)(1) Red River Community College.

The Member for Tuxedo.

**MR. G. FILMON:** Can the Minister indicate just in the beginning where under this Section is construction of

public schools? Is it under (c) Others?

**HON. M. HEMPHILL:** Mr. Chairman, I think when this came up previously we suggested that it could be dealt with in a number of places and I think this is one of the only ones that are left. We're quite prepared to deal with it at this time.

**MR. G. FILMON:** Could the Minister indicate then - we'll just go through it in order - as far as the Community Colleges go, what is covered by the amount of the appropriation? Major items, I guess.

**HON. M. HEMPHILL:** This appropriation is equipment used in courses - machinery, television sets, lathes.

**MR. G. FILMON:** Normally, in other departments where there is Construction of Physical Assets, we're given a list of what the planned construction projects are. What's under way and what's planned for this year? Do we have such a list that we could look at?

**HON. M. HEMPHILL:** We can get that list for you. I have the list of the capital construction in school divisions with me right now.

**MR. G. FILMON:** That's primarily what we'd like.

**HON. M. HEMPHILL:** I thought that was the one you were interested in. I do have a copy of that and can make that full list available to you. It indicates both the projects that are actually in the building process, and those that are in the approval stage and those that are on the plate before the Public Schools Finance Board that are up for approval.

**MR. G. FILMON:** If we could have that now then we'll be able to discuss it.

I would assume that since the amounts are not very large at the Community Colleges, that they just represent acquisition of certain equipment, materials and so on. If the Minister could just sort of hit the highlights on that and then we'll get on to the other parts of it.

**HON. M. HEMPHILL:** Mr. Chairman, I'm trying to determine what the highlights are, what the Member for Tuxedo might consider to be highlights. I guess I will pull them out according to large amounts of money.

One screw-cutting engine lathe, 35,000; one universal cylindrical grinding machine, 45,000; one micro-computer development system, 25,000; one Polarograph, 10,000; the list goes on, one curve tracer for \$7,350, Mr. Chairman; a logic analyzer - I think I would like one of those for my department. These are divided into equipment for courses; we have the courses on the one side and the equipment on the other side - metal turning engine lathe.

The total for Red River is 1.1 million; Assiniboine College is 473,000; Keewatin Community College is 172,000. These are the major items over 5,000; ones under 5,000 are in another category.

**MR. G. FILMON:** Mr. Chairman, I'm glad the Minister

went over it, because they obviously are parallel to what additional courses - like that lathe, I'm sure, is for the tool and die making or whatever it is, and the microcomputers are for the expansion in that area and I'm not sure what the gas chromatograph was for. Analyzing food? —(Interjection)— Food technology, my colleague from Morris tells me. In any case, not that it's significant, but the figures that the Minister gave of totals for each Community College aren't the same as the ones in the Estimates Book - out by small amounts - 172,000 versus 187,000 and so on. Is there an explanation for that?

**HON. M. HEMPHILL:** Mr. Chairman, we summarized the major items in the list that I gave, and ones that were under 5,000 weren't listed because they were too numerous.

**MR. G. FILMON:** We'll pass (a) then.

**MR. CHAIRMAN:** 7.(a)(1)—pass.  
The Member for Tuxedo.

**MR. G. FILMON:** Pass 7.(a), Mr. Chairman, (1), (2), (3) and (4), please.

**MR. CHAIRMAN:** 7.(a)(2)—pass; 7.(a)(3)—pass; (a)—pass; 7.(b) Universities.

**MR. G. FILMON:** Under universities, Mr. Chairman, I wonder what is covered in the 7.6 million. The Minister indicated the miscellaneous capital just earlier and that was only a matter of, was it a couple of hundred thousand or 500,000. What's covered under the 7.6 million for Universities?

**HON. M. HEMPHILL:** It's made up of 5,000 for miscellaneous capital - 5 million, I just gave a few people heart failure, I think, on that one. Mr. Chairman, 5 million for miscellaneous capital; 2,300,000 for the University of Winnipeg Field House; 250,000 for the University of Manitoba Earth Sciences Building and 50,000 for Brandon University planning.

I might just make a short explanation there, Mr. Chairman. Brandon University had submitted requests for a couple of capital building projects; the Clark Hall, I think, their library and their administration building. They were not sure how they were going to build them. We suggested that we would give them a \$50,000 grant to study their facility requirements in total and what they're really doing is examining all the requirements of the university. There's some consideration being given to combining the library and the administrative buildings that they require. Previously they had separate submissions; now, they're looking at their total needs with the study and we will be receiving their requests in the next year.

The Earth Sciences Building because they are in the planning stage, they are just in the initial planning stage, that was considered to be sufficient to do the architectural drawings that they would be undertaking this year.

**MR. G. FILMON:** I'm sorry, I didn't take down those items. I wonder if the Minister could go through them once more again.

**HON. M. HEMPHILL:** Five million for miscellaneous capital; 2,300,000 for the University of Winnipeg Field House; 250,000 for the University of Manitoba Earth Sciences Building, and 50,000 for planning for Brandon University.

**MR. G. FILMON:** What is the expected timetable for completion of the Field House and the Earth Sciences complex and what will the total cost be on the Earth Sciences complex? What's the projected cost?

