

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Monday, 27 April, 1981**

Time — 8:00 p.m.

**CONCURRENT COMMITTEES OF SUPPLY**  
**SUPPLY — MUNICIPAL AFFAIRS**

**MR. CHAIRMAN, Morris McGregor (Virden):** I call the committee to order and we're in Municipal Affairs, 1(b). I believe the Member for Rossmere was speaking at adjournment.

The Member for Rossmere.

**MR. VIC SCHROEDER:** At adjournment the Minister had indicated that he was prepared to take a look at giving some consideration to changes which would permit municipalities to get involved with growth taxes. There are obvious reasons, the fact that the Federal Government has discontinued a number of programs and the fact that we have inflation with us and the economy is not growing that much; costs are rising in the municipalities and they are basically stuck with a fairly inequitable property tax which is the only means they have of gaining income excepting for the 2 percent income tax. So I was just wondering in what areas the Minister would be prepared to look. That is, would he be prepared for instance to look at sales tax, recommending to government that one point or something be added to permit the municipalities to fund their programs?

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

**HON. DOUG GOURLAY (Swan River):** Mr. Chairman, as we broke for Private Members' Hour this afternoon I indicated that there are a number of areas that are matters of concern at the present time; one being the discontinuation of the CSC Program and although dialogue is still taking place in that area with the Federal Government in hopes that they will come forth with some new initiatives to replace the program that was suddenly stopped. As far as looking at areas of refinancing I think I can't be specific because we have not looked at that as yet; we're still hopeful that further funding will be available from the Federal Government. There's a number of areas that no doubt could be reviewed if it is necessary to re-examine the financial input to municipalities.

**MR. SCHROEDER:** Thank you, Mr. Chairman. I don't profess to be an expert at municipalities or municipal funding so I'm just wondering whether the Minister could give me a specific example of the type of program which used to be funded which is not now. For instance, I recall several years ago there were several villages in rural Manitoba who were putting in some form of waterworks, some form of sewage disposal and there was a substantial input from I believe the Provincial Government. Is that type of program still ongoing?

**MR. GOURLAY:** The program that was discussed earlier through the Municipal Special Loans and Emergency Funding there was some specialized funding available through the Department of Finance

and I believe there was a forgiveness on labour to the extent of \$15.00 per capita and then that was reviewed and I think an additional \$10.00 per capita was made available to the municipalities. That's going back some years ago under the previous administration. There's the water and sewer program through the Manitoba Agricultural Services administered by the Department of Agriculture.

**MR. SCHROEDER:** Yes. That program, would it for instance provide for an unincorporated village district if they were to apply for sewer and water; that program, the Agricultural Services Program would then provide those funds, is that correct? Or a portion of the funds?

**MR. GOURLAY:** That's right, and also the Agro Water Services, which is a slightly different type of program also available for UVDs.

**MR. SCHROEDER:** The \$15.00 and \$10.00 a head, are those unconditional grants to the municipalities? Do they go regardless of whether the municipality is involved in a capital program or not?

**MR. GOURLAY:** That was under the Special Municipal Loans and Emergency Program that was geared for specific municipal programs and it was on the basis of Labour Forgiveness Grants.

**MR. SCHROEDER:** But are there not other specific programs within the Department of Municipal Affairs? Is there not some funding for the municipalities on a per resident basis?

**MR. GOURLAY:** There could be some per capita grants through line departments for specialized programming available to municipalities. At the present time we have Centennial Grants on a per capita basis that is provided to municipalities towards centennial celebrations.

**MR. SCHROEDER:** Other than for those types of special funds, then what I'm hearing from you is that the municipalities fund all of their programs totally from property taxes excepting for the 2 percent income tax that goes to the municipalities, is that . . . ?—(Interjection)— Two points, yes.

**MR. GOURLAY:** Yes. The income tax and corporate tax on the tax-sharing payments that is distributed to the municipalities; that's correct.

**MR. SCHROEDER:** How do you calculate how much would go to a municipality of those two personal income tax and corporate tax points?

**MR. GOURLAY:** On the tax-sharing payments? Each year there's a fixed amount of money allocated by the Department of Finance and this is allocated on the basis of a per capita basis to the municipalities with a special urban supplement to those based on \$3.75 per capita for municipalities under 5,000 and \$5.25 for those above 5,000 population to assist with policing and costs of that nature.

**MR. SHROEDER:** The basic fixed cost or amount that you refer to from the Department of Finance, is that in fact the two points each year? Is a calculation made to determine the total amount of taxes raised per provincial point and you then get 2/54th of that amount or is it just a guesstimate made?

**MR. GOURLAY:** The level of funding each year is determined by the Act and the growth in personal corporate income taxes rather than by the province.

**MR. CHAIRMAN:** The Member for St. George I believe was next.

**MR. BILLIE URUSKI:** Mr. Chairman, when we broke for the supper hour we were discussing the Special Municipal Loans Fund and/or programs which have been in place both federal and provincial to assist municipalities in constructing, repairing, and doing necessary works to the benefit of their citizens in their communities in terms of either whether it be fire halls, municipal garages, street repairs, necessary works for their communities that they felt necessary. There was a lot of criticism, and rightly so, by the Provincial Government with the cutback of the Federal Community Services Program which according to your government's figures where Manitoban municipalities were to lose some \$10.5 million annually over a five-year period. The Municipal Loans Fund had in it a sum of roughly \$25 million, although I believe because of the federal agreement and you can correct me if I'm wrong and I'd like to find out, when the federal agreement came into place, in the community services agreement, did all the works under the Municipal Loans Fund stop as a result of the agreement under the federal program? Is this the reason that the province curtailed its program under the Special Municipal Loans Fund?

**MR. GOURLAY:** I understand that the Municipal Loans and Emergency Fund was separate and apart from the CSC Program and the last loans approved under the Municipal Loans and this Emergency Program was back in 1977.

**MR. URUSKI:** Mr. Chairman, I understand that they were completely separate programs but the province during those years in absence of any federal agreement, in order to assist its municipalities over and above the Sewer and Water Program that we discussed earlier here today, the Community Sewer and Water Program, which assisted communities in providing basic necessities in terms of funding over a basic mill rate of I think it's 12 mills for sewer and 8 mills for water or the reverse, but nevertheless, basic grant sharing of 50-50 of the costs above a basic 20 mill levy. But there were other programs which communities applied for under the Special Municipal Loans Fund which were also as well as the federal program, which were labour forgiveness loans, where if the municipality, and I'm asking the Minister to correct me if I'm misleading or forgetful about the program where there was a labour forgiveness component in the Municipal Loans Fund, if during certain months of the year, primarily I think the winter months, that the labour forgiveness was 100 percent, the municipal governments supplied the materials for the program and if the works were done

during summer months, designated months, that only 50 percent of the labour component was forgiven. That was the basic principal as I recall of the Municipal Loans Fund; virtually the same as the federal program or very close in terms of component. Maybe there are some differences but basically the thrust was the same. Now the Minister has indicated that the last loans that were approved were in 1977 and since then there were no further approvals.

Now last year we heard in this Legislature and in Manitoba, and rightly so, the consternation of your colleagues and yourselves and many municipal leaders in this province who came out and said, look, we had a program which we participated in in doing necessary works of building firehalls, in building garages, doing street repairs, sidewalks, whatever good works that our municipalities needed, we participated in it and it helped, it assisted our citizens, it assisted our employment situation in the rural areas and it assisted the general well-being of our communities at large in the areas that the councillors represented. It required, of course, the input, certain contributions because of the materials by the local municipal councils who, under normal circumstances, would have been quite reluctant, to say the least, and we know over the years that municipal councils, because of the pressure on education costs, have tended to hold back on expansion of municipal programs because when the school budgets have come into them and they saw the school budgets, and they were the ones who were going to send out the tax bills, they were going to get the hammer over the head because they were the front-line people. The school division trustees shifted the bill over and the councillors had to shift it out — I think the Member for Emerson will bear me out. As a result, when this program was cut back by the Federal Government and you and your colleagues went after them and said, look you are hurting us very much, I have to say; where is the provincial input? Now we know that the Feds have cut back; we know that they haven't lived up to their responsibility; but where is the provincial responsibility, other than the Budget saying now even though we've had \$25 million we want to make our financial figures look better than they are so we're going to shift back \$24.8 million? Where is the replacement, or at least some evidence of support to rural councils, and I think all of us can come up with countless projects, necessary worthwhile projects in each of our municipalities where we, as rural members reside, that are worthwhile, that are needed, and that our councillors are finding a very difficult time of trying to keep up with. But certainly they took advantage, whether it was the winter PEP Program; whether it was the Special Municipal Loans Fund; whether it was the Federal Program; they did take advantage of these programs and it did a number of things.

What do we have to replace that? What are we talking about then? Are we talking about a net reduction, or what are we really talking about? I hope the Minister can say to his municipal councillors, look, I don't want to hear — and I hope I don't hear the same kind of response as we were getting from your colleague the Attorney-General with respect to policing costs. I guess maybe it

backfired a bit. It took a resolution from the Honourable Member for Dauphin who brought in the resolution dealing with police costs hoping to generate a great consternation from this Legislature about federal negotiating position, but it kind of backfired because it then put the Attorney-General on the spot to come up with a statement and say, "Are you going to leave the municipalities high and dry? What is your position with respect to municipalities, or are you leaving them saying, no matter what happens, boys, you're on your own." That resolution I believe at least forced the government to make its position known as to its responsibility. I believe there is a clear responsibility of the province to its brain child of municipal governments.

I would like to hear from the Minister, what do municipal councils look forward to? Do they look forward to further pressure? Even though the program of municipal grants in Education is helpful, nevertheless the pressure still continues on the councillors and we know, over the last three years, that they have really taken the brunt in terms of services to people and property in the municipal areas because they have really been on the firing line with respect to increases in education which has forced them to hold the line and in many cases actually cut back on the services to rural residences. You can look at many municipal councillors; when they're faced with it they held the line and by holding the line meant clearly a cut-back in services or at least a postponement of needy projects in their municipalities. It's really effected, I think the Minister should know, the quality of life in terms of rural Manitoba, the areas that you and I represent. We really should be concerned as citizens that at least we maintain enough assistance to our brain-child and our responsibilities in rural Manitoba that they aren't left and dwindling, Mr. Chairman.

**MR. GOURLAY:** Mr. Chairman, I believe the honourable member raises similar concerns as was expressed by the Member for Rossmere but at the start of your comments you mention about the municipal loans and emergency funding having a special labour forgiveness arrangement and it was higher at one time of the year than another. I think it was 100 percent through the winter months and it was less than that during the summer season. The CSC Program did not have any special labour forgiveness; it was an outright grant. The project was either approved or it wasn't and money was made available for that type of project.

Your concerns about the financing of municipalities; in lieu of the fact that the Federal Government appears to have cut back considerably on their funding to municipalities, as I indicated earlier, we're still hopeful that some new program will still be forthcoming. They haven't closed the doors completely although the CSC Program as such is dead. That was initiated by them as an interim measure until a longer term program could be established and that period of time or interim of time has already expired except approved projects still will be honoured up until the end of March, 1982. As I indicated earlier if we do not have any success in obtaining funding from the Federal Government, and although some relief has been given to municipalities with the \$70 million injected into the educational

program, it does give some breathing space for most of the municipalities to pick up some of the jobs that they have maybe shelved over recent years.

However, failing any further input from the federal people and as I indicated earlier we may have to examine the whole financial arrangements to municipalities, but we haven't closed the door. The discussions are still going on with the federal people.

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

**MR. URUSKI:** Mr. Chairman, I'll make some comments on the Minister's statement, but I have a couple of specific questions with respect to the federal program, CSCP, the Minister called it, I think — yes, Community Services Contribution Program. When were the last applications allowed to be put in, in Manitoba, under that program? When was the last time that applications were accepted in the province? Are they still being accepted up to this time or have they been . . .?

**MR. GOURLAY:** No. This is under the CSC Program?

**MR. URUSKI:** Yes.

**MR. GOURLAY:** They were I believe about November-December of '79 was the deadline for applications under that program.

**MR. URUSKI:** Mr. Chairman, the Minister indicated that the CSC Program was one which, if I understand him, allowed grant moneys totally forgivable for both materials and labour or was it strictly labour forgiveness grant moneys under the Community Services Contribution Program?

**MR. GOURLAY:** No, it was a grant towards the total project.

**MR. URUSKI:** Mr. Chairman, that bring me to another area. Were the types of projects that were being accepted under that program similar to those in nature that were under the Special Municipal Loan Fund?

**MR. GOURLAY:** I would say there was probably a wider range of projects being covered under the CSC Program.

**MR. URUSKI:** Mr. Chairman, in terms of the Federal Program, was there a contribution that would have to have been matched by the local municipality and was there a limit to the amount of grant funding that was allowed under that community program?

**MR. GOURLAY:** Apart from the nine large centres of the province considering Winnipeg, Portage, Brandon, Steinbach and the like; those nine communities that were using the program under the other types of programs that we referred to, The Neighbourhood Program and The Water and Sewer Program, approximately 93 percent of those was going to the nine larger communities; about 7 percent was going to the rest of Manitoba. Then when the CSC Program was brought in there was some \$17 million made available under that program, of which 10 percent was allocated to areas other than the nine larger communities.

**MR. URUSKI:** Well, Mr. Chairman, that's quite interesting that the remaining municipalities within the province were allocated approximately \$2 million in a special program for municipal works as compared to 15 million, if I'm getting the Minister's figures correctly, for nine communities and certainly I believe the nine communities would be deserving and probably could have, and maybe did have, projects for those communities that were necessary and worthwhile. I don't dispute that at all; but certainly the remaining municipalities to have \$2 million to be made available to them, surely this would have been an area where the province, with some imaginative thinking, would have been able to constructively use the Special Municipal Loans Fund to dovetail, because how many municipal districts have we got? Well over 120; 202 municipal districts within the province and if we take \$2 million you're talking what? \$20,000 per district? That's what it amounts to possibly. —(Interjection)— \$10,000 per municipal district. There's not much of a project at today's cost that any municipal district might want to undertake. A municipal garage to house the lowly grader will probably run \$30,000, \$40,000, \$50,000 in a municipality, Mr. Chairman, to do some work or the like or renovations to the firehall. That's really what we're talking about, Mr. Chairman, and to have the Province of Manitoba say that, look, we're now cutting back on the program, is certainly almost unbelievable. Almost unbelievable to have this Minister say, look we're hoping and praying that the Federal Government will change its mind. You know, right now there's still some grants floating around because those nine communities who were allocated the 90 percent of those \$17 million haven't used them all up.

But, Mr. Chairman, where do the local municipal governments go; I mean, there's just nowhere. What we're going to find, and I'm sure has been found, is that virtually there's been a standstill; or else, Mr. Chairman, and I'd like the Minister to comment, some municipalities who may be in a favourable position and have been in terms of assessment and being able to have some moneys in reserve have been able to quickly utilize those grant funds and the areas which have been historically poor, in terms of assessment and did not have any reserves or financial base, could not take advantage and they were even worse off over the four years of the Special Municipal Loans Fund. This would have been a time for some imagination, Mr. Chairman, of using the Provincial Loans Fund to the municipalities and say to them, look, we know there's only \$2 million; or unless this has been by design, Mr. Chairman, and I'd like the Minister to comment whether the Federal Program agreement was by design to say that we are primarily back to the TED report; we are back to the growth centre idea; we're back to saying that we will support nine major communities in the Province of Manitoba and to hell with everybody else. I'd like to know from the Minister what the terms of the agreement were? Was this by clear design by your government to say that we are moving back to the growth centre concept and we will say to the other communities: "We will give you the crumbs. There's \$2 million between 200 of you"; and there are many more small towns than there are municipalities.

So, Mr. Chairman, I think the Minister owes it to his municipal people to say to them; we're not

leaving you cold even though we've spent 90 percent of the money on nine major communities but we're going to have definitely a program for you, we're not going to leave you behind, we want to make sure that the quality of life in those communities and the quality of services is not downgraded because of the pressures that you've faced over the last few years, because of cutbacks, because of our restraint, because of the budgeting, that we have said we wanted to go to New York and we wanted to tell the investors that Manitoba was doing a great job. You know, the Premier went in 1977-78 to the New York investors and said, look at the great job we're doing; we're one of the few provinces who have been able to reduce our spending and we have lowered our expenditures and cut taxes and we have been able to do this through prudent fiscal management, Mr. Chairman. He went out to the investors, yet he left the councillors — your councillors, Mr. Chairman, Mr. Minister — he left them to hold the bag and to take the brunt of the property taxpayers' wrath when there was an increase. That's the reason why municipal expenditures have been held back, because councillors were under extreme pressure over the last four years because of the education costs, you know, where they didn't have any control over, and I don't know whether they could have done anything about it in any event, but they were the first-line people.

So, Mr. Chairman, I think the Minister owes a lot of explanation to the rural municipalities and to the councillors as to what is government policy with respect to the communities that they have assisted, where they have taken and allowed nine communities to handle 90 percent of the moneys, and I'm not opposed to that, that if you are going to say that we are going to put in X numbers of millions of dollars to make sure that regional areas have some certain amenities, but you don't leave the rest of the communities high and dry because by the very nature of \$2 million, unless you've got a fair assessment base, you're not going to be able to take advantage of that program and unless you supplement that with the Special Municipal Loans Fund, for example, to add to that, and especially the less wealthy areas, they will not be able to take advantage of that program. That's probably what has occurred, unless the Minister has some facts to refute my analysis of this.

**MR. GOURLAY:** Mr. Chairman, when the CSCP was brought in, it was the intention or the will of the Federal Government to limit that type of funding to centres of 10,000 people or more. It was negotiated to include smaller centres but after the funding had been cut off at \$17 million and based on previous applications for programming under the previous program arrangement of neighbourhood improvement programs and water and sewer programs, that worked out to; about 93 percent went to the larger communities and about 7 percent to the rest of the province. So it was arranged to split it 90-10 with the 10 percent being distributed to the communities other than the nine larger centres in the province.

Many of the municipalities did not apply to use the funding but I would say, just going from memory, about 75 or 80 percent of the municipalities applied for the funding for firehalls or some type of

worthwhile municipal project. But there were also a number of municipalities that did not apply for any funding under this program.

**MR. URUSKI:** Mr. Chairman, were there limits of funds that were available to these municipal districts of the roughly — am I correct — about \$2 million that was available to them? Was there a limit in terms of percentage of the project; what was the limit that was placed on it? You know, \$2 million doesn't go very far, or \$1.7million.

**MR. GOURLAY:** Mr. Chairman, this was paid out on a per capita basis to the rural municipalities or towns and villages. They got something like \$8.10 or \$8.20 per capita.

**MR. URUSKI:** So, Mr. Chairman, regardless of the need and the financial stability of the municipal district, they were limited to \$8.00 per capita. Let's say they needed a firehall and the firehall was \$100,000 but they had 2,000 people in the municipal district, they would be eligible then for \$17,000.00. Would this be the limit of their eligibility?

**MR. GOURLAY:** That's correct. In some cases the funding may have accounted for a large portion of the project. In other cases it might have been a very small percentage of the project.

**MR. URUSKI:** Then, Mr. Chairman, my point stands, that the more sophisticated and more affluent municipal districts would have been able to take greater advantage of this program, not in terms that they would have got much more money because they would have been guided by the population. At least the amounts would have been basically spread about fairly equally, based on a per capita basis, but the financial stability of the capacity of that municipal district would have dictated whether or not they could have taken on a project. If they needed something desperately, even though these funds would have been available, chances are some of them could not have taken part in this program.

