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of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

31-32 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
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ASHTON, Steve	Thompson	NDP
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LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 21 April, 1983.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, C. Santos: Committee, please come to order. At this point in time, the Chair wants to invite the administrative staff and support staff of the Department of Highways to take their respective places.

As is customary with this section of the Committee of Supply, we shall be postponing the Minister's Salary, which is 1.(a) as the last item in the budget items. So we will start our consideration of the budgetary Estimates with Item 1.(b)(1) - the Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. Mr. Chairman, in past years, the Minister has had - to avoid going through and asking SMYs in every salary category, the Minister has had a sheet printed up showing the changes year over year on SMYs. He may not have it with us tonight, but I think we could speed things up if the Minister had such a sheet and we could just peruse it.

MR. CHAIRMAN: The Honourable Minister.

HON. S. USKIW: Mr. Chairman, I don't know if we have - do we have enough copies? Yes, all right, that's fine.

Mr. Chairman, I would point out that if members want to peruse the document that was just tabled, they will note that there are substantive staff reductions noted, and that's to reflect reductions in programs. I believe they are broken down there on Page 1.

MR. D. ORCHARD: Mr. Chairman, to the Minister, under Administration on Page 2 of the handout - oh, these are the changes only.

HON. S. USKIW: Which shows a net staff reduction of 316.3, yes.

MR. D. ORCHARD: Okay, you know, I was trying to find the sheet from past years that I know we handed out, and this tells us a global picture. Is it possible for the Minister . . .

HON. S. USKIW: For the total staffing?

MR. D. ORCHARD: Yes.

HON. S. USKIW: I see.

MR. D. ORCHARD: Like the line-by-line in there, if that was possible. We don't need it tonight; we could get it tomorrow, and it tells us line-by-line where the emphasis is and isn't on staff.

HON. S. USKIW: Yes, all right, that's fair enough. We can have that for tomorrow.

MR. D. ORCHARD: The Minister, I note, in 1.(b)(1) has got two positions in Transportation of Dangerous Goods, so that I take it the General Administration is up two in total for the Administration, Computer Services, Transportation Division?

HON. S. USKIW: Yes, that is correct.

MR. D. ORCHARD: I would assume that when dangerous goods is specifically mentioned under Administration, that one of those positions has to be Mr. Shafransky?

HON. S. USKIW: Yes.

MR. D. ORCHARD: And Mr. Shafransky is no longer a Special Assistant for the Minister?

HON. S. USKIW: Yes, I want to clarify. There's the director and there is one clerk position, and Mr. Shafransky was added as a term position later, but this is the area where you would discuss it, if you wish to discuss it.

MR. D. ORCHARD: Now, term position - is this a Civil Service position? I guess I'll put it that way.

HON. S. USKIW: Well, it's a temporary position at the moment. The position is; but the employee is not.

MR. D. ORCHARD: What is the salary range that Mr. Shafransky is receiving in this new position?

HON. S. USKIW: We'll have to get that for the member, Mr. Chairman. We may have it here, but if we don't, we'll get it.

MR. D. ORCHARD: Okay, Mr. Chairman, if they could provide the salary he is at as Legislation Analyst and the previous salary as the Minister's Special Assistant, to see whether he is at the same salary range or at a higher rate now.

Now, Mr. Chairman, I would like to ask the Minister how long he expects this Mr. Shafransky to be in this temporary position?

HON. S. USKIW: Well, we are in the process of setting up a mechanism for the Transportation of Dangerous Goods, which involves legislation, regulation, interfacing with a lot of the public, and then, of course, the administration of it subsequently. So at this point, it's too difficult to pin down a time frame. Perhaps there may not be one. There may be a need to convert that into a permanent position. I really can't project that at this point in time.

MR. D. ORCHARD: Is it fair to assume that the Department of Highways and Transportation is now the

lead department for the Provincial Government in terms of dealing with the legislative changes to transportation of dangerous goods and relating to co-ordinating of, say, accident responses, spill responses?

