

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Tuesday, May 4, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the Honourable Members to the gallery where we have 55 Members of the St. Boniface Diocesan. This group is under the direction of Mr. Irvine. This group of people comes from the constituency of St. Boniface, the Minister of Health and Social Development.

We also have 50 students, Grades 9 to 11 standing, of the Garden City Collegiate under the direction of Mr. Semkiw. This group comes from the constituency of the Honourable Member for Seven Oaks, the Minister of Urban Affairs.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for Radisson.

REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg to present the First Report of the Committee on Economic Development.

MR. CLERK: Your Committee met for organization on Tuesday, May 4, 1976, and appointed Mr. Shafransky as Chairman. The quorum for all meetings of the Committee was set at seven members.

Your Committee considered the Annual Reports of Moose Lake Loggers Ltd., Minago Contractors and Channel Area Loggers Ltd. for the year ending March 31, 1975.

Messrs. Orville H. Minish, Murray Harvey and Peter M. Lazarenko, senior officers of their respective companies, provided information as desired by members of the Committee with respect to the Annual Reports and operations of the various companies.

The Annual Reports of Moose Lake Loggers Ltd., Minago Contractors Limited and Channel Area Loggers Ltd. were adopted by the Committee, as presented.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I move, seconded by the Honourable Member for Emerson, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports. The Honourable Minister of Tourism, Recreation and Cultural Affairs.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I'd like to table the Annual Report of the Legislative Library and Provincial Archives for the calendar year 1975.

MR. SPEAKER: Any other Ministerial Statements, or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions. The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, I direct a question to the Minister of Consumer Affairs. I wonder if the desire by the Provincial Government and the Manitoba Telephone System to own the distribution rights on hardware for cable TV could not be considered to be in the category stated by the First Minister as being conspicuous consumption, but on this case on the part of the government, to waste . . .

MR. SPEAKER: Order, please. Order, order, please. The question is argumentative. The Honourable Minister, briefly.

ORAL QUESTIONS

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, for an engineer that is one of the most stupid remarks that I've heard. The policy established by the Provincial Government was established in 1967 and all that is entailed in it is the provision, in the most economically efficient way of the cable and microwave hardware over which MTS will offer service to any cable operator licenced by the CRTC, or whatever agency of the Federal Government is established. The point here is quite simply, that there is no purchase takeover entailed in the policy of the Provincial Government or in the policy of MTS. It is simply a policy to utilize most efficiently a cable and microwave facility.

MR. CRAIK: All I asked of the Minister, was whether the government has not considered the loss of some of the checks and balances that exist between private operators and governments that are necessary parts, particularly in the communication field, and whether or not this will not be lost.

MR. TURNBULL: Mr. Speaker, as I pointed out to the member the policy now exists, the existing cable contract between the Winnipeg Cable Operators and MTS is one in which the MTS retained and does have ownership of the cable and it is a contract that does preserve to MTS the right to replace amplifiers and other equipment related to the distribution of signal over that cable. So there is no change really in the checks and balances that have existed since 1967 when his government presided over the signing of that contract.

MR. CRAIK: Mr. Speaker, I ask the Minister of Consumer Affairs, is he indicating then that there's basically no decision to be made by the CRTC in this case?

MR. TURNBULL: Mr. Speaker, the CRTC has made previous decisions, one of which attempts to put on the cable operators a restriction on what cable facilities they can allow third parties to use. And in effect the CRTC through it's regular, supposedly regulatory decisions, has tended to be setting policy, and it's the position of the Provincial Government that policy over communications is a matter to be determined by the governments involved.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the Attorney-General. I would like to ask the Attorney-General if the tripling of the City of Winnipeg Police Budget for wiretap operations was at the request of the Attorney-General's department?

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): No.

MR. GRAHAM: A supplementary question then. Does the Attorney-General then disapprove of the tripling of a budget for wiretapping in this province?

MR. SPEAKER: Order please. Asking for an opinion. The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I wonder if we might come back to questions to the Minister of Consumer and Corporate Affairs concerning the brief presented to the CRTC yesterday. In that brief, Mr. Speaker, can the Minister indicate whether the government has established any schedule or timing for the development of duplicate facilities in terms of amplifiers and drops duplicating the systems presently operated by the private cable operators?

MR. CHAIRMAN: The Honourable Minister of Consumer Affairs.

MR. TURNBULL: Mr. Speaker, this question can really only be answered by considering the situation in Winnipeg and the situation outside of Winnipeg. Outside of Winnipeg the Telephone System is engaged in a program called the Local Broad Band Network, which is a program to provide cable distribution in three urban communities outside of Winnipeg; these are Brandon, Portage and Selkirk. The LBN concept there will be one which will enable the MTS to lease to any licensed cable operator the facilities for the distribution of signal within those three urban communities.

Within the City of Winnipeg it was announced in 1974, and is inherent in the contract that was negotiated in 1967, that the ownership of the hardware would be on the basis of what is called full lease, that is the term used to apply to the MTS leasing all

ORAL QUESTIONS

(MR. TURNBULL cont'd)of the full range of hardware to the cable companies. That full lease arrangement was to be the basis on which the Winnipeg Cable companies' contracts were renegotiated. And the renegotiating of those contracts is to come in the latter part of the 1970s.

MR. AXWORTHY: Well a supplementary, Mr. Speaker. Can the Minister indicate at this stage what, if any, estimates have been made of capital costs for the development of the duplicate equipment or facilities that will be required to enter into this new leasing arrangement?

MR. TURNBULL: Mr. Speaker, the whole point of the government's policy, that is the policy of the Provincial Government, is to avoid the duplication that the Member for Fort Rouge is talking about. It's the policy of the Provincial Government to prevent duplication of cable microwave distribution facilities within the City of Winnipeg and the province. So that the duplication that he's talking about will arise if new federal legislation and CRTC regulatory measures in fact enable other carriers and the present common carrier, the MTS, to provide the kind of distributive facilities that we're talking about. Our policy prevents duplication; the policy of the Federal Government may result in duplication. And I think any duplication would be uneconomic in a country where the population is sparse and distributed the way it is in Manitoba.

MR. AXWORTHY: Another supplementary, Mr. Speaker. Can the Minister indicate or perhaps confirm to the House the fact that the Provincial Government is presently operating an alternative system on the cable in terms of a communication point-to-point system between the hospitals, and that this is presently being broadcast on the air for those who have proper converter systems. Could he estimate where the cost of . . .and if that in fact is duplicating the equipment that is already in existence through the private cable operators?

MR. TURNBULL: Mr. Speaker, these questions are really ones that are hardly possible to deal with in the question period, but I, with your permission, attempt. The CATV, that is, the cable operators tend to wire a community, cable a community on the configuration of a tree, and they put on amplifiers that will enable a signal to go one way. Now that in itself is uneconomic in terms of common carrier facilities. The whole purpose of the MTS development will be to put cable distribution systems in place in the form of a star and that configuration will enable a higher quality signal to be provided, and it will also result in the installation in the first place of equipment, including amplifiers, that will enable two-way signals to be transmitted. What we have done with regard to the communication link with it between the hospitals is to exercise the existing legal rights that are contained in a 1967 contract between MTS and the cable operators. There's no duplication there at all.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the First Minister, and it relates to the forthcoming Federal-Provincial Conference of First Ministers, which I understand relates essentially to energy policy and energy pricing. I'm wondering if the First Minister anticipates an opportunity at that conference to have any discussion on the matter of renewal or revision of the Fiscal Arrangements Act which comes up within the next few months.

MR. SPEAKER: The Honourable, the First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Yes, Mr. Speaker, the matter of the Fiscal Arrangements Act will be discussed in at least a preliminary way this week. The matter of the Revenue Guaranty, which is a specific aspect of the fiscal arrangements, will definitely be discussed, hopefully to conclusion. That has been agreed upon as being one of the two major items on the agenda.

MR. MCGILL: Mr. Speaker, I wonder if the First Minister is in a position to state in general terms, what the position of his government will be in respect to that portion of the Fiscal Arrangements Act which relates to the support for post-secondary education from the Federal Government to the provinces.

MR. SCHREYER: Mr. Speaker, I do not think that the specifics of post-secondary financing or of the hospital diagnostic services cost-sharing, or any of the other major cost-sharing will be discussed on Thursday in any specific way. That will

ORAL QUESTIONS

(MR. SCHREYER cont'd) unfold in discussion in the month of June. I am under no illusion that it will be resolved in the month of June but hopefully before the end of October.

MR. MCGILL: Mr. Speaker, then a final question. Is it the general position of the province that they will tend to support an extension of the present fiscal arrangements, which include the post-secondary education support?

MR. SCHREYER: Mr. Speaker, it would be correct to say that Manitoba has not been opposed to the extension of the present cost-sharing arrangement providing there is a clear understanding in good faith than committed to any extended agreement that there would not be any unilateral and artificial ceilings imposed in midstream or midway through the agreement. If we could receive such in the form of a new agreement, Manitoba would certainly concur. In the absence of that, however, we have joined with certain other provinces in saying that we are prepared to look objectively at the alternative of a transfer of equalized tax points corresponding.

MR. SPEAKER: The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. My question is to the Honourable Minister of Northern Affairs. I wonder if the Honourable Minister could advise the House if his department has received complaints from the residents of South Indian Lake with regards to the operation of the local store that his department's operating in the community that adequate cash is not available for the cash and carry service and as a result residents are going to Leaf Rapids to cash their cheques and doing their shopping there.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RONALD MCBRYDE (Minister of Northern Affairs) (The Pas): Mr. Speaker, I'd like to thank the honourable member for giving me notice of the question. The community store at South Indian Lake which is temporarily, I guess, in law being operated by the department, although there is a community board of directors, is only able to carry about \$10,000 at any one time for the purpose of cashing cheques, and apparently late last week there were cheques in the amount of \$22,000 in the community and the store was not able to deal with those. This points out to a problem, Mr. Speaker, that exists in many remote communities where there are no banking facilities, and where in effect the store has to operate as a bank, and requests have been made to the Department of Co-operative Development to get someone from the Credit Union Movement to come into the community and see if they could assist them to establish a Credit Union in that community, so perhaps the member would support a Treasury Branch going into that community to assist them with the banking problem.

MR. MINAKER: A supplementary question, Mr. Speaker, through you to the Honourable Minister. I wonder if the Minister could advise if any temporary measures are going to be taken by his department prior to the establishment of some type of credit union or some other banking facility in the community. Is his department going to correct the present situation?

