

TIME: 10:00 a.m.

OPENING PRAYER by Mr. Speaker

MR. SPEAKER, Honourable Peter Fox(Kildonan): Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 30 students, Grade 11 standing, of the Oak Park School. These students are under the direction of Miss Hoffman. This school is located in the constituency of the Honourable Member for Assiniboia.

We also have 25 ladies and gentlemen from the Bismark High School of Bismark, North Dakota, as our guests from the United States.

We have 30 students of Grade 9 standing of the St. Norbert High School under the direction of Mr. Lemoine. This school is located in the constituency of the Honourable Member for Fort Garry.

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

Presenting Petitions.

READING AND RECEIVING PETITIONS

MR. CLERK: The Petition of The Manitoba and Northwestern Ontario Command of the Royal Canadian Legion praying for the passing of An Act to amend An Act respecting the Holding of Real Property in Manitoba by The Manitoba and Northwestern Ontario Command and Branches of The Canadian Legion of British Empire Service Leagues.

MR. SPEAKER: Presenting Reports by Standing and Special Committees; Ministerial Statements.

TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Highways.

HONOURABLE PETER BURTONIAK(Dauphin): Mr. Speaker, I would like to table **The Annual Highways Report** for the year 1975-76.

MR. SPEAKER: Notices of Motion; Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING R. LYON (Souris-Killarney): Mr. Speaker, I have a question for the First Minister or the Minister of Finance. In light of the announcement made yesterday in Saskatchewan about the repeal of the Succession Duty and Gift Tax legislation in that province and in view of the fact that Manitoba is the only province now in western Canada with that particular tax legislation, would the First Minister or the Minister of Finance advise if we can expect the same treatment when the Budget is brought down?

MR. SPEAKER: The Honourable First Minister.

HONOURABLE EDWARD SCHREYER(Rossmere): Mr. Speaker, the Honourable the Leader of the Opposition certainly has parliamentary experience to know full well that matters of that kind are precisely what are most improper to announce in advance of the Budget Speech itself. I might add, too, that while his figures may be correct with respect to western Canada, with respect to Canada as a whole, my calculations are that 80 percent of Canadians still live with Succession Duty legislation in force. A third and last point, Mr. Speaker, is that in any case there will be treatment of that in the Budget Speech itself; and by the way, without attempting to be absolutely precise — my honourable friend was asking the other day — it should be on or about the 19th of April plus or minus a few days. It's just a rough indication.

MR. LYON: Mr. Speaker, a question to the Honourable Minister of Mines and Natural Resources and Environment. Can the Minister advise if he or members of his ministry have any knowledge of the report of yesterday's date to the International Joint Commission to the effect that the Government of Canada, apparently unbeknownst to the International Joint Commission is conducting a unilateral study with respect to the impact of Garrison Diversion on Manitoba?

MR. SPEAKER: The Honourable Minister of Mines.

HONOURABLE SIDNEY GREEN(Inkster): Mr. Speaker, as the honourable member and his group would know, I have continually been of the opinion that the work that is being done at this stage should be work done by the study board on both sides of the border. It is a fact, however, that when the study board report is issued people on both sides of the border look at the findings of the report. I am not personally aware of what could be described as a unilateral study, in that sense of the term, but I would know that scientists on both sides of the border would be looking at the findings of the report. I would concur that it has always been the position here, and from my understanding the Canadian position, that the studies that we are obtaining from the study board are the ones which are the most helpful for the International Joint Commission and I believe the commission has indicated so.

MR. SPEAKER: Order, please.

MR. GREEN: Mr. Speaker, I wonder if I might have leave, the time passed me by, I have a return to an Order of the House, No. 3, on the motion of the Honourable the Member for Morris.

MR. SPEAKER: Agreed. The Honourable Member for River Heights.

MR. SIDNEY SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources. I wonder if he can indicate whether the board of directors of the Manitoba Development Corporation or the government have authorized the termination of the general manager of Flyer.

MR. GREEN: Mr. Speaker, the matter of staff of any of the corporations of the Development Corporation is not a subject on which I am going to deal with on questions of Orders of the Day. I can tell the honourable member that with relation to the management at Flyer, that that management was hired with respect to a particular mandate to complete the orders without penalties that the Honourable Member for River Heights said could not be completed without penalties, and which have now been completed without penalties, that that management and the board of directors have for some time been studying the changeover which is to take place. It was never intended that the management firm of Larry Wright would continue to be involved in Flyer, and I understand that the present situation is that new management is being sought with Mr. Wright assisting in the search and that he is accommodating a changeover.

MR. SPIVAK: Mr. Speaker, I thank the Minister for his answer but I want him to confirm in this House that the decision in procedures with respect to the either alteration or termination of the mandate was one handled by the board of directors without the approval or consent or advice of the government. Was the government involved in any way?

MR. GREEN: Mr. Speaker, this was discussed with the government on several occasions but always in the light that I have just indicated.

MR. SPIVAK: Well I wonder if the Minister would indicate whether it was discussed on the basis of information being supplied to the Minister or asking for advice and direction.

MR. GREEN: Mr. Speaker, I don't intend to deal with that question.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Thank you, Mr. Speaker, I have a question for the First Minister. I wonder if the Minister could confirm that he, and other members of the government, have been holding discussions with the local school board officials, or trustees, with a view to examining the potential of amalgamating those school divisions where there is a substantial number of French-speaking students, or where there would be transfer of French-speaking students into other divisions.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Affirmative, Mr. Speaker. There have been discussions, not principally on the subject matter that my honourable friend refers to, although that was one of the topics of discussion, but in fact there were several topics of discussion including school finance and matters pertaining to the geography of school division operations east of the Red River.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: A supplementary, Mr. Speaker. Can the First Minister indicate whether the government intends to hold further discussions with school boards which would be affected by these particular proposals?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: ça va sans dire.

MR. AXWORTHY: A further supplementary, Mr. Speaker. Can the Minister indicate whether any of these proposals or suggestions for changes in boundaries or in the transfer of French-speaking students would be taking place this year?

MR. SCHREYER: Mr. Speaker, that would be premature because indeed the discussions are completely exploratory in nature.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON: Thank you, Mr. Speaker. My question is for the First Minister who looks after Manitoba Hydro. Have they got the Russian generator-turbines working at Jenpeg on Lake Winnipeg now?

MR. SCHREYER: Well, Mr. Speaker, in terms of whether they are working, they are working to attempt to get them working. That is to say, that with respect to the first unit which is really unit No. 6, it is close to completion and for testing.

I could give more precise detail to my honourable friend next week. I intend to get more detail on that.

MR. HENDERSON: Yes. Due to all the extreme amount of trouble that they're having getting these units working, who's going to pay the extra costs, the Canadians or the Russians?

MR. SCHREYER: Well, Mr. Speaker, that is precisely the kind of operational detail which my honourable friend could well ask the Chairman of Hydro when he appears before the committee on, I believe, it's Tuesday next.

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The precise detail as to how much penalty has been assessed on the contract, I could confirm that there is penalty levied against the supplier; and then again there have been extra costs which have been incurred by the supplier, all of which has to be put alongside the total contract price, et cetera. All these details, many of them important details, can be obtained directly next Tuesday.

MR. HENDERSON: Is Manitoba having to import power now that it has to buy because these stations are not working at Jenpeg?

MR. SCHREYER: Mr. Speaker, Manitoba Hydro has this winter been having to buy power which a year and two or three ago it wasn't having to buy because of the difference in water levels, so that's one reason.

I might add further that the amount, if one wants to specifically relate it to Jenpeg, the only amount that could logically be related would be with respect to units 6 and 5, and not with respect to the others.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, a further supplementary to the First Minister with respect to Jenpeg. Is it not a fact that the detail about which the First Minister referred with respect to overruns on the installation is now somewhere in excess of \$15 million?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: No, Mr. Speaker, that's not my understanding at all.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: My question is to the Minister of Finance. Some time ago I asked him a question with respect to mineral acreage tax and the number of taxpayers who were delinquent in paying the tax. I wonder if he's in a position to indicate and confirm in round terms the number.

MR. SPEAKER: The Honourable Minister of Finance.

HONOURABLE SAUL A. MILLER (Seven Oaks): No, Mr. Speaker, I'll have to check to see when the answer is coming.

MR. SPEAKER: The Honourable Member for Morris.

TABLING OF REPORTS

MR. WARNER H. JORGENSON: Mr. Speaker, I wonder if I might have leave of the House to Table with the Clerk some changes in the composition of the Standing Committees of the Legislature rather than read them into the record.

MR. SPEAKER: The honourable member have leave? (Agreed) The Honourable Member for Morris.

ORDERS OF THE DAY

ADDRESS FOR PAPERS

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry, THAT an humble address be voted to His Honour the Lieutenant Governor praying for copies of all correspondence with respect to the Garrison Diversion Project, for the period January 1, 1970, to date:

- (a) Between the Government of Manitoba and the Government of Canada.
 - (b) Between the Government of Manitoba and the Government of the State of North Dakota.
 - (c) Between the Government of Manitoba and the Government of the United States of America.
- I recognize, Sir, that there are some reservations that must accompany this.

MR. GREEN: Mr. Speaker, the honourable member would recognize that there are some reservations and in this case I can advise him in advance that some of that correspondence relates to the manner in which we are proceeding before the International Joint Commission and I would strongly suspect that that would not be a matter for revealing at this time. But I will deal with it through the Government of Canada.

MR. SPEAKER: Is that agreeable? So ordered.

Does the Honourable House Leader wish to proceed with second reading? Thank you.

ADJOURNED DEBATES — SECOND READING

MR. SPEAKER: Bill No. 12 proposed by the Honourable Minister of Municipal Affairs, the Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Stand, Mr. Speaker. (Agreed)

BILL (NO. 4) — AN ACT TO AMEND THE LAND ACQUISITION ACT

MR. SPEAKER: Bill No. 4 proposed by the Honourable Minister of Public Works, the Honourable Member for Crescentwood.

MR. WARREN STEEN: Mr. Speaker, I'd like to deal with this Bill at this time as well as Bill No. 5.

With respect to Bill No. 4 Mr. Speaker, An Act to amend The Land Acquisition Act, the Minister mentioned the other day that the purpose of such a bill is designed to facilitate the operation of the Commission. Having looked the bill over and discussed it with parties that I believe are skilled in the area of bills, I would agree that these amendments proposed by the Minister are of a housekeeping nature and that they are to facilitate the Commission and therefore I would suggest, Mr. Speaker, that the bill go on to Committee.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion on second reading? The Honourable Member for Fort Rouge has a point of order?

MR. AXWORTHY: Well, Mr. Speaker, I wish to move, seconded by the Member for Assiniboia that debate be adjourned.