HON. S. USKIW: No, Mr. Chairman. We are involved in establishing the legislative framework and the regulatory framework under which transportation of dangerous goods can be carried out. The Department of Environment, of course, is going to be introducing their own legislation with respect to how to respond to situations that arise.

MR. D. ORCHARD: Am I correct in assuming then that your department is going to develop the legislation and the regulations as it applies to transportation on the road systems in Manitoba, on the ferry system if need be, and throughout the air transportation in the province or will you just have control over road movement?

HON. S. USKIW: Mr. Chairman, all we are responsible for is transportation of dangerous goods on highways. Air, rail, all other modes will have to be dealt with through another agency. What we are doing is tying in the Province of Manitoba with a national effort which is to do with roads, and in co-operation with the Government of Canada who piloted the first piece of legislation which we are I believe going to mirror, by and large, as well as the regulations in order to have uniformity across the country.

MR. D. ORCHARD: Mr. Chairman, is Mr. Janssen part of the Administration category here that we're discussing?

HON. S. USKIW: Mr. Janssen is under a different section, Mr. Chairman.

MR. D. ORCHARD: You'll let us know when that section comes up then, I trust.

HON. S. USKIW: Yes, that's fine.

MR. D. ORCHARD: Last year, the Minister was discussing some new directions in the department. I noticed an Order-in-Council was - no, not an Order-in-Council - I guess it was a press release put out by the Minister where he hired a chap by the name of Daniel Highway to co-ordinate, I assume, Native hiring in the department. Is this where we discuss Mr. Highway?

HON. S. USKIW: Yes.

MR. D. ORCHARD: How has Mr. Highway been working out?

HON. S. USKIW: Mr. Chairman, he has not been with us for very long. It is now a matter of about six months. What he's doing is working within the department to develop a system with the various branches of the department. He has yet to interface with the construction industry, and we're still in the process of putting that together. So in terms of program delivery, I don't believe anything significant has happened yet. It's still in the planning process.

MR. D. ORCHARD: Now, is it the Minister's intention and, hence, the government's intention to have quota hiring of Native people within the department and have contractors who undertake work for the department to have a certain percentage of Native employees?

HON. S. USKIW: No, Mr. Chairman. The intent is to develop a system within the department where positions would be identified as positions that might be logical to be allocated for affirmative action employment, but there are no particular numbers in mind from an artificial point of view, if you like. It's not a numbers game. There will also be an outreach effort in order to make sure that the people that are brought in, of course, are most suitable and have the best opportunity for success in those positions.

MR. D. ORCHARD: The department, in my recollection, always did retain a lot of Native staff in the remote airport maintenance, operations, Marine Division as well. Is there a particular emphasis in Northern Manitoba that the Minister is anticipating with Mr. Highway liaising in employment in Northern Manitoba, or is this a provincial-wide effort?

HON. S. USKIW: No, the philosophy here is to make it happen across the length and breadth of the province. Native communities exist in all parts of Manitoba. I know that, historically, there has been quite a preoccupation about special programs under Northern Affairs that seemed to imply Native programming, but basically we have to recognize that we have potential for Native employment everywhere, in every district of Manitoba.

MR. D. ORCHARD: Will it be moral persuasion with the private sector who are undertaking contractual work with the Provincial Government, or are you anticipating any formalized requirement?

HON. S. USKIW: Mr. Chairman, that's an area that we have not yet refined and it is something that we will be discussing with the industry. My hope is that we have a co-operative effort to make this happen. We will be sitting down with the construction association and various industry people in order to determine how best it might happen from a positive point of view. Imposition, in my opinion, is not always the most productive way of dealing with these questions. It's my opinion that it is better to co-opt society as a whole into that process.

MR. D. ORCHARD: Have discussions taken place with the industry to date?

HON. S. USKIW: They have taken place, that is, between myself and the industry. I have not yet involved - and I'm not certain, perhaps the department might advise me whether Mr. Highway has been directly involved with them at this stage. I am told that he hasn't.