**HON. M. HEMPHILL:** \$9 million for the Earth Sciences Building is the total cost; the Field House is 7.9 million. Field House two-and-a-half years and the Earth Sciences will be about three.

**MR. G. FILMON:** The 2.3 million for the Field House then, is that the total government contribution and the government will ultimately contribute the total on 7.9 million? There's no external fund raising going on by the university or anything of that nature?

**HON. M. HEMPHILL:** No, not on this project. The amount of 2,300,000 is the amount that's been allocated as being required this year. I might say that it may not all be required because they are in the process of changing plans and it is going to be a little more delayed at getting on with the construction than we originally thought when we first established the budget, so there is a possibility that they will not be able to utilize or require the entire 2,300,000 this year.

**MR. G. FILMON:** Had any thought or consideration been given to the university entering into a fund raising drive to get part of the money itself, as has been done in the past at other universities and is being done obviously at Brandon for the School of Music, and was done at the U of M for both the library and the winter sports complex and so on?

**HON. M. HEMPHILL:** Mr. Chairman, I've been advised that the money at the University of Manitoba was a special centennial project. However, to the question that the member raised, there was not any thought given to private fund raising for the Field House. However, I do know that the university has some other plans under way and that they're looking very seriously at a combined athletic and cultural centre. They are very interested in establishing a cultural facility at the university and they are exploring that as a possibility. There is certainly potential, should they decide to go into it, for the university to involve themselves in some fund raising for such a facility.

**MR. G. FILMON:** No further questions.

**MR. CHAIRMAN:** No further questions. 7.(b)—pass; 7.(c) Others.  
The Member for Tuxedo.

**MR. G. FILMON:** Yes, Mr. Chairman, we're just awaiting copies of the information which the Minister provided us with on the building program for this year. I wonder if the Minister could begin by telling us what is the status of the school that was proposed for Ile des Chenes?

**HON. M. HEMPHILL:** Mr. Chairman, the status of the building for Ile des Chenes is that I have just received, I think within about the last week, the report from the committee that went into the community to gather information related to school enrolments and school populations. As the member opposite probably can understand during this process of Estimates, many things like that are on my desk and I have not had an opportunity to review the report or meet with them. I expect to do that within the next week.

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

**MR. G. FILMON:** The committee to which the Minister is referring, does that consist of Dr. Glenn Nicholls and Mr. Tony Frechette?

**HON. M. HEMPHILL:** Yes, Mr. Chairman.

**MR. G. FILMON:** Mr. Chairman, I know that this is a cause for great concern to people in the community and I'm sure it should be to all taxpayers in Manitoba. I know that a decision was made to construct a school in Ile des Chenes under our administration based on a certain set of data and information. Subsequent to that within the last few months, a re-evaluation and a re-analysis of the projected enrolment figures have indicated a very, very great discrepancy in those figures upon which the original decision was based. So much so, that it's my understanding that the entire viability of the project is in question. In question, not only by the school board in the Seine River School Division, but also by the Minister's own staff.

I have had discussions with many people from the area on both sides of the particular issue, but the bottom line appears to be that the major concern now in the minds of the elected representatives on the school board is that they will be constructing a "white elephant" in that community, one that will be a drain on the taxpayers of that school division and obviously on the taxpayers of Manitoba.

I'll just read one line from a report that was done, the re-analysis of the figures by the Minister's department, by her senior staff members, and it says: "Some mitigation may come from students from other divisions such as Red River or elsewhere, but the fact will remain that in excess of \$1 million will be spent on space that will not be necessary."

It seems to me that in response to that, the Minister sent a letter to the division in which she said: "There is still a need for a facility and at this time, I wish to assure the Seine River School Division that I am committed to the project."

Given the information that appears to question the entire viability of the project, I have to ask the Minister how she is committed to the project in view of her own department's concerns and the legitimate concerns of the taxpayers of that school division, that they will have a facility that will not only be under-utilized, but will probably be redundant before very long, maybe by the time it's even constructed?

**HON. M. HEMPHILL:** Mr. Chairman, I didn't quite hear the last line. I am sorry; I was talking to staff, but I think I can respond to some of the things the member was questioning and if I don't cover his last sentence,

he can perhaps ask it again.

To the point that - the question related to constructing a "white elephant," it was for that reason that I named the two people in the education system and asked them to go in and look at the requirements, the enrolments and the needs of the school division.

In terms of the letter that I sent where I suggested that I agreed there was a facility - I haven't got the letter in front of me to use the exact words - but that I was committed to a facility. I want to indicate here very clearly that there is not any question that the school division needs additional space. There's no question about that at all. There are about 300 students who they require additional classroom space for.

The question that has been arising is what will the size of the school be and where it will be placed. I don't think there have been projections that have suggested that either an addition or a school is not required to meet the enrolment of the school division, so that the questions and the problems have mainly related around whether it would be a K to 12 facility, a 7 to 12 facility, an addition or a new facility but that there definitely are needs for additional space of some kind to be built somewhere in that school division. That is the decision that has to be made.