MR. MCBRYDE: Mr. Speaker, there is a problem, and that is I don't see unless there's some change in the whole system, that that store could carry over \$10,000 at one time. So the problem will probably re-occur again.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker. My question is to the Honourable the Minister responsible for Renewable Resources. In a recent interview he indicated in connection with the New Marine Division that tenders would be let in the near future for the construction of several barge or ferry vessels. I've been given to understand that . . .

MR. SPEAKER: Question please.

MR. BLAKE: . . . three vessels were tendered some weeks ago and I wonder if the Minister could indicate to the House why it was necessary to re-tender.

MR. SPEAKER: The Honourable Minister of Renewable Resources.

HON. HARVEY BOSTROM (Minister of Renewable Resources) (Rupert's Land): Mr. Speaker, there were no actual formal tenders as such. Several weeks ago quotations

ORAL QUESTIONS

(MR. BOSTROM cont'd)were asked for from the various firms within Manitoba who do this type of work. The quotations that were received were not satisfactory and the whole process has been re-tendered and is in that process at this present time.

MR. BLAKE: I wonder if the Minister might just clarify, Mr. Speaker, these will be sealed tenders and opened at a given time, which is normal procedure for the government agencies?

MR. BOSTROM: Mr. Speaker, it will be the formal tendering process following the standard procedure of sealed tenders.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, I have a question for the Minister of Industry and Commerce. Was a proper feasibility study conducted before the additional loan of \$1.2 million was made to the Morden cannery?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Chairman, inasmuch as Morden Fine Foods is a subsidiary of the MDC, I think that question should be directed to the Minister responsible. I am not aware of the particulars.

MR. HENDERSON: Well, Mr. Speaker, I'll ask the same question of the Minister of Mines and Natural Resources. The question was, was a proper feasibility study conducted before the additional loan of 1.2 million was made to the Morden cannery?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, that was done through the administration and Board of Directors of the Manitoba Development Corporation who conduct their activities in accordance with the guidelines which have been made available to this House.

MR. HENDERSON: Mr. Speaker, I would still like to know if there was a feasibility study conducted. Could you tell me if there was or not?

MR. GREEN: Mr. Speaker, I have no intention of discussing the internal affairs of the Manitoba Development Corporation in the House.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I posed a question to the Minister of Tourism and Recreation yesterday and was asking him about the fate of the concession building in Spruce Woods Park. I wonder if he could inform me of that question today?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: Mr. Speaker, I took the question as notice yesterday. There's a lot of work to be had in the given area that the honourable member is posing of me, and the reason I'm still taking the question as notice is that I'd like to give the honourable member a time frame for reconstruction of demolished facilities because of the flood, so hopefully by tomorrow I can be more precise in my answer.

MR. EINARSON: Mr. Speaker, from the answer that I have just received from the Minister, he probably didn't understand the question that I was posing to him. I'm given to understand that the concession building has been lost by fire. I pose a second question to the Minister and ask him whether he can confirm whether or not the hydro was left on all last winter in that particular building?

MR. TOUPIN: Well, Mr. Speaker, I can't. That was another reason for taking the question as notice. I wish the Honourable Member for Lakeside would keep quiet for a second.

MR. SPEAKER: A point well taken.

MR. TOUPIN: There's not only a question of fire in the area, there's equally a question of floods, and in regards to reconstruction of facilities in Spruce Woods I would like to be more precise in my answer. Pertaining to the leaving on of hydro during last winter, I wasn't aware of same; I'll check this out and get back to the honourable member.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. I'd like to direct a question to the Honourable Minister of Health and Social Development. Can the

ORAL QUESTIONS

(MR. PATRICK cont'd) Minister indicate to the House how extensive is the Mobile Hearing and Testing Program throughout the Province of Manitoba in rural areas and how many children are tested by the mobile program?

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I'd like to reply to my honourable friend, but I'm afraid that I'll need an Order for Return for that. I can't give this at the top of my head.

MR. PATRICK: I'll rephrase my question and ask a supplementary. Can the Minister indicate if there are any regional ideological centres in the Province of Manitoba screening children or testing for hearing problems?

MR. DESJARDINS: I'll have to take that as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, yesterday the Honourable Member for La Verendrye asked a question of whether the department was asking members of the staff as to whether they had any outside business interests, or words to that effect, and I can answer that I'm advised by my Deputy Minister that professional staff are being asked whether they have any business or employment activity outside of the department, and to other related questions. I want to indicate, Mr. Speaker, that what my senior officials desire is a general indication of whether there is any outside activity, and of course it doesn't follow that if there is outside interest, that there is necessarily a conflict of interest. And we are not suggesting that a problem exists, I believe this has been under consideration for some considerable time.

Mr. Speaker, while I'm on my feet, I would like to table some updated information on energy data which the Honourable the Leader of the Opposition has been asking for for some time. I believe he had made reference earlier on to the booklet on Energy in Manitoba, Supplying the Man, published by the Manitoba Energy Council. We do have some updated figures for the honourable members, and I might hasten to add that all of these figures are based on Statistics Canada information, the National Energy Board or the Manitoba Hydro.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I thank the Minister of Industry and Commerce for his answer, and I would ask him if he could confirm that all contract employees with the department have also been asked to fill out that particular disclosure form.

MR. SPEAKER: The Honourable Minister of Industry.

MR. EVANS: Yes. My understanding is, the criteria utilized by my Deputy is whether that person is engaged as a professional business consultant, whether he be a full fledged member of the Civil Service or whether he be on contract to the department.

MR. BANMAN: A supplementary question. I wonder if the Minister could inform the House if any disciplinary action or any conflict of interest has arisen in the department, and is this a result of that?

MR. EVANS: Mr. Speaker, I want to indicate, as I believe I have, that this particular survey, if you could call it a survey, has been considered for some time and it's not as a result of any particular problem. I'm advised, that we see at this point in time.

MR. BANMAN: A final question. I wonder if the Minister could inform the House as to why a senior consultant with the department for seven years has left the employment of the department.

MR. EVANS: Mr. Speaker, there are people that leave the department every year and there are people that come into the department every year, indeed every month. There's a continual flow in and out of the department, and I don't know whether one should discuss individuals that may choose to leave or to come into the public employment of the Government of Manitoba. There are many reasons why a person may resign, or many reasons why a person may wish to come and work for the public service of Manitoba, and there is some degree, I think, of confidentiality with regard to a person's particular reasons and his own particular career pattern.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. I direct a question to the Honourable the Minister of Mines and Natural Resources. I note that the government appointed mediator, Mr. Mitchell, I believe, has been touring the north with three helicopters, along with officials from Manitoba Hydro, I believe, as well as the Federal Government. My question to the Honourable Minister is simply this: Who is paying for these big iron birds as they drop out of the blue sky on these communities? Is it Hydro, the Federal Government or the Provincial Government?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'm not directly acquainted with it, but I imagine it is being paid for in a co-operative way by the parties who are involved in the discussions.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Health. Can the Minister confirm that officials in his department are presently undertaking . . .

MR. SPEAKER: Order, please. It's very difficult to hear when everyone's talking out loud. I wish the honourable members would act like parliamentarians instead of kids. The Honourable Member for Fort Rouge.

MR. AXWORTHY: I suppose, Mr. Speaker, I should ask whether the Minister is investigating if there has been a breakout of Hoof and Mouth disease or something, but rather I would want to know if he can confirm if authorities of his department are examining the potential danger of polio viruses in certain sewage outlets in Manitoba waters, and if so, where are these investigations being done and to what extent?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: I'll have to take that as notice. I know nothing about it at this time.

MR. AXWORTHY: Mr. Speaker, I wonder if the Minister could also take as notice whether members of his department and public health authorities are making any examination of the sludge lagoons around the City of Winnipeg in consideration that such lagoons have now been closed around the City of Ottawa because of the containment of serious disease and viruses.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Honourable the Acting Minister of Labour. I would like to ask him whether the request for disclosure alluded to with respect to employees of the Department of Industry and Commerce is not in violation of the Collective Bargaining Agreement between the MGEA and the province.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, if it is not in violation, it would only be determined by a grievance procedure which would take place in furtherance of the Collective Agreement and the decision by whatever Board is designated to make that decision.

MR. SHERMAN: Mr. Speaker, may I ask the same Minister whether there is any provision for this kind of disclosure under the terms of the Civil Service Act, except when connected with the Oath of Office statement?

MR. GREEN: Mr. Speaker, the honourable member is asking me the same question. Having been involved in industrial disputes for many years during my professional practice, I can tell you that it is sometimes a matter of great dispute as to whether something is covered by a Collective Agreement or not. That dispute is either resolved between the parties or through a grievance procedure, not as a result of the ministerial declaration in the Legislature.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish to direct my question to the Minister of Mines and Natural Resources, Acting Minister for Labour. Can the Minister indicate to the House if he has undertaken any investigation into the health problems claimed by the Hudson Bay employees about hazardous working conditions which have been confirmed by two local dentists in Flin Flon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'll take the question as notice.

MR. SPEAKER: The Honourable Member for Flin Flon.

COMMITTEE REPLACEMENTS

MR. THOMAS BARROW (Flin Flon): Mr. Speaker, with leave, I'd like to make two replacements on the Public Utilities Committee.

MR. SPEAKER: Does the honourable member have leave?

MR. BARROW: The First Minister will be replaced by the Member for Emerson, and the Minister of Renewable Resources to be replaced by the Member for Wellington. Thank you.

MR. SPEAKER: Is the motion agreed to? (Agreed) The Honourable Member for Arthur.

ORAL QUESTIONS (Cont'd)

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Honourable the Minister of Mines and Natural Resources. I wonder if the Minister could indicate now if he has any report from his engineers regarding the water problem created by No. 83 Highway in the southwest, specifically between Sections 16 and 17, 1 to 27.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I have no definitive report on that question. I do indicate now, Mr. Speaker, that it is quite likely that the province will do exactly this year what they did last year and ask the Water Commission to conduct an evaluation of our flood fighting activity during the last year and our flood problems during the last year, and perhaps at that time there would be something more definitive forthcoming.

MR. WATT: A supplementary question. I wonder if the Minister would undertake to have the area examined by his engineers and if something could possibly be done to relieve the area from the present water that is being held back by the highway so that the farmers will be able to sow their crops.

MR. GREEN: Mr. Speaker, that matter was discussed when the honourable member raised the question in the House, and there was a recommendation against doing anything to deal with the water conditions at that highway at that time. However, that is not definitive, and I've indicated to the honourable member that I intend to have the Water Commission conduct an evaluation of the flood problems in the Province of Manitoba as we experienced them last year, in a similar way to what was done by the Water Commission last year, and perhaps at that time there will be more information on the subject.