So, Mr. Chairman, it makes doubly my argument that the closure — you know, when the Minister says we are going to have another look at this whole thing if the feds will come through, what are we going to have a look at? There is not going to be any type of legislation on the books and no fund available in terms of at least having something to fall back on in assistance to local governments. When that is gone, we either come back to the Legislature, if we are really saying that we are serious about what we have been talking about and bring in another piece of legislation, which really doesn't make sense, Mr. Chairman, because we have got one on the books now and I think unless there was something abhorrently wrong with the way the fund worked, and if there was, I would like to hear from the Minister because it appears that the only rationale for the repeal of that fund is that it's inconsistent with our accounting principles and runs counter to the goals of governmental accountability to the Legislature and to the taxpayer.

That's bee the analysis and the rationale, and I quoted from the Budget booklet on Page 61, and if that's what we are talking about, Mr. Chairman, I think the municipal councillors of this province

should rise up and say, look, you have taken away one program if you fail to agree, but at least don't take away the other program, make it available to us; let us know that it's available. But really, Mr. Chairman, it really hasn't been available. It really ended in October of 1977. All we have done is pretty well filed off whatever accounts were on the books at that time and even that program had its limitations, no doubt about it but, Mr. Chairman, at least it was geared in terms of need and in terms of the cost of the project, where at least the less affluent municipalities, if they had a worthwhile project and it was labour intensive, they took greater advantage of it. They were not limited solely by the population, they were limited by the amount of money they could raise in terms of materials, at least the labour portion of it. In most cases the labour portion is at least 50-50; that's pretty well what the general construction guidelines are of any project, usually you're running half and half. So that there would have been a much greater sharing of the expenses in the municipal area than presently was the case under the Federal Community Services Contribution Program, Mr. Chairman.

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

**MR. SAUL CHERNIACK:** Mr. Chairman, I need some clarification. When was the CSCP program cut off?

**MR. GOURLAY:** It was during the month of November, 1980.

**MR. CHERNIACK:** Mr. Chairman, no wonder I am confused. The Minister just said that they stopped lending in November and December, 1979. I made a note of what he said.

**MR. GOURLAY:** Mr. Chairman, that's when the applications under the present two-year program had to be received.

**MR. CHERNIACK:** Then November, 1979 was the deadline; they couldn't apply after November of 1979, is that correct?

**MR. GOURLAY:** That's correct.

**MR. CHERNIACK:** Mr. Chairman, the Minister said that only a few months ago it was discussed in the Legislature. Now that I understand from the Minister that in November 1979 applications were cut off, then for some 17 months the Minister, being aware of the fact that the program was finished, has done nothing but hope that the Federal Government would reinstitute it. Is that an unfair description of the situation in regard to this program?

**MR. GOURLAY:** Mr. Chairman, the Federal Government, back some years ago, had three programs that were assisting various municipalities. One was referred to as the NIP program; there was a Water and Sewer Program; and there was one other program. They suggested to the provinces that they would like to roll this into one program and they set up the CSCP program as a two-year interim to run for a two-year period and applications were received by municipalities for approval under this project and

the applications had to be received by November of 1979. In the case of the Province of Manitoba, an agreement was signed which expired in July of last year but by that time there was to be a long-range program in place funded by the Federal Government. Along came November of 1980 and the Feds said, "We have changed our mind we want to scrap the whole program"; but left some indication that this would be replaced by some other new kind of program called something else other than CSCP. Negotiations are still underway with the federal people to come up with a new program to assist municipalities.

**MR. CHERNIACK:** Mr. Chairman, whilst the Minister and his colleagues are twiddling their thumbs nothing is being done; there is no program, the government has no alternative program. The government has just dissipated \$24 million in a one-time shot to reduce the deficit. They are repealing the Act and therefore their whole approach is a negative approach to the entire question of this kind of assistance to municipalities. They are now resorting to blaming the Federal Government as if their responsibility ends with the Federal Government's program but, no, it ended a little further down the line; it ended with the government taking away one program that is in legislation for which there are funds and the government has been twiddling their thumbs, collectively.

I intend to move on, Mr. Chairman, but certainly the Minister should have an opportunity to respond to my comments before I move to the next item.

**MR. GOURLAY:** We have gone around this two or three times already and I don't know what else I can add to it except that I can say that the municipalities in the Province of Manitoba, for the most part, were happy with how the CSCP program had been handled. Most of them sent telegrams to Ottawa giving support to the program but it was all in vain because the federal people decided that they were not about to continue any kind of CSCP program at the present time but left the door open for further discussions that a new program might be initiated some time before very long.

**MR. CHERNIACK:** Here we find the Federal Government set up a program and gave notice that it was a two-year interim program; said that applications would be cut off in November, 1979, 17 months ago. The Minister knew it; his government knew it; the municipalities liked the program; they enjoyed the program; they sent telegrams to Ottawa; why didn't they send telegrams to Winnipeg? Why didn't they come to the Municipal Affairs Minister and say, "The Feds, the dirty guys, had cut off a great program"? Why didn't the Minister bring in that same program if it was that popular. He had more money on the books at \$24 million than the Feds had been in at \$17 million.

So it's all very well to say, well, the Feds didn't do it, and the municipalities were terribly disappointed; they sent telegrams. Obviously they sent telegrams to the wrong capital city; they should have gone to the Province of Manitoba where the original problem lies; the province which is responsible for municipalities, not the Federal Government, and they should have demanded it from the Minister or the Minister should not have had to wait.

So I really think that from November, 1979, to keep talking and hoping that the Feds would play their role, which is a good role to play but not their responsibility, the Minister of Municipal Affairs comes here with a budget which has no provision for this kind of a program. He comes with a knowledge — or maybe I'm too kind — he comes with a lack of knowledge that the \$24 million has been taken away and thrown in to reduce the apparent deficit and not knowing that the Act is being repealed. I don't think that matters; I don't think he ever intended to use the Act. So the fact that he has discovered it is being repealed is of no real concern to him because it was, I assume, academic from his standpoint.

Mr. Chairman, I listened to the Minister earlier talk about the growth taxes and the sharing of income taxation and the Minister said that a fixed sum is established by the Department of Finance, which is distributable amongst the municipalities. I want to suggest to him that that's not correct, that a fixed sum is not determined but rather an estimate is determined of what the revenues will be and that there must be a subsequent adjustment because not one penny of the 2.2 percent, or whatever the allocation is, not one penny is an amount which the government may retain, it belongs to the municipalities. So surely he was incorrect in saying a fixed sum of money; there must be some other calculation involved.

**MR. GOURLAY:** The amount of money that is known is made available each year by the Department of Finance to Municipal Affairs and distributed on a per capita basis in addition to the urban supplement that I explained earlier.

**MR. CHERNIACK:** Will the Minister at least agree that it's not a fixed amount but an amount which is arrived at after the revenues are known and that the municipality's share is calculated and paid to them?

**MR. GOURLEY:** The amount of money that we get from Finance is a fixed amount that's given to us and we divide it accordingly based on the income tax and the corporate tax.

**MR. CHERNIACK:** Isn't the Minister responsible to know how much money is available to the municipalities under the special Act, whose name escapes me for the moment but is the Act, which provides for the sharing of growth revenues, of tax revenue. Isn't he responsible to know how much it is; isn't he a trustee for the municipalities?

**MR. GOURLEY:** Mr. Chairman, we get a fixed amount of money allocated to us from the Department of Finance for distribution under this program.

**MR. CHERNIACK:** Mr. Chairman, the Act that I'm referring to provides that, I'm speaking from memory, I think 2.2 percent of Income tax and I think 1 percent of Corporate Tax belongs to the municipalities, not to the Provincial Government, it belongs to the municipalities. Since it is not known and can't be known what that amount will be; what amount will be collected in, let us say 1981, surely all that can be done is the Department of Finance guesstimates, estimates how much it is likely to be

and that's how it shows its revenue on the revenue side of the items, its own revenue, and informs the Minister of that. Then surely they are required to make adjustments based on what is learned later as the actual collection.

**MR. GOURLAY:** The member asks whether this is a fixed amount or an estimate. No doubt it has to be estimated by the Department of Finance that we get a fixed amount from an estimate as arrived at by the Department of Finance.

**MR. CHERNIACK:** Does the Department of Municipal Affairs or the Minister get a subsequent calculation showing the correct amount with an adjustment based on what is actually payable?

**MR. GOURLAY:** That is taken into account on next year's allocation of funding under the Income Tax and Corporate Tax.

**MR. CHERNIACK:** And now we know, Mr. Chairman. It took a while but now we know that this money belongs to the municipalities; that this money is collected on behalf of the municipalities; is distributed by the Minister of Municipal Affairs and that it is the actual amount which is due to them. It is estimated in one year; it is re-calculated based on more up-to-date information the following year and is paid in that year; that's clear now. May I know from the Minister, dealing with growth taxes and these are the only growth taxes I can think of that the municipalities are permitted to collect, what other types of growth taxes have the municipalities requested they be permitted to use for their revenues in place of Property Tax?

**MR. GOURLAY:** I have not had any specific request for the sharing of other growth taxes from the municipalities.

**MR. CHERNIACK:** Mr. Chairman, it's my recollection that the City of Winnipeg passed a resolution asking for certain specific increase growth taxes and the municipalities at that time did not do so and that subsequently, and more recently, the municipalities did indeed come to an agreement on the growth taxes that they wanted to participate in. Is the Minister not aware of that?

**MR. GOURLAY:** Apparently some years ago the municipalities did approach the Provincial Government about the possibility of sharing growth taxes including, other than those that are being shared at the present time.

**MR. CHERNIACK:** Mr. Chairman, it's fortunate that the Minister for Urban Affairs is present. I wonder if he can give us some enlightening comment as to what is the nature of and how . . . Mr. Chairman, I just wanted to . . .

**MR. CHAIRMAN:** Maybe if we would just pay attention. I don't know which is noisier, the rattling rads or the rattling lips but it's awfully confusing up here.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, I wanted to take advantage of the presence of the Minister for Urban

Affairs to find out whether he can assist the Minister of Municipal Affairs to inform him or remind him of what it is that municipalities have been asking for recently in connection with participation in growth taxes revenue. And, I mention that because the Minister for Municipal Affairs said that some years ago there was a request. My impression is it's much more recent. I'm wondering, Mr. Chairman, through you, whether the Minister for Urban Affairs can clarify or elucidate on this?

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

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Chairman, there has been, related to my responsibilities as Urban Affairs Minister's responsible for the City of Winnipeg, requests for sharing in growth taxes which I'm prepared to deal with in my Estimates; requests from other municipalities will have to be dealt with by this Minister.

**MR. CHERNIACK:** Yes, Mr. Chairman, that was my impression. My impression goes further to the effect that there was a resolution passed at some fairly recent meeting of municipalities concurring in whatever it was the City of Winnipeg was asking so that it appears now on record, and I don't have the record, that all of the municipalities, through the organization of municipalities as well as the urban, or at least the City of Winnipeg, are in agreement that they want to share in growth taxes. And yet the Minister of Municipal Affairs says he doesn't know anything about it and I must say that I'm surprised and I'm now starting to wonder whether I can be wrong in my impression.

**MR. MERCIER:** Mr. Chairman, I don't want to mislead the Member for St. Johns. I wanted to indicate that in my Estimates I'm prepared to deal with this question of growth taxes as it relates to resolutions which have come from city council in recent years. Whether or not those have been approved by either the Union of Municipalities or Urban Association, I'm not quite sure right now, but I'm only giving resolutions from City Council.

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

**MR. GOURLAY:** Mr. Chairman, we can certainly check on the resolutions that have been brought to our attention by both the Urban Association and the Union of Manitoba Municipalities with respect to this.

**MR. CHERNIACK:** Mr. Chairman, that would be helpful. I think it would be helpful to the Minister as well as to the Committee to know what it is municipalities want in that connection.

I want to assure the Minister of Urban Affairs that he didn't mislead me at all. I understood him exactly the way he later explained it. The only thing I would like clarification on is my impression that indeed the Union of Manitoba Municipalities did ask for participation in growth taxes and I'm really surprised that the Minister, whether formally or informally, is not aware that they do want to participate in growth taxes to a greater extent than just the income tax we've referred to and yet he gives the impression he knows nothing about it.

**MR. GOURLAY:** Mr. Chairman, I have indicated that I would check further on the recent resolutions that have come before me and give you this information.

**MR. CHERNIACK:** May I ask whether the Minister has had any discussions at all, informal or formal, with any municipalities dealing with participation and growth tax?

**MR. GOURLAY:** Not since I have become Minister of Municipal Affairs.

**MR. CHERNIAK:** Well, Mr. Chairman, I'd like to express my regret that here a program was brought in, admittedly, by a government different than the Minister's government, where the municipalities were given the opportunity to participate in growth taxation and offers were made by the former government to municipalities, that if they could come to agreement on the nature of participation in other growth taxes or indeed, if they wanted to increase their share of income tax, that there would be an open door for them to discuss what their wishes were and I am surprised that they apparently have not gotten through to the current Minister, who has been around for a while now, to indicate that they would like to do that and I am really surprised, because they are the ones who have been complaining most vociferously and to my mind, justifiably, that they need help and substantial help, to relieve the burden of property taxation, so that I'm looking forward to the Minister's report as to what he learns, because of the surprise I've already expressed.

**MR. CHAIRMAN:** 1.(b)(1) — pass — the Member for Ste. Rose.

**MR. A.R. (Pete) ADAM:** Mr. Chairman, I wanted to raise the same points on the Special Municipal Fund, but most of the comments that I would have made have already been raised by my colleagues. But I do want to say nevertheless, that it seems to me that the Minister has placed himself in an incredible position by criticizing and probably rightly so, but in his case, he's putting himself in a difficult position by criticizing the Federal Government for cutting back on a federal program and at the same time, the Minister has given the municipalities we'll say a double whammy, by cutting back on a provincial program that had funds available there all the time. So I feel that the Minister's position certainly is very difficult indeed, for him to say that the Federal Government is wrong to cut back on a program that only affected a few municipalities, they only affected a few municipalities. Here you have a program which was available to all municipalities, large or small, or rich municipalities or poor municipalities. These programs are available to all of them and I'm wondering why the Minister and the government saw fit to cut back on a provincial program that was in place, was satisfactory, was doing the job that it was intended to do, and I find it just incredible that the Minister can sit there and criticize the Federal Government when he did what I consider to be far worse than what the Federal Government is doing.

I want to put that on the record and I would like to at the same time, ask the Minister now that they're negotiating a new agreement with the Federal

Government, is it going to be the same kind of an agreement where only the larger municipalities will be able to avail themselves to that program and all the balance of the municipalities, the 190-odd, or 95-odd municipalities that have been by-passed on the federal program? Will it be the same thing? Will it be a repeat of what has happened in the past?

It seems to me that what my colleague for St. George has said, that you could dovetail these programs together and where some municipalities couldn't qualify for the federal one, at least there would be the other program there for those municipalities that couldn't qualify for the federal program. If the Minister would want to respond as to why.

**MR. GOURLAY:** Mr. Chairman, we have been dealing with this item for some time. Perhaps the Member for Ste. Rose was not here for all the discussions. The federal people initiated the CSC Program as an interim measure until a long-term program could be put in place. Now they have seen fit to discontinue the CSC Program and we're not sure at this point what type of programs they may have available for the various municipalities but hopefully this will be achieved soon.

**MR. CHAIRMAN:** I just wonder if we could have some assistance here from the committee. We do seem to be rambling all over the whole system here and this item is comparatively small in comparison to say, Budget and Finance, which was many times larger. Now maybe you're going through the waterfront and patch everything afterwards, but there has been a lot of repetition of the same approach and I'm at the mercy of the committee how you want it handled, but it does seem as though there is considerable repetition.

The Member for Ste. Rose.

**MR. ADAM:** Well, Mr. Chairman, you know, what we're talking about is the Special Municipal Loan Fund, Emergency Fund, and it seems to me that comes under Administration and I'm making a point and the Minister never answered my question. He keeps on talking about the federal program. That doesn't excuse him because the Federal Government came in with a program for two years; it was going to expire after two years.

That doesn't accuse the Minister for doing away with a program that was in place, that had money back in 1977. That's the point we're trying to make. Why would the Minister bring in a double whammy on the municipalities, especially the weaker ones and the ones that are not as large and as strong and as wealthy as those nine that avail themselves to most of the funds of the Federal program?

**MR. GOURLAY:** Well, Mr. Chairman, you mentioned that this comes under Administration. I would like to advise the honourable member that this particular program, this Municipal Loans and Special Emergency funding does not come under this department. It is administered under the Department of Finance and handled through the Department of Labour.

**MR. CHAIRMAN:** 1.(b) — pass — the Member for St. George.

**MR. URUSKI:** Well, the Minister can indicate that the program now falls under the administration of the Department of Finance, I believe his — if I'm not mistaken, his Municipal Services Branch would have been involved in the auditing and the collection of the funds. While one can argue that that program, say we'll try and get off the hook by saying, look, it's not within our department, needless to say, I'm sure some of your staff, Mr. Minister, have been involved in the last year — I stand to be corrected — but be involved in the auditing and the finalization of the record-keeping that would be done. The Department of Finance would strictly do the overall bookkeeping end of it and your department would be handling it.

Nevertheless, Mr. Chairman, I would like, from the Minister, if he could tell me those nine communities, one of which I assume is Winnipeg — the others, I would think, would be Brandon, Thompson, Dauphin, Selkirk, Portage, Steinbach, Flin Flon and The Pas. Would that be fairly accurate in terms of the nine communities where they would have about 70 percent of the population of Manitoba and they would have received about 90 percent of the funds under this program and the remaining 30 percent of the residents scattered all over the province would have been eligible to receive the remaining 10 percent of the funds under the program?

Mr. Chairman, that's where I believe the government and the Minister, surely at this point in time, is he saying that he is going to abandon municipal governments, that there will no longer be any type of a program of encouragement and assistance to improve works in many of the rural municipalities? Is that what the Minister is really saying?

**MR. GOURLAY:** First of all, Mr. Chairman, I would like to get on the record that in no way has the Department of Municipal Affairs been involved with the Special Municipal Loans Program. As I have indicated several times now, it was financed through the Department of Finance and administered through the Department of Labour.

With respect to the emergency projects that may come up from time to time, certainly it's pretty difficult to budget for emergency projects for municipalities. Nevertheless, having said that, I have indicated that if we are not able to negotiate a replacement program with the federal people, no doubt we will have to review our financing of municipalities. In view of the fact that these programs are cut off forever, the municipalities certainly cannot afford to do the many jobs that they would be expected to do, whether it be renewal of water and sewer programs or whatever. But as I indicated earlier, we are prepared to re-examine the municipal financing if this is necessary.

**MR. URUSKI:** Mr. Chairman, I accept the Minister's statement that his department now is completely out of the financing of this program, or at least have any administrative input in it. Nevertheless, the program impacted on all your jurisdiction in terms of rural Manitoba. All the municipalities depended on this program, or both programs, both the Special Municipal Loans Fund and the federal program of which your government knew that it was of a two-year duration. You have indicated that it was going to end and notwithstanding that, you were prepared

to, by government policy, be prepared to abandon them, and I haven't heard anything new coming out of you, other than saying, "We'll monitor it." I mean, we have heard that word "monitoring" for the last several years, practically from every department — we're going to monitor the whole situation. Mr. Chairman, the Minister of Health monitored nursing homes until the bed sheets came flying home, so to speak, Mr. Chairman, and now we have the Minister of Municipal Affairs doing the very same thing in terms of the Municipal Loans Fund, Mr. Chairman. He has really sold out the municipalities. There is just no doubt about it. I don't think he can get around it, no way. I would have hoped that he would have said, look, even though we are getting rid of this program, we have some new ideas; we are fresh and we are going to provide a new approach to assist municipalities in dealing with some of the projects they might have.