MR. SPEAKER: Very Well.

MR. AXWORTHY: My vision was somewhat blocked, Mr. Speaker.

MR. SPEAKER: Very good. Bill No. 5 —(Interjection)— Order. Let's not fall into a trap where the Speaker too forgets to do his thing.

MOTION presented and carried.

BILL (NO. 5) — AN ACT TO AMEND THE EXPROPRIATION ACT

MR. SPEAKER: Bill No. 5, the Honourable Member for Crescentwood.

MR. STEEN: Mr. Speaker, in regard to Bill No. 5 there are three areas of concern that I have. This is a bill that's to amend The Expropriation Act. The Minister in his remarks on Monday last spoke and mentioned that his concern was that they were changing the duties of the Enquiry Officer. That is one of my concerns. The other one deals with compensation and the third one deals with notification.

In regard to compensation under Section 8, I question whether there is any need for clause (c), whether this amendment is necessary. —(Interjection)— Pardon? Oh all right. Regarding the compensation, Mr. Speaker, as I said, I question whether it's necessary to make any amendment.

Regarding notification, the Minister is obviously trying to change the Act regarding notification to try and streamline things and I can cite an example when I was on the City of Winnipeg Council and there was a hearing for a zoning change. It took place in the Charleswood area and there were some 3,400 persons that signed a petition opposing this rezoning change. What that meant was the City of Winnipeg had to send a registered letter to 3,400 persons because they had signed a petition. I can agree that this is an awful expense and often is a waste of money. But on the other hand if we do away with notification an innocent party may be out of town and may not know that a hearing is taking place or that his property is going to be expropriated and therefore miss the hearings. So I question the Minister as to whether eliminating notification is a good idea or not. I would agree, as I cited in the example of the case with the City of Winnipeg, that it is a very expensive procedure and is a very time consuming procedure.

Regarding the Enquiry Officer, Mr. Speaker, what we are really doing here is we are tying the hands of the Enquiry Officer and we are saying that — and the Enquiry Officer is usually a third-party person who will act as a mediator and if the third party cannot act or the Enquiry Officer cannot act, particularly if he is going to be interfering with the advisability of the government purchasing the property or the expediency of the government acquiring the property or the legality or the necessity, with those four terms eliminating and restricting the Enquiry Officer's participation —

MR. SPEAKER: Order please.

MR. STEEN: I really say that the Enquiry Officer isn't needed anymore. We've really taken the Enquiry Officer out of the picture and I question the Minister and this House as to whether what we're doing is eliminating that third-party influence that can come along and assist the person being expropriated as well as the governing body that is wishing to expropriate the properties.

So the three areas in regard to Bill No. 5 that we are concerned about is the compensation area - we don't believe that it's necessary to make that change; concerned about the notification, the fact that we're eliminating notification to parties involved; and the fact that we're tying the hands of the Enquiry Officer. Those are our three concerns, Mr. Speaker. As far as we're concerned the bill can go on to committee and be dealt with there.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I would like to move, seconded by the Member for Assiniboia, that debate be adjourned.

MOTION presented and carried.

BILL (NO. 2) - AN ACT TO AMEND THE SECURITIES ACT

MR. SPEAKER: Bill No. 2. The Honourable Minister of Consumer and Corporate Affairs.

HONOURABLE RENE TOUPIN(Springfield) presented Bill (No. 2), an Act to amend The Securities Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: Mr. Speaker, I would like to give the basic intent of the bill before us on second reading. The bill contains approximately 25 sections, Mr. Speaker; all but one are considered to be of routine nature. That exception is a section dealing with Part 10 of the Act which is entitled "Audits" and makes provision for the auditing of accounts of all registrants. Most registrants are members of either the Winnipeg Stock Exchange or the Investment Dealers Association or of both. Those organizations have their own auditing regulations, and in regard to them therefore Section 31 of the Act merely ensures that those regulations are satisfactory to the commission and are observed. The particular section deals and provides for the annual auditing of those few registrants who are not members of either the IDA or the Winnipeg Stock Exchange.

A new subsection will make that special auditing requirement apply to mutual funds in the Province of Manitoba as well. All mutual funds based in Manitoba are members of the organization now known as The Investment Fund Institute of Canada, formerly called The Canadian Mutual Funds Association. This institute also has its own audit regulations and until recently it had employed an industry auditor whose duty it was to ensure that they were observed so that it was not necessary under normal circumstances for the Security Commission to supervise the mutual funds in this respect. However, the institute has now ceased to employ an industry auditor and the various provincial securities commissions will in effect have to take over his function. Arrangements are being made between the various securities commissions in such a way that every fund will be under the supervision of one commission. As a result of this new subsection, the Manitoba commission will become responsible for those funds that are based in Manitoba, that is to say, those that are in fact managed in the province regardless of where their normal head office may be.

The purpose of the remainder of the bill, apart from the substantial section, can be summarized as follows:

(1) As a result of the repeal of The Companies Act, a number of references to and in The Securities Act have to be updated. One of them will become a reference to The Co-operatives Act and the other reference to The Corporations Act. This, Mr. Speaker, accounts for about half of the sections dealt with in the bill before us.

(2) Last year it was noticed that credit unions were issuing receipts for deposits which are almost certainly securities. Since they are already supervised by the Department of Co-operative Development, it makes no sense for them to be also supervised by the Securities Commission. As an interim measure, an exemption was given to these receipts by regulations but it is considered desirable that this exemption should be in the Act where the other similar exemptions are as that is where people will expect to find them. This accounts for the other half of sections dealt with in the bill. The definition "Co-operative Credit Society of Manitoba Ltd." and "La Centrale des Caisses Populaire Ltee," since they are technically not credit unions but co-operatives, are being dealt with in these amendments.

(3) The commission, in addition to its duties under The Securities Act, has duties to perform under The Corporations Act and under The Real Estate Brokers Act and The Mortgage Brokers and Mortgage Dealers Act. At present the power to delegate some of its functions is limited to duties under The Securities Act. There is no logic in this restriction, Mr. Speaker, and the purpose of certain sections within the bill is to abolish same. In regards to the latter section, it will be noticed that there are two exemptions to the power to delegate to the director. The first of these, being Clause A, already exists and is simply being preserved. The reason for the second is that the director has no functions under the two Acts specified and the registrar of those Acts fulfil the functions which correspond to those of the director under The Securities Act. The bill can also be included under this head. The change will mean that any regulations made will apply to all investigation ordered by the commission and not merely to those made under The Securities Act. To date it has not been found necessary to make any such regulations.

(4) Other sections make identical changes in the definition of corporations in Parts 10, 11 and 12 and the reason for this change is technical and results from the decisions of the commission to permit shares to be offered in this province under so-called Statements of Material Facts filed with stock exchanges in other provinces.

(5) The bill corrects a shortcoming in a certain section of the Act which prohibits anyone from revealing the name of any person who is to be examined as a witness in an investigation or from revealing any information obtained in an investigation. Taken literally this would have made it very difficult to conduct an investigation. To take one example, when subpoenaing a witness to attend, you could not tell the process server who to serve the subpoena to because that would reveal to him the name of the witness. It is undesirable to have in an Act a provision which obviously cannot be taken literally and with this amendment, the required exemption from the prohibition will be stated.

(6) Another part of the bill, Mr. Speaker, makes a technical change which is needed to ensure that if a Manitoba company makes a public offering of its shares in another province, the offering must be authorized by the Manitoba commission. A questionable offering by any Manitoba company

anywhere tarnishes the reputation of Manitoba companies generally. That is why this control is needed.

Finally another part of the bill clears up an error in the amendments made in previous years which in effect has in fact been replaced by another subsection enacted last year but was inadvertently not repealed so that we have two subsections saying exactly the same thing. This will now be remedied.

Mr. Speaker, I would seek approval of all members of the House to support this bill in second and third readings.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: I would like to move, seconded by the Member for Morris, that this debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Minister of Agriculture, 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. I believe that both Ministers are here.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I rise on a point of order. I note that in the Order Paper there is no motion to go into the Committee of Supply. Now I don't want to preclude our going into Supply but I think it should be drawn to the attention of the House Leader. I presume that it was an inadvertent omission on the part of the printer but by leave we allow the House Leader to go into Committee of Supply.

MR. GREEN: Thank you very much.

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

COMMITTEE OF SUPPLY

ESTIMATES - EDUCATION

MR. CHAIRMAN, Mr. William Jenkins (Logan): I direct honourable members to Page 20 of their Estimates Books. The resolution under consideration is Resolution No. 50, Financial Support — Public Schools, (a) School grants and other assistance \$167,795,300. The Honourable Minister of Education.

HONOURABLE IAN TURNBULL (Osborne): Mr. Chairman, I assume we will be discussing this item for some time, and I did want to give answers to questions raised previously by members opposite — it's not on this resolution — but I hope I have your permission if not the leave of the House to provide these answers.

I was asked by the Honourable Member for Brandon West, "I wonder if the Minister could indicate how much money has been spent on reports and surveys in the period 1975-76 and in 1976-77, reports and surveys on physical education.

Although this section of the department has been heavily engaged in the Manitoba Schools physical fitness surveys, staff assignments have been organized in such a way that physical education consultative services have been maintained at an extremely high level. The physical education consultants have conducted approximately 50 teacher workshops or in-services and have made over 150 visits to schools throughout the province during the period of November to March and still were able to remain involved in a minimum of three days per week in fitness testing. That also was a matter that the member wanted information on.

In order to ensure validity of the collected data it has been necessary to involve professionally trained physical educators on our staff. In the past much of the information collected by various individuals and organizations has been challenged in respect to procedural administration.

During fitness testing in the randomly selected schools physical education consultants have been able to interpret test scores and provide counselling to students and staff, an aspect which could hardly be left to non-professionals. The expenditures contained in the appended cost analysis are minimal and reasonable when equated with the overall impact of the services provided.

The physical education working group — this is the group that developed the New Directions Report on physical education and then there were subsequent follow-ups to that report — this is in the period 1974-76 — staff time cost at a very rough estimate, Mr. Chairman, I'm certain that the Member for Brandon West realizes that allocations of staff time are not precise as are some other possible allocations of expenditures — staff time cost approximately \$11,000; staff and external consultant expenses, \$1,100; external consultants, \$3,600; these consultants included Bruce Kidd, Jim Daly, Jack Fraser, Jim Orchard, Mary Sue Colton.

Equipment, \$6,567; freight, \$300; research compilation and miscellaneous printing, \$1,108; workshops and seminars, \$6,169; and this column totals to \$29,844.