MR. WATT: A supplementary question. Could I ask the Minister when the investigation of the assessment will be made of this particular area? Will it be made before seeding time, which is about now, or next week?

MR. GREEN: Mr. Speaker, I don't wish to attribute the words "assessment" or "investigation." There are members of the Highways Branch and Water Resources Branch who are cognizant of the problems in the area. I have not received any recommendation with regards to breaching Highway 83 to deal with those problems. However, I've indicated to the honourable member that I'm going to ask for an evaluation by the Water Commission of our total flood problem in Manitoba 1976, and the steps we have taken to deal with same. That investigation will not be before seeding time, I am certain and therefore the honourable member will have to wait for the Water Commission's report. In the meantime, if there are any changed circumstances with regard to the highway and the conditions of water on the land, I am sure they will be brought to my attention by the engineers in the department.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I wish you would now proceed with the Adjourned Debates on Second Reading in the order which they appear on the Order Paper.

GOVERNMENT BILLS - SECOND READINGSBILL NO. 37 - THE CORPORATIONS ACT

MR. SPEAKER: Thank you. Bill 37 proposed by the Honourable Minister of Consumer, Corporate and Internal Services. The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. First of all, let me say that I'm not a corporation lawyer and I don't think the Minister in charge of this particular department is either, so many of the practical applications of this particular bill will not be found out, should we say, before it has been in force for a number of years and we'll see how certain parts of the Act do work. But I would like to make several comments with regard to the bill, certain things that I think will be beneficial to the shareholders as well as the corporations in the province. Also I have several questions of the Minister as far as the different applications that will happen when this Bill is passed.

First of all, in checking it I found out, as the Minister said, that it follows the lead of the bill passed by the Federal government and also by the Ontario government. From checking into it a little closer, I see that there are very many things, before we act in the provinces in Western Canada - what we do first is sort of see what kind of lead Ontario is giving us and then we sort of follow that, and I assume that's what the Minister has done with regards to this bill.

One thing I think that is somewhat beneficial and does away with a certain amount of artificiality with regards to the incorporation of a single person company, is that you don't have to have an accountant or a lawyer or the different people that had really nothing to do with the business and were just acting as people that were filling the vacant spots because of the Act, because of the existing laws of the incorporation.

A question I have of the Minister is, we discussed the disclosure of beneficial interests in the bill and it goes further than the Federal Act at present, and I'm wondering if this will force a bank or a trust company who is buying shares for a particular person to disclose who that particular person that they are buying for, who that person is. That would be one question. And also if that in fact is the case, it would remove the silent partner type of company that we've been having in the past. In other words, you have two people get together and one person maybe for some reason or another doesn't want his name mentioned, or doesn't want his name shown up on the books of the company, will this mean that this type of arrangement will not be able to be carried on any more? I can see problems in enforcing that, because as the Minister knows, all that person has to do is fill out a form and some lawyer can hold it in trust for him in some vault somewhere and you'll really really never find out who it is. So I'm just wondering why that particular section, and I wonder if the Minister could answer those few questions that I have.

The minority shareholders' provisions in the Act, I think are good. It allows for fair treatment of the partners within a corporation. It also makes it harder for directors to manipulate shareholders, and I think that's a good section.

The bill also points out that the corporations that are being incorporated do not have to describe the type of operation that they are involved in. Now, I'm wondering if that will cause any problems as far as taxation, as far as the sales tax people or the different government agencies are concerned. In other words, right now if a company is formed for the purpose of selling automobiles, if they get involved in the land business, that wasn't in their terms of reference before, and now with having no terms of reference basically, will this cause any problems?

Another good point of the Act, Mr. Speaker, I think, is that the company is now bound by authorized personnel. In other words, where a person misrepresents something and is however an authorized person of that particular corporation, the corporation is held responsible, and I think that that's a good section because the corporation cannot hide behind their personnel in that way. If the person has been authorized to deal with

BILL 37

(MR. BANMAN cont'd) particular matters, he will now be held responsible for that, and I believe that that's a good section.

Another plus of the Act, I believe, is that a company can now buy its own shares. In the past what was happening, when partners wanted to split up, the one partner would have to buy out the other one with after-tax dollars. Now this caused a lot of problems because most people don't have that kind of money, and especially - and I'm speaking basically now of smaller companies - if either the capital assets or the equity positions have grown to an extent where it makes it very very difficult for one partner to buy out the other one. Now if a company buys its own shares, it means that it'll make for an easier splitting of the partnership. Of course the bill does, however, to safeguard the individual, require a solvency test so that there aren't any fraudulent transactions in this regard.

I also noticed throughout the Act that there is an attempt to simplify the Act. Now, my question to the Minister would be, we don't require a seal any more, we don't require as complicated a form, will this mean savings to the people who are incorporating in the Province of Manitoba? In other words, will the consumer benefit from this bill? Will the legal charges be less when we're talking about incorporating? Because with the simplification and the removal of the seal and several other requirements, will this mean that the consumer will be receiving a saving?

I'm also interested in knowing what kind of transition period we will be faced with. In other words, when does the company have to switch over, in what frame span, when does a company have to register under the new Act? Now I notice that the Federal people have gone ahead and said you have five years to do it, and I think any smart accountant will be telling their people that if this is very much the same in this Act, is that you don't do it right away, wait a couple of years and see what happens, and then you slowly switch over.

The other question then of course is, what will the cost be of switching over from one Act to another. Is there any transfer costs or what will the cost be as far as existing corporations in the province that will be governed by the new Act?

I would again ask the Minister for his comments and assurance that there are no changes to the non-profit corporations as far as the Province of Manitoba is concerned. There were some people that were concerned about that, and I would just raise that at this time also.

The bill also makes reference to the Co-operatives Act, and I'd ask the Minister if we will be dealing with that legislation this year. I appreciate it's not his department, but it ties in with this Act, and will there be any problems as far as the implementation of this Act or the Co-operatives Act if they're not passed at the same time? Are there any problems that we'll be facing?

As I mentioned, Mr. Speaker, the bill is a fairly extensive bill, it's a new bill and time will tell how it works out. The initial responses seem to have been fairly good from both the business sector and the legal sector, and I hope that the new bill will streamline the incorporation proceedings in Manitoba, provide for some more input by the shareholders as the bill points out, and also make for a uniformity across the different provinces.

We would at this time on this side of the House like to see the bill pass on to Committee and see if there's any chartered accountants or legal people that would like to make representation on the bill and see what their concerns are with regard to this new Corporations Act. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I beg to move, seconded by the Member from Assiniboia, that debate be adjourned.

MOTION presented and carried.

Bill No. 47, proposed by the Honourable Minister of Highways. The Honourable Member for La Verendrye.

MR. BANMAN: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 51 proposed by the Honourable Attorney-General. The Honourable Member for Gladstone.

MR. FERGUSON: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 52. The Honourable Member for Birtle-Russell.
(Stand).

MR. GRAHAM: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 53. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Stand, Mr. Speaker.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I would move, seconded by the Minister of Industry and Commerce, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved into Committee of Supply with the Honourable Member for Logan in the Chair.

SUPPLY - EDUCATION

MR. CHAIRMAN: I would refer honourable members to Page 19, Resolution 48(a) School Grants and Other Assistance. The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Chairman, if I may, I believe it was yesterday afternoon or perhaps Friday that the . . . I think it was yesterday afternoon, that the Honourable Member for Brandon West wanted a breakdown of the travel expense under No. 2. I did indicate then that a good portion for '74-'75, it included Native Education, and Native Education travel expense was \$23,000, so that leaves \$80,342 for the balance of the Planning and Research Programs which was for the year '74-'75, \$7,400 for REAP; \$3,300 for Headstart; \$48,000 for the School Milk Program. That of course is the major one, or it was in that year because this involves the administration, the operation of the program in northern Manitoba. \$8,500 General Evaluation; \$6,600 Demonstration; \$1,000 Franco-Manitoba; \$1,400 Differentiated Staffing; \$1,400 Urban Education; \$2,600, plus the 23,500 for Native education. And then of course for '75-'76, with the deletion of Native Education from that appropriation the total travel expense for the branch amounted to \$62,000. \$1,300 school nutrition, school milk. Now that the program is on-track, of course did not require as much travel, so it's down to \$39,000, a reduction of about \$9,000. Planning, Development and Research \$7,800; Special Projects \$1,000; Evaluation \$9,900; and \$3,300 Urban Education.

I believe the honourable member also wanted to know whether there were any out-of-country, out-of-province travel expenditures, any travel off-the-continent. Off-the-continent, no; Out-of-country, yes. Under General, this is in '74-'75, under General \$710; under Urban Education \$584; out-of-province, again under General, \$726; Evaluation \$4,500; and Urban Education \$480. That was for the fiscal year '74-'75. '75-'76, out-of-country, Planning, Development and Research \$2,400; Evaluation \$1,700; Urban Education \$500; out-of-province School Nutrition \$1,100; Planning Development and Research \$600; Evaluation \$2,300; Urban Education \$900.

Now I also indicated yesterday in response to a query put to me by the Honourable Member for Fort Rouge - I note he is not in his seat at this time - under School Grants, I did indicate a couple of weeks ago in a press conference my intentions of developing integrated incentive policies designed to encourage and support local school boards in their efforts to promote and implement programs in services in the official minority language for both Francophone and Anglophone clientele. As Minister of Education, Mr. Chairman, I have always wanted to assure the protection of linguistic rights, under Section 258, subsection 1, of the Public Schools Act for Francophones and Anglophones alike, while granting all Manitobans an equal opportunity to become proficient in the official minority language. During the past year my department has been very active in developing a grant system designed to meet additional costs associated with the gradual development of Ecole Francais and immersion schools and/or centres and the additional cost associated with the continuous operation of such schools and/or programs in accordance with the spirit of Section 258 of the Public Schools Act. Under the new

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd)system, a French grant will be made available to qualifying school divisions and it will be comprised of two major components. One, the development component, and this covers short-term additional costs, one year or less, for those school divisions who demonstrate that they have embarked on a long-range plan for the development of a school, or schools where instruction is given in French according to the spirit of Section 258, subsection 1 of the Public Schools Act.

These costs result from the passage of a group of students from one level of development in the official minority language to another, above and beyond those costs normally incurred by a school for the same group of students in Ecole Francais and immersion schools or centres. To ensure that the funds are spent for their intended purpose 4/5ths of the development component must be channeled to the school or schools where the development is taking place.