Of interest, of course, is the most appropriate name that we have of the person, Mr. Chairman.

MR. CHAIRMAN: Mr. Highway is working in the Department of Highways.

The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you. Does John MacDonald work in this, or is he paid out of the Administration line?

HON. S. USKIW: Yes.

MR. D. ORCHARD: What duties is he undertaking right now for the . . . ?

HON. S. USKIW: He has been acting as a person that has been liaising with the industry across Manitoba on my behalf and reports directly to myself.

MR. D. ORCHARD: What is it that the liaison involves? What sort of information are you hoping that Mr. MacDonald would gather for you from the industry?

HON. S. USKIW: The major area, of course, is a policy review in every area of the department. In order to do a policy review, it seems prudent to have as much information and data from the people with whom we must work, private and public, in order that we put whatever issues there squarely on the table in assessing what we are doing and how we might be able to do those things better. That's essentially what it is. It's a public relations effort on one part, and the other half is to solicit from the people changes that they think that we should be making, if any.

So it's a matter of trying to understand the private sector as it interfaces with the Department of Highways. It has to do, Mr. Chairman, with a whole host of areas; the tendering process, the permit process, employment criteria on contracts. There is a whole range of things, local employment, many issues that have come up. It is my hope that we are going to have a number of policy workshops that will analyze where we are, where we have been, where we want to go, based on all of the information that's collected.

MR. D. ORCHARD: Is Mr. MacDonald soliciting any opinion from private sector as to the abilities of staff in the field as to how well the people of Manitoba view they are doing their job?

HON. S. USKIW: I think the exercise that he is involved in is simply keeping an open ear to those that want to express some viewpoints, whatever they may be. It's almost like an MLA hearing his constituents. In this case, the constituents are the people that deal with the department, and we would like the most frank opinions so that we can assess our own performance as the outside world sees us. Therefore, the dialogue that is undertaken is not restricted whatever. The names of the people that Mr. MacDonald is interfacing with when he reports to me are confidential. That is, I don't get the information as to who made the comments. I have the comments but I don't know where they come from. That's essentially the process.

MR. D. ORCHARD: So it is conceivable that you might find some dissatisfaction with - pick a category - an employee, a district engineer, and Mr. MacDonald might perchance be hearing those complaints and relating them to you?

HON. S. USKIW: I think it's inevitable that when you undertake this kind of a process, that you're bound to run into people that have been unhappy over one thing or another. I don't believe any organization can function without having that kind of difficulty or that kind of impression from time to time. That's the nature of the beast and we have to recognize it for what it is. You know, perfection is desirable, but I'm not sure that it's always achievable.

MR. CHAIRMAN: Is the Member for Pembina through with his line of questioning, because the Member for Lakeside has been waiting?

The Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. Would the Minister conceive of a situation where staff demotion or dismissal might come from information gathered by Mr. MacDonald in his travels?

HON. S. USKIW: Not in that way, Mr. Chairman. I would think that if that were to happen, it would happen as a result of an incident that was brought to my attention, a result of which some investigations or enquiries were undertaken, where the evidence was such that we were compelled to do something. I don't think it would be done in a way where the person involved would not have an opportunity to redress that situation, or at least to put their side of the argument forward. It's not a witch hunt approach that we're undertaking, Mr. Chairman, if that's what the member wants to know, because that would be most distasteful from my point of view.

MR. CHAIRMAN: The floor is clear. The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, thank you. I wanted to say a few things at the opening of the Department of Highways Estimates. I'll be in the other committee most of the time, but I can't help but, Mr. Chairman, through you, express my very sincere regrets, and certainly that of the opposition, at what's happening to the Department of Highways and Transportation.

You know, Mr. Chairman, I wasn't here when the Minister obviously made some opening statements the other day, but I read about them in the press. All of us certainly recognize the economic situation within the province and perhaps would have been prepared to accept the position taken by the Minister and this government if, in fact, restraint or lack of dollars was the reason for the position that this Minister and this government has taken with respect to highway, highway construction and maintenance in the Province of Manitoba; but, Mr. Chairman, that's not really the case.