**MR. DEPUTY CHAIRMAN, P. EYLER:** The Member for Tuxedo.

**MR. G. FILMON:** I'll quote again from the report that was done by the Minister's department: "The need for additional elementary school space in Ile des Chenes is quickly evaporating and with it, the justification for more than one-half of the not yet built new K to 12 school at Ile des Chenes."

It would appear as though the entire project is in question according to the Minister's own department and, yes, there may be a need for an addition of some classroom space to an existing facility. I'm sure that's an entirely different situation to constructing a new facility and I guess I took from the Minister's wording, because she said "there is a need for a facility," that she was saying that there was a need for a new separate facility. If she were saying that, I would have to question the Minister's judgment on making that kind of decision, given the facts that are now at our disposal.

I would also say it's my understanding that the majority of the school board do not believe that this facility is necessary in its form and they have communicated that, I believe publicly, and I would assume to the Minister. Now, this is an area where I'm wondering why the Minister is overruling the judgment of the people who are elected to make those decisions at the local school board level.

**HON. M. HEMPHILL:** The reason for the activity by my department in the first place was because there was an appeal by the school board. The school board, as is their right to do so, appealed to me against the decision made by the Public Schools Finance Board when they turned down the facility. When they came into my office to make that appeal with their supporting information, the request that they made informally and that they followed through with formally was that I

proceed with the building of a K to 12 facility. It was because there was a difference of both opinion - not just opinion - but different information in terms of enrolments between the Public Schools Finance Board and the school board in communicating to me what they believed the enrolment projections were going to be that I set up the two-man committee, people with a great deal of experience and background, to go in and look at the needs of the school division and confirm or not confirm the enrolment projections.

**MR. G. FILMON:** It's my understanding that after the appeal was made to the Minister, there were some local by-elections or elections that saw at least one, but I think perhaps two new trustees elected in the division; that now the position of the majority of the board is that they do not believe the facility ought to be constructed. Is the Minister aware of that position?

**HON. M. HEMPHILL:** Yes, Mr. Chairman, the Member for Tuxedo is quite right when he suggests that there was a by-election and there was a change of trustees and that may, in fact, have affected the position of the board related to the previous appeal or to the appeal that they presented to me and that is still presently on my desk.

However, I have had no formal communication, no revocation of that appeal and no alteration in the board's official request to me that I reconsider and consider the building of a K to 12 facility. If there is a change by motion or there is a change of board position, I am sure they will communicate that to me. They have not as yet done that and I would add, to be fair, unless it has come in in the last few days, during which time I have not been dealing with regular mail and information that's coming to me while we've been in the Estimates process.

**MR. G. FILMON:** Has the Minister met with this present school board at any point in the last while?

**HON. M. HEMPHILL:** Mr. Chairman, we're trying to remember the date, I think it was about early February, was the time that the school board asked for a meeting with me and came in to make their official request and their official appeal against the Public School Finance Board decision not to build the K to 12 school.

**MR. G. FILMON:** So if the Minister were informed of a change of position by the school board, then that would place a different light on the situation as far as she's concerned?

**HON. M. HEMPHILL:** Yes, of course, it would put a different light on the situation, Mr. Chairman. If a school board makes a request for an appeal and subsequently withdraws the request for the appeal or alters their position on the request for the kind of a facility they want, we would deal with that request and that decision as we always do.

**MR. G. FILMON:** Well, would that negate the recommendations of the committee if the board were to change its mind.

**HON. M. HEMPHILL:** Mr. Chairman, I think at this point that it's very difficult for me to respond specifically and directly to the question that the Member for Tuxedo is raising, because I have not dealt with the recommendations or the information that are contained from the committee and I do not have a motion or a change position or change request from the school board, so it's sort of hypothetical and very difficult for me to respond to what my position might be, not knowing what the position or the attitude or the information from either group is going to be. I cannot predetermine that.

**MR. G. FILMON:** The Minister referred to a need, I guess, for space for 300 students in the Ile des Chenes area. Is there any excess elsewhere in the division. That's a very large division as I recall geographically and would it be possible to be able to accommodate the students in other parts of the division in other schools?

**HON. M. HEMPHILL:** Mr. Chairman, what I remember is that we were told that there was reasonable overcrowding at the elementary level and I believe that both the committee and the school board, when they're looking at their space requirements, will be looking at the facilities and the spaces that are available throughout the division.

**MR. G. FILMON:** The \$1.7 million that appears in this summary that the Minister has given me for the Ile des Chenes School, is that the total cost or is that just one year's portion?

**HON. M. HEMPHILL:** Mr. Chairman, that was a projected cost for the original decision that the previous government had made.

**MR. G. FILMON:** What is the total estimated cost?

**MR. DEPUTY CHAIRMAN:** 7.(c)—pass.

Resolution No. 55 - Resolved that there be granted to Her Majesty a sum not exceeding \$17,429,300 for Education, Acquisition/Construction of Physical Assets for the fiscal year ending the 31st day of March, 1983—pass.

Item 1.(a) Minister's Salary - the Member for Tuxedo.

**MR. G. FILMON:** Mr. Chairman, I was just going to ask if it's customary for staff to remain in during the Minister's Salary discussions since I think it . . .