If I just may elaborate on that for one moment, Mr. Chairman, that this is not an unconditional grant to a school division that it would be at liberty to spend for whatever purpose it wishes to, but at least 4/5ths of the grant must be spent in the school wherein a Francais program will be developed. And the reason why it's not 100 percent is because there are expense items associated with the development of such a program which by their very nature are incurred and must be incurred outside the school. Transportation is probably the major one that comes to mind. The other part is the program maintenance component, and this covers additional costs of a permanent nature related to the continued operation of Ecole Francais, immersion schools or centres, and partial programs in French education, other than the conversational French course. The formula utilized to determine both components is based on full-time equivalencies where a full-time equivalency is equal to a student following 75 percent of his instruction time in the minority language. For 1976 it is estimated that these provincial grants will total close to \$2 million. A development component provides for \$357 for a full-time equivalent at the elementary level, and \$435 at the secondary level, while a program maintenance component provides for \$190 per full-time equivalent student.

My departmental staff has already taken steps to maximize federal support under the existing federal-provincial agreement for the promotion of bilingualism in education. And apart from the regular federal support, which in 1976 will be in the order of \$1.6 million, my department has been successful in negotiating a four-year recovery program for 50 percent of the development component of the French grants. Within this recovery program the '75-'76 allocation was \$242,560, and this had previously been announced about a week and a half, practically two weeks ago. The '76-'77 allocation is expected to be about \$275,000.

School divisions will be notified shortly of these financial policies, giving details of the French grants. In order to regularize and provide continuity, I've instructed my department to prepare the necessary guidelines and regulations. My department will provide grants to school divisions who are offering the French conversation course in the coming year, and these grants will approximate \$300,000. In providing the French grant, Mr. Chairman, my department: No. 1, has assumed its financial responsibility for the implementation of Bill 113; No. 2, has maximized resources; No.3, has provided school divisions with the financial tools with which to provide French education programs and services to those who wish to learn French as a first or second language in this province. And No. 4, it thus places itself in the extremely strong position to begin negotiations for an extension to the Federal-Provincial Agreement on Bilingualism in the near future. It has become clear and evident that Manitoba by virtue of its approach to French education and financing of same has given leadership to other provinces. This leadership has already been recognized by the Secretary of State and some other provinces who have indicated a keen interest in our formula.

MR. CHAIRMAN: Resolution 48(a). The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I'd like to acknowledge the explanations that were given by the Minister at the start of his remarks this afternoon. In reply to a question that was asked about the travel expenditure for the Planning and Research Branch in the '74-'75 period, I did copy down some of the figures that were given and

SUPPLY - EDUCATION

(MR McGILL cont'd) . . . one that caught my attention was an amount for 48,000 in travel for the School Milk Program. I wonder if the Minister could just elaborate a bit on that? How does the School Milk Program generate that kind of a travel charge?

MR. CHAIRMAN: The Honourable Minister.

MR. HANUSCHAK: Mr. Chairman, I distinctly remember having commented on that, indicating to honourable members of the committee that this is a program in Frontier School Division.

MR. MCGILL: Mr. Chairman, I may misunderstand the terms but usually travel is associated with personnel and milk usually is shipped, I would think, and I wonder how this program has \$48,000 worth of travel. Are these for personnel who are delivering milk to the Frontier School Division or is it actually a shipping charge for the freight.

MR. HANUSCHAK: Mr. Chairman, the honourable member from time to time has an excellent recollection of previous debate on my department in previous years so hence I do not think that the honourable member should have any difficulty in recalling, or in checking back in Hansard to refresh his memory on what the Nutrition Program in Frontier School Division was all about, and if he'd do that he would very quickly learn that it's impossible to box, crate or package a Nutrition Education Program and ship it out by aircraft.

MR. SPEAKER: Resolution 48(a). The Honourable Member for Brandon West.

MR. MCGILL: This brings us back, Mr. Chairman, to the discussion of the increase in the Frontier School Division allocation for the current appropriation, and I understand that it is increased from 3.8 million to 5.5 million, an increase of over 40 percent, and the Minister was in the process of giving some explanation as to the reason for this rather impressive increase in the total cost of the Frontier School Division operation for the coming year. We did have one explanation of a sum of \$240,000 that had been added to this program this year. I wonder if the Minister in the interim has had an opportunity to get some further information on the reasons for the basic increase in the cost here?

MR. HANUSCHAK: As I indicated yesterday the School Milk Program was transferred to the operations of Frontier School Division as well as a couple of other items totalling to 442.5 thousand dollars which brings it up to something in the order of \$4.2 - 4.3 million. And then of course there's a teachers' salary estimate included in there and other cost increases. And I did indicate to the honourable member that the figure of \$5.6 million is an estimate at this point in time and it is my hope that the final figure will be somewhat less than that.

At the time that I did express my optimism about this figure being considerably less than 5.5, that was prior to my having become - I had at that point in time forgotten that the School Milk Program was transferred to it, and anyway it should be a significant reduction, perhaps not down to 4.6 or 4.7 or .8 million dollars but at any rate a significant reduction from 5.5. At this point in time it's an estimate.

MR. MCGILL: Thank you, Mr. Chairman. I understand from the Minister's remarks then that he has built in a sort of a cushion here, that he cannot at the moment allocate something like \$700,000, which is there as I suppose a contingency, or for some other purpose that will be announced at a later date.

While we're looking at this total amount of \$154 million we know now that one of the other sums included in that amount is the 5.5 for Frontier Schools. Are there some other sums that are included as well in the total of \$154 million, other than the straight Foundation Grants to the School Divisions?

MR. HANUSCHAK: I had given a complete breakdown of this yesterday, Mr. Chairman.

MR. CHAIRMAN: Resolution 48(a). The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I'd like to ask the Minister, how many teachers and how many supervisory staff are employed in the Frontier School Division this year, that is the year just currently under way?

MR. HANUSCHAK: I'm sorry, I don't have the figure with me but I can get that information for the honourable member later.

SUPPLY - EDUCATION

MR. MCGILL: Mr. Chairman, the Minister then, would he please get the figure which would apply to last year and this year so that there can be a comparison in terms of the number of teachers and supervisory staff that are employed in the Frontier Division?

Mr. Chairman, my next question would be in relation to the Public Schools Finance Board. How many people are on the staff of the Public Schools Finance Board, how are they paid, and by whom? That is, under what item would this come?

MR. HANUSCHAK: . . . Administration, Mr. Chairman.

MR. MCGILL: Well then can he tell me how many people are on the staff of that Public Schools Finance Board?

MR. HANUSCHAK: Yes, Mr. Chairman.

MR. CHAIRMAN: Resolution 48(a). The Honourable Member for Brandon West.

MR. MCGILL: Well I take it that he can tell me, but not now. So we may have to wait for some . . .

MR. CHAIRMAN: The Honourable member can ask that question when we get back to the Minister's Compensation if he can't get the reply at the present time. The Honourable Minister of Education.

MR. HANUSCHAK: The Public Schools Finance Board total staff is 14, which is three less than it was in 1970.

MR. CHAIRMAN: Resolution 48(a). The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, in the Estimates I note that there is recoverable from Canada in this item 11 million-odd. My question to the Minister would be, what are the specific services that Canada pays for, and what are the sums of money that would be earned for each service?

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Largely the fiscal claims under the Fiscal Arrangements Act for Grade 12 students, Mr. Chairman.

MR. MCGILL: Well, Mr. Chairman, can the Minister be a little more specific. Is the \$11 million payable for one item under Grade 12, or are there other programs that would relate to that, and can he give me a breakdown on the programs for which the money is earned from the Federal Government?

MR. HANUSCHAK: I'll have to break it down later, Mr. Chairman.

MR. CHAIRMAN: Resolution 48(a). The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I will have to await the explanations of the Minister in respect to these items before we can continue to deal with them. I presume that there will be an opportunity to return to them when the Minister has provided the answers that we have requested. I have no further comment for the Minister on this item until the information requested has been supplied.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, there's some areas I want to come back to on the question of financing that were raised in part last evening before things got carried away. In particular, I think the issue of the Greater Winnipeg School Levy and in parenthesis, Mr. Chairman, I must say that I found the Minister's response to that particular issue to be really quite funny from both a fiscal and a political point of view.

Let me just go through some of the figures so we know what we're talking about, Mr. Chairman. The Minister and the government seemed at long last, in fact in the last couple of weeks I guess, to have acknowledged that the Winnipeg School Division 1 is required to carry exceptional and different kinds of educational burdens on behalf of the whole province because of the nature of the population with which they have to deal, and as a result of that the province has provided an additional \$600,000. I think, Mr. Chairman, we should put that amount of money in some perspective because if you look at the original proposals that the Minister announced last March in terms of the increased grants to School Division 1 it really only amounted to a 5.4 increase over the grants from the previous year, while at the same time the School Board was estimating that it's costs were going to be going up by about 16 percent. So the addition of that \$600,000 really takes it up more to be about 10 percent increase as opposed to a 5.4.

SUPPLY - EDUCATION

(MR. AXWORTHY cont'd) And I come at those figures, Mr. Chairman, by adding up the differences between the figures of the per people grant being increased from \$50.00 to \$100, which in '76 would come to \$3.6 million; the Declining Enrolment Grant at 303,000; the Print and Non-Print Grant at 595. However a decrease in the Equalization Grant of close to \$733,000, which ended up really then with a total grant --(interjection)--a decrease, Mr. Chairman - so that the net increase in grant support was \$1.42 million which really is a 5.4 percent increase in the grant. Those are figures provided by the Winnipeg School Division No. 1 in terms of it's own assessment.

Now we have since then had an additional \$600,000, so as I said that takes it up to about a 10 percent increase.

A MEMBER: Plus \$100.00.

MR. AXWORTHY: Well okay, let's say that it's still around the 10 percent figure, which is some acknowledgement at least, belatedly, that there were particular and exceptional requirements. But what one giveth with the left hand they take away with the right, and I think even someone in the Bible might have said that at some point, if not they should have. Because when we're looking at it we now have to deal with this thing called the Greater Winnipeg Tax Levy which is really a very curious piece of legerdemain, really quite remarkable. Looking at the history of it it was established, Mr. Chairman, to provide for the transition when Unicity was brought in in 1972. What happened under the Greater Winnipeg Tax Levy, just to give members of the committee some example, is that in the Winnipeg School Division 1 in '75 they collected \$20.4 million but only gave back 15.5, so there was a net loss of \$5 million to the Winnipeg School Division.