Mr. Chairman, last year this administration increased its overall expenditures by something very close to 20 percent, 18.5, 19 percent. This year, the Minister of Finance in presenting the Budget to the Legislature not so long ago again indicated that this government is going to be increasing overall expenditures by something in excess of 17 percent. Past experience certainly tells us that will be closer to 20 percent.

Mr. Chairman, not only that, but this government has been prepared to deficit finance in a way that's

unprecedented in this province upwards to the tune of half a billion dollars, \$500 million. This government has - I acknowledge and give them credit for it - had the determination to increase taxes, the sales tax. It introduced new and innovative taxes like the payroll tax.

Mr. Chairman, I think what has to be kept in perspective is that this government is spending more money and Manitobans are paying more taxes, but the Department of Highways is being very severely cut back. I only regret, Mr. Chairman, that the current Deputy Minister, Mr. Joe Brako, who has served the department, the people of Manitoba, in a very capable fashion over many years; and I remind members of the committee that his service to the province extends beyond the particular years that he was in Highways, within the road building construction, when the Department of Municipal Affairs had a far greater role to play in the maintenance and the support programs for what in those days were municipal roads, predating 1966. I have nothing but regret that this particular set of Highway's Estimates would appear to be the last that the current Deputy Minister is going to guide through the committee; that it has to be the kind of set of Estimates that you place before us, Mr. Minister.

Mr. Chairman, the reasons given for the Minister, laudable as they sound, that he was prepared to take a back seat in Cabinet and allow his colleagues to convince him that monies ought to be appropriated elsewhere for reasons of supporting the overall job creation drive of this government simply don't wash. The kind of jobs that are available, that are made by the Department of Highways with an energetic highway construction and maintenance program, are highly job intensive; and, Mr. Chairman, more important many of these jobs are precisely the kind of seasonal workers, construction workers, that need to put in the time with construction jobs so they can get the necessary data and the necessary work dates in place that enables them to collect UIC benefits during the seasonal, you know, winter layoff of highway construction work.

So I have a great deal of difficulty, Mr. Chairman, in accepting the Minister's statement. I will, of course, acknowledge the fact that I wasn't here to him, and he will correct me soon enough when he has the floor, but certainly the press reports - and I'm one who, by the way, always believes in everything that the press reports about politicians and their goings on in the Legislature - but certainly, in reading the main reason for the Minister, this Minister, accepting less than adequate what the Department of Highways requires, as I understand, is because he concurred with the overall government decision to contribute his share to the Job Creation Fund.

Well, Mr. Chairman, I think this Minister's contributing far, and above and beyond his share; and furthermore, I think it's a wrong department of government to take it from because we were talking about workers in the construction industry which figure among the highest, in terms of unemployment in the overall, whether it's building trades, but certainly in the construction period. It is seasonal work. Many of these people that depend on construction work need a season, the summer, fall period of work so that they can latch into the unemployment insurance benefits again during the period of layoffs.

So I just have a great deal of difficulty in understanding why this Minister, this seasoned, this veteran Minister, would allow his colleagues to ride over him in this manner.

Mr. Chairman, I can appreciate the politics that's implicit in here as I think was quickly picked up and commented on by our chief critic, Mr. Orchard, the Member for Pembina. We can understand that highway construction doesn't really mean a great deal to many of my members opposite, members that make up the majority of the present government, but the Honourable Minister is not included in that particular group. He does travel the road system, the road network of Manitoba, has travelled it for many years as Minister of Agriculture in the previous administration; has some understanding about the concerns that farmers have as they're facing increased hauling points as more and more rail lines are being abandoned; has some understanding about the massive movement of goods, services, people, and children in rural Manitoba.

You know, you have to understand, you have to come to rural Manitoba and see how we move 100,000 school children around on school buses whose maintenance costs will rise dramatically if those roads aren't maintained. You have to have some understanding, Mr. Minister, of the direct costs it means to a farmer who's running his equipment over unmaintained roads that have been allowed to do with less, what that cost means directly to him in terms of maintenance to his equipment, to his grain trucks, to his personal vehicles, to his half tons.