The Sewer and Water Program was not, I don't believe, part of the Special Municipal Loans Fund, no. That's a separate program and I gather it's continuing through the Department of Agriculture, as it was all the way through, through the Water Services Board and budgeted on a need basis in terms of, I presume pollution, water supply, and a whole host of criteria and is continuing, as it has been for the last eight or nine years, I think, going back to 1973, and it's continuing.

But this program, Mr. Chairman, did assist many little municipalities, small villages, unincorporated villages within municipalities, to do certain work, and it assisted them greatly. While we know that it was cut back in 1977, the Federal Government did come in with a two-year program and now we seem to be saying, well, we shrug our shoulders and say, well, we're sorry but we hope that they will change their mind, while the Minister's own colleagues in rural Manitoba are sitting there saying, well, look, help us out, some of our municipalities are not very financially able. But there is nothing forthcoming, Mr. Chairman.

Mr. Chairman, the Minister put out a bulletin in February where he quoted some figures dealing with the Education Support Program. Figures that were quoted in the article, in the brochure, I wanted some clarification on because I just wasn't too sure and I want some explanation on that, since it was his department that has the authorship of this document called "The Municipal Informant," February 18, 1981. On Page 14, it says, "In 1981, \$423 million will be available to school boards for operating support." That's in the first paragraph. In the second paragraph, where they speak about, "the Education Support Levy in 1981 will be 37 mills in balanced assessment in farm or residential and 75 mills in other property. This amount will raise \$148 million and then, in addition, local property taxpayers will pay a special levy depending on how much local support, but government support for this program will be \$288 million."

Now, Mr. Chairman, I am assuming that the figure of \$148 million added to \$288 million, gives you a total of \$436 million. However, in the first paragraph, it gives you an amount of \$423 million. There is a bit of — maybe I am misreading the figures — there is a difference of \$13 million in what is announced to be available and what is the actual support, unless

I'm reading the figures wrong. Maybe the Minister or some of his staff could clarify those figures that were put into the brochure.

**MR. GOURLAY:** Mr. Chairman, we'll have those figures checked out and perhaps later on we can clarify that.

**MR. CHAIRMAN:** 1.(b) — pass; 1.(c) — pass; 2.(a) — pass — the Member for St. George.

**MR. URUSKI:** Mr. Chairman, the Municipal Board handles most of the dealings and appeals against ministerial decisions dealing with assessment, boundary changes, planning matters and other areas, Mr. Chairman. Is the Municipal Board up-to-date on its appeals? What is the schedule of the Board in terms of its dealings with the municipal districts?

**MR. GOURLAY:** Mr. Chairman, the Municipal Board is basically up-to-date, except for its normal workload and scheduling of hearings which run for maybe upwards of three weeks or so.

**MR. URUSKI:** Mr. Chairman, if the Board is up-to-date, there were a number of hearings held in the Interlake over the last year dealing with boundary changes between the LGD of Fisher and the R.M. of Bifrost. Mr. Chairman, there were several hearings held, recommendations made by the Board to the Minister, recommendations which were implemented by the government — it sounds like I have competition this evening, Mr. Chairman, with . . . while there may be some skeletons in the closet, Mr. Chairman, the government will have to act on those skeletons sooner or later, Mr. Chairman.

The Minister did accept the Board's initial recommendation with respect to those boundaries. Boundary changes were implemented, which if one could put it mildly, made no one happy. Both Municipal Councils were left, to say the least, in a quandary as to their jurisdiction. The boundaries were clear enough, but they were so jagged and the like, that it ended up that a new set of hearings were called.

Recently the hearings were held in the area and some legal arguments came up about the jurisdiction of the Board to deal with those boundaries and hearings had to be adjourned and another set of hearings had to be called. These hearings have been now held, to the best of my knowledge. I wonder whether recommendations have been now received by the Minister from the Municipal Board with respect to the most recent round of hearings and what the Minister's intentions are with respect to these boundaries.

**MR. GOURLAY:** Mr. Chairman, I have not received the decision from the Municipal Board on the latest hearings involving the R.M. of Bifrost and the LGD of Fisher. I understand that the Board are currently awaiting for written argument from one of the Councils or both Councils. Apparently one of the legal counsel was going to be away, so the Board is waiting for written argument from both Councils apparently at this time.

**MR. CHAIRMAN:** 2.(a) — the Member for St. George.

**MR. URUSKI:** Mr. Chairman, I'm just leading into the area that I want to question the Minister on.

Mr. Chairman, there has been considerable legal costs that have been incurred by the municipal districts dealing with these boundaries, and to say the least, I believe that most people in the area, in both municipal districts were, to put it mildly, surprised, that the government accepted the original recommendation of the Board in the way that the boundaries were set, because if I recall, the original petition that came in from residents of the LGD of Fisher wanting to be annexed into the R.M. of Bifrost; it came about, if one could say, historically as a result of the dissatisfaction of residents who lived north of the R.M. of Bifrost within the LGD of Fisher — dissatisfaction as a result of services that the LGD of Fisher decided to end an agreement with the R.M. of Bifrost for veterinary services. This was one of the issues that was brought out as being very unsatisfactory to the residents who lived north of the R.M. of Bifrost. As a result they petitioned the Minister and the Minister did call for hearings.

Mr. Chairman, the end result was that some of the residents or a portion of the LGD of Fisher, due north of the arm of Bifrost, was not taken into the new arm of Bifrost, which left a very, one could say, untenable situation, as to the LGD of Fisher trying to provide services to an area that, I think in some instances, they really couldn't get to, unless they went through the arm of Bifrost. The question then arises as to whether or not the Minister should have accepted the recommendation or accepted the recommendation in terms of receiving it, but not implementing it, seeing the implications of the suggestions made by the Municipal Board and thus not putting the two Municipal Councils to legal expense that they have now had to incur in all these hearings, because the one hearing that I attended, the bulk of the hearing, ended up as a legal argument as to whether or not, one could or could not even discuss the north boundary, whatever that was; whether it was the north-south boundary or whether it was the east-west boundary, but it was the north boundary. So we had a whole day of arguments of what could be admissible and what could not be admissible, costing the taxpayers of both of those areas large sums of money and I understand that it's probably going to run them for legal fees over and above the original hearings, maybe \$10,000 to \$20,000, just for legal fees, let alone in terms of the time that councillors have taken up. I spoke to one of the Reeves and he said their legal fees, not counting these last hearings was over \$6,000 and the other council, I hadn't spoken to them, so we're probably heading well over the \$10,000 mark in terms of legal fees that I believe that the Minister probably could have avoided by telling the Municipal Board, thank you for your recommendation, but realizing the implications of it and saying, you know, we'd like you to have another look at those boundaries before we even implement them. But what happened was, when those recommendations were implemented, and I can see part of the dilemma that the Minister was in because the Municipal Board making their recommendations, you can come with the argument you either accept it or you don't accept it. Well, one could accept it as being presented but not yet implemented, because

when you implemented it, what you had was a series of by-elections, because you had a new redrawing of boundaries, so you had to pay the cost of a new election. Then you had the municipal elections in the fall of that year, which everyone took part in. They were the standard costs that everyone would pay for; that's understandable.

Now if we change those boundaries again, which I assume will happen, because no one is really happy about the situation and we are going to be faced with an additional cost of the new by-election, new cost, let alone the legal fees that are going to mount up over a decision, Mr. Chairman, that I believe could have been avoided in terms of the recommendations of the Municipal Board, not by the Minister saying we don't accept your recommendation. We accept your recommendation, but we're not implementing it. Go back and say look, by heavens, the whole area to the north of Bifrost, which was wanting to come in, we'll have another look at it, but the Municipal Board looked at it, I guess on school division boundary lines and maybe they had some rationale on it. I'm not sure what advice they received from staff or whether staff were consulted in this whole process. It makes it a very expensive proposition to the residents of that area and I ask the Minister for his guidance and advice as to what his government intends to do with those expenses that have been needlessly incurred by those two councils, Mr. Chairman.

**MR. CHAIRMAN:** 2.(a) — pass — the Honourable Minister.

**MR. GOURLAY:** Mr. Chairman, as the honourable member has indicated, it's traditional that the Minister accept the recommendations of the Municipal Board and I might say there have been a number of petitions over the years on both sides of the issue and it's been not any simple decision to arrive at and of course, the Municipal Board deals with the evidence that is presented to it and this is how they base their eventual decision on the boundaries and I don't have any easy solution to the problem. They're at it again at the present time. Hopefully this can be resolved.

Now this does incur considerable costs for legal fees but nevertheless it's been a hotly contested issue with those local people.

**MR. URUSKI:** Mr. Chairman, I am not suggesting that the Minister do anything, you know, he indicates that it has been traditional to accept the recommendations of the board. Surely the Minister was aware that in terms of, if I recall correctly, the desires, at least the desires of the people to the north of Bifrost in the LGD of Fisher wanted to come in. The final ruling, and I just know it broadly, was that the area that was requested only part of the area came in and, in fact, a good portion of the LGD of Fisher, which I'm given to understand the Council of Fisher was not objecting to going into the RM of Bifrost but because of the nature of the ruling other areas which were not even considered originally that would be part of the annexation were taken in and that's where the whole problem came in. I ask the Minister, could this all not have been avoided, or at least a good portion of it. The hearing process could not have been avoided, I understand that the people

of the area should have their say and that their input into the process is uppermost and most necessary in terms of their wishes being felt by the Municipal Board. But I believe that the Municipal Board initially, one could say, while it looked at the question, probably had maybe something else in its mind. Maybe it was rationale; they tried to do it along school division boundaries. I think what they did is they set the new boundaries along the Evergreen School Division forgetting about the question of municipal boundaries. They started swinging municipal boundaries into the school division boundaries and what happened was that they created a zig-zagged boundary that virtually no one could come up with some good agreements in terms of maintenance and looking after roads, doing the physical things that have to be done, because the school division boundaries seem to have taken sections of lands here and there and it was like a set of stairs, Mr. Chairman, within the area.

What I am asking and suggesting to the Minister, and of course having hindsight is fine for the one that is using it but, Mr. Chairman, surely the Minister could have received input from staff who would have been familiar with that area and said, hey, you're going to get yourself into a jackpot like you've never gotten yourself into because it's not going to make anybody happy by the boundary situation that was created because Fisher is going to have to come in all the way, almost as far away from their base for maintenance as they did originally and yet there are very few people there. It would have been much more simple and much more understandable and I think the wishes of the people would have been met by including the bulk of that north area, as was petitioned, into the RM of Bifrost. I am not suggesting, and I repeat that I believe citizen input, I agree that it's not an easy decision regardless of who would be in government in terms of being the Minister.

What I am suggesting is that the ultimate decision is yours. Had the advice been given you didn't have to reject the recommendation of the board; you could have accepted it but just not implemented it. You could have held on to it realizing the implications of the situation and saying, look, it's not going to work; have another look at it. Thus, I believe they may have been able to have another hearing, but maybe not even have another hearing, have another meeting of the board and relook at the physical aspects of the boundaries and deal with them, because it's really put the people in a difficult position. It's really put people up in the air because it has reopened the issue once again and by reopening the issue no one is really happy because some of the areas that Fisher was not objecting to, as I understand it, could have been taken into the RM of Bifrost; in other areas they would have preferred to be left out and the boundary that was established certainly didn't suit anyone because of the physical nature of the way it was put into place.

I would like to know and be assured by the Minister that some of those costs which will have to be borne, whether or not the province will look at some of those legal costs and redrawing of boundaries again, Mr. Chairman.

**MR. GOURLAY:** I certainly appreciate the comments from the honourable member who is closer to the

situation and knows more of the fighting that has gone on between both sides of the question. The matter is currently in the hands of the Municipal Board and I am waiting to receive their recommendations on the current matter.

With respect to the department assuming some of the legal costs, I wouldn't want to make that assurance because of setting a precedent that could snowball in future hearings through the province. I think that the local people there have insisted that it come to a hearing to endeavour to correct the situation. Granted, the jagged border that eventually was recommended after the first hearing maybe left something to be desired, but nevertheless there was a very severe amount of infighting between the groups involved in the area and no doubt the Municipal Board felt that, with the evidence supplied to them, they came up with the best possible decision at the time, which obviously is not the case because we're back at it again.

**MR. CHAIRMAN:** The Honourable Member for Ste. Rose.

**MR. ADAM:** Thank you, Mr. Chairman. I believe this would be the section where we would discuss intermunicipal drains; I think it would come under this section.

**MR. CHAIRMAN:** Order please. Are you talking about drainage?

**MR. ADAM:** Intermunicipal drains. I believe it would come under this section. I don't see any other section.

**MR. CHAIRMAN:** To the Member for Ste. Rose, there is nothing under this resolution with regard to that subject matter that you raise.

**MR. ADAM:** Perhaps the Chairman or the Minister could advise the committee what section of the Estimates can we discuss intermunicipal drains which is under The Municipal Act? Where would I have the opportunity to raise questions in regard to intermunicipal drains?

**MR. GOURLAY:** Mr. Chairman, I am not sure that there are any specific items here that would fall under. It would be included, no doubt, under Water Resources. Are you referring to where there is a drain between an LGD and a municipality, or between two municipalities?

**MR. ADAM:** Between two jurisdictions of municipal governments that are affected by a drain, a water course, a canal, or whatever. It is in The Municipal Act; the Minister is responsible for enforcing this Act. I am asking the Minister how are these sections of the Act . . .

**MR. GOURLAY:** Mr. Chairman, maybe if you can be more specific on your problem then we can determine just where this should fall.

**MR. ADAM:** Let me give you some of the preambles. Pages 123 and 124 of The Municipal Act: "A municipality shall not fill, dam up, obstruct, injure or destroy any water course or drain into a water

course a greater quantity of water than the water course will reasonably admit, so as to cause the water therein to overflow or to damage contiguous lands unless there has been first provided or constructed by the municipality an adequate outlet for the water . . . etc., etc."

Here is another section over here: "Where a drainage ditch, canal, or other water course or any outlet therefore has been constructed or provided by the government or a municipality, in or across any part of the municipality; or (b) work to dredge, clean out, shore up or support the banks of or otherwise maintain a river stream or other natural water course . . . " This is in the Act.

I am asking you, Sir, how are these sections enforced? Who enforces these regulations?

**MR. GOURLAY:** If it's a matter of any violations under this section of the Act then it would be dealt with in the Courts.

**MR. ADAM:** By whom? How would the Act be enforced?

**MR. GOURLAY:** The aggrieved party would take it to Court if it was a violation under that section of the Act.

**MR. ADAM:** The Act suggests that it goes to the Municipal Board.

**MR. GOURLAY:** The Municipal Board?

**MR. ADAM:** Yes. Is the Minister not familiar with this section of the Act?

**MR. GOURLAY:** Mr. Chairman, although there is reference under the Municipal Act to enter municipal drainage it has not been a practice where this issue has been brought the Municipal Board. In previous situations where it's happened the affected municipality takes it to the court or the water resources and drainage people specifically dealing in drainage matters.

**MR. ADAM:** What would happen, Mr. Chairman, if a municipal corporation did apply to the Municipal Board to adjudicate on this problem; on a problem between municipalities where the water comes from one municipality, goes into another municipality and then goes out again back to the original municipality?

**MR. GOURLAY:** Well, Mr. Chairman, provision is made under The Municipal Act to have this matter referred to the Municipal Board. In the past this has not happened, it's usually been resolved either in the courts or taken to a line department to clarify this particular matter. If the municipality concerned wishes to use the Legislation in this case and have it referred to the Municipal Board then that's an alternative that they can use.

**MR. CHAIRMAN:** The Honourable Member for St. Rose.

**MR. ADAM:** Mr. Chairman, if this is a route that is proceeded with by a municipality and the Board makes a decision which I believe is final and may

assess cost, apportion the cost to both municipalities or whatever, the Municipal Board I presume would then, as I understand it, would make a recommendation to the Minister. Is that correct?

**MR. GOURLAY:** The Municipal Board is not in a position to award damages under a situation like this.

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

**HON. JAMES E. DOWNEY (Arthur):** Mr. Chairman, it would appear that the questions that the members are asking of the Minister are not very clear and that maybe it would be possible that the Minister could respond a little further to the member the next time the Committee sits. I think the authority that we're talking about, if I understand it correctly, falls within the jurisdiction of the Minister of Water Resources as far as the water districts are concerned. The management of the water would probably be better addressed, if it's a specific problem, better addressed to a specific question to the Minister of Natural Resources. But, as far as the administration of the Act and the capability of one jurisdiction to either charge or take legal action against another one I think the Minister probably might want to respond to the member at the next sitting of the Committee.

**MR. GOURLAY:** Mr. Chairman, I could add further to this section of the Act that the Board are in a position to award maintenance costs to the various municipalities but where there is damages resulting from the misuse of the drain then the Municipal Board is not in a position to allocate those damages. In many cases there are individuals involved as well as the municipalities.

**MR. CHAIRMAN:** The Honourable Member for St. Rose.

**MR. ADAM:** Section 277, sub 3. "Any person who fills up or partially fills up a drain is guilty of an offence and is liable to a summary conviction, to a fine of not more than \$100", which I say should be changed, I think that is ridiculous, "but in default of payment to imprisonment for not more than 1 month". I think this section is really ridiculous, in any event, but it does indicate that there is some authority. The Minister of Agriculture, who gave us the benefit of his wisdom that this should be a Natural Resources problem, I want to say that the problem that I'm raising here has been brought to the Department of Water Resources for the last 15 years and it isn't resolved yet.

So, Mr. Chairman, we will have to ask the Minister of Municipal Affairs to maybe advise the people involved to come to the right Minister, under The Municipal Act, and get the Municipal Board to make a decision because obviously the Water Resources will not address themselves to the problem. Now they are suggesting to do some work in that area but it does not address itself to the sections of this Act. What the Natural Resources Department is recommending does not conform with the sections of this Municipal Act. This legislation is on the statutes and there should be some way of applying it

to problems that have arisen such as the one that I'm referring to. I'm not mentioning where it is but I'm sure that if you asked the Water Resources they'll know where it is.

By the way, Mr. Chairman, there's a special meeting of the Municipalities tomorrow night, I understand, to look into this situation because the people who feel they are aggrieved have brought in some counterproposals to the remedial actions that the Water Resources and the Highway Department, and I don't know, maybe the Department of Agriculture is involved and maybe your department, sir, is involved. There are so many departments involved that you've got the people running around like beheaded chickens; they don't know where to go. And, that is a problem because you keep shuffling this problem back from one department to the next and back and forth. Well, that's not our jurisdiction, it's somebody else's jurisdiction and so on and so forth.

The Minister of Agriculture will be involved with water supply for a town so he'll be involved, there's no doubt about that. So, there are so many departments involved in here that the people just don't know where to turn anymore. The legislation is there and it should be possible for the citizens of this province to be able to avail themselves of these statutes.

**MR. GOURLAY:** Well, certainly they can make use of this legislation if they so choose.

**MR. CHAIRMAN:** The Honourable Member for St. George.

**MR. URUSKI:** Thank you, Mr. Chairman, I just wanted to go back to the comments and discussions that the Minister and I had with respect to the Municipal Board hearing dealing with Bifrost and Fisher. Can the Minister indicate whether he is bound by legislation to make an award dealing with liabilities and assets when boundary changes are implemented with respect to the Municipal Board? Well, I'm wondering whether that will be part of the recommendation that the Board makes since there'll be quite a sizable change in jurisdiction and boundaries that will take place. What does the Minister see happening in this case, over and above the boundary changes that will occur?