Equipment purchased on behalf of the New Directions Program is used extensively by the branch staff at workshops, in teacher in-services. It is equipment which is primarily non-expendable in nature but requires minimal adjustments and repair from time to time. The expenditure could be considered as part of normal consultant operations.

The major portion of printing costs as noted above was for printing the interim report of the working group recommendations. This report has been extensively distributed. Indeed I gave a copy of it to the Member for Brandon West earlier in my Estimates. It is continually being asked for from within and from outside the province.

The Manitoba schools physical fitness survey, 1976-1977. Staff time cost, equivalent of approximately 221 staff man days at prevailing salary schedules, \$16,500; staff expenses, \$7,316; external consultant resource person costs, \$555; equipment and freight, \$31.00; research compilation and printing, \$1,500. It should be noted that the 221 staff man days is a composite of time spent by six physical education consultants or approximately 37 days per staff person. Staff expenses were incurred, of course, as a result of motel accommodations and normal meal expenditures.

Mr. Chairman, if I may continue, the Member for Roblin who is in his seat now also had some questions — I think these are his questions: "What attention is given by the department to the development of musicianship in our schools?" I can give him the following information prepared by one of the consultants in the department.

Elementary 1. Music is a part of a general school program. Instruction is provided by classroom teachers, by school music specialists or by itinerant divisional specialists. A fairly extensive elementary music guide was prepared in 1975. This presents a developmental framework within which teachers and children can approach the expressive elements of music and work with them.

Junior High: Music is an option. The options are, (a) choral; (b) band and/or orchestra and (c) general music which includes choral, musical drama, guitar and current musical idioms.

Guides outlining areas of study, necessary facilities, materials and equipment and teaching suggestions are in all schools.

High School: Music 101, 201, 301 is available as full credits in: (a) band; (b) orchestra and (c) choral.

The study in this credit series is intended to be of a very practical nature. A guide is available. The quality of the program will largely be determined by qualifications and competence of the instructor hired by the division.

Also in the high school we have Music 100, 200 and 300. These are available as full credits in; (a) band; (b) orchestra and (c) choral. The approach is somewhat more theoretical than in the previous series I read out, the 01 series, and the 100, 200, 300 series leads into studies at a school of music. Does that answer the questions?

I have for the Member for Roblin as well if one of the pages could come — I have for him what I thought he was interested in, namely, the guides I guess that are available: Music 100, 201, 301; Instrumental music program for Grades 7, 8 and 9; music Grades 7 and 8; music Grade 9; music 100, 200, 300; and the elementary music curriculum 1975. Some of the agencies responsible for the production of these of course go back several years as I'm sure he knows, so he won't find them all saying "Department of Education Consultative Services."

MR. CHAIRMAN: The Honourable Member for Roblin. The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I have a few remarks to make on this item. One arises out of the question yesterday to the Minister and I think this probably would be an appropriate time to place the question again and ask for further information. This deals with the particular application of Carpathia School, the public school finance board for capital extension, and its refusal by the public school finance board and its re-application and the re-hearing that's to take place.

There was a request of the Minister for support and I think it would be important for the record to understand, procedurally, how this works so that both those who are involved and others who are interested would understand the procedures and the direct involvement of the government with respect to these kinds of applications and the manner and procedures that follow. That's one item, Mr. Chairman.

The other is a bit more basic to the whole question that's involved in this particular item, but is involved in the whole question of education and some very basic questions that I think have to be asked of our total taxation system in this province and in this country. It's not meant particularly as a criticism of the government, but what is proposed is to at least have at this time the opportunity for some discussion as to whether the procedures that we're following and the methods that we have adopted and the format that follows between government and opposition dealing with the total field of education and its financing, is really at this point something that has to be reconsidered almost in total and to which we should start addressing ourselves in terms of new concepts.

Now it's very obvious that the government of the day, whoever the government may be, will have

pressures from within to finance to the maximum the requirements for school education and for all the additional items that each school division would want in their own area. And that no matter what format it would take, whether it be the foundation program, any additional equalization program, any change in the grant system no matter what happens in a very basic way what's really required or requested of the government, is as much money as possible, and the government has to provide as much money as possible, recognizing that there still will be the opportunity for the school divisions to raise money within their own area in the traditional way.

It's also very obvious, Mr. Chairman, that in the debate that ensues if in fact what the government offers is not really acceptable because it's not enough — and I question whether there will ever be a time when it will ever be enough — then the opposition will always say of the government of the day that you're not doing enough, that you haven't put your affairs in order so that it will be enough, that there are things that must be done and you should be doing it. So, Mr. Chairman, what happens is we go through the kinds of exchange that we've had so far, that we've had in the past, and that will continue whoever the government may be and whoever the opposition may be, and no one I think at this point is seriously considering the fact that there are fundamental changes that we should be talking about that have now I think been high-lighted more than ever before because of the nature of the tax load that real estate and particularly residential dwellings have to bear with respect to the total financing of both municipal and provincial requirements including school requirements.

Now I think, Mr. Chairman, it comes into perspective when we examine, not just this particular tax or the raising of money this way, but the other methods of taxation that the Federal and Provincial Governments have applied.

We live in a country, Mr. Chairman, where shelter is essential and where it is an expensive luxury. It shouldn't be, but it is an expensive luxury. We live in a country, Mr. Chairman, where the energy requirements to provide the requirement of living is needed and where we find in the last two years the government have in fact taxed the very essentials that we require by raising the additional taxation — and this is the fact, it's the government that have done this, not the private sector — so that in effect our heating costs, our energy costs are higher now than they were ever before.

The question has to be asked, Mr. Chairman, where are we going at this point? How far are we prepared to go? At what point will we say that residential and real estates should not bear the degree of taxation that it has to bear to cover the costs the government must supply, recognizing that this has been the traditional way in which money has been raised, that in effect what we are talking about is a taxation system that has been in operation before, and once a tax always a tax, never change.

Mr. Chairman, I believe and I've said this before with respect to certain other items that the time will come when the people who are being taxed will rise up and say, "No"; that time may not have been reached now and the government will probably be very happy at this point, but it will be reached in time.

There is no way, Mr. Chairman, that the escalation that is taking place with respect to taxation on real estate and particularly on residential dwellings can continue without a very rupture, for lack of a better word, a rupture in our system recognizing our essential requirements in this climate and in our country for shelter and in the cost of shelter, and in turn the cost of energy.

Now the problem then is several-fold. If in fact it is to be reduced it has to come from another source, so either it comes because the Provincial Government enlarges the pie that it bakes in taxation by simply adding new taxes in some form or adding to the taxes so in effect the public itself is still paying — (Interjection) — well, this is one problem. That's the basic problem. But one has to then look at equity in this and one has to suggest that the tax rebate system while it has some political advantages at this point, realistically is not an answer to the question, and it may temporarily solve a particular situation — (Interjection) — Well why not, that's a good question — because if we can maintain the escalation that's occurring, Mr. Chairman, we will have tax credit programs of \$1,000, \$1,500, \$2,000. The difficulty we have is that at this point in terms of the escalation that's taking place with respect to real estate taxation and the method in which we have raised money for school purposes, the fact is the people in the lower income brackets or those who are on fixed income brackets, even with the percentage that is given to them as a result of the tax rebate program, even then they are put into a more disadvantaged position, and they continue to be put in a more disadvantaged position, because the assessments change and have changed as a result of increased inflation, and this is going to continue.

The problem is that while this is the method we've operated before, unless we start talking about this and unless we start to think in terms of some fundamental changes I think we face in time — certainly not today and I'm not suggesting that — but we face in time the possibilities of the kind of rupture that I suggested.

There is another basic point with respect to this, Mr. Chairman, and it has to do with the manner of accountability on the part of the school boards themselves. This goes back to some very basic questions that came up as a result of the discussions that took place when the proposal was given by the government that the municipalities and cities could combine to increase taxation by adding to the

taxes that were raised by the province, on the assumption that there was some agreement in which they would then be able to raise the money and as a result of that be in a position to be able to take a portion of the pool of money so raised and apply it for their own purposes. The basic principle was that at least there was accountability direct by the municipal and city people who have been elected for the spending of the money and the raising of it. That was very important. But, Mr. Chairman, this doesn't happen with the school boards. It doesn't happen with the school boards because the procedure is not directly to the taxpayer. It is through the municipal people; it is through the additional requirements that are asked for the special levies; but those who are asking for it are not, in effect, the politicians who are raising it. The question of accountability there is inconsistent with the basic positions that have been taken before and it is something that has been in existence in the past. I am not telling you something that hasn't been in existence in the past, but I am suggesting to you that there has to be some consideration for a change. This then fundamentally deals with the whole question of the operation of school boards and the whole question of the accountability of the trustees and their responsibility, which is another fundamental question if, in fact, a taxation system was to be altered or changed.

What I am suggesting, Mr. Chairman, is this. I don't suggest that at this particular time, on this particular item or in this Budget that the Finance Minister will present, there will be any fundamental change from the manner in which we have been operating. I am sure that the Tax Rebate Program will go up because escalation costs have gone up and provincial revenues will somehow or another try to meet that. But we are still playing the old game and that may be satisfactory to the people at the present time, but I am suggesting that there has to be consideration for some very fundamental changes in the attitudes of government and it has nothing to do with the political stripe of government, it has to do with governments generally. The reality is that the increased escalation and the costs have a very direct effect on the ability of people to provide the shelter requirements for themselves, that they require, notwithstanding any kind of rebate program, and that that combined with the unbelievable escalation in taxation, dealing with the requirements for energy that have taken place, have basically hit, fundamentally, something that, in effect, is a right of everyone in this country and that is, essentially, the right to be able to provide the basic necessities of life for themselves.

So, Mr. Chairman, while the amounts that have been announced by the government in terms of the changes may appear to be much greater than they are, and while in many respects it probably satisfies a particular demand at this time and will satisfy some, the tax bills are not out; next year's tax bills are not out; the year after that tax bills are not out; and all one can see along the line is this continual escalation of costs in which the public will be paying, whether it be the individual homeowner, the one who is the provider, or whether it's the person who has a fixed income or whose family are supporting them. The problem essentially at this point is the ability to be able to make ends meet and the very need, realistically, for real serious consideration for a change, Mr. Chairman, in the total method of taxation.

Now, you know, you can argue: What are you talking about? The former Minister of Finance is sort of laughing and he can say: Well, what are you really talking about? Well I have already introduced this a couple of years ago, Mr. Chairman, and I throw this out as a matter of consideration because I think the time has come for us to recognize that there are fundamental changes that have to take place within the tax structure. One is a basic two price system for our resources; one is the recognition that the two price system with a value added tax for the export of our resources can, in fact, provide part of the requirements that we need. And where it has its application here is that if other methods of taxation in fact are used, and if other ways are devised, then it is possible, Mr. Chairman, to take the pool of money and to alter and change the methods that we are applying now. But unless we start to think about this . . . —(Interjection)— Well, Mr. Chairman, I was going to develop it. That was probably ancillary to the first. I am only going to suggest this is one because I don't think the purpose here — we may have an opportunity in the Budget Debate to discuss alternative methods.