**HON. M. HEMPHILL:** Well, if it was customary or not, I accept the . . .

**MR. G. FILMON:** I don't think it is.

**HON. M. HEMPHILL:** You don't think it is.

**MR. G. FILMON:** Not that I object to them being here. I just want to excuse them from the tirade that I'm going to enter into in just a moment.

Mr. Chairman, to begin with I guess there are a variety of different things that we have covered throughout the Estimates for the Department of Education that are of concern to us on this side, one being



the Minister's vocal criticism of the Education Support Program which is in place today and which had tremendous effects in really being the first major change in education finance for public schools in the province in probably a couple of decades that served to be of great benefit to virtually all of Manitoba in taking a major portion of the costs of education off the property tax rolls and adding them to the general expenditures of the province, that saw an increase of over \$70 million last year and saw most divisions in this province experience a decrease in their total mill rate for education purposes, a rather major decrease. That program was one that was designed with many things, many positive features in it, including a partial attempt to take account of declining enrolment problems and, therefore, offer the assurance of specified support regardless of declines in enrolment and so on and so forth.

The Minister, of course, initially started out earlier this year saying there was nothing in the program to take account of declining enrolments and she indicated that she had money available to take care of declining enrolments and was making special funds available. That position has changed obviously as we've seen through the discussion in the Estimates, whereby the Minister now acknowledges that there was at least one factor in there that assured the school divisions of certain levels of support regardless of whether or not they lost students during the course of the three years for which this program was instituted. The three-year projection allowed divisions to be assured of the support they'd get because they knew that they were going to get certain increases at least in accordance with the CPI and so on and so forth. It had many positive features.

This Minister came in and did a number of things under the guise of saying that the Education Support Program was set up in a way that all of it could have been put on the additions to the ESL, the Education Support Levy, and therefore by virtue of the money that she put into the program, she saved the taxpayers all sorts of money.

Well, we corrected that impression, I think, when we told the Minister that not one mill had to be added by anything that was put in the Education Support Program, not one mill needed to be added to the property taxes of this province in terms of the Education Support Levy. The fact that she chose to add 4.2 mills, I believe it is, was a decision of this Minister and this government and a decision that obviously is having serious ramifications throughout the province, because we now find out that the mill rates for education purposes throughout this province have increased on average by 8.9 mills right across the board throughout this province and that, as I say, will result in most taxpayers in most divisions having increased costs for school purposes this year and the property tax bills are out and people are up in arms and rightly so.

The fact of the matter is that the Minister made some major glorified statements about the wonderful improvements in education funding this year and yet all that glitters is not necessarily iron pyrite. It appears as though these major changes were instituted on a bit of an ad hoc basis to pacify or to reward certain areas of the province partially, I'm sure, by virtue of

the commitments that were made during the previous election.

We find that selectively, and the best evidence one needs is to look at the summary of how the taxes increased in Greater Winnipeg. You find that there are particular areas in which there was no increase in school taxes because particular divisions were treated specially by this Minister and she took aside several million dollars that could have been used perhaps to help most divisions and used it more specifically to help certain divisions and reward them for whatever reasons or pay off certain political commitments from the past.

I think that this does not speak well and I think that all of Manitoba taxpayers and particularly those in, for instance, Winnipeg No. 1, the division that this Minister represents as an elected member, they obviously have been hard hit and taxes have gone up a great deal in that particular division. The Minister tried to make good by coming in at the last minute with an extra \$2 million and then the improvements that have been made on behalf of pensioners again is trying to make up for the fact that her government and her program siphoned off funding and put it in specific areas and obviously hurt other areas more than they needed to be hurt by virtue of the kinds of funding decisions that were made by this government and this Minister. I think that is obviously going to come back to haunt the Minister.

The other thing is that she indicated on a number of occasions initially that some of this special money, the \$2.5 million and then the \$1.75 million that was being put in for small schools was in recognition of the declining enrolment problems and then we were told no, it really wasn't. Then we were told that the parameters and the guidelines for how people would apply for this \$2.5 million still aren't available and although offers have been made, particularly to the St. Boniface School Division - offers of money from this \$2.5 million slush fund - there still isn't any firm guideline on anybody's part to know who should expect it or why it's being given.

It's being given as strictly a political tool to people to give the impression that the Minister can solve all the problems in education funding in this province, can solve all the problems to do with declining enrolment, can solve all the problems to do with school closures.

The Minister is overstepping the bounds of authority, in many cases treading in on the territory of the elected representatives on the school board. I recognize that in the course even of this Session and these Estimates that the Minister has backed off from that position, but initially she was taking the position that she could move in and help every one of these people, overruling the decisions and the judgment of the elected representatives in order to attempt to indicate that this government was going to do all sorts of wonderful things that hadn't been able to be done in the past.

I think that the Minister has obviously learned from some of these because as we've seen in the last little while, statements are now being made that indicate her recognition of the autonomy of these elected people. I hope that the Minister will carry on making those statements and in fact back them up by staying out of the business of the elected representatives of the

school board, because otherwise there's no point in having school boards in this province if they're not going to be given the power to make their decisions and therefore the responsibility for the decisions that they make. They have to face the electorate every three years and their electorate will tell them if they've made the wrong decisions. We in the political arena know that, because all of us have to face the electorate every once in a while, but there's no point in having school boards, giving them powers, if you're going to take them away or if every time you don't like one of their decisions, you step in and overrule them or you find a way by offering a little bit of money or making it appear as though you're going to solve a problem that they as elected representatives can't.