**MR. GOURLAY:** The Board has the capabilities of making the necessary award in a case of annexation or territory changes.

**MR. URUSKI:** Is that mandatory on the Board to make that type of a decision, or can they strictly deal with the boundary question only and leave aside any other issues that they may crop up?

**MR. GOURLAY:** It's mandatory that they make an award but it may be a nil award.

**MR. URUSKI:** I see. That's all I want to know.

**MR. CHAIRMAN:** 2(a) — pass; 2(b).  
The Honourable Member for St. Rose.

**MR. ADAM:** Mr. Chairman, if an appeal is made to the Municipal Board on the subject matter that I

brought up, is it possible for an individual or a number of individuals to make an application? Can an individual make an appeal to the Municipal Board if he is aggrieved and will they look at his case?

Now, Mr. Chairman, the Deputy Minister is replying for the Minister. I'm not asking the Deputy Minister.

**MR. CHAIRMAN:** Remarks come through the Chair, we'll get away from this hassle. The Minister is looking up the answers the Committee has been told.

The Honourable Minister.

**MR. GOURLAY:** According to advice given to me it would have to be directed through the municipality to apply to the Municipal Board.

**MR. ADAM:** There are some cases, I'm not sure under this section, but there are some sections where I think a number of ratepayers can make an application to the Board. I think you're wrong, you said yes. Is that not correct?

**MR. GOURLAY:** Not under this section.

**MR. ADAM:** On another section.

**MR. GOURLAY:** Mr. Chairman, not under this intermunicipal question that you raise.

**MR. CHAIRMAN:** 2.(b) — the Member for St. George.

**MR. URUSKI:** Mr. Chairman, has the Board been involved at all in the recent court decision dealing with assessment of property, the recent Solomon decision with respect to the assessment of residences and the like? Was that matter originally referred to the Board and then taken to court, or was it straight to the courts, Mr. Chairman?

**MR. GOURLAY:** Questions of liability have to go to Court of Queen's Bench.

**MR. URUSKI:** I see. So the matter of assessment of the buildings was strictly a court decision. Well, we can deal with it under the Assessment Branch.

**MR. CHAIRMAN:** 2.(b) — pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$312,200 for Municipal Affairs — pass.

3.(a) — pass; 3.(b) — the Member for St. George.

**MR. URUSKI:** Mr. Chairman, with respect to the entire branch in terms of the grant structure that are paid to municipalities, is there any change in terms of the grant structure at all to municipalities? These are for the provincial buildings that are within municipal districts; am I correct?

**MR. GOURLAY:** No changes in the structure.

**MR. URUSKI:** I just want to make sure that I understand that these would be . . . Mr. Chairman, if the Minister of Agriculture wishes to take part, would you recognize him and let him not interrupt as he is so rudely doing, Mr. Chairman?

Mr. Chairman, there is a \$260,700 increase in grants in lieu of taxes. These would be for which

buildings? What are we really talking about, just to refresh my memory, Mr. Chairman?

**MR. GOURLAY:** This is for the Legislative Buildings.

**MR. URUSKI:** The Legislative Buildings, only? No, it must be other. Could the Minister give us — are there many municipalities that receive the \$16 million? How many would there be? Is it a very large number? What would be the largest grant, for example, let's say the largest five grants? Maybe the Minister . . .

**MR. CHAIRMAN:** I wonder, if we are down onto (c) — I really hadn't passed (b) and maybe if you allow us to pass (b), or else we'll be running up and down the boardwalk.

3.(b) — pass; 3.(c) — the Member for St. George.

**MR. DOWNEY:** Mr. Chairman, I wonder if the Member for St. George would apologize because that's what I was trying to do when I suggested a couple of minutes ago, "pass," and he said it was a rude move and I really wanted to get on . . .

**MR. URUSKI:** Mr. Chairman, I'm sure that the Minister really knows what he is talking about when he doesn't even have an Estimates Book in front of him, Mr. Chairman, or even right beside him. (Interjection)— Yes, I'm sure.

**MR. CHAIRMAN:** 3.(c) — pass — the Member for St. George.

**MR. URUSKI:** Mr. Chairman, would you give the Minister an opportunity to check the record, and don't be so hasty, Mr. Chairman, please.

**MR. CHAIRMAN:** He has to signal that he wants the floor and I haven't seen that signal.

**MR. GOURLAY:** Mr. Chairman, I was just waiting for the information on this question. There are some 2,409 applications which were paid to the different municipalities. There may have been a number of applications from individual municipalities, for a total of 2,409.

**MR. URUSKI:** That would be for government buildings, universities, Legislative Buildings, all public institutions, other than MHRC housing and the utility buildings, that they would cover their own? — (Interjection)— That's in addition. Hospitals and schools would be included in that as well, in that figure?

**MR. GOURLAY:** Nothing on schools.

**MR. URUSKI:** There are no municipal taxes?

**MR. GOURLAY:** Not in this.

**MR. URUSKI:** Where would the grants be for hospitals and schools? Would they be under, like MHSC funding? Would they be paying grants in lieu of taxes for the hospitals and schools?

**MR. GOURLAY:** I'm not sure, but it doesn't come under this section.

**MR. URUSKI:** It's strictly for the office buildings that the province would have throughout the cities, towns and villages in the province. In terms of the grants in lieu of taxes, Mr. Chairman, are the provincial buildings reassessed at the same time as the other, when a municipality is being assessed? Would the provincial buildings within that municipality fall into that same category or are they evaluated once and the assessment stays on them? Would they be upgraded at the same time as all other buildings within that municipal district?

**MR. GOURLAY:** Mr. Chairman, I understand that they are upgraded at that time as well.

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

**MR. SCHROEDER:** Thank you, Mr. Chairman. Does that mean that you would have a figure for the total assessed value of those particular public buildings in Manitoba, that is, universities and the Legislative Building, other government buildings and that type of thing? Do you have a total for that somewhere?

**MR. GOURLAY:** We don't have that information right now. It would take some time but we could supply it for you.

**MR. SCHROEDER:** I was just wondering whether it could be made available or whether in fact it is possible. I am not asking for it.

Now, you indicated this does not include hospitals? Is that correct?

**MR. GOURLAY:** That's right.

**MR. SCHROEDER:** Are hospitals exempt from municipal taxation in Manitoba?

**MR. GOURLAY:** I understand this is correct.

**MR. SCHROEDER:** How about MHRC housing?

**MR. GOURLAY:** They pay their own taxes.

**MR. SCHROEDER:** Is there legislation that makes a maximum payable to any municipality, something like 5 percent of its assessed value, or something like that? —(Interjection)— There's no maximum limit so the municipality in which provincial property is situated would receive a grant in lieu of taxes which would be approximately similar to what they would have received were they taxable; is that correct?

**MR. GOURLAY:** The only statutory limit is on the Legislative Buildings.

**MR. SCHROEDER:** What kind of a statutory limit is there on the Legislative Building?

**MR. GOURLAY:** For a number of years it was set at \$100,000 and now it has been adjusted up to \$260,700.00.

**MR. CHAIRMAN:** The Honourable Member for St. George.

**MR. URUSKI:** Mr. Chairman, in terms of the municipal districts, with respect to their borrowing

capacity, are there many municipal districts within the province who have reached their borrowing capacity with respect to municipal projects and the like? What is the situation across the province with respect to the borrowing ability of municipalities?

**MR. GOURLAY:** Do you want the number that are up to the maximum of their . . .

**MR. URUSKI:** Yes, what kind of statistics do you have when you indicate a maximum, that is, I presume that is arrived at through negotiation between the municipal district and your Budget and Finance branch of the government and there is some flexibility, some give and take depending on the nature of the request and the type of projects? Sort of historically, are more municipalities reaching what would be considered a limit to their borrowing capacity or is it holding fairly constant?

**MR. GOURLAY:** The limit set by Municipal Budget and Finance is established at 30 percent of equalized assessment. There are a few municipalities that are close to the maximum but the majority of municipalities have quite a bit of leeway on that guideline in that area.

**MR. URUSKI:** Over the last while, would you indicate that it has been normal in terms of borrowing within the municipal districts; there hasn't been anything unusual in terms of more municipalities getting close to their maximum?

**MR. GOURLAY:** I understand that this has been fairly consistent over a number of years.

**MR. CHAIRMAN:** 3.(c) — pass — the Member for St. George.

**MR. URUSKI:** Mr. Chairman, that would include all municipal district, LGDs and the like? Am I correct?

**MR. GOURLAY:** That's correct.

**MR. CHAIRMAN:** 3.(d) — the Member for St. George.

**MR. URUSKI:** Mr. Chairman, the Urban Transit Grants; could the Minister give us the breakdown for Brandon and Flin Flon?

**MR. GOURLAY:** Mr. Chairman, the 1981-82 estimated transit grant to Brandon amounts to \$372,240; Thompson is \$71,281; Flin Flon, \$48,652.00.

**MR. URUSKI:** Mr. Chairman, is there a formula that the municipalities apply, since the grant is roughly about a 10 percent increase over the budget of last year — it's maybe slightly less, Mr. Chairman? Is this part of a formula on actual operating, or how is the final grant arrived at, or is that a fairly arbitrary figure?

**MR. GOURLAY:** Mr. Chairman, the grant is arrived at — 50 percent of the operating deficit, with the limit usually in an inflationary level, which may amount to, I think, in the current year it's something like 12 to 13 percent.

**MR. URUSKI:** Mr. Chairman, although the inflationary level may be 12 or 13, the actual increase in dollar amount — or is this amount flexible, because a portion of it is recoverable from Canada, of \$128,000 — is that the global figure that is involved, or is there some flexibility within an additional \$128,500 or is the \$680,000 the figure that includes the \$128.5 from Canada? It is shown Recoverable from Canada of \$128,500.00. Is that \$128,500 included in the \$680,000 or does that give your department some flexibility in determining the final grant that is paid to those transit systems?

**MR. GOURLAY:** The \$128,500 is recovered under the UTAP agreement and is not reflected in this amount shown here.

**MR. CHAIRMAN:** 3.(d) — The Member for St. George.

**MR. URUSKI:** Well, Mr. Chairman, while it is covered under the UTAP, when the Minister says it's not in this, what would the figure be shown as? Would that not show you a net reduction at the end of the year, of this item, by \$128,500.00? Would that figure not be involved in the \$680,000 figure?

**MR. GOURLAY:** Mr. Chairman, I'll just correct that. That amount of money is included in those levels but it takes into account the Handy Transit and bus purchases for the City of Brandon.

**MR. CHAIRMAN:** 3.(d) — pass.

Be it resolved that there be granted to Her Majesty a sum not exceeding \$17,282,200 for Municipal Affairs — pass.

**MR. URUSKI:** Mr. Chairman, before we can leave this item I'd like for the Minister to get from his staff. We didn't ask him any of the staffing, he can give us a global figure of what staff there are in the department; whether there's any change, it doesn't have to be today; and how many positions are full and which are vacant, in terms of the complement in the department, Mr. Chairman.

**MR. GOURLAY:** Mr. Chairman, with respect to the staffing, there has been no change in the total amount of SMYs. There has been some adjustments within the different branches but the net result has remained constant. The number of vacancies relate basically to the normal changeover situation.

**MR. URUSKI:** Mr. Chairman, but you see when one examines the brochure put out by the Civil Service Commission indicating people in place as a statistic one finds it very difficult, in terms of trying to get the picture department by department, because while the SMY total is one thing, filled positions is totally another and the two don't necessarily jive, Mr. Chairman, and that's what makes it quite difficult in terms of determining the statistics put out by the Civic Service Commission.

If the Minister can give us the figure of how many SMYs there are within the department and whether there is five, six positions that are — I know normally there is usually about — when we in government about a 10 percent vacancy rate — pretty well all the time that's what is happening. But the fact of the

matter is you have X-number of positions and you have an indication as to how many vacancies there are running constantly. Because of the way the Civic Service Commission now is putting out statistics is very hard to determine actually how many people are in place, in terms of actual numbers.

**MR. GOURLAY:** Mr. Chairman, we have 287.31 SMYs. We can get you the actual vacancy situation at the next sitting of this Committee, somewhere less than 10 percent.

**MR. CHAIRMAN:** Agreed Committee rise? Committee rise.

## SUPPLY — EDUCATION

**MR. CHAIRMAN, Abe Kovnats (Radisson):** This committee will come to order. I would direct the honourable members' attention to page 51 of the Main Estimates, Department of Education.

Resolution No. 55, Clause 6, Universities Grants Commission, (a) Salaries — the Honourable Member for Elmwood.

**MR. RUSSELL DOERN:** Mr. Speaker, I wanted to discuss with the Minister the brief of the Faculty Association, which was presented to him on February 26th, because it contains three major points of concern, one of which was raised by the Honourable Member for Fort Rouge, concerning open meetings of the Universities Grants Commission. The other two concerning the possible drop in federal funding and secondly, the problem with what they call the stop-and-go approach to budgeting.

I thought incidentally that we had gotten over that years ago. I recall discussions some 15, 20 years ago about the need for long-term funding and budgeting as opposed to annual reports and so on and I remember the old quote given at that particular time was about a group of professors going down to see the Honourable D. L. Campbell at one time and the apparent reaction they got was that there could a raise, or there could be increased funding for the universities if the crops were good. I assume that we are well beyond that in terms of thinking and planning.

So, Mr. Chairman, just to start out, I want to deal with the section of this brief which talks about the future of The Established Programs Financing Act and the concern of the academics about promised changes to The Established Programs Funding Act of 1977, by which \$10 billion of federal monies are disseminated and their concern is that if there's a new approach and possible withdrawal of federal support, that this could drastically affect the Provincial Government's ability to support post-secondary educational system and a couple of points that they make here are first, they said that this province is currently among the least wealthy in Canada and perhaps needs federal support for a number of its vital social programs, more than most, and secondly, a number of recent studies show that the province is a major net gainer of our post educational system.

Even financially, Manitoba's population seems, these studies indicate, to use their post-educational institutions at a higher utilization rate and finally they

say, that the provincialization of higher education is sure to be accentuated should federal funding drop significantly and again, a couple of comments and then some questions for the Minister.

They then say that provincialization of higher education is sure to mean, (a) an increase in existing inequities in education in different parts of Canada, inequities that we regard as inherently divisive and unhealthy, and (b) neglective educational goals and responsibilities that are necessary to the country as a whole. So, three questions that are listed, I wonder whether the Minister would be so kind as to answer these. I'd like to just read them and ask him to answer them one at a time.

The professors ask first of all, will the province systematically oppose any reduction of Federal funding in this sector. I'd ask the Minister if he would comment on that.

**HON. KEITH A. COSENS (Gimli):** Mr. Chairman, in answer to the Member for Elmwood on the EPF aspect, that was mentioned in that particular brief, in January of this year the Council of Ministers of Education Canada met in Fredericton, New Brunswick, and this was one of the topics that we discussed at some length at that particular meeting. It was decided that this whole area of EPF will be negotiated by the Ministers of Finance of each particular province, with input and consultation from Ministers of Education and Ministers of Health and Community Services, who are also affected in this particular area.

We have a concern as well as the people at the universities, Mr. Chairman. The federal support to post-secondary education is important. I think there's a consensus in this country that post-secondary education is something that is not just provincial, certainly young people who graduate from our universities in post-secondary institutions, move from one province to another. We lose some, we gain some. If there are not great barriers to movement between province, thank heavens, and we feel that there is some responsibility for some federal participation in the support of post-secondary education, as there has been for some time.

I'm informed by the Minister of Finance that there is no inclination on the part of the Federal Government at this time to sit down to discuss this particular topic and the Minister of Finance feels that it may well be July before a meeting is convened of Finance Ministers from the provinces with the Federal Government to discuss this very important topic. Certainly it is a concern, Mr. Chairman, that we share with the university people and, in fact, not just the university people but the people involved in post-secondary education in this province.

I might mention to the honourable member that there have been some wild and weird figures thrown around on this particular topic. I picked up an article from an eastern newspaper that said that Manitoba was receiving so much money from the Federal Government that in fact we were only putting in something like 15 percent, I believe, of the costs of post-secondary education. That's absolute nonsense, Mr. Chairman. In 1980, we computed our approximate cost in post-secondary education and they were in the area — again, I'm using approximations — of something like, I believe it was \$178 million, in round figures, Mr. Chairman. Of that

\$178 million or \$177 million for post-secondary education, the cash transfer from the Federal Government amounted to some \$80 million. Now, how anyone can look at \$178 million or \$177 million and compare it with \$80 million and say that the province is only providing 15 percent of post-secondary costs is beyond me, Mr. Chairman. That is very modern mathematics if they are able to compute that type of sharing from the two figures that I have.

So in fact, the percentages that they claim are vastly distorted. Nonetheless, they have been contributing some \$80 million in the last year towards post-secondary education. We must remember that post-secondary education is not just university education. It involves the community colleges and various other aspects of the post-secondary scene. I wanted to point that out to the honourable member.

Certainly in the negotiations that will be carried on between the Minister of Finance from this province and the Federal Government, our concern in any lessening of financial support will be well expressed and it is our position that we would expect to see that maintained. If it isn't, Mr. Chairman, then it puts the province in a very difficult position. We would then be short some \$80 million in our provincial revenues and in speaking to the representatives of the Faculty Association, who have asked me what would happen if the Federal Government in fact does withdraw from this particular funding, I said, I can give you no assurance of what the province would be able to do. I merely give you this assurance, that our government would do everything in its power to preserve our universities as viable units in this province. We recognize their importance and their contribution and it would then become strictly a provincial responsibility to make sure that they are maintained, but in saying that, Mr. Chairman, realizing full well that it would place a great strain on the Provincial Treasury and in turn on the taxpayers of this province. It would be an additional load that has been handed on to them from the Federal Government. That is our basic position at this time, Mr. Chairman. Certainly I gave my assurance to the people from the universities that as a Provincial Government, we were not going to see our universities destroyed by a lack of federal funding, but it would certainly create a tremendous stress on the provincial Budget, if in fact we had to pick up that money that has traditionally been provided by the Federal Treasury.

That is our position at this time, Mr. Chairman, and as I say, I've been discussing the matter with the Minister of Finance and consulting with him and I'm very concerned about the negotiations that will be taking place on this matter, because they do have great implications for the fiscal position of the province, if in fact the Federal Government were to decide to withdraw from their support of post-secondary education.

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

**MR. DOERN:** Two follow-up questions, Mr. Chairman, and this is a more technical one. What is the provincial position on the present ratio of federal cash contributions to tax points under the Act?

**MR. COSENS:** I suppose the Minister of Finance could answer that question much better than I can, Mr. Chairman, because those tax points flow directly into the Provincial Treasury. I haven't heard his particular position expressed as to the tax points. It's something that the honourable member may well wish to ask the Minister of Finance on some occasion. The tax points are something that is derived from provincial property or income taxes. Really, it's like saying to us that we may keep something that is already our own, so I suppose the Federal Government could be magnanimous at any time and say, you could keep another three tax points if you wanted to.

Really all they're saying is that we can keep what is already a provincial tax and which we are already levying from the people of this province. I don't take that into consideration as a gift from the Federal Government at all, Mr. Chairman, it is already a provincial tax. It already flows to our coffers, provincial coffers. The cash transfer, however, is a straight transfer from the Federal Government.

**MR. DOERN:** Mr. Chairman, I'm afraid to put that question to the Minister of Finance because the last time he got going he went for an hour-and-a-half on the 1977 election. That was during the Budget Speech and I'm afraid to ask him any questions because he'll start refighting that election campaign.

Mr. Chairman, my final question here to the Minister, again from the brief is: Does the province have any contingency plans for alternate financing of the post-secondary educational system should federal funding under The Established Programs Financing Act drop considerably; the basic question is, do you have any contingency plans in the event of a sharp drop?