A MEMBER: It would be in order then.

MR. SPIVAK: I want to point out, Mr. Chairman, I think I am in order now because I am only indicating this is a method. What I am saying to the Minister at this point is that I think that the concepts that we have developed in the past, the methods that we have operated on, the procedures that we followed, the legislative game that is played here, which we will continue to play, is not going to meet the problem of the need to alter and change the method of financing at this point of the total school system in this province and outside. And that it relates to the whole problem of taxation — and here I will be repetitive only as I conclude — and it goes to the very basic requirements that in our country, in our particular situation, in our climate, that there are considerations and changes that have to occur and the politicians at all levels and of all political stripes are not addressing themselves to a fundamental problem and fundamental problems that must be altered and changed. And that in effect by applying the methods before and by making the adjustments and to a certain extent,

tinkering, you may solve it in the immediate but not in the long term. There is a need for consideration and the problem in education — there are problems and they have been related by the Member for Brandon West and others with respect to the department and its operation and there always will be problems — but the real problem in education, the serious problem in education, the continuing problem in education, is the method of financing. It is the method of financing; it's the way in which financing occurs and it will continue to be unless we start to address ourselves to new solutions and new problems. This is what governments all over this country must do.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. TURNBULL: Mr. Chairman, the remarks made by the Member for River Heights are indeed appropriate for discussion on the hundred and some odd million dollars that the Department of Education is providing for education in our province.

He is looking for a long-term solution and I recognize, as I am sure everybody else who has ever had administrative responsibility in a government recognizes, that there is need to try to seek those long-term solutions, get out your crystal ball and see what should be done in the future. But I fail to see what solution he posed, other than to say that we should address ourselves to the problem. The reason I fail to see what he has proposed as a solution for the long run is that — and he recognizes this — is that however you fund education, there is only one person that you need to keep in mind in terms of paying the bill, and that is the taxpayer. Whether the money comes from the province by way of more money or whether it comes from the property tax payer, there isn't any great difference because they are, after all, the same person, one and the same person.

What the government in the last few years has tried to do, of course, is to make what is essentially an inequitable property tax into a more equitable property tax. Now I think that that is an important principle that he has to recognize. I think it is an attempt at a long-term solution because it was obvious a few years ago that property taxes, because of inflation and a variety of other factors, were going to rise astronomically, and as they rose, those individuals who were least able to pay were going to lose their homes and that had to be avoided at all cost. So we did a number of things, and I will use a little history. We eliminated the medical care premium which hit people flatly no matter what their income was and we introduced the Property Tax Credit Plan that has brought about equity in the property tax system, more equity than ever existed there before. I think that that is a feature of a long-term solution, there is no doubt about it.

The remarks that the member made about the present kind of educational financing package that the province developed, does, of course, get us back to that scheme introduced ten years ago, the scheme called the Foundation Program. And I agree with him that the Foundation Program is not something that should be considered as a long-term solution because it does leave a property tax payer with a burden of taxation.

There is need certainly to find a long-term solution to bring about a better way of education finance and I don't think that it necessarily has to lie through the Foundation Program as we now know it. A ten-year old program surely is in need of revision and there may be need to revise the program that we have now. But, you know, Mr. Chairman, I have been in this portfolio for five months, education finance has been a bugaboo of administrations for 70 years, since the introduction of public education, and I don't pretend to be such an instant expert that I can come up with a totally revised sensible scheme of education finance in five months where others have not been able to do it over a period of twenty years.

So, what we have here is a scheme still based on what the Member for River Heights considers to be a somewhat faulty Foundation Program but a scheme now proposed that does intend to deal with the problems faced by school divisions and property tax payers across the province and I think it does that. And I am very interested to hear what members opposite have to say in specific terms about the Foundation Program as it is now set out and the equalization grants and other grants as we have set them out. I think it deals with problems that exist, it lessens the impact, the increase in mill rates for taxpayers and I think that is a very useful short-term solution. In addition to that it enables the department to give leadership and direction towards what should be the case, what should be the program in our educational system within the province of Manitoba.

But, Mr. Chairman, I have to point out to the member opposite that ten or so years ago, there was a tax introduced by the Conservative government which was supposed to cover the cost of education and to my recollection — and this is long before I became politically involved or active — in my recollection that tax, called the Sales Tax, was supposed to pay for the cost of education in this province. That was the rationale that I recall being used by the then Conservative government. It was a new form of taxation, long-term solution as the Member for River Heights might now recognize, but it has not covered the cost of education nor was it ever directly applied to the cost of education.

However, I recognize, as he does, that the Foundation Program as we know it needs revision. There is need for a fundamental revision in the tax system in the province for the payment of costs for education. The question is how to do it and the question is, you know, is a really different program

going to make any difference when we keep in mind what he and I recognize is the fundamental problem, which is there is only one taxpayer and no matter what scheme you develop, that one taxpayer is going to have to put out the money.

Well, Mr. Chairman, there have been, in the last while, reports that I have received from various groups. And, indeed, the Department of Education has, under its auspices, an Advisory Committee on Education Finance. The task of this advisory committee is to do precisely what the Member for River Heights suggests, to look at the system of provincial funding of education for a long-term solution, to continually revise and review the educational system of financing so that we can come up with some form of financing which would be more equitable and would be a system that would give some equity to property tax payers in the province. Equitable in the sense that we would be able to, with various revisions, provide to the school divisions the possibility of having the fiscal resources to provide equality of educational opportunity. Equity to the taxpayer so that the taxpayer in areas of low property assessment would not be in the position of having to pay a disproportionate amount of money out of their property taxes for school education.

The member knows, I am sure, what one mill will raise in various divisions. For example, one mill in Winnipeg raises \$693,000, one mill. In Assiniboine South, one mill raises \$69,000.00. In Seine River, one mill raises \$7,000.00. So, if you take the range from \$7,000 to \$693,000 you have some idea of what I am talking about when I say that any scheme introduced has to recognize that there should be equity, fiscal equity, introduced by the Provincial Government in its funding system and that is what this scheme does or attempts to do, by introducing nearly \$18 million in equalization grants, an increase of 80 percent.

What new departures might be taken in the funding of education in the province? Well, Mr. Chairman, the Advisory Committee on Education Finance, made up of representatives from the Manitoba Association of School Trustees, the Manitoba Teachers Society, the Manitoba Association of Superintendents, the Manitoba School Business officials, and of the department, has come up with a proposal. It is really an algebraic formula for school financing by the province which says, in short, that the per pupil grant would be equal to the per pupil special levy times one, less the division's balanced assessment per pupil over the standard balanced assessment per pupil. That is one approach. The criticism I have heard of it is it doesn't put a cap on school expenditures. And there is a problem, of course, in any system of provincial funding that is introduced in that if you give the money to the division they may just get it in their heads to increase their expenditures somewhat. I'm beginning to wonder if no matter how much money the province gives the school divisions whether they do, in fact, use it to implement the budget that they have proposed to the public schools finance board.

I noted the other day, for example, in the Free Press that the chairman of the Winnipeg School Division No. 1 regards \$23 million as ballyhoo. I told him, when I was opening with him the new General Wolfe School the other day, that I was going to point out that any school trustee that regards \$23 million as that really is worse than C.D. Howe. C.D. Howe used to say, you know, what's a million? This one trustee is saying, what's \$23 million? Well, Mr. Chairman, it's a great deal of money. And in fact, although I do not have the press release in front of me today there was a press release put out by the Manitoba Association of School Trustees which did, in fact, say that the grant proposal that we have before us for discussion is one that meets with their approval. Why does it meet with their approval? Because it deals with the immediate short-term problems that these divisions are faced with. Why does it meet with their approval? Because it introduces a greater proportion of fiscal equity. Why does it meet with their approval? Because it increases their ability to exercise their local autonomy through the 25 percent increase in the per pupil grant. Totals in that line of grants are now \$27 million, and divisions have, through that amount of money and the rest of the program, the freedom to operate the kinds of programs that they would want to see in their division.

And this gets me, Mr. Chairman, to one of the problems that I find with the kinds of radical proposals I gather that the Member for River Heights is suggesting for provincial funding of education. To what degree should the province assume the cost of school financing? We cover roughly 75 percent now. Is he suggesting that we go higher? And if so, how much higher? How high can we go and still leave the individual school divisions with the autonomy and with the decision-making power that I believe they should have? I believe in a culture such as ours, and a society such as ours, and a province such as ours, there should be, because of the diversity, the possibility of these locally elected officials to exercise their discretion to introduce certain programs and to not introduce certain other optional programs. I think that that is just fundamental to our system. Any other proposals, besides the one I have suggested with the problem that I attach to it, really raises in my mind some of those doubts.

Well, what might be some of the other proposals? Obviously the province could assume all the costs of education. The province could assume all the costs of education. And the advisory committee, I have suggested, shall look at that proposal with the qualifications I have mentioned, because it bothers me. Because I always believe, you know, he who pays the piper calls the tune. I

think that that adage is one of the problems that faces us when we consider this possibility.

The second proposal that I have asked the advisory committee on education and finance to look at is to take the per pupil expenditures across the various divisions — and they vary substantially, they run from somewhere in the neighborhood on \$1,000 per pupil to something in the neighborhood of \$1,800 plus per pupil — to take a range in there somewhere and pay to the divisions some figure, some flat per pupil grant right across the board, and leave the rest of the expense to the division. Now there's problems, obviously, with that, because depending on where you choose your figure, you're either covering all the costs of some divisional operations or you are leaving some divisions with the necessity of having to raise taxes by way of special levy mill rates.

Well, those are three proposals that we have been looking at: the algebraic system which I read out, the total assumption of education expenditure, and the assumption by the province of a certain amount on a per pupil basis. All of these of course are extraordinarily tentative. They are being examined by way of a research group that I think is developing considerable expertise in the matter of school finance.

So the general problem raised by the Member for River Heights; namely how to develop a long-term solution for educational finance, I believe is well in hand. There is a group. It is representative of the major organizations involved in education. It has the expertise and it has been given specific areas or suggestions for examination. I think that it will come up with something worthwhile.