So here at a time when the Winnipeg School Division is desperately trying to find some money to provide additional educational services for children with particular problems in areas of a declining substandard education, we're in effect taking \$5 million away from the Winnipeg School Division. In the meantime places like St. Vital, benefited by 600,000-plus; Norwood received a million dollars; River East \$5 million, over and above what was collected; Seven Oaks, a very poor district, 2.6 million plus; Transcona-Springfield \$2.7 million. So, Mr. Chairman, what was really taking place is that we were pulling money out of sort of Winnipeg 1, which contains within it the inner city area, and transferring moneys derived from the property taxes basically to sub-urban school divisions, which certainly have educational needs, but if you look at the change in the population movement for the last five years, have certainly acquired a much stronger population base and because of a Unicity tax situation no longer are required to bear the same bill. Now the Minister's explanation, seemingly supported by the Member from St. Johns, I believe, who nodded approval at the time, was that this was only just compensation for the fact that the suburbs were now going to have to pay more for their services like police, fire, etc.

Well, Mr. Chairman, if you go back to the White Paper, that I always thought was a very good intelligent presentation by this government way back when they were setting the objectives for Unicity, it in fact said that why we were bringing in Unicity, one of the basic reasons, is because the suburbs have been having a free ride for too long, that they've been able to draw upon city-based services and not have to pay for them. Now we're saying we're going to penalize the City of Winnipeg because the Unicity bill was going to force the suburbs to pay for what they should have been paying for anyway. Now that seems to me again - that's why I thought it was kind of funny, Mr. Chairman, I guess it's the only way to describe the Minister's response, because the fact of the matter is that again looking at the way in which the city has developed, looking at what's taking place in those suburban areas, they require as high a standard of services because of the developments in their areas, shopping centres, industrial areas; high rise apartments are now just about as common in places like East Kildonan and the areas of St. James Assiniboia and Fort Garry as they are in other parts of Winnipeg and requiring the same requirements of services, and in fact if one would look at the city budget and the allocation of that budget . . . you find that a far higher proportion of the moneys of the City of Winnipeg go to the suburban areas in things like recreation and services, and in the meantime here we are sort of penalizing the

SUPPLY - EDUCATION

(MR. AXWORTHY cont'd) Winnipeg School Division again. So I would suggest that it would probably help the Minister if maybe he took a walk outside his office some day and looked at something other than his educational budget and try to relate the educational budget to the total municipal finances of the City of Winnipeg, because it does come down to the very strict and very obvious penalty that is being imposed upon the City of Winnipeg through the Greater Winnipeg education levy which was initiated as a transition measure. Well, I would suggest that the transition is about over, it certainly should be over by this time, and that it would certainly make far more sense rather than relying on annual grants given at the last moment after the City of Winnipeg school trustees come sort of on bended knee to try and get some more claims, that if we simply allowed the School Division One to draw upon its own tax resources for its own purposes.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. SAUL CHERNIACK, Q.C. (St. Johns): I appreciate the honourable member permitting a question. I did not quite catch what he said was a transitional measure. I'm sorry, I missed that.

MR. AXWORTHY: Well, Mr. Chairman, in going back and reading the White Paper and some of the additional papers that the government put out in 1971-72, that one of the purposes to ease in a transition, they would apply to the Greater Winnipeg educational levy. Now I would say that it is probably about time that the transitional - I don't know, how long do transitions take, three years, five, ten or fifteen? We're now into a substantial period of time, and I'm not saying that we're even going out and asking suburban school divisions for more money, I'm just simply saying that if the logic that I heard, particularly the Member for St. Johns expressed last night, and the Minister of Mines and Resources say, that elective representatives in their own jurisdiction must tax according to the resources that they have and be accountable to it. Then if you're going by that theory then you should allow that taxation to take place upon the full depth and breadth of resources and not in effect pull some of the resources out from under them to apply elsewhere, which is really the end effect of the Greater Winnipeg education levy. And if in particular we're going to be expecting the School Division One to continually cope with a different range of problems than those experienced in other school divisions, simply by the fact that it is the gathering place for groups of the population who have severe disadvantages and problems and education to cope with, therefore requiring a high degree of specialized aid, then if the province is going to be somewhat stingy, as it has been, that at least we should in part release those trustees to be able to tax within the School Division One without having the taxes go for other school divisions, to the tune of \$5 million last year - \$5 million.

Now, Mr. Chairman, that buys an awful lot of special school teachers, an awful lot of special classrooms and an awful lot of different programs. I'm simply saying that in 1975 through the Greater Winnipeg educational levy they actually collected \$20.4 million and \$15.5 came back to School Division One. --(Interjection)-- No, they didn't tax it. They can't tax it because in effect it's being taxed by the province and then being redistributed to the Greater Winnipeg educational levy formula.

Mr. Chairman, that is one really particular idiosyncrasy in the way that we go about funding the schools, an idiosyncrasy which has a high penalty attached to it for the City of Winnipeg School Division. In that case, if I might, Mr. Chairman, I'd like to deal with in part an argument I heard last night and I didn't get an opportunity, because I had to go elsewhere, to deal with it, that perhaps in a somewhat more dispassionate atmosphere this afternoon I would be interested in hearing the remarks of both the Member for St. Johns and perhaps the Minister of Education.

They were again claiming that the question of funding, when we got into this question of tax rebates, well it's the best way of providing for the transfer of income to lower income taxpayers or residents of the city. And I agree in part. I think the circuit breaker taxes, the tax rebate system is fine and that, except for this, Mr. Chairman, that in a report done on property taxes, the Minister of Urban Affairs referred to a while back by Dr. R. A. Bird from the University of Toronto, he pointed out some interesting things about it. First he said that the property tax is not nearly as regressive as

SUPPLY - EDUCATION

(MR. AXWORTHY cont'd) everyone has thought it to be, that in more specialized economic analysis the regressivity factor is far less.

What is even more important is, that if provinces rely almost solely upon circuit breakers or rebates as a way of doing transfers, the people who get hurt the most are in many cases low income, moderate income people. Because the first things that are cut back in the municipal school level are special educational services which have to be provided through a public system. Wealthier people whose children may have particular problems, learning disabilities or whatever, can in effect oftentimes afford private care. They can go to specialists and pay for it. Lower income, moderate income people can't, they must rely upon the publicly based school system. And yet those are the very first programs that are cut off in a time of retrenchment or tax restraint. So in effect the end objective that the Member for St. Johns eloquently put, may be in fact self-defeating by the financial formulas that we are using at the present time to fund the school systems, particularly in the City of Winnipeg.

And I want to bring up that point, Mr. Chairman, because I believe the Member from St. Johns and I share in the objectives in this case, that I think the public school system has a real responsibility to provide those services. But we must be careful that by playing a little bit of politics and in using the rebate system as a way of transferring incomes, that in fact we may also be incurring some real severe restraint on the services being delivered, the educational services, other municipal services being delivered to people with particular needs.

Now that brings me to a third point, Mr. Chairman, which may be even most critical, and that is that school boards in their financing to the special levies in other programs are not immune from the priorities set by the provincial governments, that the federal system is not a layer cake of discreet separate sort of levels with no interchange or intermix. And in fact what is taking place more and more often is that priorities in education being set by the department on the provincial level are having to be paid for on the local level, and that is again one of the real problems. So it's not a matter of this great eloquence about those who leave the school boards alone, let them raise the money, it's their programs, that's not true. It's not their programs. Many of the programs that the Winnipeg schools must introduce, in fact all schools must introduce, are set in this Legislature and by that Minister. And certainly we won't have to go back to the Core Report on secondary schools, talking about all the options that should be provided in the school system. That was a provincial report, provincial direction, and in fact many of the smaller school divisions, divisions like Seine River, Norwood and so on, simply could not afford to provide those options without going heavily into the special levies in order to do so, to keep up with their neighbours. That is increasingly true in the Winnipeg School Division, that priorities set at the provincial level are having to be implemented on the school division level, that there is no money being transferred to pay for those priorities. The most serious damage to that, Mr. Chairman, is this. The government last year passed Bill 58, the so-called Special Needs Bill, a very important juncture in education in this province, really very fundamentally important in the civil rights of people in fact, of this province. What they have not done since then has indicated exactly how it's going to be paid for. The only thing the Minister said last night, which again was funny in the generic use of the word, was that the government may have to pay for additional transportation costs. Well, Mr. Chairman, that sends horrendous chills up the spines of any teacher who has had to deal with Special Needs children. To think that the only additional financial support may be in the area of transportation is ludicrous, falacious and destructive, because the fact of the matter is that if we are going to implement a Special Needs Program in the schools, it requires on a province-wide basis or whatever, the only funding that was described last night would be for the transportation of children. --(Interjection)-- That was all that we heard, Mr. Chairman. We can check Hansard. --(Interjection)-- Well, I may be deaf, but it may also have something to do with the way the Minister explains himself, or doesn't explain himself.

But the fact of the matter is that the Special Needs Program is going to be one very expensive program, believe me, it's going to be expensive. Because it is going to

SUPPLY - EDUCATION

(MR. AXWORTHY cont'd) require much smaller classrooms, a much smaller teacher-pupil ratio, probably a large additional number of specialized teachers, additional capital financing in the schools, additional equipment, more assessment programs. And in fact, Mr. Chairman, I can give some indication if you like, that in the City of New York when they brought in a Special Needs Program, mainstreaming program, in 1970, the number of students between 1970 and 1975 rose from 28,000 to 39,000, the budget went from \$110 million to \$246 million, well over 150 percent increase in the budget in a matter of three or four years to accommodate Special Needs children.

Now, if you used that same example here, just think for a minute, and I ask members of the committee to think about it. The bill was passed last year, we passed it. To do it properly and to do it effectively and to do it honestly, to deal properly with Special Needs children, is going to be one of the most expensive items of education this province has ever absorbed, and yet the Minister hasn't really told us at all what to expect, where the money's going to come from. Is it going to be taken from other parts of the educational system? Is it going to be paid for through provincial Foundation Programs? Are we going to change the formula? Are we going to bring in a special formula? Are the school divisions going to have to rely upon their special levies to do it? Because, in fact, Mr. Chairman, many of them are having to do it now. And many of the schools that are presently developing forms of Special Needs integration where they're taking deaf children and learning disabilities children into it, are finding a very serious addition to their costs for which they are not compensated in any way presently by the province.

So, Mr. Chairman, there are a number, I think, of pretty important questions related to the funding of schools, and I think it's one that we should ask the Minister some very specific answers, because I think that if we don't there is going to be an awful lot of consternation in the teaching profession, the schools themselves, about what are they going to do when Special Needs comes into effect. And the fact that there is now a program of, what is it, \$2,000 per school division to do the planning, I think, in effect, that the silliness of that is indicated when you're doing \$2,000 for the Winnipeg School Division and \$2,000 for a division that may be one-tenth its size, again just doesn't make any sense at all. That again, to do Special Needs let's do it properly and let's talk about the kind of money that we're talking about in the future when it's implemented.