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

**MR. COSENS:** Mr. Chairman, we haven't accepted to this point that is going to happen and that is a bridge that we will cross when we come to it. Certainly there are negotiations that will be carried out this summer by the Ministers of Finance; after those initial negotiations, we'll have a better indication of what will be happening in that particular circumstance and at that time we'll make decisions in that regard.

**MR. DOERN:** Mr. Chairman, I'd just like to ask the Minister then, at these meetings of Ministers of Education, are the provinces all on the same wavelength on this particular matter or do we see some differences? For example, Quebec; do they have a different approach about this question than the other provinces or are all provinces lined up together?

**MR. COSENS:** Yes, Mr. Chairman, I think you could say that, that it was a unanimous feeling among the provinces in regard to the federal responsibility in post-secondary education.

**MR. DOERN:** It's too bad, Mr. Chairman, we didn't have that kind of agreement on the Constitution.

I then would ask the Minister about their approach to budgeting and again the academic staff is I think a little nervous about what they call a stop-and-go

approach by the present Provincial Government. They point out that it's easy to stop a program, you can do that overnight, but it's much harder it seems to initiate a new program or develop a new thrust. It seems to take years to get all the requisite approvals and establishments, but overnight the Minister can tighten things and the Universities Grants Commission can do some damage. So the academics talk about their bafflement, is the word they use, about long-term government policy, and of course I'm not just speaking to the Minister here about this year. The Minister is continuously reminding us about the terrific advances he's made this year and we recognize that there has been an improvement, but in the past three-and-one-half years, I think the Minister's case becomes much weaker and I quote again a couple of sections from the brief; first, "There appears at the present time to be no significant planning effort, either by the Ministry of Education or by the Universities Grants Commission"; that's the first one, no significant planning. Secondly, they talk about "the ad hoc nature of decisions".

So all I'm saying to the Minister is that the academics have tried to make the point — and I know very well, Mr. Chairman, that this has gone on for decades. I mean I know that this was being talked about in the early Sixties when I was a student and a teacher and it's a continuing concern on the part of people at the universities, the administrators in particular, but all the staff as to whether they can plan for a three or a five-year term. It's not good enough to live from hand to mouth or from year to year.

So I simply say to the Minister, it seems that there's been some slippage in that regard and I wonder whether he can give us an assurance that he will attempt to make some improvements so that it's not sort of a feast this year and then famine the next. Does he have any comments about long-range planning vs short-term political expediency.

**MR. COSENS:** Well, Mr. Chairman, I'd suggest to the honourable member that he is overstating the situation most certainly and would only point to the staffing changes that have taken place over the last four years in our university system to bear out my particular point; that the particular levels of funding that have pertained certainly have not affected quality of staff or quantity for that matter, Mr. Chairman. I would repeat figures that I believe I mentioned earlier during the budget debate, that four years ago, 1976-77 the academic staff in our universities numbered some 1,493 people; in 1979-80 that academic staff numbered some 1,561 people, an increase, Mr. Chairman, of 68 more people in the academic staff at a time when university enrolments are certainly not increasing but, in fact, over the four-year period had decreased by a total of some 2,700 students, both part-time and full-time. And perhaps even more significant, Mr. Chairman, if the Member for Elmwood is going to maintain that quality has suffered, and that's a favorite theme I know of some gentlemen in the Opposition, then I point out to him that in 1976-77, in the academic staffing in universities of this province at the full professor level we had some 344 people; and in 1979-80 we had some 431 full professors or a total of 87 more than we had in 1976-77.

Mr. Chairman, that hardly points out to me that the universities have had to cut tremendous numbers of staff, for instance, not if we look at the actual figures. Where are the cuts in staff; where are the cuts in quality, Mr. Chairman? Where has the university program suffered from this so-called stop-and-go funding that the honourable member refers to? Where has it not been inadequate, if it has been able to provide, Mr. Chairman, an additional 68 people over the four years at the time when the student population was declining and not only 68 more people, Mr. Chairman, but provide 87 more professors, in other words, the most qualified people on the academic staff? I find that rather inconsistent with the position taken by some honourable gentlemen opposite.

So I merely point that out to the honourable member because I know that he at times has tried to espouse this view that, oh, the funding for the university is not adequate and as a result they have had to cut this and they have had to cut that, which would imply that they were cutting staff members, Mr. Chairman, and that very drastic things were happening. I merely point out the actual figures and say in truth that isn't what took place.

Now, the Member for Elmwood says, well, the people at the universities are concerned about long-range government planning in regard to university funding and —(Interjection)— yes, he says, that this government — he is fair enough, Mr. Chairman, when he states that very few governments have shown any long-range planning as far as universities are concerned. I suppose this government has been as guilty of that as any because it's very difficult in this day and age, Mr. Chairman, to plan four, five or six years ahead, to know what the manpower needs and what the financial status of a particular province will be that many years in the future. Certainly there has been an operation from year to year that has pertained. It must create some uncertainty on the part of the universities but I would maintain, Mr. Chairman, that we have been able to provide funding that enables the universities to maintain their programs, perhaps never at the level that they would like to see.

In fact, Mr. Chairman, I talked to a former president of one of our universities in Manitoba and I said to him, in all of your years, in all of your tenure as president of the University of Manitoba, did you ever feel that the government funded you adequately and he said, no, no university president ever feels that a government has funded them adequately. But he said some years were better than others. So I'm not sure what the word adequate implies, Mr. Chairman, but I would suggest that if the funding enables our universities to expand their staff at a time when the student population has been declining, that it has not been treating them too harshly and in spite of the fact that at some points we hear of a certain cut in programs in this area or in another, then that is something that has always pertained, Mr. Chairman. Certainly there are certain programs cut from the university curriculum but at the same time we don't hear about others that are added. It is always the negative aspect that is emphasized, not the positive.

This seems to pertain, Mr. Chairman, and I suppose it always will, in attempting to more or less

maintain a particular position and to impress that one would like more funding, it is probably fair game to try to put forward the strongest argument but I still maintain, Mr. Chairman, that our funding has maintained programs; it has maintained quality. I would suggest, on the basis of the academic staff, the people who do the teaching and who lead the research at the university, that it has been enhanced.

Now, when the honourable member talks about long-distance planning, I can tell him that at this point I am giving very serious consideration to setting in place a task force on university planning for this decade and I am sorry that that has not crystallized to the point that I can announce that it will be in place by a particular date, but I am looking very seriously at the establishment of such a task force because I think it can point out areas of concern and make recommendations that will be worthwhile to the government in planning ahead and to the government in its relationship with the universities.

**MR. DOERN:** Mr. Chairman, the Minister is having trouble with certain words. This afternoon he had trouble with "enough" and tonight he's having trouble with "adequate." I just want to mention to him that in both cases that means neither too little nor too much, just so he has a feel for that.

I also want to tell him that he is saying — you know, the Minister is very good at answering questions. He answers very forcefully but he always selects the question that he wants to answer, which is not necessarily the question that I asked. I want to remind him that there is more than academic staff involved here. There is academic staff; there is non-academic staff. There is capital, maintenance, operations, equipment, supplies, all of these components and I don't know, out of the total budget, what percentage is salaries. I am sure it is substantial but all of these other factors are very important as well.

I also have to say to him that as an opposition spokesman, it is not my job to applaud the Minister; it's my job to prod the Minister and to attempt to encourage him to higher levels of accomplishment or show him where perhaps there are some failures of government policy.

Mr. Chairman, I wanted to deal just briefly with research. I don't want to get into what might be called science policy. I have a cousin of mine who is an expert in that field of federal science policy at Carleton University. I just wanted to ask a few questions there. Apparently there are some substantial research grants that are obtained by the University of Manitoba, in particular, but I am told that one of the problems is this, that funds are attained or are sought but that often, to meet the requirements for the funds, one has to have new equipment and new staff. So let's say that you wanted, as I understand this problem, let's say you wanted to get \$50,000 for a particular project, it may be a requirement of obtaining that funding that you either have to spend of your own money, or from the grant, certain X thousands of dollars to meet those requirements and at the same time to have a certain amount of staff. If I can recall, and I am now trying to think back a couple of months, if I recall, the problem appeared to be that the university was not able to access certain grants and research grants,

etc., that they would like to because of the fact that they don't have the equipment or don't have the money or don't have the staff to be able to take advantage of this and I have to think of the fact that this is, I think, an old problem in Manitoba, the question of whether we want to have a lot of research or a little research or no research in our province.

I recall a few years ago we lost a very talented doctor — I think it was a relative of the Honourable Member for St. Johns, I believe he was a Cherniack — who had to go elsewhere because he couldn't get the kind of funding necessary. In some cases it's expensive and I know that we can't specialize in everything; I know we can't set up all kinds of fancy labs and so on and compete with great big American universities and unlimited space programs out of Houston and so on.

I think of one particular friend of mine I went to university with, probably the brightest star that I ever ran into; he was a student in the north end, the old Governor General's medal and went on to gold metals in medicine and then got his degrees and went to the Rockefeller Institute in New York City and is now a doctor in Montreal, specializing in internal medicine, who would love to be in Winnipeg, who would love to be in Manitoba if he could do research and set up a small practice on the outside to keep involved in his profession, but basically as a researcher. It apparently came down to a small amount of funding, that the equipment was more or less comparable to what he could get in Eastern Canada but he couldn't get the amount or number of rabbits that he required for his experiments. He was in the field of — and I'm very reluctant to even talk in this area because I don't know much about science — but he was dealing with mitochondria and things about the blood, etc. that was his area and for those experiments he needed hundreds and hundreds of rabbits. They would do certain things to the rabbits and then, gruesome as it may seem, chop them up, cut their hearts out, spin them into some sort of a fluid, etc. and they would do this type of research and the problem was the equipment and, of course, the problem was the supply of experimental animals.

So I simply say to the Minister, I ask him whether he is aware of the apparent inability or problem, on the part of people in medicine in Manitoba or on the various campuses in Manitoba, who find it difficult to access available research grants. Now I ask the Minister whether he is familiar with that problem or whether this is news to him and if he has any encouraging words in that regard.

**MR. COSENS:** Well, Mr. Chairman, let me just say initially that certainly the University of Manitoba has been the foremost research institution in Western Canada for some years and I'm pleased to see it maintaining that position in spite of the great number of dollars that exist in the province of Albert, and no doubt it's due to the very fine reputation and the very capable people that are on staff at that institution.

I can remember some four years ago I believe the total amount of research funding received was in the neighbourhood of \$14 million, I think that was four years ago, Mr. Chairman, when we were going through these Estimates. Today, as of 1979-80 the

funding was something in the area of \$27 million and most of this, Mr. Chairman, derives from the Federal Government, who has been the main funder of research in Canada, across the provinces.

As well, Mr. Chairman, I point out an area of research funding that is not often mentioned. The Provincial Government, through the Department of Economic Development, provides particular research funding to the Faculty of Engineering, I believe it's some \$2 million over three years. This is something that has not been in place before.

The Faculty of Agriculture receives research funding from the Department of Agriculture of this province and, to a lesser extent, I believe Mines and Natural Resources provide some research funding to the universities.

As the honourable member has stated, Mr. Chairman, there is always a need for more research money. I suppose until we have solved all of the diseases that kill and maim in our society we can say that there isn't enough research money; until we have solved some of the other problems that exist in our society we can say that not enough money is being spent on research. But I point out to the honourable member that the Provincial Government makes the type of contribution that I mentioned earlier; the Federal Government has been, and traditionally, the main supporter of research work in our universities and will remain in that capacity.

I'm really saying, Mr. Chairman, that as a province it is certainly our obligation to help maintain the quality of the instructional staff, the academics at our university, because it is on the strength of their reputation and their experience that research funds are attracted to a particular university; they are the reason that it is singled out to receive research funding. I point out, once again, that in that regard the University of Manitoba has maintained a very prominent position.

**MR. DOERN:** Mr. Chairman, I'd also like to ask the Minister if he has any comments about research into the field of energy on campus. I just heard today, or the other day, criticism of the Provincial Government and the province as a whole for not being sufficiently interested in alternative forms of energy vis-a-vis gas and oil. I just wondered if the Minister had any comments about any new programs or funding in that regard and, similarly, one would assume that Manitoba and the universities would be a leader in research into hydro-electric power in terms of transmission and development and all the areas associated with that because of our natural interest and power base. So I'd just ask the Minister if he has any announcements or whether he has a defence, as well, to the criticism that Manitoba isn't doing enough in this particular field.

**MR. COSENS:** Well, Mr. Chairman, I don't pretend to stand here and be able to definitively outline the types of research programs that are being carried on in the province in energy. My colleague, the Minister of Energy, I'm sure could do that very adequately but I don't have the type of detail at my disposal that he does on those particular programs. I know that he has expanded his staff, that they have a number of projects under way but I regret, Mr. Chairman, that I can't provide the details on those particular projects at this time. I'm sure the Minister of Energy would be

quite pleased to provide the information on these projects to the Member for Elmwood.

**MR. DOERN:** Mr. Chairman, my final question here is a short one. One of my colleagues mentioned to me that he had heard from a professor that the second language requirement is being dropped or has been dropped at the university; presumably this is French as a second language. I don't know anything more about it than that. I just wondered if the Minister had any comment about any changes in government policy either this year or the last year or two or being contemplated in terms of second languages. I suppose this would affect that particular staff in regard to their programs and their employment.

**MR. COSENS:** Mr. Chairman, the second language requirement at our universities was dropped a number of years ago, long before this government came into power. In fact, it may have been during the late 1960s; I can't remember the exact date. To my knowledge there are only a couple of faculties at the university that require a second language at this time. I know one is music and I know there is one other but beyond those two faculties, I'm quite sure that none of the others require a second language at this time. And this I might say, Mr. Chairman, is more or less general policy in universities across this country.

**MR. CHAIRMAN:** (a) — pass; (b) — pass; (c) — pass. Clause 6 — pass.

Resolution 55 — Resolved that there be granted to Her Majesty a sum not exceeding \$115,518,000 for Education, University Grants Commission, \$115,518,000 — pass.

Resolution No. 56, Clause 7. Acquisition/Construction of Physical Assets, (a) Community Colleges, (I) Red River Community College — pass; (2) — pass; (3) — pass; (4) — pass. (a) — pass.

(b) Universities — the Honourable Member for Elmwood.

**MR. DOERN:** Mr. Speaker, could the Minister give us a breakdown here; there's been a substantial increase here in this item? It's up \$3.8 million. Could he give us some breakdown as to what's been planned?

**MR. COSENS:** I can provide the following breakdown, Mr. Chairman. We're looking at a total of some \$5,237,000 and it is broken down as follows: Miscellaneous Capital, which is building repair and equipment, accounts for some \$3 million of that \$5,237,000; General Capital which is major construction and alterations, some \$2,237,000; for a total of \$5,237,000. If the Honourable Member would like that broken down a little further, it breaks down as follows: At the University of Manitoba, \$340,000 for allocation of space dentistry; pathology space renovation amounts to some \$247,000; engineering space alterations some \$500,000; and the Frank Kennedy Building and repair has \$150,000; for a total of \$1,237,000.00; and as well, \$1 million for the Music Building addition at Brandon University. Those two figures make up the \$2,237,000, Mr. Chairman, apart from the Miscellaneous Capital which was \$3 million.

**MR. DOERN:** I wonder if the Minister might have at his disposal some very large figures, to try to get this in perspective as to what the value of the plant or the whole campus might be either U of M; U or W; Brandon, and so on. Is there some sort of a figure of \$100 million or \$128 million for U of M; does he have anything like that?

**MR. COSENS:** Mr. Chairman, it's unfortunate that I don't have officials from the University Grants Commission here, but I can give the honourable member a round figure that has been quoted to me on occasion. I don't know how reliable it is or just how recent it is, but something in the area of some \$300 million is the assessment of the complete plant and facilities of the university system in Manitoba.

**MR. DOERN:** \$300 million for all three. The other question I wanted to ask was whether maintenance, just general maintenance, which I believe has suffered, it's I guess the least sexy of all political items; it's the one that's always cut first which is always I think a grave error because it's like taking your car and deciding not to have any grease or oil changes or maintenance done for a couple of years. It sounds like you save a lot of money except that a couple of years down the road it blows up or the transmission goes and you have to throw it away — (Interjection) — Well that's true. My colleague says, "A squeaky wheel gets the most grease." I wanted to ask the Minister, under 56, is maintenance included in this particular Resolution or is it throughout?

**MR. COSENS:** I believe the type of maintenance the member is speaking about, Mr. Chairman, is covered under Operating Expenditure. If he's talking about minor repairs, minor capital, it would fall under this heading to some extent.

**MR. CHAIRMAN:** (b) — pass; (c) — pass — the Honourable Member for Elmwood.

**MR. DOERN:** Under (c) again, this is a substantial increase, almost 50 percent; could the Minister give us a breakdown of that \$10 million?

**MR. COSENS:** Mr. Chairman, this particular area falls under the schools category chiefly and represents to a major extent the rather significant amount of school building that we've been doing in Northern Manitoba. First of all we have the Norway House School which accounts for some \$877,500 in this particular Budget and of course that is only part of that particular construction that will probably complete that school this year and we're hopeful that it'll be opened in the next few months.

The Cross Lake School amounts to some \$2,015,000; Hillridge School some \$3,730,700; Computer terminals, and that's part of our computer operation in the schools, some \$12,000; the Duck Bay School \$1,716,200; the Wanipigow School \$2,239,700; the School Bus for the Manitoba School for the Deaf accounts for some \$18,000 in that total figure; the School at Waterhen \$100,000; and Cranberry Portage School there will be \$100,000 spent there this year in the initial development of that project; totalling, Mr. Chairman, some \$10,809,100.00.

**MR. CHAIRMAN:** (c) — pass; Clause 7. pass; Resolution 56 — pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$17,528,800 for Education.

Acquisition/Construction of Physical Assets, \$17,528,800 — pass.

I would ask the honourable members to turn to Page 47 of the Main Estimates, Department of Education, Resolution No. 50, Clause 1. Departmental Administrative Support Services, Item (a) Minister's Salary.

The Honourable Member for Elmwood.

**MR. DOERN:** Mr. Chairman, I am glad that we are up to this point. I don't know how long this will take. I just had a couple of items to discuss before the Minister has his mind refreshed and his nerves jangled on his new educational finance program which was not well received by a number of school divisions — in today's Free Press I believe there is another article attacking the Minister for some of the shortcomings of that program.

I am going to leave some of that work up to my colleagues, but I just had a couple of matters I wanted to clear up. I wanted to, again, go back to this Lifestyle course that I had discussed with the Minister. As I mentioned this afternoon, there was a letter appearing in the Free Press on April 18 by two women, Lois Eadie and Gwen Parker from the Manitoba Women's Institute, which is apparently located in Dugald, or at least these two ladies live in that particular town. I find it confusing to compare this letter with an article that appeared on this particular subject because the article which appeared earlier in the paper, I guess a few weeks ago, the heading said, "Lifestyle course not for high school, Coseens says," and refers to a memo by Stan Bulloch written on February 26th, that discussions with the Women's Institute of Manitoba confirmed the Minister's belief that Lifestyle courses should be taught to students in Grades 7 to 9 and possibly Grade 10. Then we had quite an exhaustive discussion.

I don't want to go over all of that with the Minister, but I do want to refer to this new Letter to the Editor, a very reasoned and intelligent letter. As I looked through this my impression was that the women felt, first of all, that the course should be mandatory — I don't know whether the Minister gave us that impression last time; and secondly, that it should be taught at the high school level. That's my impression from reading this particular letter.