Mr. Chairman, that really is my response to the Member for River Heights. I'd be quite happy to continue the discussion with him, keeping in mind that there are obviously many other proposals besides the four we have in front of us; the three I suggest for the advisory committee, the one that we are actually discussing, costing \$23 million, and whatever other proposals that members opposite might throw up. I think it is incumbent upon them, as a matter of fact, to offer some long-term solution for consideration by the government. Nothing wrong with that, you know. And don't give me the argument that I often hear from the opposition, that it's not their job to make proposals, it's our job to make proposals. You have a certain responsibility. You have a certain duty to indicate to people what it is that you want to see, by way of long-term solutions, and I'd be very happy to hear about them from you. But bear in mind that no matter what the system of financing education, there is only one person that pays the bill. Let's not forget that; there's only one taxpayer.

MR. SPIVAK: Mr. Chairman, I thank the Minister for his response. He indicated, I think, that he has been in his department for five months but it would appear, Mr. Chairman, that he is beginning to believe his own press releases about the degree of fiscal equity that is being provided. I think in all fairness he should temper part of what he is saying. —(Interjection)— I think, Mr. Chairman, he should realistically temper part of his judgement on this because I think that it has already been demonstrated that the degree of fiscal equity may not be as great in its impact as he would suggest. And that has to do with the whole degree of progressivism that the whole school tax rebate program was supposed to provide. I think, Mr. Chairman, and this is a question of judgement and members opposite will argue the other way, that it has been minimal. It hasn't been as great as the government on the opposite side would suggest. I suggest that unless we start to talk in terms of new concepts and unless we start to look at new ways of approaching this, that the escalation will occur to a point where it will become utterly ridiculous in terms of the dollar amounts that will be given back by way of direct rebate programs. The implications for the people who are on the lower end of the income scale, or who are on fixed incomes and who own their own residential properties, will become almost intolerable.

You see, again, much of what he said deals within the existing system. And while he talks . . . —(Interjection)— No, not total. But much of what he says is within the existing system, there are methods, but within the system. We talk about different kinds of formulas and so we have a different means of applying the arithmetic to the way in which government will present its position and money will be brought forward. I'm now talking that the time for consideration of other methods of raising money has to be considered, recognizing that there are only so many taxpayers and they pay it one way or the other. But I think the question becomes fairly basic as we look down the road; long-term. And much of what he has been suggesting, much of what he's talking about really relates to the application of the present system. I'm not suggesting that there's an easy answer. I'm not suggesting that the answer is going to come forward today and I'm not suggesting that I, or anyone else, are in the position to do this.

What I'm saying is that I think it's necessary for government — not particularly this government, and it's not related particularly to Manitoba — it applies all across Canada. But we have to start to alter the approach and in it there are some fundamental problems. There's no question, the recognition that if all the funding is to come from the province, then, in effect, where is the discretion to be exercised by the school board and what is its function, and in turn how do you relate that to local autonomy. It's a basic problem that may have to be answered in a number of ways; by block grant systems in addition to all the other formulas so that, in effect, the discretion that is exercised is really exercised by the people locally with respect to the total amount of funding that's available to them

which comes and gives them the alternate choices as to what they will do.

And so, there are many methods which will have to be devised in terms of the application of something different. What I'm suggesting is that there's no way that there's going to be an alteration or change. The government will claim and will go on record that what they are doing is a very important thing and a very important change, and will provide greater opportunity, or equalization of opportunity and, in effect, they've answered certainly some of the demands that have been made in the past. There is no question about that. The question is the degree.

So I accept that but I come back to the one fundamental point that in terms of the problems of education, and it will continue to be the problem for government and the problem that we have, the problem of financing is the key. The way in which we finance is going to be the key. And what we are doing now, we can alter, we can tinker with, we can make the adjustments; we can apply more money; we can open the tap from the sources we have now but in the final analysis it will not, in the long run, be the answer to some very fundamental changes that will have to occur because the impact on the person who is the home owner and the application to the remaining part of real estate in our country is getting to a point where the severeness of it will have a direct effect on the capacity of people to be able to provide the shelter they want and hold it and the ability of the economy to be able to continue without the so-called rupture that I suggested. I believe that we're on our way to that and so I believe it's important that it be discussed. It has to be discussed on the national level. It is not something that is going to go away and it is answered in the short term by some adjustments but in the long run it is not being answered. And the kind of proposals that the Advisory Committee have suggested are proposals for action but without the commensurate indication or without the direct indication of where and how the additional moneys are to be raised by governments because I'm not suggesting that it's going to come without that happening. So the application of the kinds of things — and there's one suggestion, the evaluative tax and the two price system — I think is pretty important because I think the time will come where we'll have to recognize that this is part or one of the kinds of things that we're going to have to do in our country.

Now I asked the Minister as well about a question with respect to Carpathia School and I would hope that he would be in a position to answer that as well.

MR. CHAIRMAN: The Minister of Education.

MR. TURNBULL: Mr. Chairman, I like much better the Member for River Heights in his new position than in his old position. I think he makes a lot more sense and doesn't feel pressured to make his statements in a manner that would placate those behind him. He's right. There's need for review of the tax system. I have suggested three ways; two of them which I think are totally detached from the foundation program that we have, namely the complete assumption of school costs by the province which I can't see happening for the reasons I mentioned and secondly, the flat per pupil grant for each division.

The Member for River Heights has got through to me what he is talking about. He is talking about two things; a system of taxation that is different either because it is in co-operation with the federal government or because it is a new system of taxation and he mentioned two possibilities. I never thought I'd ever hear a member of the Conservative Party say that what they were seeking were new taxes; a new system of taxes. He wants new taxes to pay for education. Well, Mr. Chairman, if that is to occur within the provincial context which our constitution may dictate on the matter of education then I have only to say to him, first that I am really startled that he would suggest new systems of taxation within the province and second that even if that does occur, we are still talking about the same taxpayers.

Now if he's talking about — in those options — if he's talking about a two tax system then I would very much like to hear what that meant. I always thought that the Conservatives were for a two tax system, a low tax for the rich and a high tax for the poor and if that is what he is saying then I would like him to elaborate on it because I am very much interested in that point.

MR. SPIVAK: I think maybe possibly the Minister — (Interjection) — No, it's a point of order. I think the Minister may have misunderstood what I said. I never suggested a two tax system. I said a two price system for the sale of our resources.

MR. CHAIRMAN: Order please. That's not a matter of order. That's a matter of opinion.

MR. SPIVAK: Fair enough. Fair enough.

MR. TURNBULL: Mr. Chairman, I did, I thought, hear in his last remarks the phrase, "two tax system" but I'll check Hansard and see.

If he's talking about a two price system then you know it doesn't amount to much difference because it means there is still going to be one person, that's one consumer and somebody is going to be paying more than somebody else. If that's what he's talking about I'd very much, again, like to hear him elaborate on this, perhaps not on this item which isn't really the appropriate place but on the Budget Debate where he can work his ideas out in more clarity or on the Estimates of the Department of Finance.

If he's talking about sharing the cost of education with the federal government which was the other general proposal he was making, I suggest to him that the course that the federal government has set itself on is going in the opposite direction. He knows that. We are going to be about \$32 million or more short in terms of federal money this year than we were in the past. So I don't think that either one of these proposals is really leading us anywhere unless he can elaborate them in more detail and I suggest he not do it here.

To share costs with the federal government; that's a great idea but they just aren't buying right now. To have a new system of taxation, however it's established; I don't think that changes very much. It means that some people perhaps will be paying more than others. I'm not overly clear what it is that he's getting at there and if he wants to elaborate it on some other departmental Estimates I'd be happy to listen to him.

The question of procedure — oh before I get onto that, Mr. Chairman, I did want to point out to the Member for River Heights that it wasn't my own press releases that I was leaving, it was the mass release — he's seen it — it's dated March 4th, headed "Trustees encouraged by government support: The injection of an additional \$23 million into school board revenues will go a long way to assist education and to ease the burden of the local taxpayer. All school boards in the province will gain from these improved grants and they will particularly welcome those increases in the per pupil grant, equalization grant, etc." So I don't want to belabour the point but I have to tell the Member for River Heights that I seldom read my own press and I seldom watch myself on TV so I have to say to him that I do not believe my own press but this press I like to hear.

The Carpathia School matter which is in the member's riding I gather or nearby, is an issue that I thought he and I had agreed on that we would discuss in private. However, if he wants the procedure, it works like this, that the school board files a letter of intent with the public schools finance board. From that approval is given or not given on the basis of various considerations and then the school division proceeds to conceptual drawings and again I believe there is check-back with the Building Project Committee and the drawing stages are completed, altered, and there is a great deal of communication between the divisions. Then they finally come to the final letting of the tenders for the school construction. The tenders are let by the school division. And then the public schools finance board approves or disapproves. If they approve everybody's with one little exception which I'll mention. If the board disapproves they are so advised. They then have under the statute the right of appeal to the Minister and the Minister can review direct or have the board review the whole issue.

The little exception I mentioned was the matter of how much of approved costs will the board pick up. Even if a school is approved sometimes that matter can be open for further negotiation. So, in general terms that is the process of a school division initiating construction and seeking approval of the school building or a renovation.

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

MR. GEORGE MINAKER: Thank you, Mr. Chairman. I was interested in hearing the Honourable Minister ask for comments from the members with regards to their own constituencies and their problems that relate. I think maybe, Mr. Chairman, that the Honourable Minister was necessarily wasn't listening to himself but he indicated, the way I understood it, that he'd like to hear comments from the other side with regard to their divisions with regard to schools and I also understood the Minister to request that he'd like to have suggestions from us with regard to how we can fund this education system. I hope I'll have a chance to maybe give the Honourable Ministers some ideas that he might not necessarily like but I will make certain suggestions. Also, I was interested, Mr. Chairman, in hearing the Honourable Minister indicate his understanding of the foundation system when the Progressive Conservative government was in administration of this province. My understanding is at that time, in 1968, that the foundation levy was basically paying about 80 percent of the cost of education in the province. The other 20 percent would be paid by the special levy by the different divisions which is a system that I favour. I know we used this type of system to some degree in the recreational field in Council. Let the local divisions or let the local community clubs have some responsibility of paying and answering for and that way you had a bit of a dampener on the whole system. Spend wisely and we found this did happen.

Mr. Chairman, it's my understanding in 1968 that it was very close to that 80 percent figure but that was the objective of the Progressive Conservative Party at that time.

I might also say, Mr. Chairman, that I favour this approach and I am sure that our Party favours this approach. But I would also like to correct the Minister on a couple of statements that he has made this year and I hope, Mr. Chairman, that the Honourable Minister will listen to us on some of these corrections because I am sure he is interested in them.