MR. CHAIRMAN: The Honourable Minister of Education. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I must thank the Honourable Minister. I don't want to deal with the latter part of the Honourable Member for Fort Rouge's comments relating to the present programs and policies of the government but he did raise points that I was involved in during the planning for the reconstituted City of Winnipeg and I would like to deal with those because I would like to try and explore where we are now in relation to what we expected then might happen in regard to the items he spoke about.

He talked about, oh, there are three or four items that I have in mind to refer to. Firstly, he referred to the concept that the redistribution of income provided by the Property Tax Credit Plan he is self-defeating. I really didn't understand that. I gathered that he said that because the money does not go back to the school board but rather goes to taxpayers of low and moderate incomes the school board finds itself strapped for money and therefore cuts back on programs which become unavailable to those very people of moderate and low incomes, because as he points out, the wealthy could always manage to obtain the special requirements for the children through private schools or other plans. I think that's what he said. But it seems to me that at least if we are redistributing income or burden of property taxation, through the Property Tax Credit Plan at least we are in effect, I think, reducing the disparity between the high and the low, and I hope some day we'll get into the debate on whether it should be $2\frac{1}{2}$ times or 3 times or 4 times or 2 times, that's a subject that may not be - well I don't think it's in order to discuss that now - but in some sense the Liberals in this House attempted to point out that we did not really accomplish a great deal in redistribution of incomes or redistribution of wealth or really in narrowing the gap between the high income and the low income. And I've

SUPPLY - EDUCATION

(MR. CHERNIACK cont'd) had occasion to say at least we prevented it from getting worse which would have happened under the Federal Liberal administration, if I may try to direct an arrow in a direction of those who have a greater ability to affect the income and wealth of Canadians.

Mr. Chairman, I'm having difficulty in understanding his concept because if, indeed, we are narrowing the gap to some extent then surely that's a help. And if the trustees are responding to the needs of their electors, as is their responsibility, then they have to provide those programs which they are able to financially manage to do, and for that they are expected to be accountable as we discussed yesterday.

I don't really think that it is self-defeating. I think it's better than it was when I was a member of the school board some many years ago, let's say some 25 years ago, when it was much more difficult to get through the kinds of programs that are today accepted and almost taken for granted. At that time we were still struggling to keep the kindergarten system in the public schools because there were efforts being made to cancel it out. I can say that in around 1943 my sister was one of the first as a member of the school board to propose and work for kindergartens and that - now it's taken for granted. So it's a lot better now, and I don't take credit for our party, but I'm saying that there has been progress made and that progress is to the benefit of people of the lower incomes. So I don't think that it's self-defeating, I don't think that it could be accomplished any other way, and I may have to go back and re-read what we said in our policy paper that we issued at that time. Certainly we did not in that paper deal with the question of property tax credits, but we did deal with the concept of equalization of tax base, and we knew that one of the main objectives, other than an orderly management of the affairs of the city and elimination of artificial boundaries, was to create a common tax base for the taxpayers of the municipality of the new City of Winnipeg, and in that way see to it that there was not the great disparity in wealth between the various municipalities which made up formerly Greater Winnipeg.

In doing so we realize that there were a number of bedroom communities of Greater Winnipeg which did not have particularly great assessment base, such as industry or commercial, who were able to save in the past considerable moneys in terms of the heavy costs of the inner city, the place where they worked, the place where they played, the place where they had their recreational programs, and they were spared that. So clearly as far as the municipal costs were concerned the bedroom communities, I think there are other names to describe residential areas, municipal areas, but they were therefore saving considerable moneys. Now the purpose wasn't to get even with them. The purpose as I recall it, as we phrased it, was to make equal what had been unequal or to make equitable what had been inequitable. But we realize that in doing that the cost of schools was, of course, a disproportionately much greater burden on the taxpayer in that kind of a municipality. And let's use West Kildonan as an example, it being an area which half of my constituency is resident in and therefore half of my constituents are in the Seven Oaks School Division. They were, insofar as the school system was concerned - and let me say that the Seven Oaks School Division I think has achieved a stature of quality which is equal to that of the School Division No. 1, and maybe to some extent they had a more elaborate program - but the cost to them was great when it came to the portion that was chargeable for education costs, school division. When we made more equitable the burden of municipal taxation we distorted for them that cost of the school division, Seven Oaks, by the fact that they were now carrying a very heavy burden placed all on residential premises with no contributions from the commercial or industrial segment. We said well in all fairness there has to be the same tax base apply, and I think that that is right; that in all fairness the people who live in West Kildonan Community Committee area now, the people who live in St. Vital, the people who live in St. James, who were called upon to contribute on an equalized basis across the board for municipal costs, should have the same opportunity to share in the tax base that was available for all of the City of Winnipeg to make it a par.

Now the honourable member says that what he has read in our policy paper and subsequent papers would indicate that the Greater Winnipeg Educational Levy was considered

SUPPLY - EDUCATION

(MR. CHERNIACK cont'd) transitional. I don't recall that that was ever the case. I do know that in my own mind I did have, and I still have, the lingering thought that there ought to be a rearrangement in the school division areas within Greater Winnipeg, and I'm not now knowledgeable about outside of Winnipeg, but frankly, Mr. Chairman, I do not understand why it is that we have still maintained - well I can understand it but I don't accept it - that we have maintained the School Division No. 1 of the inner core, the former City of Winnipeg, with its size, and concurrently we have the other school divisions within the City of Winnipeg of much smaller size. If it's good for one then there are always reasons for variation, but still it may well be that a smaller school division would be better served, and it may well be that School Division No. 1 ought to be made up of four or five other school divisions. Now that's a major step and I hope this government will get around to considering that aspect and deciding whether school divisions should have a certain optimum of size, whether they should not exceed a certain size, or if they may exceed a larger size then why not have one school division for all of the City of Winnipeg, which I reject out of hand, but the logic seems to call for one or the other, the logic seems to say that the existing system is not right, to the extent that I may have said - and I don't think it was ever written - but at meetings I may have suggested that there ought to be this re-evaluation, I still believe there ought to be that new look on the existing boundaries of the school divisions. To that extent it's still not transitional.

--(Interjection)--

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I put the question to the Member for St. Johns based upon his assessment that the reason for the Winnipeg school levy was to equalize the lower assessment values of property in the suburban bedroom communities, if he would take into account that that has now changed and that the proportion of the assessment from the City of Winnipeg to the school divisions has gone from about 33 percent of the provincial balanced assessments to about 27 percent, there has been a shift in value outwards, would he then conclude that that would require a re-examination of the concept behind the Greater Winnipeg levy?

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

MR. CHERNIACK: Mr. Chairman, I confess right off the bat that I am not that familiar with the details to be able to make a realistic comment on that shift in proportion. When he said "outwards" he certainly does not mean out of the City of Winnipeg. --(Interjection)-- Well suburban to me, is now it's all one. But if he means from the inner core School Division No. 1 to the school divisions outside of School Division No. 1, then I'm not sure that that is necessarily wrong. However, he said, would the figures he suggests not call for re-evaluation. I would have said automatically, why sure, sure these things should be looked at and sure there ought to be re-evaluation from time to time and when circumstances change. So not knowing or quite comprehending the extent or the significance of the point he makes, I am still able to say I don't see any reason why it shouldn't be done, I'm not speaking against that.

Now, Mr. Chairman, the one thing that I think has to be made clear is that the School Division of Winnipeg is not raising or paying any money whatsoever to any of the other school divisions. I think we have to make it clear, and now I'm speaking from recollection of the legislation, that it is the City of Winnipeg which is charged with applying a formula under this Greater Winnipeg education levy, which then redistributes the burden of taxation among citizens of all of the City of Winnipeg, and the City of Winnipeg collects the money and then pays it out to the school boards in accordance with the formula. The School Division No. 1 - I think it's called the School Division of Winnipeg No. 1 - representing the inner core does not tax, does not levy, is not involved in its budgeting process in that portion of the moneys raised from the old City of Winnipeg, that goes to the education levy. And I think that we have to make sure that the trustees who distributed that sheet that the Honourable Member for Fort Rouge was reading from, and I know I have a copy somewhere, that they are now talking on behalf of their taxpayers, and I don't fault them for that, but let them not pretend that that is a burden on the division itself.

SUPPLY - EDUCATION

(MR. CHERNIACK cont'd)

Now talking on behalf of their taxpayers they ought to recognize that their taxpayers are also the taxpayers of the municipal needs for the City of Winnipeg insofar as they affect the inner core, and it's only fair, if they want to be fair, that they give the full picture because I as an all time resident of the inner core of the City of Winnipeg know very well that my taxes were reduced overall as a result of the - or not as a result of but . . . well all right we'll say as a result of the equalized tax base - even though there was a greater burden put on my taxes for this Greater Winnipeg educational levy. The fact is that for the first time other municipalities, former municipalities, were contributing to the municipal costs. So when the honourable member uses these figures - and I don't question them, I don't know that they're right but I've no reason to think they're not right - when he uses them, then in all fairness we ought to have some kind of a balancing figure to show what that same taxpayer is saving in relation to the equalized tax base. I think that makes sense, I think we should have a full picture and not a distorted one which I believe we're getting from the school board of the Winnipeg School Division No. 1.