On the mandatory part they say twice, "We support the mandatory inclusion of the proposed Lifestyle courses into the school curriculum." That is clearly stated and they say that they even said that three years ago, so that is clearly their position.

So the second question is at what level, because they seem to be blamed or accused or being responsible, in the Minister's opinion, for shifting the course from high school, where it was designed, into junior high — well, the Minister says no, but I'm saying that that's what it says in the paper. I am saying in their letter they say as follows: They were receptive to the inclusion of these studies on consumerism, nutrition, communication and parenting responsibilities incorporated at the Grade 9 and 10 level, the point at which all students would be exposed to these practical lessons for living.

Some teachers said that the curriculum in Grades 11 and 12 is now filled and also pointed out that some students still leave school at age 16 and so would not have the benefit of these courses. Then they go on to say again that they believe in the mandatory . . . This is even more confusing because in one case it looks like they are for this at high school; in the other case, the Minister says they want it in Grades 7 to 9; and in their letter they say that Grades 9 and 10 looks about right, so that's kind of right up the middle, the last year of junior high and the first year of high school. I have to have the Minister's assistance here, is Grade 9 now considered the first year of high school? I guess it depends on where you go, but he says no.

So I simply say, on that question again, is the Minister rethinking his position on this course? You recall, Mr. Chairman, this was worked on by MTS, and I think the trustees were involved in this and various members of the department on the Curriculum Policy Review Committee. This course was designed for high school. The Minister said no, we're not going to put it in high school, we're going to put it in junior high.

So I am saying to him, has he rethought or given any directives or directions on this question or is he standing with his original position? That's my first question to him.

**MR. COSENS:** Mr. Chairman, I am pleased to have the opportunity to deconfuse the Member for Elmwood on this particular matter. I might tell him that unfortunately newspaper articles are not always the best means of receiving clarification on an item. Sometimes they merely lead to more confusion.

I'll reiterate what I said earlier, Mr. Chairman, because I have never departed from a particular position in this regard. The Lifestyles course, which included such components as nutrition and consumer skills and parenting, was a course that was drafted to fill a gap in the curriculum. Now, originally it was planned as a senior high school course. There were certain groups in our society who felt that these skills were so necessary for young people going out into society today that it should be mandatory and, as I stated earlier to the Member for Elmwood, if we are going to place mandatory material in the curriculum the senior high is not the place to do it. Certainly we do sometimes lose students at that stage in their school career but, more importantly, they are making some very definite decisions about course choices that don't enable them to take certain options out of the wide range of options that they have. As a result, it was my concern that this course, containing what are essential elements, what are essential skills, would only be taken by a very small percentage of our total school population and that it might be valuable for those who would take it — no doubt it would be valuable for those who would take it. Certainly we all have to have knowledge of these things to live, and live successfully in our society, but to place a course at the senior high level, that would only be taken by, let's say 5 percent of the students, Mr. Chairman, hardly accomplishes the goal of making sure that our young people all receive those essential skills.

It was impossible to make the course mandatory at that level because we don't have the time. What would we cut out of the curriculum that is necessary

for young people who are going on to post-secondary education or training of some type? It was my contention, it has always been from the start, that there is nothing wrong with having that course at the senior high level. It will top off a program farther down in the grades but, to ensure that every young person receives some exposure to this program, who receives those skills that are part and parcel of each of the four components of the program, then it must be placed in the curriculum at such a place where they can all take it and that is not possible at the senior high level. It becomes more possible, Mr. Chairman, at the junior high level, where it can be integrated into courses that already exist and that is my particular position. I find that it is not one that meets with great opposition from educators. I've discussed it with the Chairman of the Curriculum Policy Review Council, people in our department; they find no problem with this at all. I think it was mistakenly understood in espousing this placement of these components, of life skills education in the junior high area, that I was condemning it at the senior high. I'm not, Mr. Chairman, I'm merely saying, that if we believe in the objectives of that course; if we believe those are useful skills and essential skills for young people to receive, then let's be honest, let's put it somewhere where all young people will receive it, not just 5 percent or 6 percent, who may be able to choose it as an option and fit it into their senior high timetable of courses.

**MR. DOERN:** Mr. Chairman, could the Minister then clear up this question? Was this his decision, because again, I want to quote directly from an earlier article in which you're quoted as follows: "Coseens said discussions with the Womens' Institute of Manitoba confirmed his belief that the life-style courses should be taught to students in grades 7 to 9, possibly 10." Was this the Minister's decision or did he take the Womens' Institute position to be exactly that, because they appear to be saying that they think maybe grade 9 and 10? This article suggests that they persuaded the Minister or they confirmed his belief; they held the same belief that it should be junior high and maybe one year of high school. Can he clear that point up?

**MR. COSENS:** Not really, Mr. Chairman, perhaps the word confirmed is not the right word to have used, perhaps reinforced would be the proper word to have used in this instance.

That particular organization was concerned that the components of this particular course, those skills and those ideas, that knowledge that would be included in that type of course, is something that all young people should be exposed to at some time in their school career.

Now, originally I believe that organisation had espoused that it should be placed in the senior high area. They felt initially, I understand, that the senior high area was the best place to locate the course, feeling that it could be mandatory at that area. Now on further consideration and during my discussion with them, I pointed out the problems of placing another mandatory course at the senior high level, when as I've mentioned before, young people are making very stringent choices that will enable them to proceed onto university or community colleges or

some other type of post-secondary training or education, that we really were attempting to do something that was not possible. We would have had to delete something else from the mandatory requirements in the senior high curriculum.

As I result, I suggested to them what I had maintained for some time, that if they believed as I did, that this particular course was essential enough that young people should all be exposed to it, that it should be at the junior high level, where that would become feasible through intergrading, things like nutrition, consumer skills and so on, with other aspects of courses that already exist. I might say that they reinforced the position that I held at that time and agreed that their main concern was that all young people would be exposed to those components, those aspects of life skills, and admitting that earlier they had thought that senior high was the proper place for it, but certainly on reconsidering it and discussing the topic their main concern was similar to mine, that young people be exposed to those things during the process of their grades 1 to 12 education or K to 12 education.

**MR. DOERN:** So I assume the Minister isn't going to sue the Free Press for that particular comment, or the Montreal Gazette.

Mr. Chairman, I want to make a comment about a broader problem and then some of my colleagues want to speak on the Minister's Salary. There was a recent article dealing with an event in my riding, which was the closing of Sir Sam Steele School, and in my part of Winnipeg which I think is fairly representative of the urban area although it's an older part of Winnipeg in one area, in the central part of Elmwood, there was a closing of Sir Sam Steele School and we also a few years ago fought a battle concerning George V and this is the problem of declining birth rates, out-migration, population, etc. I want to say that I find this a very sad thing to see a local community school close, especially one that is in absolutely magnificent condition, a school that from superficial examination would appear to be able to continue physically for at least 50 years. It's probably 40 or 50 years old right now, but in immaculate condition and well constructed and could just go on indefinitely, but because of declining population in Manitoba, which I think adversely affects the whole economy and adversely affects certain neighbourhood schools, this school has to go by the boards.

I simply want to say that I believe, although the Minister will stand up and say that he can do nothing about a declining birth rate, that he must take some responsibility as a member of the government for a declining population in the Province of Manitoba, in relation to the fact that thousands of Manitobans have been unable to find employment and consequently have left the province, many of them younger families in their twenties and thirties. The big group we have to always watch when it comes to leaving Manitoba is the 25 - 45-age group and it's that particular younger element of that group that has the families and is upward mobile and has the skills and is being lost to us.

So I say that the Minister must, as a part of the government, accept responsibility for a policy or a series of policies which is leading to a decimation of our population in relation to out-migration. I don't

accept, I don't accept for a split second, the feeble attempts of the First Minister that were made in this Chamber last week when he attempted to see a virtue in a declining population in the Province of Manitoba. You know, we have fallen on hard times, Mr. Chairman. When we were the government we tried, and we had as a goal of our government to get the population over a million. I remember how every year we would anxiously look at the population totals and they inched forward and they went from the high 990,000 eventually over the million mark. And now, now what do we see? —(Interjection)— Why? Because people were staying here and people were being attracted to come to Manitoba, that's why.

Now, in the last few years we are seeing the opposite occur. We are seeing people leaving and taking their children with them, pulling them out of the schools and going somewhere else.

The ironic thing here, or the strange thing, is that the government and this Minister is going to have to now go out and tell the people of Manitoba this is a wonderful thing; that it's a blessing in disguise; that now we can say that small is better, or that less is more, which was said by Mies van der Rohe, the famous architect, but he was talking about design, he was talking about architecture, he wasn't talking about population.

The First Minister actually is attempting to tell us that a no-growth, a slow-growth, or a negative-growth policy is a virtue. It is something that in my judgment the Conservative party should be ashamed of and that the Minister of Education should go to the —(Interjection)— Well, this isn't zero growth, this is negative growth, Mr. Chairman; I'm not talking about zero growth which is holding, this is negative.

I am saying to the gentlemen opposite that it is their acceptance of a declining population and a policy that leads to out-migration, Mr. Chairman — (Interjection)— Mr. Chairman, do I have the floor?

**MR. CHAIRMAN:** Yes.

**MR. DOERN:** Thank you. I am saying that it's the acceptance of an attitude and the acceptance of a series of economic policies that is leading to a decline in population and to an adverse effect on our schools, on our neighbourhood schools, and on our taxpayers because we don't have the tax base to support things and we are losing in terms of the economy; we're losing in terms of the business cycle and so on.

So I simply conclude, Mr. Chairman, by saying that it is as a result of the social and economic programs of the Conservative Government that there is a declining population in Manitoba and that a series of neighbourhood schools are declining. I think that is a sad commentary on this government and the practical ramifications of its policies.

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

**MR. CHERNIACK:** Mr. Chairman, I want to deal with some specifics, two specific matters with the Minister under this item.

Firstly, I would like to indicate that on March 11, 1981, the Manitoba Teachers Society informed us that, "To date all our efforts to convince our government to seriously consider a draft professional

bill, which we presented to them over a year ago, has been utterly futile. The Society believes strongly that a professional bill is not only appropriate at this time, but necessary."

I would like to hear from the Minister as to what is his position in regard to a professional bill; what has he been doing about a professional bill for the teachers; and what it is that is holding up consideration by the government, which means, I assume by this Minister, of discussions that would lead to a bill which recognizes the role of teachers in society and their rights to form an organized group such as they thing is advisable?

That's one question and I'll deal with the other so the Minister can deal with that, too, in his response.

Mr. Chairman, I paused because I thought maybe the Member for Minnedosa would be quiet and he is now, for which I am appreciative.

I tell the Minister for Economic Affairs that he, too, contributes as much to this meeting as does the Member for Minnedosa and the record of Hansard shows that.

Mr. Chairman, furthermore, a brief which apparently was submitted to the Minister of Education on March 10, 1981, deals in part with conciliation services of the Minister in the negotiations between the Society and various school divisions. The Society states in the brief that it respectfully submits that the Minister, through the status of his office, might participate more actively in the dispute-resolution process and take more initiative towards relieving some of these problems. They indicate that these initiatives might include the following: A closer monitoring of the impasse-resolution processes and time lines with more reminders to the parties of the legislative requirements.

Secondly, minimal structural changes such as establishing and enforcing a more realistic timeframe for the arbitration process and the making of an award under Section 129 of The Public Schools Act.

Thirdly, Ministerial initiative towards convening more dialogue between the Manitoba Association of School Trustees and the Manitoba Teachers Society on the collective bargaining process towards the mutual examination and development of more accommodative attitudes and processes, in general, and in specific disputes, in particular.

These are very specific requests made to the Minister by the Teachers Society and I wonder if he would be prepared to share with us his reaction and responses to these specific matters raised by the Teachers Society.

**MR. COSENS:** Mr. Chairman, I can perhaps start with the last question and work backwards.

The concerns expressed by the Manitoba Teachers Society about the conciliation and arbitration process and procedures certainly were brought to my attention and, of course, there have been concerns brought to my attention in that regard by the Trustees Association and by individual trustees as well. As a result of this expression of concern, chiefly by the Teachers Society, I convened a meeting last week of representatives of the Trustees Association and of the Teachers Association to attempt to have these two bodies sit down and find some common solutions to some of their concerns and to make recommendations to me regarding improvements that they can see in that process.

As the member has pointed out, there are problems in the time lines that have been provided in the legislation; perhaps they weren't realistic. It is a bit strange, Mr. Chairman, to me at this point that no one seemed to flag this at the time we were placing those time lines in the legislation. Neither of the bodies chiefly concern mentioned that they felt they were unrealistic. I believe there is some feeling at this time that they would like to see those particular time lines changed.

As a result of our initial meeting that took place last week, both the trustees and the teachers expressed a desire to further meet jointly and to draft some common proposals and recommendations that in their common view would improve the arbitration process, chiefly, Mr. Chairman. I see that as a very positive type of action and I was very impressed with the co-operative tone of the meeting and the mutual desire, as it appeared to me, on the part of both organizations to improve the process.

Some of the problems that were expressed at that time, Mr. Chairman, are not new. They have been in the system for some time, but have not been addressed. They've been expressed by either party or the other over the years, but I believe this is the first time that they both have sat down and looked at these problems and expressed a desire to come up with a solution that is acceptable to both groups. I see that as a highly positive action on their part and certainly will be to the benefit, I would suggest, of the educational system of Manitoba.

So that is under way, Mr. Chairman, and I would suggest is a direct response to that particular brief, as well as letters and verbal expressions of opinion that I have heard from school trustees around the province.

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

**MR. CHERNIACK:** The Minister indicated that he would permit an interruption. I thank him for the information. May I ask only one thing in that regard. Is the Minister represented at these meetings, so that he is informed as to what goes on, because in the end he may have to make a decision on matters on which they do not agree; is there departmental participation in the meeting?

**MR. COSENS:** Mr. Chairman, only at the initial meeting. Both groups signified that they were prepared to sit down together and to come up with common proposals and common recommendations and, in fact, they were able to accomplish that in our initial meeting to a certain degree and felt that they had even in that brief period of time of an hour and a few minutes, achieved more than had been achieved for many years in that regard. So I'm encouraged and very positive about the outlook as to what will be achieved by the two groups sitting down and coming up with recommendations and I look forward to receiving those recommendations.

There are two other items that I wanted to touch on, one mentioned by the Member for St. Johns, and this was the teachers' professional bills. Unfortunately, we did not move along quickly enough with that and I take some responsibility. I think probably the Teachers Society does as well. We didn't move quickly enough with it and as the months ticked by and we arrived at a date closer to

this session and did start to study the bill and to come up with areas where there was some concern expressed by the government as to certain articles in the bill, that we did run out of time, in order to get it brought forward for consideration at this particular session. That is, really, Mr. Chairman, the long and short of that particular matter. It's, I suppose, a type of neglect on our part and I believe the Teachers Society executive takes some responsibility in that regard as well, that we should have been working on it more intensively, much earlier in the year to make sure that we were able to get it on this particular program, but we weren't and it is something that probably will receive very active consideration in the next few months and in all probability would come forward at the next session of this House.

In regard to the Member for Elmwood's concerns about declining school population, I'm not going to accept nor am I going to get into the old argument about out-migration and in-migration, Mr. Chairman, but surely he is not blaming the Conservative Government for declining school populations, because if he doing that, then there are several other governments across North America that he can blame as well. In fact, we had declining school populations under the previous government in this province. That's a fact of life, with the exception, I believe, of about one province in this country, Mr. Chairman. I'm not going to pursue that particular item. We know that there have been changes in lifestyles and so on that account for declining school populations. We notice that the size of families has decreased. There are a number of factors that account for the fact that we don't have as many children in our schools as we once did. To suggest that it's the fault of a government, I find almost humorous, Mr. Chairman.

**MR. CHERNIACK:** Mr. Chairman, thank you.

Coming back to the professional bill, the Minister takes some responsibility for the delays which made it not possible for the government to bring in the proposed bill and then says he assumes that teachers do the same. I would say as of March 11, they did not assume any responsibility at all because their comment says that, "To date all our efforts to convince the government to seriously consider . . ."

— I hate repeating a split infinitive, but it's here — "... which we presented them over a year ago have been utterly futile." So I don't think they're assuming any responsibility at all for the delays and they say that they believe that a professional bill is not only appropriate at this time but necessary. So although the Minister seems to want to share with them responsibility for delays, as of March 11, clearly, the way I interpret this statement, they do not accept any share in the delay or cause of delay and it is clear now, Mr. Chairman, from what the Minister says, that no way are we going to have a professional bill for teachers this session.

I would like at least to have an assurance from him that it is being dealt with as expeditiously as possible, so that at the next session, whatever government is in power, it will have before it a final draft, ready to go, so that at least there should be no further delay, unless the Minister would indicate that there's a philosophic difference between his government and the teachers that goes to the root of the nature of this bill. If so, then I think that he ought

to share it with us so that we arrive at an understanding, because if it is only a question of polishing a bill, but agreement in principle as to the nature of it, then that is really not a very difficult task. But if there's a serious philosophic difference in approach, then I'd like to know about it. I assume the teachers would know about it, but I think the people of Manitoba are entitled to know it and I'd like to know from the Minister what is the philosophic approach by the government to a professional bill for teachers which is in conflict with what the teachers want.

**MR. COSENS:** Mr. Chairman, I don't have the bill before me, nor all of the contents of the bill. I can merely say to the Member for St. Johns that certainly there are aspects of the bill that would not be acceptable to all segments of the educational community at this time and we felt that there is necessity for further discussion before the bill would be acceptable, I am sure, to the government.

**MR. CHERNIACK:** Mr. Chairman, the Minister says that certainly there are certain aspects of the bill that would not be acceptable to all segments, I think he said, in the educational community. I'm asking the Minister, who speaks on behalf of his government, whether there's any basic philosophic difference between his government's approach and the teacher's approach to the contents of the bill.

I'm not talking about other segments. I don't know if this Minister wants to legislate on the basis of consensus or whether he has any principles that he wants to bring in, to see brought in, in a professional bill or rejects others, so that it's really the role of government, this government, that I'd like to explore and not information as to what other segments of the educational community care about.

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

**MR. D. JAMES WALDING:** Thank you, Mr. Chairman. I paused for a moment because I was not sure whether the Minister was about to rise for a reply to my colleague, but now we've reached this item of the Minister's salary, I'd like to make a few remarks and so would my colleagues.

When we get to this particular item, I'm sure that the Minister is wondering whether we intend to move a motion of reduction in his salary and I don't believe that we've done that with any Minister so far this particular session, Mr. Chairman.

As it happens, the Minister is sitting in the seat of his colleague, the Deputy Premier and I'm sure, Mr. Chairman, that had the Minister of Energy and Mines been occupying that seat and it was within our ability to move a reduction in salary, that we certainly would have done. I don't mean to resurrect that discussion that we've been having for the last two or three weeks, Mr. Chairman, but we have found that the Minister of Education is generally much more forthcoming and is much more generous with documentation and information than his colleague who usually occupies that seat.

A number of my colleagues will be dealing with other aspects of the Education Estimates, but I wanted to say just a few words on the matter of education financing and the Minister's new Education

Support Program. Much has been made by a gentleman opposite over the new financing arrangements for education and the fact that this bill has come in, or this measure has come in at this stage.

Some of the backbenchers have commented that a new financing scheme came in only in 1980 under this particular government and that for the previous eight years of NDP government that no major changes were made in education financing at all and that it was only when this government came in that something happened in that regard and we had a new Public Schools Act and a new, they called it, financing arrangement.

The Minister, Mr. Chairman, knows that is not true. Some of his backbenchers might be under the impression, but the Minister knows or should know, that when he walked into his office in 1977, there was sitting on his desk a proposal for a new Public Schools Act which included substantial changes in education and a number of new policy thrusts.