I think that's an area in which this Minister has tread on pretty dangerous ground and territory and in this whole business of education, funding and financing, we on this side are going to look very very carefully at the new approach that this Minister is taking; the approach of selected help for certain people; the approach of saying that what was in an Education Support Program that took years to develop with very very highly qualified and capable experienced people having the input to the program and throwing it out on the guise that it isn't giving enough support in the right areas and so on and so forth when, as I indicated, it was very well received in the past. In fact, it accomplished exactly what most people wanted it to do and that is that it took a major burden off the property taxpayer in the first year and was projected to continue to do that in the continuing years of the program.

I know that the Minister has given the problem over to some new people, some people in whom she has more confidence to come up with a new program. But we will be looking at that very very closely to ensure that in bringing in a new program, for whatever political purposes, that we aren't going to get into the kind of situation that the previous New Democratic Government brought in with some ad hoc measures and formulae that produced an animal called the Greater Winnipeg Education Levy that resulted, as I said, in taxpayers in Winnipeg No. 1 in the lower income areas of Logan and Point Douglas and so on and so forth, subsidizing the people of the suburbs for their school tax purposes.

That's the kind of formula trickery that in the past proved to be very very damaging to the whole education funding that was in place in the province and I'm sure will continue again because of the fact that, as we've seen, there isn't any particularly logical base to the moves that the Minister has already made in education funding, that these complicated formulae that the Minister couldn't even explain to us on this side even with the benefit of having the explanation in written form from the Manitoba Gazette regulations which were published. It's almost impossible to understand except to a computer whiz. That's the kind of thing that's going to get us all into difficulty is trying to develop these little added formulae that give special help to particular people, not necessarily on any logical basis, that is going to get the whole system into disrepute. So I hope that kind of situation will not persist; that's only a problem of the Minister's first year and that after some experience, she'll avoid this kind of situation in future and I'm confident that she

will of course. As well —(Interjection)— well, that seems to be a matter for debate on this side of the House, so I'll state that as just an individual opinion. There are others who take the alternative view.

The other area that we've gone into is the fact that there seems to be, and it's a perception obviously with some base, that the community college training is not being given the emphasis that it was during our government's term of office. This has been the area that has grown and prospered and become very very vital to all of Manitoba over the past while and will continue to be because of the need for people in the technologies and the skill trades and so on who will receive their training at community colleges, who will help in the core area revitalization, who will help in so many of the growth areas of this province if this government ever gets around to approving the mega projects and all of those very very vital economic development opportunities that are there for Manitoba. They will need highly trained people in the technologies and skill trades and so on. They will need them from the community colleges. I would hope that this Minister will ensure that there is no de-emphasis on the community colleges as there appears to be in this present budgetary process.

As well, with respect to the universities, we've seen that there was absolutely no basis in logic; there was no economic comparisons made when the government and this Minister made the decision to freeze tuition fees. The Minister still doesn't know whether or not the money would have been better spent in an enhancement to the Student Aid Program as opposed to freezing all tuition fees throughout the province at the universities and there just is no basis in economic fact for this decision.

It was a high profile political decision that was made perhaps because the Member for Thompson is a former president of the students' union and wanted to impress his friends at the university, so he can now tell them that he's convinced the Minister and they've got a tuition rate freeze for a year at the university, but there's no basic understanding of why that freeze is there; whether or not the fees are too high; whether or not there should be a pegging to a specific percentage of costs at the moment or, as I say, whether or not the money would have been better spent and that the taxpayer of Manitoba would have gotten greater value and we would have assured accessibility to those who need it from a financial viewpoint through the student aid process much better without taking this move other than for political reasons, other than for just high-profile political popularity. There's no basis in reason or fact for this kind of decision, and all of that kind of decision making is very suspect. As I say, perhaps it can be excused on the basis of this being the Minister's first year in office and one of these growing and learning pains syndromes that we're having to go through.

The final area, of course, that we're very concerned about, is to find that there is a report about a particular school which was projected to be constructed, based on enrolment projections that apparently were non-factual and were not correct. The Minister's own Public Schools Finance Board, in preparing a review for the school board in that particular area, has determined that the rationale behind the decision to build

the school is totally out of whack and it may well be that a white elephant, for the cost of \$1.7 million, will be constructed. Yet despite having all of the factual evidence at her disposal, the Minister indicated that she still supports the construction of the facility. Now the Minister has backed off on that and said that the facility may take many different forms, it may not be a new school, it may not be a separate school and so on. We're going to be watching very closely to ensure that the Minister doesn't make a decision, for political purposes, to build a school that's not needed in a community that, perhaps, even the school board doesn't want it.

So with all of these things as I say, there has been a great deal of information covered in our Estimates process and we, of course, had the two-week lapse in between with the Budget Debate, but there are many things that give serious concern to members on this side and I would think to the taxpayers of Manitoba, with respect to the whole manner in which this Minister is handling her responsibilities particularly with respect to the financing of education in this province.