I would like to point out, Mr. Chairman, that firstly, I've got that news release in front of me that the Minister was talking about and I think the Minister maybe elaborated or expanded what the trustees said. What the trustees said in basis was: "Trustees encouraged by government support." Obviously they are going to be encouraged when there is an increase. There is no doubt about it, I would be too but I don't think that they were as happy as the Minister would like to make out.

In particular I would suggest to the Honourable Minister this \$23 million of increase that he's talking about — he seems to have an obsession with that 80 - 20 percent figure. In his deliberations he mentioned that 80 percent of this would be so much and then he said that 20 percent of the remaining portion will be for this, trying to imply that they were picking up 80 percent of the basic cost of education which is not true, Mr. Chairman. It's far from true and I would suggest, Mr. Chairman, that the Minister has failed to indicate or if he has indicated I will withdraw that statement — to indicate to us what they anticipate the overall cost of education will be in Manitoba this year. And I will suggest to the Honourable Minister that they're looking at probably a 13 percent increase. Where I got that figure from, it is the past 5 year average of increase of cost of education. Education has gone up 66 percent in the last 5 years. I think 13 percent is a realistic figure. If we take last year's figure of \$316 million as the cost of the education system then you're looking at a \$40 million increase in operating the education system in our province this year; \$40 million. What has this government done, Mr. Chairman? It has offered \$23 million of that \$40 million, not even 80 percent of the anticipated increase. It represents something like 57 percent of the anticipated increase this year. Yet he portrays the role that they are going to pick up 80 percent of the cost; \$23 million versus \$40 million anticipated increase. I would suggest we are not very far off, Mr. Chairman, because in our own constituency, the St. James-Assiniboia division is looking at 11 percent increase. Across the river, Charleswood is looking at a 19 percent increase in operating costs this year for education.

Mr. Chairman, there are certain interesting things that happen when one looks at a division's budget this year. I suggest that the Minister should maybe look at the St. James-Assiniboia school budget this year and see what's happened to it. Eighty-one percent of the increase that our division is faced with this year, 81 percent of it is made up of paying for the increased heat and light and fuel for the buildings along with the salaries. Eighty-one percent of the increase is tied to either salary increases or cost of heating and lighting our schools. In fact a 10 percent increase for salaries I think is within the guidelines of the AIB this year and that's what they are looking at in St. James. But what will St. James-Assiniboia get out of this \$22 million increase? You know what they'll get out of it, Mr. Chairman? They'll get a million and a quarter. And you know what we're faced with in St. James this year? A six mill increase. But the part that really hurts, Mr. Chairman, is that this government who brags about a \$25.00 increase on the pupil grant; you know what the cost alone in St. James-Assiniboia to heat and light schools has gone up on a per pupil basis this year? Thirty-two dollars per pupil; over half a million dollars. You know what, Mr. Chairman, of that half a million dollars, over 70 percent of it is electrical bills, electrical bills. And I would suggest, Mr. Chairman, that based on the population that we have in St. James-Assiniboia, some 17,600 pupils, and you relate that to the total pupil population of our province; if the \$32.00 figure per pupil for heat and light this year, the increased cost is a realistic one and I believe it is; if you're looking at the \$23 million that you've given us, \$6.5 million will go to heat and light our schools. This is what the school boards are being faced with.

Well, Mr. Chairman, I would suggest that the Minister is wrong in his figure of picking up 75 percent of the cost of education in this province because I suggest, Mr. Chairman, and I'll read the figures so that he can check them over and they can tear me apart later on if they want. I would look forward to that because the Minister has indicated that he likes debate; he likes the challenge so I hope he will respond. If I understand the Minister's statements in the House in the past few days that the total grant that we can expect, the taxpayers can expect this year from the education grants, is something like \$198 million. I don't think I'm very far off when you total all the grants that the Minister has announced. I would have to assume, Mr. Chairman, that — I think two years ago the Minister responsible for Municipal Urban Affairs had said that he got part of that rebate. I think in that year they were claiming he got 100 percent of it and then the next week or two later the Education Minister then claimed that he got 100 percent of it. So I think it would be fair, Mr. Chairman, to assume that 50 percent of the property tax rebate belongs to this department, Education. So if we take 50 percent of the \$87 million that was given last year, we will allow them \$44 million, you're looking at an expected grant for education to the taxpayers of Manitoba something like \$242 million. Well, Mr. Chairman, if we compare that to our \$355 million budget that the school divisions are looking at this year, that's 68 percent, Mr. Chairman, not 75 percent and a far way away from 80 percent. In fact, Mr. Chairman, that represents something like fifteen additional mills for every taxpayer in Manitoba. That's \$42 million short to make up that 80 - 20 percent ratio.

Well, Mr. Chairman, the Minister asked for ways that we could pay for this education system. I have a very simple way of suggesting it to the Honourable Minister: get out of business. Get out of business. Where is the \$40 million for Saunders? Where is the \$40 million for Flyer? Where is the \$6 million that we are losing on Saunders this year? Where is the money that is being spent on this mining exploration? And the Honourable Minister stands up and says, "That exploration isn't costing the taxpayers any money. We are getting it from the taxes we got from the mines." Doesn't he realize that that \$5 million or \$3 million could go into general revenue and go back into the education system?

I'm glad to hear, Mr. Chairman, that the Honourable Minister realizes there is only one taxpayer. We've been saying that for years! And for some reason, Mr. Chairman, the Honourable Minister or his department thinks that people in St. James are rich because his \$23 million he is giving out this year, we are going to get a million-and-a-quarter of it. But we are going to end up with a six mill increase this year in education alone. It has more than doubled in the last four years in St. James, the education costs. Where has the government been then? Where are they with relation to this 80-20 that the Minister is so keen on trying to approach to because I don't find 68 percent ending up at 75. I don't see 68 percent ending up at 80, but that's what the figures tell me and I don't believe figures lie.

Mr. Chairman, I was quite taken aback by the Honourable Minister when he said he didn't read his own press ratings or he didn't watch himself on TV. I have sort of hard times to accept that kind of a comment and I'm sure that the Minister wasn't that overly sincere when he made that statement because I somehow can't imagine the Honourable Minister of Education not listening to his comments or not listening to himself because that to me is not the Honourable Minister that I am aware of or that I am knowledgeable of.

I appreciate that this honourable Minister has accepted responsibility of a department that was in pretty bad shape, but that is still no excuse for the lack of this government not recognizing its responsibility of its share of paying for education in this province. He is part of that government; he is part of that Treasury Branch; he was and still is. And it was his government that decided to go into Saunders. It was his government that has decided to go into the mining exploration. It is his government that is responsible for these monies that are being lost, millions of dollars that could go into the education system.

Mr. Chairman, I would suggest to the Minister that he go back to his Cabinet members and explain to them that we need more money in Education and they have needed it for the last six or seven years but what happened was that this government has decided to select priorities and down on the list of priorities with this government was the funding of education in our province. I would suggest that the Minister if he is sincere in representing his Education Department and his government and the amount of money that they are putting into education, that he check his figure of 75 percent, that he does not try to impress on the taxpayers of Manitoba that they are approaching that 80 percent figure because they are not. It comes home to light when that taxpayer in St. James looks at his tax bill at the end of the year and sees how much he is paying for education because if the Minister doesn't realize this at this time, then I would suggest that he better check out and find out what is actually happening in Manitoba in the education-financing field.

MR. TURNBULL: Mr. Chairman, I am delighted to enter into debate with the Member for St. James. He seems to have a capacity that some others over there don't have of speaking without notes or at least very minimal notes, which I think is an asset for a legislator, for a politician.

While he was talking I was trying to make some very rough calculations of this particular division that he is talking about, St. James-Assiniboia School Division. In terms of what one mill will raise on balanced assessment, St. James-Assiniboia is second only to Winnipeg. In terms of its property tax base, it is the second wealthiest division in the province. That's the first thing. Now he wants me to believe that they are not wealthy. I am not going to say that the individuals there are wealthy. I used to go to St. James. But I do know from the list here that in terms of what a mill will raise, that they are way ahead of any other division. I believe that's true, certainly through Winnipeg and likely in Manitoba.

In addition to that, Mr. Chairman, and only because the Member for St. James-Assiniboia raised the issue of education finance in reference to this particular division, I want to make a few comments about it. I have been in that division, St. James-Assiniboia, a number of times since becoming Minister of Education to open new schools, to talk to the teachers at the opening of their teachers' centre and for other reasons as well, including talking to the Manitoba Library Association in the regional comprehensive school in that division.

Mr. Chairman, I said to the Member for Assiniboia the other day that St. James-Assiniboia School Division is likely one of the most progressive divisions in the province. They spend a lot of money on education, there is no question about that. They have schools that are very nice schools and I don't know if the total cost was paid by the province, the total of approved costs would be paid by the province. There were likely some additions in those schools and they are fine schools and believe me, if my children were going there, I would be very happy with them. But the additional costs of those schools over the approvals that are given by the Schools Finance Board go on the special levy tax and if that special levy is going up, the Member for St. James should not be laying the responsibility on me but on the official trustees of that division. I would not fault those trustees because I believe that those trustees want that quality of education, want that quality of building for their children. I know because I have talked to them at school openings and they are happy with the educational services delivered by that division. But the delivery of that service is costing the local taxpayer in St. James money on his special levy.

Now the Member for St. James did throw out a number of figures. He has a way of speaking that leaves his listeners not overly certain what the point is — I suppose that's the true politician in him

coming out. But while he was talking, I was trying to get at some figures of my own. I did mention an increase of 80 percent in the equalization grants for the province and I mentioned that the range goes from \$25, which I gather is what this division would receive — St. James-Assiniboia — to \$215 for a division with a balanced assessment per pupil of less than \$5,000. There is the list. That is the system to try to establish a greater degree of fiscal equity in the province. The lack of fiscal equity comes about as he well knows from divisions having a lower balanced assessment per pupil than his division has. He knows that. And I'm sure he is not trying to skirt around that particular issue or to skirt around what this program is designed to do, try to restore a greater degree of fiscal equity.

Now he mentioned a number of figures in his division and we do have some information. But you know in speaking, and he is an engineer so I have no hesitation of using this term with him, he is guilty of faulty omission, you might say false omission, because he omitted to consider two significant contributions to the reduction of the mill rate in his division. He forgot to mention the Property Tax Credit Plan contribution to the people in his division when he added up what the division would get as a result of this year's financial package. Last year, if my memory serves, his division, St. James-Assiniboia Division, got \$13.7 million from the school program. — (Interjection) — No, I'm sorry, \$13.7 million from the Grants Program of the department. This will go up by \$1.2 million this year. We agree on that figure.