Now I haven't seen that particular proposal, that report, and I don't know what happened to it. The Minister has made no mention of it since then and I suspect that it was filed away in a back office somewhere and conveniently forgotten about.

Mr. Chairman, much has been made by members of the government that there is an additional \$70 million that this government is putting into education. I raised the question, I believe it was at the beginning of the Minister's Estimates, as to where this \$70 million was to come from and because that was before the Budget was brought down the Minister said, well, I'd have to take that up with the Minister of Finance.

Well, it becomes fairly clear where the money has come from and it was suggested to the Minister of Finance and certainly not denied so we would feel confident, Mr. Chairman, that the \$70 million is not taxation money that this government has raised from other means but it comes from the Federal Government through equalization in the established program's financing arrangement. So when gentlemen opposite feel proud of themselves that they are giving \$70 million in addition into the education system, then they really should pay credit to their friends, the Liberal Government in Ottawa, because that is the source of the funds.

I raised the matter with the Minister earlier as to how much of that \$70 million is actually going into an improvement in the education system, whether it is going to result in any better programs, whether it will serve to increase the standards of education in some of those smaller and poorer school divisions, or whether it is simply designed as a shift in education taxation, rather than being a payment towards education. The information that has come cross to us and that we have gleaned from other sources, Mr. Chairman, suggests that rather than this being an increase in education, that it is merely a change in education taxation, that there is money coming from the Federal Government which goes to school divisions, which in turn cut down their local Special Levy and so pass the money back through a very circuitous route, back into the pockets of the taxpayers. The actual benefits that go to the school system and the education of our children would appear to be minimal. We have waited, I think in

vain, to understand from the Minister, of those benefits to the average child in the classroom.

The Minister has made clear to us that there is more money going into special education and for that we congratulate him but it would seem that most of this Education Support Program is simply a transfer of taxation dollars, that it's a transfer in education tax rather than an education program as such.

The Minister also suggested during the course of his remarks that the Education Support Program came about because of in-depth discussions and input from the school trustees and the teachers and from all sorts of other groups within the education community. Although I cannot say that is not true, the actual facts of the case are somewhat different, Mr. Chairman, because as recently as the Minister's Estimates last year which were in May or June, the Minister declared at that time that he was setting up a brand new committee to look into education financing and intended before the end of the year to bring in a new financing formula, a new arrangement. Even when asked what the name of this committee was and who was on it and how many people, the Minister was unable to give a name to the committee and said he thought it was something like an advisory committee on education finance, although it really didn't have a name, and really didn't have any personnel, as far as we could tell at that time. So it was only from June of last year until the end of the year that his brand new financing committee put together a new financing arrangement, if it can be called new, for Manitoba.

The Education Support Program, Mr. Chairman, was a program that was conceived in haste and born in panic and I will deal with that in just a moment.

But as recently as October of 1979, the Minister's Advisory Committee on Education, in speaking of the problems in financing education, called for a full-scale investigation, or inquiry, or study, or commission, whatever term you wish to use, into the financing of education and it said that particular committee, consisting of perhaps a dozen people or more, was not in a position to undertake such a study and that was a position with which we agreed, Mr. Chairman. We saw that the problems of financing education had grown to such proportions over the years that only a complete new study of the whole field would come up with the sort of formula that would serve Manitoba's needs through the Eighties and into the Nineties.

The Minister claims that his Education Support Program was a complete new look, a new scheme for the financing of education. Mr. Chairman, that is really not true and the Minister knows that it is not true. The Education Support Program is really a reversion to the Foundation Program of the 1960s and the Minister admits as much in the paper that he put out in announcing the program in the first place.

The Foundation Program, which was introduced in the 1960s was an adequate program for education as it existed at that time and it served the province well for some five, six, or seven years, at a time when enrolment in the school system was increasing. Enrolment peaked at around 1971-72 and then began to fall off and that was where the problems began to develop. With declining enrolment on the one hand, inflation on the other hand, school

divisions were being squeezed in order to find the necessary dollars to provide an acceptable level of education.

The previous government, the NDP Government, attacked the problem by introducing special and specific grants that were paid out under a variety of different headings. That put in more dollars into the education system and enabled it to continue through the years. But these were a succession of band-aids, Mr. Chairman, and did not solve the underlying problem that was facing education.

The Minister, in his new Education Support Program, has not solved the problem either. What he has done is to revert back to the Foundation Program, put in a scale of grants on a different basis, juggled the figures around, but he still has a Foundation Program. There are some changes that have been made, payments on a program basis instead of with the emphasis on a per student basis and that is fine, but the basis of the Education Support Program is a reversion to the Foundation Program; it is nothing new and revolutionary.

Mr. Chairman, when the Minister brought his program in, and I believe it was in January of this year, it was so new that the school divisions did not have the opportunity to put in, to submit their budgets under the guidelines of the new program. The school divisions submitted their budgets under the old formula and they all had to be redrafted by the department and sent back out again.

The Minister didn't have sufficient regulations prepared when he announced his new program and this, of course, raised a whole lot of questions with the divisions and with teachers as well, to know just what was covered by a program for immigrants, and a two-tier system in special education, and a number of other items of a similar nature.

The Minister brought in a new Public Schools Act last year —(Interjection)— the Member for Roblin might take a look at it sometime and just note the differences that there were between that and the old Public Schools Act. Mr. Chairman, a mention of something called a Greater Winnipeg Education Levy and it's rather odd that as of June of last year, the Minister should be bringing in a repeat of the Greater Winnipeg Education Levy and yet only six months later he should be wiping away that Greater Winnipeg Education Levy and is forced to bring in, and we find it on our Order Paper, a bill to amend The Public Schools Act and The Education Administration Act to take out that reference to the Greater Winnipeg Education Levy. So there's another example, Mr. Chairman, of the indecent haste of the Education Support Program as brought in by the Minister.

The Minister has another program as well called the Program Accounting and Budgeting — I believe I have the title correctly — which was designed to enable all of the school divisions to put their accounting system on a similar basis so that comparisons could be made from division to division and from program to program and put the whole accounting system of the total education system on a reasonable, meaningful, and comparable basis. That start on that program was undertaken some two or three years ago. It's a good program but it hasn't materialized. It would make very good sense for that

program to be ready at the same time that the Minister introduces the Education Support Program so that the two things can go along together and the Education Support Program can be monitored by means of a PAB, but it's not ready. The Minister tells us it may be another year or it may be two years before PAB is enabled to go into effect.

My colleagues from Transcona-Springfield and River East have raised a number of complaints with the Minister that this new ESP has provided serious difficulties for their own local school divisions. Mr. Chairman, I don't doubt that those two divisions are getting the money that they are entitled to under the new program, that they are getting the money that they should do under the new and improved regulations that the Minister has brought out, and it is not the point that they are getting all that they are entitled to and it's more dollars and it's not enough, the problem is that the Minister has changed the rules halfway through a program that Transcona-Springfield has had, a program that he should know about, involving capital expenditures, and now the Minister leaves them out on a limb by changing the ground rules and doesn't give them the money that they were expecting and could reasonably have expected under the previous formula in order to complete the programs on which they had embarked.

So, Mr. Chairman, there is another example of the haste and the lack of planning as it involves, in particular, Transcona-Springfield. As far as we can tell the Minister has not made provision for cases like that and there are perhaps others that we have not yet heard about for a reasonable transitional process in order not to hit the taxpayers in those school divisions much harder and to a much greater extent than ratepayers in school divisions in other parts of the province.

But perhaps, Mr. Chairman, the most damning indictment of the program is an admission on the Minister's own part when he says this is only a three-year program. What is going to happen in year four? The Minister doesn't know. I don't know whether the officials of his department know but certainly they haven't told us and no other member of the government either has told us what happens in year four.

So the Minister is in a position of saying, well I think that this is going to be all right. My hastily convened committee of five say that, well this will get you off the hook this year Mr. Minister and maybe it'll be okay next year and the year after but, as for year four, we don't know what's going to happen; the Minister doesn't know what's going to happen and nobody, Mr. Chairman, knows what is going to happen in the fourth year. That is a lack of planning; it's evidence of a new program that is put together in haste without that in-depth analysis of knowing what is going to happen in education financing through the Eighties.

There is one further criticism which is perhaps the worst of them all, Mr. Chairman, and what the Minister has done with this Education Support Program is to freeze into position, into relative position, those school divisions which are relatively affluent with a large tax base, as opposed to those smaller and smaller tax-based school divisions. It is well known in the education community that the severe cutbacks that this government, over the last

couple of years, have hit hardest on those smaller usually rural school divisions that have had to cut back in a number of areas, including the program area. Had there been any sense of equity in the new program it would have been more in favour of those smaller school divisions to enable them to improve their education services, to improve their programs, to bring them a little closer — I don't say an exact parity — but at least a little closer to equity to the larger and more affluent school divisions.

The Minister's program made that impossible, in fact, it froze the gap between school divisions because it means that their payments for 1980 will be related strictly to what their spending was in 1979. So it's unfortunate that they're locked into that position; they will suffer for it in 1980; they will suffer for it in 1981 and 1982 as well; as for 1983 the fourth year, well, Mr. Chairman, we don't know.

So that is perhaps a summary of the main criticisms that we have of the Minister's new program; the fact that he has made some changes in updating the transportation grants; grants for special education funding on a program basis, instead of strictly on the per student basis, is to the good but at what cost, Mr. Chairman, at what cost.

The Minister will perhaps be glad to have noted that we have spent less time on his Estimates this year than on previous years and I believe we indicated that at the beginning of —(Interjection)— my colleague says not yet, I think he's going to make a speech on it, too, and perhaps he intends to filibuster for a day or two, I'm not sure about that. But, Mr. Chairman, we have found that the Minister generally has attempted in good faith to answer our questions. He has provided us with information that we have asked him for and for that we appreciate it and in return we intend not to move a motion to reduce his salary this year.

**MR. CHAIRMAN:** The Honourable Member for Rossmere.

**MR. VIC SCHROEDER:** Thank you, Mr. Chairman. I had asked the Minister several weeks ago to respond to a question I had received with respect to the Teachers' Pension Fund and I'm just wondering whether he would be able to respond this evening.

**MR. COSENS:** Mr. Chairman, I do have that information for the honourable member; I'm sorry I didn't bring it with me. I'd be pleased to sit down with him tomorrow or the next day and go over that particular information. It's rather complicated and I don't have it with me at this time, I regret that.

**MR. SCHROEDER:** Yes, Mr. Chairman, I noticed that the Minister was bringing in a bill dealing with amending that particular Act. I'm wondering does that amendment, I haven't seen the bill yet, does that amendment have anything to do with this? The Minister indicates it doesn't.

Well, just briefly to end my contribution to these Estimates, there have been some statements with respect to the \$70 million extra which the government has placed into education financing for this year. It is too bad that the department allowed education in the province to suffer by going below inflation for several years running before coming back with this increase. As the Member for St. Vital

has pointed out it appears that a large portion of that \$70 million comes from equalization payments from Ottawa, because we are becoming more and more of a weak sister under the economic guidance of the Sterling Lyon government and that is unfortunate. \$24 million appears to be coming into the general pot from a transfer from the Municipal Emergency Loan Fund which we were discussing earlier in the day in the Municipal Affairs Department. All \$70 million of the dollars, no matter how they come, when they are spent on education are funds that can't be used for something else and therefore our costs to the taxpayers in a way other than through their property tax system.

In my particular district, as the Minister knows, our school board play it by the rules and listened to the Minister during his restraint years and did everything possible to keep expenses down. Their payment for so doing is that they are being frozen at that level, at a much lower level than some of the other divisions that weren't listening to the Minister, Seven Oaks for instance, which went and spent a little more per pupil, which was prepared to enrich programs to a greater extent during those years, contrary to the advise of the Minister. So what happens? At the end it is those who listened to the Minister who wind up getting nailed on this new formula, because 1980 or the year before is the base year for the new Education Support Program, and of course that's only one of the reasons that my district suffers. It suffers as well because it is one of those districts of Winnipeg which does not have a great deal of industrial and commercial property in it and that is an interesting change from where we had been since the early 1970s.

For the first time since then we are in a position where commercial and industrial taxation for schools is not equalized to a substantial extent within the city. There is equalization — the Minister keeps standing up and saying there's equalization — yes, but not to the same extent in the city as we had before this new and so-called improved program comes up. There is less equalization and it is costing money, in my particular division, and so I would hope that the Minister would look at changing that aspect of the program; that is the industrial and commercial taxation of the City of Winnipeg should be divided fairly equally among all of the residents of Winnipeg, all of whom have to pay for the property tax portion of building up the infrastructure for the commercial and industrial sites in the first place.

Now, in other areas, the Minister has not moved this year and that as well is regrettable, although there's been changes introduced to The Schools Act there's no change giving teachers the right to switch from division to division and carry their Right to Just Cause for Dismissal with them. They would, each time such a transfer is made, they will be required to serve a further apprenticeship of two years, during which time they could be dismissed without reason, in fact, they don't have to prove cause for that two-year period. As has been dealt with by the Member for St. Johns, we don't have apparently a professional Act for teachers, the Minister indicates that it is somehow partially his fault and partially the fault of the Teachers Society. It seems to me that the Teachers Society had a draft bill prepared more than a year ago. The government found little difficulty in

finding time to pass a professional bill for licensed practical nurses. We are, at this session, apparently going to be dealing with a bill with respect to interior decorators and other worthwhile individuals in the province. Somehow the government hasn't seen this as a priority, notwithstanding the fact that in the last quarter century teachers have made great strides in terms of professionalism in the workplace and in their education qualifications. I would hope that in the time that we are now going to be giving the Minister, until the next session, if we another session, he would look at some of those items.

**MR. CHAIRMAN:** The Honourable Member for Transcona.

**MR. WILSON PARASIUOK:** Thank you, Mr. Chairman. I have a few comments to make in the area of education funding and before I do it would be appropriate for me to ask just a short direct question of the Minister and then I'd proceed with my comments.

Before the Budget was brought in debate on the Estimates was suspended in order to allow us to debate the Budget as was in accordance with the Rules of the House; I asked the Minister if he would undertake to have his department, and if he would do it himself, take a very serious substantive look at the serious substantive brief on education funding and on some of the problems created by the new Conservative program of education funding to the school districts presented to him in good faith, honestly, sincerely, by the Transcona-Springfield School Division and submitted to him in good faith by all members of that school board, some of whom are in the Municipality of Springfield and really outside of the Greater Winnipeg area. But, nevertheless, all the members of that school board support that submission put forward by the combined Transcona-Springfield School Division, in fact, some of the strongest proponents are those people who do in fact live in the municipality of Springfield

I asked the Minister if he would undertake to do a substantive analysis of that brief and to send a formal reply back to the Transcona-Springfield School Board; has he done that yet?

**MR. COSENS:** Mr. Chairman, in doing justice to an analysis, not only of the brief but concerns expressed in the brief, it's necessary to do a very detailed analysis of a particular school division's budget and the spending estimates of that school division. We have not completed that to this date and at the point we have completed that particular analysis, I will be responding to that particular brief. I would hope that would be possible in a very short period of time.

**MR. PARASIUOK:** Well, I'm sorry that the Minister and the department haven't been able to respond to that brief yet. I think it was presented at least a month ago and I would think that the department and the Minister would have the facilities available, staff available, to make a quicker response to a problem and to a set of current problems put forward by the Transcona-Springfield School Board because the government expected the Transcona-Springfield School Division to be able to make

virtually instantaneous adjustments to unilateral changes in the Education Funding Program brought forward by the Conservative Government without sufficient consultation with that school division as to what the impact of these changes would be. People had been talking about possibly changing the Education Funding Program for about a two-year period, but as my colleague, the Member for St. Vital points out, the Minister brought in legislation last year which reaffirmed the Greater Winnipeg Education Levy. Six months later, without really any notice, the Minister abolishes the Greater Winnipeg Education Levy. The Minister forces the Transcona-Springfield School Division to make some very rapid, virtually impossible adjustments, since they are in the midst of a three-year Capital Program. The Minister doesn't want to take into account those particular extenuating circumstances that the Transcona-Springfield School Division finds itself and I would suggest some other school divisions on the east side of the river find themselves, but rather he expects them to make instantaneous adjustments which are impossible for them to do.

I would have hoped that he might have tried to bring about some transitional assistance which might have been of a short-term nature but might have brought them over the short-term problem which was caused by his unilateral action. I still believe, Mr. Chairman, that we are left with a long-term problem and the long-term problem is, this Special Levy of school divisions within the City of Winnipeg will not have access to the commercial assessment in downtown Winnipeg. To me, this abolition of the Greater Winnipeg Education Levy, in totality that is, abolishing any type of suburban claims on urban residential assessment and abolishing more particularly any type of suburban claim on downtown commercial assessment, industrial assessment, I think completely undermines the concept of sharing that was established by the 1971 Provincial Government. I would suggest that there was a type of social contract entered into at that time between the Provincial Government and the local taxpayers of the City of Winnipeg who are both local municipal taxpayers and local school taxpayers, and this government in 1981 has unilaterally broken that social contract without consultation, without compensation. If a government attempted to break a contract such as the one that exists in 1971, such as exists in legislation as is the case with the Greater Winnipeg Education Levy, if one tried to do that with a private company it would be the Conservatives who would get up and preach that you cannot break contracts and yet they are the ones who in 1981 are breaking a social contract between the Government of Manitoba, as established in legislation, and the local taxpayers of my school district, namely Transcona-Springfield, but also the local taxpayers of other suburban school districts.

In the short run, the impact on some of the suburban school districts will not be as noticeable because there is a \$70 million injection of provincial funds into education financing. However, one year, two years, three years down the line, I will suggest that virtually all the school districts that do not have a lot of commercial and industrial assessment in their school districts will feel the adverse effects of this government's unilateral change. I regret that the

Minister has not seen fit to take into account, not only our protests on this side of the House but the recent protests of school board members of the Transcona-Springfield School Division, of the River East School Division to name two.

Members who aren't New Democrats, in fact, some of these members have in fact been identified in the past with the Conservative Party, some of these members have been identified in the past with the Liberal Party, some of them have in fact identified in the past with the New Democratic Party, but they are not dealing with this issue on a partisan basis, they are dealing with this issue from the basis of justice. They believe that there is an injustice being perpetrated on them with this Provincial Government abandoning the concept of sharing. I regret that has happened. The government seems to be very inflexible on this matter. I doubt that they will change. I believe that it will require a change in government to get the required changes necessary.

**MR. CHAIRMAN:** The Honourable Member for Inkster.

**MR. SIDNEY GREEN:** Yes, Mr. Chairman, I'd like to make some remarks with respect to the Minister's Salary and to indicate and I cannot say that I've been here for the entire review of his Estimates and therefore if I've missed something, it'll have to reflect itself in my remarks and I'll take that risk.

I believe, Mr. Chairman, that the Minister's Estimates in 1981 have dealt in a considerable degree with the new financing program and that's to be expected, Mr. Chairman, because it is a new program and it does represent a considerable change from what occurred before and I think that we would have to concede that it does represent additional financial input by the Provincial Government into local school financing. I don't think that can be denied. I don't know whether it is possible to calculate it over three years and say that it's a catch-up on what has not happened before and I'm not even going to belabour that. It also, Mr. Chairman, can't be simply regarded as taking money that happened to be in a reserve and using it for education because if that was done then we wouldn't have a \$220 million deficit.