Now I know that those are the kind of concerns, maybe the political concerns, that the Minister had to take a back seat to because, well you know there were just not too many farmers, too many rural people elected on the NDP side to help make up that majority. So it was more important to fund more day care centres in Winnipeg; more important to fund more programs for the urban area of Winnipeg.

I don't know particularly if we need yet another hockey stadium in Winnipeg, but if that suits the urban cause, then we'll take construction workers off of highways and build yet another stadium in the City of Winnipeg or cover the football stadium.

But, Mr. Chairman, let me tell the Honourable Minister and let him take that message back to his caucus, the present administration is making - in the presentation of these Estimates - one of those kind of fundamental mistakes that the rural people of Manitoba will remember for a long time and they will surely remember it come the next election. Because it only takes a year or two for our provincial roads to start showing up very quickly, the lack of attention if they don't get that 150 yards per mile of gravel maintenance. They have been cut back on the normal kind of maintenance that our road system requires, and indeed, it needs to be beefed up because of the nature and the changing mode of transportation, the heavier loads, the heavier traffic, the heavier trucks that are being used.

Mr. Chairman, I don't have to tell this Minister, everybody in rural Manitoba is constantly aware of the condition of their roads. They need their roads to pick up their mail in the morning. They need their roads to deliver their goods. Their children drive over the roads every day to school. They need their roads when they need medical attention. I simply can't understand, and

I suspect I'm speaking to the wrong Minister, I should be speaking . . . well, certainly the Honourable Minister of Municipal Affairs should have been able to come to some support to this Minister. He understands what I'm talking about, I can't understand a government that would make such a calculated move to lose friends and not to influence people in rural Manitoba.

Mr. Chairman, let me just go back to where I started from. If this government had accepted the position of restraint, if this government was accepting a position that, hey we've got tough times in Manitoba as, indeed, we have right across Canada and we're going to pull in our horns, the dollars weren't there, that's fine. Although, even then I would say that restraint was misplaced but that isn't the case. This government is spending 17, 18, 19 percent more in all other departments. This government is taxing Manitobans with brand new taxes and this government is pulling their maintainers off the roads of rural Manitoba and that is just unbelievable.

I hate to say this, Mr. Chairman, but it is so unfathomable to me that one honestly believes that perhaps there is a conspiracy afoot on the part of this Minister, that he somehow wishes to undermine the confidence, the loyalty, that citizens of Manitoba should have in this government. Because, I tell you, Mr. Chairman, the conditions of roads is a barometer that rural people read every day, not just every day but two, three, and four times a day as they travel those roads and here we have a situation where, by the Minister's own admission, miles, hundreds, thousands of miles of roads are not going to be looked after. Potholes are going to get bigger. The construction work, the jobs that could be created in that industry are going to be prioritized elsewhere.

So on both fronts I can't accept and don't understand the Minister's position. He says that one of the reasons why the Department of Highways is getting less money is because he's contributed his fair share of the increase that he should have to the big Job Creation Fund that this government wants to undertake. Well, Mr. Chairman, the construction industry in Manitoba consists of, to a significant portion, the road builders of this province. It's important to keep a balance within that industry; that we keep X number of pavement plants going; stone crushing plants going; earth moving contractors going.

The Minister knows what I'm talking about, you devise your program around that. You don't lay out a whole program with nothing but concrete one year, so that you drive the other contractors out of business. You try to balance it despite the political pressures that may be on you. You try to keep a healthy road-building construction industry in the province. As I said before, these people require that summer work in order to establish UIC benefits for the seasonal winter layoffs, precisely the kind of things that the Federal Government, this government pays a lot of lip service to.

This government is dreaming up in co-operation with the Federal Government all kinds of schemes to figure out ways that miners can get back to work for a little while and other people can get to work for awhile, so they can be taken off the present UIC roles. At least get them a job long enough so that they can qualify again. The Minister, in presenting the highways program

for the year that we are discussing seems to fly in the face of all that stated reasons; all that common sense in terms of job creation and in terms of the needs in rural Manitoba.