Now I would like to raise one other point that the Member for Fort Rouge touched on. And that is his statement that whether they like it or not the school boards are sort of bound to recognize the priority levels established by the department. And that makes me ask the honourable member, and I know I've spoken too long and the Minister I'm sure is resentful of the fact that I've taken up his time, but I'm sorry I got caught up. I don't know yet whether the people of Manitoba or the members of the Legislative Assembly or indeed the - well I know how the trustees would feel - but I don't know yet how the community feels about whether or not we the province ought to be designating moneys for special programs and instructing the school boards that if they don't use them for that purpose they can't have them. Remembering as we do that the Federal Government is changing its attitude to the Provincial Government in regard to designated grants or designated programs with parameters, I don't know how the community of Manitoba feels as to whether we ought to be designating moneys, grants, to school divisions, instructing them how to spend it or telling them if they don't spend it in a certain way they will not get it, or we ought to give them the greater freedom of decision-making by making grants that are not tied to special programs. I really don't know, because the more the province goes into designated grants and therefore guarantees special programs the less opportunity there is for the school trustees to be independently making decisions based on their tax resources and based on their feeling for what the community wants. I'm not sure whether the honourable member feels that we ought to just free all the money to the school boards and thus give them the right to have the kinds of programs they want, the extent of the programs, and all we say, as long as you teach reading, writing and arithmetic it will satisfy enough people so that that is all we the Department of Education require, in which case all the department would have to become a paying agency for redistribution of moneys and therefore have no educational program at all, or whether we ought to be going into it more deeply. I'm not really sure whether the Member for Fort Rouge stated an opinion, I think he touched on the subject and then went on to other matters so I don't know his opinion, nor do I really know what the position is of other members on this very question. My own fear is that the more the Government of Manitoba passes on to the school divisions the less the school divisions have the responsibility and the authority to plan programming, because the more government is involved the less the school boards have autonomy and I think there's a danger there that the school boards will become meaningless boards. On the other hand, if we free them completely then there's the other half of it, that the people who are spending the money are not the ones who are raising it. To me it's still an unresolved dilemma. There are other members who may be so knowledgeable that they have fixed points of view, which would be helpful I suppose if we know what they are, that I confess that I don't have a fixed point of view on this policy.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, before I proceed to respond to the Honourable Member for Fort Rouge, and in particular to the second half of his comments, I just wish

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) to respond to a question put to me by the Honourable Member for Brandon West. That the breakdown of the 11 million, Post Secondary is 3.9 million - the source of the recovery from the Dominion of Canada, 3.9 million Post Secondary; Indian Affairs practically \$5 million; Bilingual and Francais is another \$2.2 million, in even multiples of rounding numbers out, whereas the figure here is somewhat more precise to the nearest hundredth dollar. But that's the \$11 million.

The Honourable Member for Brandon West also wished to know the staff breakdown in Frontier School Division. The supervisory and administrative staff is a total of, well there are 14 positions, 11 of which are filled at the present time, there are three vacancies at the supervisory level. That's the Superintendent's Branch and the Secretary-Treasurer's Branch and the Field Supervisors. The teaching staff is a total of 316; 31 principals and vice-principals and 285 teachers. With the increase in population and enrollment in Frontier School Division being one of the contributing factors, there has been an increase in the number of teachers from last year, an increase of 8 teachers.

With respect to the burden upon the taxpayer I think it should also be pointed out, Mr. Chairman, that over the past eight years there has been a reduction of the percentage of the portion of the Foundation Levy which has been borne by the real property owner which has had a favourable effect on the Winnipeg School Division as well as on others, and it was also one of the beneficiaries of it because in 1967, 35 percent of the Foundation Levy was derived from the Special Levy upon real property and then that was reduced to 30 percent in '69, 25 percent in '71, and for the past, this is now the third year, well since 1973, so this will now in fact be the fourth year that it has been reduced to 20 percent.

Now the honourable member is particularly concerned about what is being done in the area of special needs and he raised a number of questions, well he warned us that the institution, the development and implementation of a special needs program is a costly program. That, of course, we know, we know that the provision of educational needs, services, for those children with special needs certainly doesn't come cheaply, and that there would be added costs involved. He tried to leave the committee with the impression that by alleging that I had said that the only additional cost is transportation. I did make reference to transportation as one example, as one very significant cost item, because I also said at the same time that the transportation cost of many children with special needs is much higher than the normal transportation cost of children; and also the fact that at the present time we do not provide transportation grants for those children living within a mile of their school, but to meet the special needs there may be cases where we will have to provide transportation costs for children of that type. I merely gave that as one example, Mr. Chairman, of many others, but then I also went on to say that there is need to develop a program in a proper systematic manner.

Now, if something that I may have said yesterday to the Honourable Member for Fort Rouge may have struck him as being somewhat amusing, his approach to the whole issue today I find even more amusing. I have the impression, Mr. Chairman, that what the honourable member is saying is pour the bucks in and the program will somehow work itself out, find its own level and determine its own course. But, Mr. Chairman, that is not the approach that we the government wish to take, nor is that the approach the school divisions wish to take, nor is that the approach the teachers wish to take, because all realize that this certainly would be a major undertaking and one that cannot be ventured upon just simply by adding an additional X millions of dollars and expect to find a program work itself out. We are proceeding in a logical systematic businesslike manner, step by step, working with the school divisions in developing the program. The special needs working group did recommend that a statement of intent outlining the goal for the education of children with special needs be stated and that really is the sum and substance of the legislation that's before us, and in enacting the statement of intent of the working group into legislation is an indication on the part of government of acceptance of the statement of intent, agreement in principle with the outlined direction for achieving the goal. Then the working group went on to recommend that planning grants ought to be made available to school divisions to enable them to identify needs and initiate program

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) development. This is still not the program per se. Because before we develop a program, the school divisions have to become aware of what their particular needs are.

MR. CHAIRMAN: Order please. The hour for Private Members' Hour having arrived, in accordance with Rule 19(2), I am leaving the Chair for Private Members' Hour and return at 8 p.m. this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. Private member's hour Tuesday. First item is Public Bill, Second Reading.

BILL 21 - An Act to Amend the Condominium Act (2)

MR. SPEAKER: Proposed motion of the Honourable Member for Fort Rouge, Bill 21. The Honourable Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Speaker. Mr. Speaker, I've read the Bill, I've read the speech made by the Honourable Member for Fort Rouge in introducing the Bill, I've also read the speech by the Minister of Public Works. My own feeling is, Mr. Speaker, that there is enough in the principle involved in the bill that requires more exploration. I don't think that the concept as set out in the bill is so clearly possible to work out. I think that there has to be some review and consideration of all the implications, because the principle is complicated, it may create problems which are too great, but it does try to deal with a problem which I believe exists. The extent to which it exists is not known to me. I know of the one case, was it Evergreen Apartments, which was blocked and I think was blocked because there's some lawyers living there and some people with some . . . the Member for Fort Rouge seems to indicate that he lives there. --(Interjection)-- No, no. But it's in his constituency, I suppose he helped block it. In any event I think it was blocked in a tactical way and I'm not aware that it's really a greater problem.

But Mr. Speaker, I would like to think that there will be sufficient time in this session to have the content of the bill as well as the principle looked at and reviewed, and certainly it would have to be looked at and reviewed by the administrators. I don't know whether the Land Title's office would have any problems or the Attorney-General, I just don't know the extent of the problems that this bill could cause, either to the private sector nor to government. I do believe that the principle should be explored, and from my own standpoint I would like to see it go to committee. I think that in committee there might be . . . well there would be an opportunity, and Mr. Speaker, I would like to feel that there would be a certainty, that there would be an opportunity, with sufficient publicity to see to it that the private sector has an opportunity to come in and discuss the problems that may be posed with the committee. I wouldn't like to see this either passed or rejected in any cursory way, I would not feel it a terrible thing if the committee decided to hold it and let it go for another year, because I think it is complicated. I'm not convinced that it's a tremendous problem insofar as rent control and I don't look at it as a rent control measure. I rather look at it as a measure of making sure that we have a good rental stock in the city, I wouldn't like to see rental accommodation becoming privately owned and thus reduced until the market has a chance to readjust and create enough vacancies in the rental market to make sure that there is an adequate choice for tenants. I would like to see it explored, I would not like to urge that it be just taken to committee and passed and taken out of committee and back into the House. I think it has to be explored well. I would hope that if it passes on second reading that the ministers of the government will see to it that their departmental input is available for committee's review, and state as I said already about the public sector having an opportunity to investigate it properly, present their points of view and I would not think that there would be anything unfortunate if it is felt that the bill is prematurely conceived or that it needs variation, and whether or not it passes after committee should be determined at that time and not in advance. But I believe that it would be just as well to let it go into committee for that kind of review.

MR. SPEAKER: Pleasure of the House to adopt the motion? Agreed? The honourable member wish to close debate? The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I just have a few comments on closing debate on it. I thank the Member for St. Johns for his comments, I think that the recognition that he gives to the problem, at least, that the bill addresses itself to is one that I'm pleased to accept. And let me say, Mr. Speaker, that I would certainly

BILL 21

(MR. AXWORTHY cont'd) join in the spirit that which the Member from St. Johns expressed support of at least passing second reading. I do not pretend that the actual details of the bill is the unalterable, inalienable answer to this particular difficulty. I brought the bill forward because it was a problem, I see it being more of a problem and I would certainly welcome the opportunity to allow amendments committee hearings to have it discussed further and have it explored and see if there are alternatives to it.

Let me just mention this, Mr. Speaker, in relation to one point the Member from St. Johns mentioned. He said he didn't see it as a companion piece, in effect, of the Rent Stabilization Bill. I think he's wrong there. I would like to bring to the attention of the House some evidence that was presented at the last meeting of the American Society of Planning Officials that was held in Washington about three weeks ago, where there was a very extensive discussion of rent control which has now been applied in about some 25 or 30 jurisdictions in the United States, in a variety of ways. One of the points that was made repeatedly in that particular panel discussion or that explanation of rent control is that there has to be some restraint on condominium conversion otherwise the purpose of rent stabilization will be defeated. Because simply what happens is that in a period when there is a restraint on the return to income in rental apartments, the obvious alternative to the property owner is to convert into condominium, to take his capital gain to avoid the headaches and the problems of living under rent stabilization, and therefore conversion is an easy much more painless way out. And I would suggest, Mr. Speaker, that that evidence from the American experience should rest with some weight in terms of our deliberations, that if there is any strong intention, I gather all members of this House supported the Stabilization Act, to at least make sure the bill worked according to contentions, that obviously the problem of condominium conversion is an accompanying problem with it and it has to be dealt with as part of the total package.

In fact I would say, Mr. Speaker, that in having had some subsequent conversations with people in the building business since the bill has been passed, they've indicated that they are presently looking into the potential of conversion, that they see this as really one of the ways out. And I would just want to reiterate that in a constituency like mine, where 90 percent of the people are tenants, where many of them are tenants both by choice and necessity, that they would not have the capital to be able to purchase a condominium unit, because in many cases the capital they have, particularly for older people, is tied up in investment income from which they live and they derive their support, if they take that capital and reinvest it back into a housing unit in the apartment block they live in, then their income would fall off drastically. The other number of tenants in apartment units are younger people who simply don't have the capital, and there's a third group who simply don't want to own, they simply want to retain the option of being a tenant in a rental unit. I would suggest that in an area like mine all it takes is one or two conversions, of very large apartment blocks and Mr. Chairman, you would eliminate 700, 800 units of apartment units, you would totally destroy the rental market, the vacancy rate whatever it is, whether it's 2 or 3 percent would almost crash down to zero, and there would be no flexibility on the market, no mobility on the market with the elimination or conversion of some rental units into condominiums.