**MR. CHAIRMAN, J. Storie:** The Member for Lakeside.

**MR. H. ENNS:** Mr. Chairman, not having had the privilege of attending all the Sessions of the Estimates Debate on Education, I nonetheless do wish to avail myself at this time to say a few things about the Minister and about the education process in the province. I say so because it was my privilege of having worked with her immediate predecessor and simply to remind her of the job that was done in that portfolio by Keith Cosens, the former Member for Gimli.

Mr. Chairman, just to reiterate what the Member for Tuxedo has said, I can't help but draw the comparison; education is of fundamental importance in the province and I suppose the temptation is always there. I can recall myself and perhaps many other individual members have led delegations in to see a Minister of Education because of a problem arising within the boundaries of our constituency. I had some very acute problems in my constituency of Lakeside, White Horse Plains is probably an example of some of the tensions, some of the problems, declining enrolment, trying to marry low assessment land to higher assessment land and all the attendant problems that are there in a city environment, only magnified in a rural environment because you have distance, busing problems, the numbers get that much more acute in trying to assess those problems.

My colleague, the Minister of Education, at that time did not try to get that instant headline and come out with a solution. He assured us that his dedication was to education and he was working on a plan and a plan was produced, Mr. Chairman. The Minister of Education of that day managed to convince, even at a time when things were certainly no better than they are today in terms of the overall economy, to convince his colleagues within that Cabinet to come up with a program that meant the injection of \$70 million - it was not a stop-gap program - but at the same time was not meant to enshrine something in stone forever, recognizing the nature of the subject matter that we're dealing with. It was a three-year program that was meant to assist and meant to keep our commitment, not just

in election promises in terms of the ratepayers, cost to municipalities, but had the effect of freezing if you like, just about and perhaps in most instances the property call on taxation for educational purposes throughout the Province of Manitoba with some very few exceptions.

Mr. Chairman, I was also present as, indeed, perhaps even the present Minister was aware of the long-standing dispute and concern that the Winnipeg School Division had with the special levy imposed on them. I can recall, I was sitting in Opposition then, when in the '70s delegations from Winnipeg School Division would then come to that government, in the mid-'70s the NDP administration of Mr. Schreyer, and call for some redress to that anomaly that was allowed to be developed in the system.

Mr. Chairman, we saw that same delegation; we listened to that same delegation; we recognized that there were some political downsides to reacting to what we believed, however, was a legitimate request and we acted upon it.

These are the kind of demonstrable actions that were taken by a Minister of Education that at least knew, even though he had very little less experience in the Ministry than the present Minister - it was his first time into that portfolio - that you do not tinker with the system in any ad hoc way without creating a bigger problem for yourself as you go along.

Mr. Chairman, we haven't seen that kind of responsible reaction to the education problems. In fact, the problems are getting - and we've all acknowledged it - more serious, not less serious; partly because of declining enrolment; partly because of the economic situation in the province; partly because of our ongoing commitment to providing the very widest range of course options to our students. All these things are there and it means that a person responsible in this position, all the more refuse to react in the knee-jerk way for that instant solution that may read well in a morning headline paper but upon consideration and upon review, in effect, doesn't come anywhere near solving the problem.

The one particular point that I wanted to raise on the Minister's Salary was that I would have hoped, and I have listened to her carefully, not that I've engaged her on these questions, but in her answers and her responses to other members, particularly my Leader, on the question of ensuring that fair and adequate treatment to the independent and private schools continue in the Province of Manitoba. Again, Mr. Chairman, as has been said in this House, that issue that has bedeviled the education scene in Manitoba for many many decades was resolved by a government that I was proud to say I was part of.

Mr. Chairman, I can recall introducing the former Premier of this Province, Mr. Ed Schreyer, to some 300-400 people in the basement of my church in 1971-72 and he made the commitment that he would deal with that problem in that coming Session. Well, history, and in public Hansard of course records that issue, he did in fact try to deal with the problem. It caused a massive fight within the government of the day. A very prominent member of the Cabinet of that day resigned, took on his Premier and we watched with amazement on this side of the House as he proceeded to beat Ed Schreyer and the government on

that issue. We recall that very well. The final vote on the resolution that Mr. Schreyer supported in seeing that some aid, some recognition of the role of independent private schools in Manitoba should be given by government and a commitment that he, himself, felt very strongly about, saw that go down to defeat in a vote. I think the vote was held somewhere around the bewitching hour of midnight or somewhat later but, in any event, I recite that little bit of history merely to remind that it was a commitment made by a Premier of a government to do something about it and he couldn't carry it out.

We didn't grandstand; we didn't bring in a resolution; we just did it. Of that there can be no dispute. Mr. Chairman, if you're government you have to accept that responsibility. If you want to do something, if you want to clear up a matter of a longstanding controversy, then you either have the determination, the will to do it, or if you want to play games with it and if you haven't got control of your own membership, finally you throw it into the House, you let an independent member like the last Social Credit member, Mr. Jake Froese, introduce a resolution by the back door and then try and coax your colleagues into supporting it. That's how the NDP administration tried to solve this problem back in the early '70s.