Mr. Chairman, I simply wanted to put that on the record. I cannot understand the government's position in this matter. It's disheartening to read the kind of staff reductions, although there's always room for trimming. But I remind honourable members this department, as indeed in all government departments, they went through that horrendous period as the members opposite used to like to remind us of in the Sterling Lyon government, when we fired civil servants left and right, we trimmed the fat down to zero in a callous way. I can tell you, Mr. Chairman, it's a department that I happen to feel very strongly about. There wasn't too much fat in this department. The kind of reductions that you're talking about are real and they're going to be felt. The Minister, at least, I will acknowledge is honest enough, has been up front and laid it on the table and has told Manitobans they're going to feel it. We're going to feel it in many ways. We're going to feel it in increased costs in operating our vehicles on our roads in rural Manitoba. The tourist industry's going to feel it; students are going to feel it.

All this is happening at a time that this same government is spending 17, 18, 20 percent more money in other departments of government. It just doesn't make sense, Mr. Chairman.

Mr. Chairman, I have only one further specific question to the Minister with respect to administration. With this obvious pulling, demise of the Department of Highways, does the Minister have any specific plans to reduce highway presence in rural Manitoba by cutting back on regional offices? Are there specific regional offices that are currently spread in the various regions of the Province of Manitoba? Is it being considered to close down some of them and centralize them in Winnipeg? There are some reports that may be in the winds. I would ask the Minister to respond to that one specific question that I have.

Thank you, Mr. Chairman.

HON. S. USKIW: Well, Mr. Chairman, I'm not sure just whether we're in order at this point in time for me to respond in the way that one would have to respond to that kind of comment. That was, of course, appropriately to be made as an opening statement. I suppose I have to seek your advice on that, Mr. Chairman, whether I'm in a position to respond given the fact that we are beyond that item.

MR. H. ENNS: Mr. Chairman, we're dealing with Administration.

MR. CHAIRMAN: We have some degree of flexibility under the item Administration which is broad enough, I suppose the Minister can have his say to, in fairness.

HON. S. USKIW: Well, Mr. Chairman, with respect to the last point that the Member for Lakeside raises, that kind of question would probably arise only if there was a fairly massive moving away from supporting the rural road system. If there was a major reduction - not a

temporary reduction - the decision was made more on a permanent basis then, of course, his question would be quite valid. I have to make the assumption that because of our economic times that the reductions in this year reflect a temporary position. Certainly there's been no decision made that we would permanently reduce the level of activity with respect to highway construction and maintenance.

There's no doubt, and I regret that the Member for Lakeside wasn't here yesterday when I opened with a statement pointing out that Manitoba indeed has been moving further and further behind over many years with respect to its road program. I did point out that no government, with the exception of a few years out of the last decade and a half, the last two decades, has really increased highway spending beyond an inflation factor, with the exception of the odd year. The greatest exception to that was, of course, during the Schreyer period.

Members would like to take comfort from the belief that in '78-79 they had leaped forward in highways construction. They take false comfort on that one, Mr. Chairman, because that was the position that the New Democratic Party took in opposition, without knowing and realizing that the figures that they were looking at were a new set of figures based on a new accounting system, and therefore, did not reflect an increase of highways programming whatever. In fact, the Department of Finance advised me that in that particular year where we had accused the Conservative Government of upping the highways program by about 60 percent, it turns out that it was increased about 7 percent year over year, inflation in highway construction running anywhere from 15 to 20 percent because of the massive energy price increases that were then underway.

So that in essence, all governments for two decades now have not kept up with the inflation factor, certainly in the last decade year over year. Therefore, we were building less miles one year as compared to the previous year, were doing less work per dollar spent. The dollars may be growing, but not sufficiently to offset the inflation factor.