Obviously the government has felt that in this year, for whatever reason, it's necessary to make that kind of input into financing even at the risk of having a \$220 million deficit. I would presume that of the additional \$70 million one could attribute perhaps \$30 million of it to what would have been a normal increase because if you take \$237 million or \$240 million and say what would have been the requirements in this year of high inflation, you could probably get somewhere to the neighbourhood of \$30 million which means that there is a \$40 million additional input and I think that has to be recognized. I think part of it could be attributed to the fact that there had to be a catch-up in this year but I'm not even going to belabour that. There has been additional financing to school divisions.

I think there is a mistake in changing from a system whereby the people of Manitoba didn't have to be accidentally located in an area which had huge industrial concerns in order to make it easier to pay for education to some extent and the Minister has admitted that to some extent that will be more

apparent this year than it was in previous years because when we deal with the old school divisions in the City of Winnipeg, Mr. Chairman, we're dealing with accidental and arbitrary lines and it certainly was the case before the unification of Greater of Winnipeg that Tuxedo had fewer children, higher assessment in terms of the people who lived there, plus some heavy industrial concerns, namely the cement plants which made their educational load on the basis of ability to pay somewhat less onerous than areas with lower income groups. And it was intended, Mr. Chairman, that some of this, any quality of opportunity would be ameliorated and that was the first amelioration and let us be frank, it came with the Foundation Levy which indicated that out of provincial moneys there would be a far greater degree of education costs so that it would be borne by taxation from general revenues which should be based more on ability to pay than the real property tax. I'm not certain that it is, but certainly the record has been that it is and let's accept at least a rhetoric for the moment.

So when the provincial government moved in that direction and subsequent moves were made in that direction, I think that they were positive moves. The change that the Minister has made, he should look very closely at it and I think that the Member for Burrows tossed out some alternative formula which indicate that there are ways of doing this and making the cost of education more equal regardless of the circumstances that you happen to live in in terms of industrial assessment, that it's possible to levy everybody on a real property assessment throughout the province that would be equal and when you start figuring out, Mr. Chairman, what is now being paid in real property tax credits and you took that amount, and does anybody have the amount off the top of their head? I'm sure it's well over \$100 million that is paid in real property tax credits, well over \$100 million. The Minister of Urban Affairs is nodding his head. (Interjection)—Pardon me? All right, \$150 million.

Mr. Chairman, I think that figure comes very close to the cost of education that is now borne by the municipality; that figure is very close. It must be very close, because if the province is now paying \$270 million and the province is paying 70 percent, then \$146 million that is now paid in real property credits, may be the amount that is being paid by the municipality, and that virtually by rearranging our financing, we may find that the Provincial Government could well pay 100 percent of the cost of education without changing its fiscal position, without changing its fiscal position. The problem, and the Minister has expressed it that if the entire amount is paid provincially, what happens in the local areas with regard to school board autonomy? That has been his fear. I think that's what he told us and that has been the fear of some and I think that is the crux of the matter, Mr. Chairman, that we've spent a lot of time talking about educational financing. We have not spent a great deal of time talking about the quality of education. We're almost assuming that if the money is there that the quality will follow and, Mr. Chairman, it is not true and the Minister knows that it is not true, that the problem in our educational system potentially is that the money will be there, the teachers will be well paid, the

schools will be well build, the gymnasiums will be available, there will be swimming pools available and the experience that the child goes through in getting an education can deteriorate. There is something in that, Mr. Chairman.

The presence of wealth, the presence of the good things, the removal from the shabby facilities to good facilities, elaborate facilities, indeed in some cases, one could say luxurious facilities, does not ensure that the child will have a better experience and there is no better example of this, Mr. Chairman, in that people see fit to remove the child from the public school which is paid for 100 percent by all of us and put that child into a private school where they have to bear a considerable tuition fee that is not borne by the people in the public school system.

Mr. Chairman, the greatest threat to our public school system is that the trustees at the public school level will regard the provision of education as being a mechanical thing which involves negotiations with teachers, which involves the building of buildings, and that there will be less emphasis placed on the experience that the child has. I would suggest, Mr. Chairman, without trying to be too critical of the Minister because I am sure he is a man who understands what I am saying and I hope will appreciate what I am saying, that we have not given enough attention to the quality of education. When I say quality, Mr. Chairman, I'm not talking about the curriculum and what standard procedures have to be gone through. Indeed, it's the reverse that I am talking about. I think that too much of our educational system, because it is financed provincially, is based on standard procedures.

I know that there have been exceptions. I know that the Winnipeg School Division has done some very good things. I know that my child went to a total French school and she went there without paying a tuition fee and she went there with children of all races, creeds, colours and religions and of all income groups and she went to a total French school, which is the Sacre-Coeur School in Winnipeg. I set this as an example, Mr. Chairman, as to the kind of diversity that one can achieve in the public school system, given the magnitude of the system within the City of Winnipeg, in particular. I'm not saying that it's exclusive to the City of Winnipeg, but certainly when we have a population of 600,000 people, we have people of different tastes, of different ideas, and it is possible to accommodate those things if one uses their imagination within the school system. I believe that the department should pay more attention to, indeed perhaps provide some types of incentives, Mr. Chairman, for schools to diversify within the public school system so that a person, not feeling that a particular regimen or ambiance of a public school, not meeting their particular needs or desires, can find within the system a different type of school, and the city has done it.

I don't want to be entirely critical. They have had more free schools, to use the term which has taken progressive — and that's an old word — progressive education to limits that some people find almost promiscuous, and I'm not using that in the sexual sense but in terms of letting the students do whatever they want, and there has been the more standard form of regular public school system. I

think, Mr. Chairman, these have not grown with any particular initiative by either the public school system or the Department of Education at the provincial level.

I think there has to be a more conscious effort, Mr. Chairman, to examine different ways of doing things and then to encourage them within the system. I would not, Mr. Chairman, reject the idea, indeed I would be enthusiastic about it, not for my own children, but for those who want it, of having a very tightly disciplined school where people who say that they don't feel that their children are being disciplined enough can go to that type of school. I would even, Mr. Chairman, say that if people think that a military-type school is the school that they want — I don't want it but there are people who want it. They want their children very tightly disciplined; they want more emphasis on the basics, whatever they may be, what is called the orthodox education of reading, writing and arithmetic, Latin, Greek, the classics.

It seems that if we are dealing with 600,000 people, that we are able, Mr. Chairman, to utilize our imaginations in a much more substantial way to provide the citizens of Winnipeg with a real choice as to what kind of educational institutions their children are able to attend.

Mr. Chairman, I'm not going to reopen the discussion on the private schools but the very fact that the parents will take their children out of the public school system and pay money to have them sent to a private school and that this is becoming more prevalent rather than less prevalent, is not an indication that the private schools are doing something that is much better, no, it's an indication that the public schools are not doing what they should be doing.

I want to indicate, Mr. Chairman, that I made this proposal in the House several years back and I make it again, that I am not opposed to funding schools of different natures; indeed, my objection to funding the private schools is not that they are different but that they are tending, Mr. Chairman, towards elitism. I suggested two years ago and I suggest it again, that the public should finance not a portion on it, but 100 percent of the cost of education for every child in the Province of Manitoba, on two conditions: one, that he goes to a school and that there is no tuition fee paid at that school, so he is not rejected from the school by virtue of having to pay a fee; and that any school that charges a fee should not be able to get public funds because they are getting the amount that other children are getting for their education. And two, Mr. Chairman, that they accept children on a first-come, first-serve basis and they do not become the rejecting agency for that child who happens to have a difficulty in school, so that they could become very selective and leave the public school system to deal with all of the problems.

Mr. Chairman, this is a very serious problem. They have seen it in the United States far more dramatically than we have seen it here. I remember watching a television program where senators in Washington were talking about the public school system and how they don't want the public to finance private schools but when asked where their children were going, they were all going to private schools. What has created that in the United States?

The United States, Mr. Chairman, decided to integrate the school system. They decided to integrate the school system. It's a very noble and worthwhile objective but they didn't account for the fact that the parent who said that my child will not go to school with a black could therefore set up a private school, which cannot be regulated by the Federal Government, constitutionally, and the private school would become the place where one goes to escape the general community, namely the blacks, and that's what has happened.

I don't want Manitoba to become a place, and I tell the Minister that there is a danger, whether he believes it or not, that the private school becomes a place where parents send their children to avoid the general community, to avoid the proletariat, to avoid those who can't send their children to a private school. The danger is so strong, Mr. Chairman, I have said this in the House before and I say it again — that I am a believer in the public school system and say that there should be no financing of private schools so that all our children attend the same system. I say this, that if I saw the public schools deteriorating, if I saw them becoming something which could be referred to as the ashcan of education for the City of Winnipeg, and I had children, then my belief in the public school system would not extend that far that I would be willing to sacrifice my children to that system if it was a bad system and I, who am a believer in the system, would send my child to a private school, if that's the place where he could get an education.

So I tell the Minister that the danger is that your strongest proponent of an overall school system where all our children attend and live together and play together and develop mutual respect for each other, do not be smug about the fact that that will continue if the quality and the opportunities for education in the public school system do not match those which are available to the other system, which is not publicly financed.

Mr. Chairman, that hasn't been discussed in these Estimates and I am not discussing it from the point of view of the state providing some money for people to send their children to private schools, no. I am discussing it from the point of view of ensuring a high-quality education within the public school system. We have spent our time talking about money. We have spent our time talking about teachers' pensions from time to time, about the school facilities. We should spend more of our time, Mr. Chairman, I suggest with great respect, and I hope that this will become a feature of the educational Estimates, talking about what happens to that child in the system from the time that he enters it to the time that he leaves it. My hope is that he wouldn't be leaving it, that he would continue in it, and I'm not going to expand now on adult education, but certainly I have already made my views plain with regard to the post-secondary.

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

**MR. COSENS:** Mr. Chairman, I don't want to prolong the discussion. I have appreciated some of the opinions that have been expressed and certainly some constructive criticism, Mr. Chairman, which I think we all must accept. There are none of us that pretend that everything we are doing or that we have

all the answers, so constructive criticism is appreciated. However, there were some statements made, Mr. Chairman, that I can't let pass because I find them incorrect and they do not coincide with what I understand as the facts of the situation.

I have to come back to the Member for St. Vital who certainly, I would suggest, has been one of the most dedicated critics during the process of these Estimates, as he always is, and does come forward with some good suggestions and at times some constructive criticism, which I appreciate.

However, he did mention that when I came into office in 1977, that sitting on my desk was a new Schools Act. Now, Mr. Chairman, I have to tell the Member for St. Vital, there was no new Schools Act sitting on my desk. It is my understanding that the Schools Act had been under review for some seven or eight years by committees of educators and people within the Department of Education and they had kept reviewing that particular Act ad nauseum but that no action was even taken on that review or on those recommendations, so they went on year after year reviewing, recommending, and nothing happened. So that when we came into government and it was our decision to proceed with the revision of The Schools Act, The Education Administration Act, that we did have to start going back over some of those old recommendations, some of the work that had been done by those Committees. But to suggest, Mr. Chairman, that there was a ready-made revision of The School Act sitting on my desk, is not true and that may not have been what the honourable member intended.

Certainly there was a great deal of work that ensued in the months after we came into government, in fact, for over a year of committees and of people who had worked on this for some time refining those recommendations so that we could bring forward a revised School Act.

I have to mention also to the honourable member and I've mentioned it before, that certainly the new Educational Support Program, the new Education Finance Program, was not born in haste. It took something like two-and-a-half years, perhaps closer to three years, Mr. Chairman, but I would suggest two-and-a-half years of formal study and work and research and presentation by a vast number of people and organizations in this province and hours and hours of work to bring it forward. So the haste part, Mr. Chairman, I would suggest was not there. Hours and hours of work, yes, and a great deal of thought and a great deal of commitment by people in all walks of the educational community and, in fact, municipal officials and private citizens who had an interest in educational financing.

The Educational Finance Advisory Committee to the Minister of Education, made up of people from different sectors in the educational community, made recommendations as little as a year ago, Mr. Chairman, that are very very close, if one looks at those recommendations, to the new plan. The recommendations that were made by that Committee of people who are not tied to the government, in fact, serve in positions outside of the government, were very similar to the plan that we finally did bring forward.

The Member for St. Vital says it's just an old Foundation program. Well yes, Mr. Chairman, he's

quite correct; we have retained the Foundation principle in this program, but to say it's just the old Foundation program is not correct, Mr. Chairman, not correct in any sense of the word. The Foundation principle is there and, Mr. Chairman, again I found no one who wanted us to depart from the Foundation principle. Every educational organization, trustees, teachers, superintendents, school business officials, advocated the retention of the Foundation principle, but it's much more than just the old Foundation program, Mr. Chairman. The three-year aspect which the member deplores — and I feel he's being a bit unjust there — the three-year aspect is one of the most novel parts of the program. There is no other educational financing program in Canada that has a three-year aspect to it, no other at all. And to suggest that that in some way is a negative aspect of the plan, Mr. Chairman, I find absolutely incomprehensible, in fact, it is being lauded by many people in the educational community as one of the most outstanding aspects of the program. The first time, Mr. Chairman, that school boards can plan at least three years ahead, at least three years ahead. They now have that opportunity, before they did not know where they would be going as far as government support was concerned from one year to another. They operated exactly from one year to another.

Now for the first time we have a three-year plan and, yes, it's only three years, Mr. Chairman, and I've explained why. I won't go into that now for the sake of brevity but I did want to point that out. I'm not going to go into the obvious benefits of the plan and what it's done; I've mentioned those statistics during the process of this debate. I mentioned that whereas last year, under the old plan, there were 18 school divisions that fell in the 60 to 70 mill range; I mentioned that under the new plan we have some 31 school divisions this year that will fall in the 60 to 70 mill range; I talked about the discrepancy between the school divisions in the urban area of this city, the urban school divisions, the discrepancy between the highest and lowest division under the old plan and how that discrepancy has shrunken this year to something like 20 mills between the highest and the lowest, as opposed to something in the neighbourhood of 40 mills a year ago.

The Member for St. Vital also mentioned the fact that school boards were imposed upon by the new plan in that they had to submit their budgets under the old plan. Well, Mr. Chairman, a budget's a budget, regardless what plan it is under. These budgets represented, as far as the school boards were concerned, the moneys that they would require to operate the schools of this province, regardless of what plan was in operation. So I wanted to point that out to the honourable member; I don't think the school boards of this province saw that as an imposition at all. They weren't looking at the revenues when they were making up their budgets, they were looking at what they felt in reality would be necessary to operate their schools in the most effective manner.

The Member for St. Vital mentioned that under the old Act we included the Greater Winnipeg Equalization Levy. Well, Mr. Chairman, at the time we brought that Act in the Great Winnipeg Equalization Levy was in effect, we had no choice. There wasn't a

new finance plan at the time; the educational finance plan that was in vogue at that time included the Greater Winnipeg Equalization Levy. Was there an alternative?

The Member for St. Vital also mentioned severe cutbacks, Mr. Chairman, and so on that certainly had to be addressed and I don't agree with him on the severe cutback aspect and we've debated that before, I won't go into it again. I suggest that certainly we've seen some programs that have been cut out of certain small high schools because of declining enrolment. Now that's a cutback yes, but not a cutback caused by finances. A cutback caused by the reality of numbers and it has happened before and it will happen again, Mr. Chairman, as populations shift.

The Member for Rossmere talked about this new plan freezing everybody at one level. Mr. Chairman, there is no freezing. Each year school financing will increase by the CPI. You will increase by that amount and it's guaranteed for three years. Is that freezing? Mr. Chairman, it will move up this year by 10.7 percent; next year perhaps more, whatever that CPI increase happens to be. The Member for Rossmere of course, also alluded to the equalization aspect and it again has been something that's been recognized by most of the educational organizations in this province, is another very prominent and positive aspect of that plan. One of the most positive, province-wide equalizations.

The Member for Transcona mentioned of course the fact that his division had suffered under the plan. Well, Mr. Chairman, any school division that was not able to bring their budget in line with the CPI increase certainly would see a mill increase and that's a fact of the plan. That's a fact this year and mind you there are only less than five school divisions that saw an increase over five mills in the whole province. It can happen next year if there are five school divisions that see fit to spend beyond the CPI increase, the mill rate will increase in those school divisions. This plan is not a blank cheque, not a blank cheque at all.

The Member for Inkster of course took us onto a different topic and I certainly regret that perhaps we didn't get to this a little earlier because it is something that is most appropriate and should be addressed. He talks about the quality of education and that it's not linked to money, which is something we don't hear too often from the Opposition benches, usually governments are criticized for not spending enough money and a simplistic equation is more money, more quality and I agree with him, that doesn't necessarily follow. He talked about a movement to the private schools and we have debated that one before as well. I say to him that some 12 years ago there were over 10,000 students in the private schools in Manitoba yet this year there are some 8,000 and some. So actually we have not seen an increase over the last 12 years, but we have seen an increase over the last five years. Yes, it has been increasing, I believe, by about 200 students a year. I don't see that as a condemnation of the public school system.

I think there are factors that we find in our society today that can account for a large part of that. In some cases, it's affluence, very simply, people can afford that as they can perhaps afford certain other

things that weren't present 20 years ago and that accounts for it in part. We also have some that have very strong religious beliefs and the public school system, they feel, does not involve quite enough religious teaching to their liking and as a result they want their children in a school that gives them more of that particular type of education and they move their children to a private school. We're not seeing an exodus, Mr. Chairman. I would be as concerned as the Member for Inkster if we were seeing a great exodus from the public schools into the private schools because it would be a condemnation of the public schools and I believe strongly in the public schools of this province, as does the Honourable Member for Inkster and, at the same time, I certainly realize and grant that others should have an alternative to send their children to the type of school of their choice as they have with the private schools.

He mentioned the fact that there should be alternatives in the system and he would carry the alternatives to the absolute. I think he probably is overstating the case when he said, if they want a military school give them a military school and if they want this give it to them.

Well, Mr. Chairman, we do have alternatives and we have more alternatives all the time. We see more comprehensive-type schools, more immersion schools, more alternatives for people to consider. We don't have the type of alternatives that the honourable member suggests and I think maybe when he states them it's a bit tongue-in-cheek. However, I do appreciate his suggestions, Mr. Chairman, and I have appreciated the suggestions of other honourable gentlemen opposite and have enjoyed the exercise.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. J.R.(Bud) BOYCE:** Well I was just going to say Amen.

**MR. CHAIRMAN:** The Honourable Member for Inkster.

**MR. GREEN:** I'm not going to frighten the honourable members, I'm not going to spend a great deal of time. I do want to indicate that the Minister's figures, with regard to the private school system, has ignored one very significant feature of it. When he says 10 years ago there were more people in the private school system he does not state, Mr. Chairman, that at that time the French, Roman Catholic schools were not in the public system. What happened 10 years ago is that it was made possible to have French schools within the public system and a lot of the Roman Catholic Schools that had been the only French schools became public schools and, therefore, a lot of the children that were in those schools became part of the public school system. It's interesting, Mr. Chairman, that whereby the strongest support for public aid to private schools used to come from the French-Catholic school, you find that the French-Catholics are very lukewarm on the issue of private schools now because their children attend public schools in French and that was the significant difference, I suggest to you, in the drop from the 10,000 that he's talking about. But the Minister

should not overlook the fact that there is a danger that the public school systems will be regarded by the very trustees who control them; and this is what bothered me most, that on the Winnipeg School Division the trustees were there for the purpose of getting Winnipeg money into the private school system and were not concentrating on improving the public system and that's the danger, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Now, I'll say Amen.

**MR. CHAIRMAN:** (a) — pass; 1. pass; Resolution 50 — pass.

Resolve that there be granted to Her Majesty a sum not exceeding \$3,327,300 for Education, Departmental Administrative Support Services, \$3,327,300 — pass.

That completes the Estimates, Department of Education.

Committee rise.