He then omitted to add in what the taxpayers in his area would benefit as a result of the Property Tax Credit Plan. Now that figure is very difficult to get at. He well knows it. He well knows it; they all know it on the Conservative benches. Very difficult to ascertain exactly how that affects the general property taxes paid by people in the division. But I don't think that he would want to deliberately mislead the House by omitting it. What kind of estimation - he's the engineer - what kind of estimation would you like to make of the contribution of the Property Tax Credit Plan to St. James-Assiniboia division? \$3 million? \$2.5 million? What could be the estimate? There are approximately 18,000 pupils in the division. If you take two children per family, work it out that way, you come in the neighbourhood of \$2 million to \$3 million, I think. For his particular constituency, if I recall it well (and I used to know it very well years ago), the amount of money that is being taken off the property tax bills of the people of his riding, it will be substantial. Let us assume a rough estimation of between \$2 million and \$3 million so we can add that to the \$1.2 million that they get out of this program. So let's take even a half of that at \$2.5 million.

Then the other thing he omitted to mention was the contribution from the Greater Winnipeg Equalization Scheme. His division, wealthy as it is, is not as wealthy as some others. Therefore his division, the one he wants to talk about, St. James-Assiniboia, receives another close-to-million dollars, \$750,000 to \$1 million. So if we add that in too, we come to about \$4.4 million additional. Additional. About \$4.4 million additional and that does not take into account the new figures for this year. That additional from the \$1.2 million to the \$4.4 million, those additions are based on last year's figures. And the Premier has already announced that the Property Tax Credit Plan will be reviewed and likely changed this year and I think we can all interpret what that will mean. We can all interpret what that will mean. So the figures that I am giving to you are likely short for the contribution of the Property Tax Credit Plan to St. James-Assiniboia division. So it isn't \$1.2 million that that division is getting in addition as a result of this program and other programs of the government to lessen property tax credits, it is going to be likely well over \$4 million when you take it all into consideration.

Now I know that the Member for St. James is another C. D. Howe: what's \$4 million, what's \$23 million? The Member for River Heights was right on - no matter how much you put in, it is never enough. And I am sorry if he thinks that way, but I have got all the money I can. I think the program is equitable. It is recognized as being equitable by and by . . .

MR. CHAIRMAN: Will the Honourable Member for St. James state his point of order.

MR. MINAKER: Mr. Chairman, I have never ever said in this House or publicly, "What's another million, what's another \$4 million?" and I would never say that because a million dollars is a million dollars and it's a hard way to come by it.

I'm sorry, I don't interrupt speakers and if the Minister isn't finished - I wanted on a point of order - I will sit down and listen to the rest of him but I have more comments to make. Do you want to finish?

MR. TURNBULL: We've got a couple of weeks.

MR. MINAKER: You sure?

Well, Mr. Chairman, I don't know whether the honourable Minister maybe missed the point I was trying to impress on him or he doesn't know what the heck he is talking about because what I said was, firstly, the \$23 million increase for this year, it's additional. When you compare it for the total cost of increase anticipated for education for all of Manitoba, that that represents about 57 percent of the increase anticipated. That's No. 1.

No. 2, Mr. Chairman, I said that the St. James-Assiniboia School Division this year will be getting an increase of one-and-a-quarter million dollars from that \$23 million. Now I used the property tax rebate, 50 percent of it, because I presume the Minister is entitled to 50 percent of it and the other

Minister for Urban Affairs got 50 percent of it. I would presume that's a fair exchange and I used it in my comparison of how far short this government was in reaching that 80 percent of responsibility for the education system in Manitoba. And I indicated at that time that the Minister was not looking after 75 percent of the cost of education, but more like 68 percent when one uses 50 percent of last year's tax rebate.

Now Mr. Chairman, with regards to St. James-Assiniboia School Division, their cost increases this year will be up something like \$3 million, in fact, it's \$2.966 million if the Minister wants it exactly. Now with the increased equalization grant per pupil, they will pick up, between that and along with the other grant increases, one-and-a-quarter million dollars and I guess I'm \$50,000 high because the Minister said \$1.2 million, I think, in his responsible answer. But, Mr. Chairman, where is the rest of the increase? That doesn't represent 80 percent. Far from it, I think it represents something like 51 percent or something in that area. But, Mr. Chairman, this you know, is a very rough approximation. I am thinking while I am speaking about it and I am not giving the member anything that he couldn't sit down and estimate himself. If you add that to what this program provides, plus the amount of money this division that he is talking about, St. James-Assiniboia, gets from the greater Winnipeg equalization, you then have a substantial amount of money going into that area and relieving the taxpayer there of local school taxes.

Virtually all of the Property Tax Credit Plan in St. James-Assiniboia would be applied to education. Virtually all of the Property Tax Credit Plan in St. James-Assiniboia would be applied against education taxes, virtually all. There are some areas in the rural areas where that may not be the case but in his division it is virtually all applied against school taxes.

So, Mr. Chairman, that is all that I was trying to indicate. The member has got me in the position of proposing a \$23 million program, a program of \$87,500,000 last year which presumably will be increased — it is not included in these figures except in the very rough way that I have indicated. There also has been no mention and there cannot be until the Budget, as I recall, of the greater Winnipeg equalization scheme and it will help his division too. Minister, along with his colleagues, has always gone back to that inequitable, we are trying to get everything equal. But you know people in St. James are not wealthy, believe it or not. Regardless of what the Minister thinks, the people I represent are working people and they are not overly wealthy. The unfortunate part in this equalization system, when you compare the whole operating cost of a division and you try to equalize it on a balanced assessment rate, when you compare it to individuals it doesn't work out. He is going to come back, "Well, the school rebate does." Mr. Chairman, 50 percent of that school rebate — you can only use 50 percent. Here again, is this Minister trying to use the rebate? But not only that, this Minister says that if they are going to get \$3 million in school rebating, he is going to add it to the increase this year. Is the Honourable Minister suggesting that with the policy of review of this government — maybe he is letting out something that we don't know. Is he suggesting that we are going to get \$3 million additional rebate this year in St. James from the Property Tax Rebate? Is that what he is saying? Or is that the total for last year?

Okay, well this Minister, Mr. Chairman, was adding it to the one and a quarter million of the increase that we were going to get this year. We already got that last year. I am talking about increases this year in our division. It's going up \$3 million this year, we're going to get one and a quarter million increase. Still not looking at that 80 percent figure, far from it, back down in that 51 percent. This is what the property payers are facing in St. James, that's what they are expecting. And it is not untrue of other departments or other divisions. But you can't add your \$3 million increase this year, they got it last year. We're looking at increases, increases in costs this year in our division and what it means. It will end up being a six mill increase.

The Minister talks about capital going up. Well, I can tell you, Mr. Chairman, the capital projects as such are down nine percent this year and the debt servicing is up. It's up. Do you know how much it is up? The debt servicing is up by something like \$200,000, less than one mill because a mill in our division represents I think about \$275,000.00.

So, Mr. Chairman, I just wanted to make the Minister clear on the point I was trying to get across, that they are not meeting the increased costs this year in our school division and I would say it is true in other areas as well. They are only picking up — and when you look at the bottom line, the Honourable Minister said let's look at the bottom line. I agree with you, let's look at the bottom line when the smoke clears. That we're expecting a \$40 million increase in education this year and the government is going to pick up 23 of it. That's what we are looking at in simple terms, 23 million, 57 percent of the costs. I have to say that that's better than last year because I think last year they picked up less than that. And if one can accept the School Trustees Association and the work that went into their brief — they have access to all the school divisions — then I would presume that their figures are correct. They are honourable people as well and bonded people that are responsible for getting these figures together. I have to commend the Minister that at least he has got a little bit more this year than last year. That's why I suggested "get out of business, take that revenue you are getting instead of trying to put it into Saunders and trying to put it into these other things where you are wasting the

money, put it into the general revenue and let the education system get part of it."

I can appreciate the Minister's problem. He has to sit around that Cabinet table and fight with the Honourable Minister of Mines and Resources and say, "I need some money, you can't have it for looking at mines or digging holes in the ground." You have to fight with the Minister as if it were MDC funds.

A MEMBER: You have to fight them all.

MR. MINAKER: So, this is what we are saying, "Get out of the business, you people in government — it doesn't matter who it is — don't know how to run businesses." They don't, not profitably.

Mr. Chairman, that is my suggestion. Let's stop blowing money out the window like this government has done in the past few years and put it into education. The tax rebate system, in my opinion, will look after a portion of it but we are still short. You are 15 mills short from reaching that 80 percent figure, 15 mills in the province short. Fifteen mills on a \$5,000 home is \$75.00 and now we are looking at another six mill increase this year and it will be 21 mills short of that figure. So a person will be paying \$110.00 extra for that education system that this government should be picking up.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. TURNBULL: Mr. Chairman, I perhaps took too much for granted when I responded the last time to the Member for St. James. I started off, I believe, by saying "he is an engineer," but what I meant by that was that he would have great facility with figures. Well, he has demonstrated that but I insist that when he uses certain figures he omits to consider millions of dollars.

What I was attempting to show was that although this program this year will provide \$1,221,000 to St. James-Assiniboia, that that amount of money is not the only program that is going to contribute to the reduction of the mill rate in St. James-Assiniboia. There was last year \$87,500,000 in Property Tax credits. I pointed out that the Premier has announced there will be a change in that program. If he reduces it we are all going to be paying more taxes. I am assuming that won't happen, it will go up. Now I don't know how much it is going to go up yet. And if I did, I honestly couldn't tell you. I realize the Member for St. James has got me on a technicality. I cannot reveal whatever I do know about the Budget, the total Budget. But you just keep coming at me and that's fine. As I said to the Member for Fort Garry yesterday, as Churchill said — I think out of his South African campaign — "There is nothing more exhilarating than to be shot at without effect." And I feel no effect from what you are saying because the \$1.2 million that you are talking about is this program. There are two others.

What I was attempting to do was use last year's Property Tax Credit Plan at \$87,500,000 and that was a program of 200 minimum and 150 on the income tax.