My leader and my party didn't approach this problem this way; we resolved the issue and thank God we did. I don't see any move on the part of anybody opposite to change it - and that's really what prompted me to rise at this time - except some less than enthusiastic acknowledgement of the fact that the situation is settled. I don't think that there is any call for excessive aid and support going in this direction but merely an acknowledgment and that acknowledgment surely has to come from the Minister. I'd like to see it come with a little bit more forthrightness than it has. I would like to see it, for instance, demonstrated that the teachers teaching in independent schools get treated the same as in the public schools with respect to the payroll tax.

I would have thought that the Minister of Education would recognize that education is education. I don't care what they fight about in their resolutions at the NDP conventions but there can no question that, first of all, this aid is only going out to those schools that meet the qualifications, that teach the Manitoba curriculum. They are teaching children on the same basis they are being taught in the public school system and I would have expected that her voice could have been a little bit stronger as the plea was being made for at least exemption up to January 1st, is it, with respect to the public school system, that the same exemption could be made for the independent and private school systems. At least, it would have shown those persons that there was a fairness, an equitable way of dealing with it.

Mr. Chairman, that's the plea that I have of the Minister, that she acknowledge her role as the Minister of Education for all the children of Manitoba, and that in carrying out that function she will be watched as to how she reacts and responds to certain given opportunities such as the question of the payroll tax that is being exempted for the public school teachers but not for the independent school teachers, and other matters. She will be watched by some of her own peers,

who when I refer to that, I refer to her many years in the trustee business; how she reacts to the pressures of an individual school division, to help out a particular situation and particularly if it then coincides with a voting pattern as compared to trying to respond to the genuine overall problem in trying to come up with a formula that applies with a rational logic behind it. Educational financing, educational curriculum, the whole process of education is far too important to be playing, or to be even perceived to be playing, petty politics with.

Thank you.

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

**MR. R. DOERN:** Mr. Chairman, just briefly. The honourable member, I think, is trying to take some credit where it isn't due. I want to remind him that when a resolution was put before this House some years ago, there was a split in the government ranks and there was a 18-1 position against the resolution put by the Premier of Manitoba, by the Conservative Caucus. Eighteen members, except for, I think, Sid Spivak the leader, opposed that resolution, opposed a study to look into parochial schools and it was very clear to all and sundry throughout the province that the Tories were adopting their traditional position against aid to parochial schools. There was never any public discussion that indicated a change in their attitude or a change in their position until a number of years went by, they became the government and Keith Cosens brought in a program, without discussion, during the election, without indication by the Conservatives that they had reversed their historic position. Mr. Chairman, that to me is flip-flop, a complete flop; that here were people who were standing for a certain position, who were suddenly contradicting themselves and bringing in a program. It was brought in by the back door; it was brought in without any prior debate; it was brought in without any election commitments.

Mr. Chairman, I don't think that the Honourable Member for Lakeside has anything to crow about or anything to brag about. He is simply indicating that on one particular day, his government quietly put in a program but when people were asked to stand up and be counted on an earlier occasion, the overwhelming majority of the Conservative Caucus voted against, and only the leader, to make sure that they'd better cover both sides of the position, voted for it.

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

**MR. C. MANNES:** Thank you, Mr. Chairman. I rise to make just a few comments and to say that I found these Estimates sort of a learning experience. It's a vast area and one I hope I can contain a grasp of over the next year or two because obviously there is going to be an awful lot of further debate and discussion within this whole area, as I see this whole education finance and the whole gamut of the spectrum related to education unfolding and evolving over the next few years.

I guess I share some of the same concerns as do other members of this side as to the present Minister and her department's ad hoc basis by way of introducing certain new programs. I guess I became most

suspicious when I asked a question the other day in the House, a question specific to the Small Schools Program, when I requested the criteria that was going to be used for helping a school. I was told at that time by the Minister that, in fact, either they hadn't been developed or that they'd be released in the near future or that in fact maybe they wouldn't be released at all. I don't know, and maybe today, in fact, there is some specific criteria. At this time, I assume there isn't and that's what bothers me because I realize now specifically what other members of our side have been saying, that the Minister has at her disposal a lump sum of money from which she can make decisions without any formula, any specific rationale, but just out of the goodness of her heart, or what her logic tells her she should make at the time. I say you cannot run a department and you cannot build confidence in a department, particularly one so vitally important as this one, with that type of approach.

So these are some of the general concerns that I have, more specifically, of course. I've harped on this before; I'm sure other members of this Chamber are already quite full and would rather not hear me bring this up again. But, again, the Morris McDonald School Division - I ask why, through all these various grants, that the total tax increase to the property owner was an increase of 23.5 percent over the whole division and why that division received some \$50,000 less total provincial funding this year than last.

Of course, the First Minister made me aware. He told me, ah, that's that Education Support System that your government had brought in previously. I accepted that at the time, I suppose, but I realized then, in fact, that it was a formula system and that all formulas as developed do not take into account all the tremendous changes that may not have been envisaged at the time of the development of that formula. Who knew the impact of large enrolment drops? Who knew the impact that major inflationary rates would have on that type of a formula and how it would impact specifically on one school division or another?