Mr. Speaker, I do think it is a serious problem. It has happened in other cities, it's happened in Vancouver, it's happened in Toronto, it's happened in several American cities. It would accelerate with the implementation of a rent stabilization bill therefore some form of restraint is required. I would not say that the provisions put in our bill is necessarily the only way of solving the problem. I don't pretend to have the same resources that the members across the way would have to research it and develop explanations. But I do think that the principle is important and therefore I would ask members to support this bill, that at least it go to committee for examination.

QUESTION put, MOTION carried.

BILL NO. 41 - THE MANITOBA FREEDOM OF INFORMATION ACT

MR. SPEAKER: Bill No. 41, proposed by the Honourable Member for Fort Rouge. The Honourable Member for Morris.

MR. JORGENSEN: When the Member for Fort Rouge introduced this bill he characterized the bill as one that fits very well into the Parliamentary tradition, which is intended to continuously upgrade and evolve ways of protecting rights of individuals and the rights of the public. Well I suppose that all depends on what one considers the Parliamentary tradition. I have heard expressions from various parts of this Chamber and most certainly expressions from people in Ottawa that leads me to wonder just what they do believe is the Parliamentary tradition. It seems to me that there are certain people who have a concept of Parliament that is not in keeping with the true concept, they have a feeling that somehow or other, the Canadian Parliamentary system is wedded to the American Presidential or Congressional system and that the parts are readily interchangeable. And I suggest to you, Sir, that anyone that adopts that attitude, or believes that to be true, is doomed to suffer some frustrations and some difficulties in understanding just how our system really does work. --(Interjection)-- Well I'm going to come to Jed Baldwin in just a moment, but I want to first of all refer to some of the things that have happened in Ottawa that reinforces the view that I've just expressed. And the removing from Parliament the consideration of Estimates in that Chamber has done more to hurt Parliament than any other single measure.

There seems to be a tendency for some people to think that the opposition's role in parliament is simply to examine the government's legislation then just figure out ways that it can be added to or improved upon. That's pretty much a congressional system, but it is not the Parliamentary system. Let me give you K.C. Wheare's definition, in his book on Legislatures, he says this: "For a large part of the time of these bodies," parliaments, congresses, assemblies, etc. "is not devoted to law-making at all. One of the most important functions is to criticize the executive." And there are some in this Parliament who differ from that particular point of view. "They debate great issues of public concern. They constitute a 'grand inquest in the nation.'" They act as what John Stuart Mill called 'a Committee of Grievance and a Congress of Opinions.'" And indeed, sir, that is what Parliament is all about. And there are times when we engage in debates in this Chamber that somehow are not specifically related to matters concerning legislation, nonetheless they are debates that take place because they must take place, if members of this Chamber are to express their attitudes on matters of public concern.

In Ottawa the removal of the Consideration of Estimates from the House of Commons, and I might add that that was done with the consent of all parties, it was a measure that they thought would streamline Parliament. Well it streamlined Parliament all right, it streamlined it out of existence, and what Mr. Baldwin in Ottawa is attempting to do is to compensate for what now in Parliament is lacking. That is a proper examination of government expenditures and a proper examination of government activity. I say to you, Sir, that nothing, no freedom of information bills, no measure of this nature whatsoever is going to compensate for what Parliament has lost through the removal of the consideration of Estimates out of that Chamber. Instead of attempting to cover over a mistake that was made - and I think in many parts of the House of Commons today there are many people who recognize that mistake and are prepared to correct it. One of the encouraging things that I heard from the new Leader of the Conservative Party when he took over as leader was that one of the first things that must be done is to restore into Parliament some of its responsibilities. I hope that he carries through with that promise because only if that institution is restored to its proper role in government can we expect that it can carry on its responsibilities in the manner that it was intended. The removal of Estimates out of the House of Commons did more, and I repeat that again, to destroy the means whereby members had of seeking information from the government than any other single thing.

The Member for Fort Rouge also pointed out that every generation has to in effect deal with a different set of problems. Mr. Speaker, I doubt very much if the problems changed all that greatly. The economic situation changes. There are new ways of dealing with things but essentially Parliament deals with people and human nature hasn't

BILL 41

(MR. JORGENSEN cont'd) changed for 2,000 years. The principles that first applied to a democratic institution applied at the time of their inception as well as they do today. We may figure out different ways of conducting debates. We may change a rule here and there, but essentially, the basic principle of Parliament is to provide for the people who are the elected representatives, an opportunity to function freely in this Chamber.

First of all, on the part of the government, the right to make decisions; the right to make decisions based on information that is gathered by those people who are appointed and given the responsibility of administering government. Secondly, the right of the government to seek that advice from their administrators and to translate that into legislation, the right of that government under a parliamentary system to bring that legislation into action or those spending programs into action and have the bodies behind them to enforce it. In other words, the constant majority of the Members of the Chamber. In that respect it's different from the American system and in that essential respect we think of Canadian Legislatures, whether they be the Federal House of Commons or the Legislatures in the various provinces, as bodies that have the authority and indeed the right to implement whatever legislation they choose, to spend money the way they choose, and to raise taxes the way they choose, subject to the support of the people of this province and subject to the scrutiny and the examination by an opposition.

As long as that freedom to examine exists - and, Sir, we had a good example in this particular Legislature where we fought and quarrelled over rules time after time. We fought and quarrelled over rules because we felt there was undue restrictions placed on the freedoms and the rights of the members of this Chamber to conduct that kind of an examination. We changed those rules and I think we did so very wisely. When was the last time there has been such a procedural argument in this Chamber? Not since the new rules were adopted. What we sought to do at that time, Sir, is not to further restrict the rights of members, not to further inhibit their ability to conduct themselves in the way that they're expected to or to inhibit their right to examine the government, but we freed them from those restrictions, those inhibitions.

MR. ENNS: Everybody but me, Warner.

MR. JORGENSEN: Having done that I think we've removed many of the difficulties that are faced by the House of Commons today. Those difficulties are so obvious to anyone who goes and visits the House of Commons now. The entire centre of activity is that 40 minute question period. When that is over, Parliament is over, and you cannot conduct the business of this country on 40 minutes a day. Sir, no wonder that Jed Baldwin wants to do something to try and restore to Parliament some of the reason for Parliament existing in the first place. That is being done and I think, notwithstanding the reasons behind that measure being introduced in the House of Commons it is not going to help the situation; it's not going to correct anything and certainly the measure that we have before us now, transferring that responsibility out of this House into the Judges' Chambers, is going to further remove from the Members of the House of Commons the right to seek the kind of information that they should be seeking from governments.

The Member from Fort Rouge is assuming - and I do not share that assumption - that governments should continue to grow larger and larger and larger. I think that we've reached the stage now where we're beginning to find that ever increasing responsibilities of government have led to a loss of freedom. I think there's a feeling abroad in this country that governments have reached far beyond the stage that the people of this country would like to see them go. There's a feeling that governments must be reduced in size rather than increased.

I think that what is necessary to do in this instance is to separate what we consider to be the functions of the courts, and they're fairly clearly defined, from the functions of the politicians or of Parliament and have the good sense to be able to tell one from the other. Sir, I repeat that there is no similarity. The honourable member can talk about what happens in the United States until he is blue in the face, but in my opinion there is no similarity between the way they conduct their governments there and

BILL 41

(MR. JORGENSEN cont'd) the way we conduct our's here. Any attempt to try and suggest that because they have introduced a Freedom of Information Act there, that that should necessarily apply in this country, is just not looking at government in its proper perspective in this country.

Now the Attorney-General, when he spoke on this particular measure, I think used the opportunity to air a grievance that he had against the opposition in its examination of his department during the Wabowden affair, rather than bringing to light some suggestions as to the reasons why this particular piece of legislation is required. He said this: "I think it has generally been accepted by this government that all arguments, all rationale, all briefs, and all studies that are relevant to a particular matter, which studies give rise to conclusions, ought to be made available to the public." Sir, I have never accepted that particular philosophy insofar as governments are concerned.

I recall in 1969, I believe - it was one of my first speeches in this Chamber - when the Member for St. Johns, and the present Minister of Health and Social Development suggested when we were debating Bill 15 that I should have available to me all the relevant documents, all of the documentation relating to the Southern Indian Lake. I took the position at that time and I still take the position that the government took the responsibility and the people decided upon that particular issue in the light of what they heard, the examination that was conducted by the opposition at that time.

I still say that the government need not reveal confidential information, information that they gather in order to enable them to make decisions. The moment you start revealing that kind of information then you're placing your civil servants in the position where they're not going to give you honest information and this is really what you're seeking from them and is the reason why they're working for you.

I was more intrigued by another suggestion that the Attorney-General suggested and that was that during the years that they have been government that they have gone out of their way to make available to members of this side of the House all of the information that they could possibly imagine. Sir, one thing that I have noticed is that they've been very willing to make available information that we do not ask for, that we really don't care to have. But it's a different story when we start asking for information. Before we starts to suggest that they have become obsessed with the need to provide us with all the information that we want they had better examine their record insofar as the feasibility studies on Crocus were concerned and the Japanese pork contract. We tried for days to get that kind of information and to no avail. I'm not going to suggest that the government had to reveal that information, I am just going to suggest that there is a little bit of hypocrisy in that kind of an attitude. To say to us on the one hand that we should have revealed all the information relating to the development at Southern Indian Lake, then to come into this House and say that we have been providing all sorts of information on the second point, and then thirdly, denying this information that we have been asking for, information that in my opinion was very similar to the kind of information that related to the development of the Southern Indian Lake project.

Mr. Speaker, a bill of this nature, notwithstanding the desirability of ensuring that the government provides for the people of this province and for the members of this opposition all of the information, or at least as much of the information as they possibly can, so that people are informed as to what the government is basing its decisions on. There's no question about the desirability of that happening, but I do question, very seriously, the desirability of shifting that responsibility over to the courts. I think it should remain right in this Chamber and we will deal with the government if they fail to provide us with information that we think we should have.

MR. SPEAKER: The Honourable Member for St. Matthews.

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, I move, seconded by the Honourable Member for St. Vital that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill 48, proposed by the Honourable Member for Portage la Prairie. The Honourable Member for Fort Rouge. (Stand)

Bill 55. The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): I beg the indulgence to have the matter stand, Mr. Speaker. (Agreed)

MR. SPEAKER: Is it the pleasure of the House to call it 5:30? As a consequence of the agreement, I am now leaving the Chair and the House will reconvene at 8:00 p.m. in the Committee of Supply with the Deputy Speaker in the Chair.