If his constituents are in the position that he says they are, they will be getting close to the total. They will be getting close to the total, between \$300 and \$350 rebate on their property tax. And if you take all that money — it won't be two to three million as I suggested — it will likely be over three million on last year's figures and that amount will go up this year presumably. So we're talking about on the Property Tax Credit Plan itself, in this division, in terms of four million or so. Now that,

In addition to that, Mr. Chairman, let us not forget what I said also about St. James-Assiniboia. It is a progressive division. They have closed circuit T.V. I was in that media centre they have got over there, you know they have got more equipment in that media centre in the regional comprehensive school than they have got in the commercial cable operators' studios in this city! Have you been there? To the Member of St. James, "Have you been in that media centre?" I wish he would acknowledge yes or no. He has not been there. Well, the Member for St. James should go to the St. James-Assiniboia Regional Comprehensive School and go into their media centre, an enormous room, air-conditioned, cameras galore, viewers galore and transmission antennae on every school. It is a terrific program, it is progressive and the trustees there, they wanted that program, they introduced that program, it is there and I think that they, the trustees themselves, have accepted their responsibility as elected officials and have asked the municipal council to raise the money to pay for it in a special levy. I do not fault them for one moment. St. James-Assiniboia has got what seems to be a terrific school system. I commend them for it. But I wish the Member for St. James would not then try and turn the responsibility that locally official trustees have for introducing these programs and maintaining these expensive programs such as their media program, and turn around and say that somehow or other the exercise of local discretion is then my responsibility to pay for it. You know that is just not a reasonable argument, "he can make it, he will make it." The Member for Birtle-Russell is going to be on his feet I gather, he was up a minute ago, and he will be speaking on this issue. We'll get a point of view, I assume, that will be somewhat different.

The Member from St. James, Mr. Chairman, has mentioned twice now that the Provincial Government should get out of business, that is the business of MDC operations. I'll just check to see that the Minister of Mines isn't here and say that I agree with the Member for St. James.

I'm an economic conservative, I've said it before, I will say it again. I believe that government should first of all be providing social programs for their people. Now that does not mean that the government should never ever be involved in a business. You know, I think that's dogmatic and it's

going to the other extreme. Clearly we may ask at certain times the government to be involved. The Progressive-Conservative — let's call it Progressive-Conservative then, that was done in order to get Bracken to be head of your federal party, wasn't it, that was one of his conditions wasn't it? To make you call it — you thought it was progressive.

When you were a Conservative Party in 1908 Roblin bought out Bell and we have the Manitoba Telephone System. It's a good system. We have Manitoba Hydro, it's a good system' a natural monopoly, a public utility, I think it's a useful means of distributing electric power. We have the Greater Winnipeg Water District. You know the biggest men in this city in 1913 and thereabouts, they must have taken their hearts in their hands and they went to California to look at viaducts, and they went around North America to see how water could be supplied, they felt they needed the water supply for this city. Then they introduced it — but it was socialism, and the Member for St. James should recognize that.

There are other schemes where obviously the government has to get involved, and I have to say to the member that I don't think that I disagree with him on government, generally, staying out of business. That doesn't bother me at all. But there are circumstances in which we must get into business, and there's a reason for that, and particularly in western Canada. The reason is simply this, that unless we have an economic industrial base we aren't going to have any money for the social programs. The history of western Canada has been the migration of business interests from western Canada to the east, to all over the place, that has been the history of the province.

If the Conservative Party of John A. Macdonald developed a national policy, that policy's effects are still being felt — they are — that western Canada is a hinterland and eastern Canada has the industrial potential. That has been the policy of the Conservative Party. Now we have got to do something to reverse that trend somehow, and as far as I am concerned the involvement with Flyer and Saunders were attempts to do that, to reverse an historical trend because we've got to have the economic base here. Good Lord, the Member for St. James is an engineer, he knows that. If there's anything he knows, he knows that. We've got to have an industrial base here, and if private enterprise want to go and locate between Toronto and Montreal or between Hamilton and Quebec we have got to do something to bring them here.

You know we're all out of order here, Mr. Chairman, not really relevant to the debate. But I do want to say this, that this whole business of industrial base is something that ties in very closely with education, because the better the education of course the more skilled the population, then the greater the attraction for business to come. No question about it. I've said before that we provide a bread and butter education, and we've been providing training through vocational schools with the help of the Federal Government for capital construction.

And there'll be changes in this year's total budget as will be revealed that will show a greater emphasis on the re-equipment for vocational education because I think that is necessary without any doubt.

However, I heard the other morning or evening, whenever it was, in my way somewhere on the car radio an advertisement. I couldn't believe this advertisement on the car radio. It was called "Free Enterprise". I wish the Minister for Consumer Affairs was here, he is. I couldn't believe that anybody who went through the Manitoba school system could be responsible for the publication and the writing of such a false advertisement. That's false advertising, Mr. Minister of Consumer Affairs.

What it says is: "That the *voyageurs* would never have come across western Canada if it hadn't been for free enterprise." Well, do you know who those *voyageurs* were working for? They were working for a monopoly. They were working for the Hudson Bay Company and they were working for the Northwest Fur Company. Then the ad went on to say: "The railways would not have been built if it hadn't been for that good old free enterprise system." That again is . historically wrong and it's false advertising. Good old free enterprise didn't build the CPR. The Conservative Government, they gave them \$25 million one time, \$25 million another time and \$10 million a third time. In addition to that they gave them half the blinking western Canada along the right-of-way, the best land available so that they would build their railway. Then to have the Insurance Bureau of Canada come along and try to tell us that free enterprise did it is not only false advertising, it indicates that whoever wrote the ad had a very bad education. Assuming that someone who wrote the ad would be out of school for some years and may even have been educated in Toronto which has been Tory for Heaven knows how long, I have to conclude that the educational system of a few years ago — - 20 years ago or so — was a very bad system for putting out people who could write such a startling inaccurate ad and then try to convince people about what they are trying to push, namely, their own ideology. And it is one reason, that kind of historical falsity, Mr. Chairman, is one of the reasons why I am encouraging the condition that was taken sometime ago in the Department of Education, to increase Canadian content in our school; because I think that the increase in Canadian content will at least indicate to many people who go through such courses, that that kind of advertising is just simply historically inaccurate.

Mr. Chairman, you may have gathered from that mild digression from the Estimates that we're talking about, that I have a certain feeling about my country. I feel very strongly about my country and

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I feel very strongly about the need for a good educational system. I look around me here at these fellows opposite with different levels of educational attainment, all of them have done well I think, all of them I believe are to be commended and the school system that produced them is to be commended, at least when they agree with what I'm saying, as the Member for Fort Garry just did.

Mr. Chairman, the Member for Sturgeon Creek says that I may move him to speak. There used to be a time in the House when all I had to do was make a five minute speech and I could get six Tories up yelling and screaming, and I've been rather disappointed in the last week of my Estimates that I somehow have lost that knack. So I was just trying to resurrect it.

Mr. Chairman, there is some interest obviously in mill rates, and I do want to say that if we took a home assessed at \$5,000 the mill rate in 1976 would have been 51.2 mills. That would have meant a tax of \$256.00 if you took a mill rate in 1977 of 57.2 on a \$5,000 assessed home, that would be \$286.00 That would be an increase in taxes paid of \$30.00 on a \$5,000 home, and that would not include the rebate from the Property Tax Credit Plan. That would be the figures for the special levy mill rate in St. James-Assiniboia, and that's our estimate of it. I'd be quite happy if the Member for St. James, when his opportunity came, if he would get up and deal with that particular issue. This question of mill rates, we could go on and on discussing. There is every effort made, of course, by the department to lessen the increase in mill rates. That's the purpose of the program.

Mr. Chairman, I have not always found that accommodating the opposition is a wise thing to do. I am tempted to do that now but there were some figures that I was asked for yesterday, that I may as well present to the House now. One of the members opposite wanted me to take the printed Estimates Book and show him how the \$23 million is distributed through Resolution 50-3(a). He did not make it clear what it was he was getting at. No, he didn't say 50-3(a), he said 50-3 to the resolution. And I gather that what he wanted me to do was to take all the set appropriations there, (a), (b), (c), (d), (e), (f), and (g), and show how the \$23 million was scattered through there. Well that is not appropriate or applicable. We are only dealing with 50-3(a), not any of the other sub-appropriations there, and when we discuss the resolution, the changes in the \$23 million are in the first vote; that is the (a) vote at \$167 million.

In order to bring that vote of \$167,795,300 to the \$183,891,343 mentioned in the release — well, you know, that was rounded out of course — what we're talking about is an addition to supplementary to supply of \$7,498,730 and an addition to capital supply, and these are results of transfers. In other words, we're taking certain capital items out of current budget and putting them in capital, and this would amount to \$8,597,313. Now if he takes the \$167,795,000 and the \$7,498,000 and the \$8,597,000 and adds them up it comes to \$183,891,000.

All the other items, as I said, in 21-3 are as printed in the estimates. So that, then, is the reconciliation.

I would like to point out to honourable members that there are other amounts of money that are, sort of, around for school divisions. It's rather difficult to get at all the money that goes into a school division, including the one that the Member for St. James and I were just discussing. But if you consider there are 47 districts and what not; I've taken out here a couple of examples. If you take Lakeshore School Division, for example, in 1977 we'll see that they will get about \$2,114,000 in foundation grants. In equalization they would get \$425,000. And then there would be a number of other things: professional development grant, they would get \$500. There's a special project going on in that division so they would pick up another \$12,000.

Then there's the conversational course for French which would likely result in another \$3,000. So there are these additional amounts of money divisions can get. And I wouldn't want members to think that the foundation grants and equalization grants are the only amount of money that they would obtain.

To take another division, for example, St. Vital, you find they get the foundation and the equalization. Then they also get, because they have these programs there, they get industrial arts and home ec. They get an amount for shared services. They get a French grant of \$127,000. They get money for the St. Amant School, which is there, and various other items totalling \$456,000. These aren't easy to pick up from the program as we discuss it. But I do want to mention them because it indicates, really, the extent of support that the province provides to school divisions. And although the Member for St. James and I can have these differences in the global figures related to one division, I haven't mentioned all the money that that division gets. We've agreed on the \$1,221,000 additional; that comes out of the \$23 million. I've tried to indicate to him that on the basis of last years property tax credit plan it will be another \$3 to \$4 million, depending on increases of course this year. And I've tried to indicate to him, as well, that on the basis of last year the Greater Winnipeg Equalization Scheme will give his division approximately \$750,000.

In addition to that, depending on the number of additional programs that the division has — it has a teacher centre — I believe it would get a grant for that. It has industrial art vocational courses. It would get a grant for that. There will be a grant for French. There will be a grant for special needs, et cetera. So that when you take all of the money together, the kinds of gross figures that he and I are

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debating are not really the final word. Indeed, many divisions receive additional funds that do a great deal to provide greater educational opportunity in those divisions, and do a great deal to reduce the burden on the taxpayer.

MR. CHAIRMAN: Order, please. Before we proceed I would like to draw the attention of the honourable members to the speaker's gallery where we have a group from the Shevchenko School at Vita. These are members of the student council delegation on a visit to the House. This school is located in the constituency of the honourable member for Emerson. On behalf of the honourable members I bid you welcome here this morning.

Order, I wonder if we could call it 12:30.

I'm leaving the Chair to return at 2:30 this afternoon.