So I don't fault certainly our party previously. I say I don't fault the new government either. Although I say, it's a formula; it's man-made; it has faults and if it has specific faults in specific areas, see what can be done to adjust it. The term equity is the one that guides almost every decision made by the members opposite; reintroduced that into that whole area. So that's my specific concern.

But again back to the general area, I ask the question, where is education going? Where is it headed to? Do we have a clue or are we just hanging on and hoping that, in fact, as long as we continue the increase, the total contribution to education financing, some 11 or 12 percent this year; if we continue just to beat inflation that we will do the job, the necessary job to guarantee the necessary investment into the future well-being of our young people and therefore our nation. I think that question is critical because what do we do in a time like this when we're producing wealth at a so much lower rate. I guess I have to ask the question, is there a game plan? Is there any type of plan at all? Will some hard decisions be made to attempt to halt that trend of increased costs? Well, I hope some attempt is made because if not, I believe - and I've said this before - that we're on the verge of a

citizen revolt in the financial area.

I can tell you where I come from, councils are now organizing; this is municipal councils as the collecting agencies. They're organizing and they want to become involved very specifically with education and the financing of it. They want to know what's going on. They are beginning to refuse principal, although they're required by law to do so. But they're wondering why they have to be the tax collecting authority when  $\frac{1}{4}$  of that total tax bill - approaching  $\frac{3}{4}$  where I come from - is now being directed into education. And they're asking those same questions. Education, at what cost? Because we certainly can't direct all our resources into that one particular area. So I realize the problems are major. They cover not only the NDP, the government, but all of us as citizens and I hope the Minister can show some true leadership through these difficult times.

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

**MR. G. FILMON:** Mr. Chairman, I just wanted to restate a couple of points that have already been touched on, one being the apparent lack of equity with which this Minister and this government looks upon in its dealings with the independent schools that the Member for Lakeside brought up. The fact that they are being treated differently with respect to the trigger-in date of the 1.5 percent payroll tax doesn't, in my view, make any sense. The fact that they were not treated equally in terms of any increases being considered to the basic amount that they're apparently allowed to get again on a per-student basis. Again, that doesn't make any sense as far as I'm concerned.

The other thing is the question of this ad hoc slush fund, that's the Small School Support Program - the 1.75 million. Frankly, when you look at what happened, that the program was announced even although the dollars were set aside, but the manner in which it was to be used was announced after the government had told the school divisions what amount of money they were going to get for support this year. They had set their mill rate and levied it so that their income was set, based on a program that they had come up with within their divisions, based on the best judgment of the administrators and the school trustees who were elected by the public to make these decisions. That included the decisions that already had to be made as to whether or not certain schools were kept open and if they were kept open, what programs would be provided in those schools and that includes the small schools that the Minister has identified. So those decisions were already made and presumably what these elected representatives had decided exactly what their programs were for next year and they had their programs set, their funding was established and now the Minister is offering them up to 15,000. For what? If it's for anything that's important or essential, the elected school board has already decided that will be provided in that school; otherwise, they would be negligent in their duties. So they have already decided that all of the essential important things that go to a quality education in that small school are going to be provided for next year and they've got the funding for it. Now they're going to be given, after all those decisions have been made and they had to have been

made in order to set the mill rate so that the property tax bills could go out and so on, they're offered another 15,000, up to 15,000. Well, you know they're going to take it. I mean, they'd be fools if they didn't take it. But what's it going to buy, of value? I suggest nothing. Because if it does buy something of value, then the school boards would have made that decision to provide it when they set their budgets for the year.

So that's a problem that the Minister will have to wrestle with and she'll have to convince the public that that program she's announced has some meaning and some rationale, but she certainly hasn't convinced members on this side.

The other thing, of course, is the method of levying the payroll tax on the universities, for instance, after the fact, after again, their budgets have been set and their incomes have been set. This government proudly trumpeted the fact that they were going to freeze the tuition fees and they gave an extra \$1.6 million; then only a few weeks later they come out with a payroll tax that wipes out that entire amount. They've got them handcuffed and they do not treat them in a logical and a fair way. Of course, I don't only blame this Minister for that because her Minister of Finance, who was scrambling to try and come up with a Budget that he could justify, that he could sell to the public, needed a quick trick to solve it and so he came up with the payroll tax. Having set us all up for it with the discussion of the sales tax increase and on and on and on, he came up with a quick trick which unfortunately has cost this Minister in terms of face with the public and in terms of her relationship with the people that she's funding.

That's a problem. As a member of this government she has to stand by it and she has to take the responsibility for it. I think that those are all things that have to be said in registering our disappointment with a variety of different things that have happened in the course of the Estimates process, in the course of this Minister's activities in her first year of office.

**MR. CHAIRMAN:** No further comments? 1.(a)—pass. That completes the items.

Therefore be it resolved that there be granted to Her Majesty a sum not exceeding \$5,314,600 for Education, Departmental Administrative Support Services for the fiscal year ending the 31st Day of March 1983—pass.

That concludes the Estimates for the Department of Education. I'll leave the Chair and I shall return at 8:00 p.m. this evening.

Committee rise.