I know I'm generalizing and you may be able to point to one particular period where maybe there was a little bit of improvement in that regard, but by and large, I believe my assessment of it is fairly accurate. I have to agree there has never been a - at least I don't think I've picked one up - a year where there has been an actual reduction from the previous year's construction dollars and this is, of course, the first time that that is happening in my memory. I don't know if it has ever happened, and it is true that it is going to have very significant impact, because we did indicate yesterday that there will be need for staff redeployment simply because of the fact that we can't use all the staff we have with a reduced program; yet we are committed to keep them because of the renegotiated agreement with MGEA.

We are not allowed to lay anyone off that has had 12 months of continuous service up until October - should be not before October of 1984. So we are locked into our staff complement, which does mean that there may be some uncomfortable and perhaps even painful adjustment for some staff people over the next period of time in order to keep them on the Civil Service payroll,

but not necessarily in the jobs that they now hold. That may be a task that may be somewhat difficult to implement, but it remains to be seen how that is going to be carried out.

There's no doubt, as the Member for Lakeside would know, that our departmentals that we hire on each project to the extent that we reduce projects by one-fifth, which is really what we are doing; I'm including now the inflation factor; \$10 million of actual reduction from last year's figure plus whatever inflation is valued at, so let's say \$20 million. So, therefore, one-fifth of our departmentals that were working last year would not be working this year. I think that's very simple and straightforward and I don't think that I'm trying to cover that over because in my opening remarks I alluded to it yesterday, and just that the Member for Lakeside was not here to hear those remarks.

On top of that, of course, we have to admit that in the construction industry, they too will not be able to recall all of their employees because there won't be that much work, based on the amount of money that we are going to put forward this year, and weather, of course, may play another role there. We can't project that at this point in time.

The only escape of all of that, of course, and I pointed that out as well, is with respect to whether or not the Government of Canada is going to provide some dollars for job creation that will include highway construction, and we are waiting patiently for an announcement by the regional Minister, Mr. Axworthy. I believe the Budget night gave indication that regional Ministers will be announcing regional job creation programs. I don't know whether anything has happened today or not, not being in town, but I expect there will be some announcement soon.

Now, if that doesn't contain any road dollars, and this is where the Jobs Fund was set up, with the view of trying to entice other dollars into the fund in order to get more activity, if the Federal Government was to respond to that initiative and put in \$10 million or \$20 million, or whatever, let's say \$5 million into the road program, we would then have to put our end up and therefore we would be back up there; but we don't know what is going to happen and we will just have to wait and see, I suppose.

But if they fail to deal with job creation via the construction industry, that is the road construction industry, then there's no doubt that there will be a good number of disappointed people in Manitoba who will not be called back to work for the next several months and who will then not also qualify for UIC benefits if they don't find other employment. I think that's a valid observation and I don't want to take issue with the Member for Lakeside for making that observation. I think that's quite straightforward. We hope that doesn't have to happen.

In the meantime, in tough economic times, I think it's fair to say that governments are in a corner. We are certainly in a corner financially, unless we want to allow the deficit to go beyond any limit and to the extent that we feel in that position some hard decisions are made and they are collective decisions, as the member knows, and they may not always reflect the wishes of each and every Minister, but in the end, they are a collective decision of government that must be carried forward and we have to live with that whether it's right or wrong.

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. L. HYDE: Thank you, Mr. Chairman. I would like to direct a few questions to the Minister if I may and see where he's going to be doing his 1983-84 road programs. He has been forced to leave out the upgrading of the avenues in Portage la Prairie, and I think that has once again been shelved for the time being. The people of Portage la Prairie are going to be very disturbed, to say the least, when they hear and read of the program being cancelled once again. The Minister knows, Mr. Chairman, that I have been working with the mayor and council for a number of years now to the point where I thought that we had made considerable grounds and were making headway, and that the program of upgrading our main streets in Portage la Prairie would be going ahead. I know it's been talked about for at least possibly 20 years and it's going to be very disturbing. It is to me and to the people of Portage la Prairie to think that once again we are back to square one and I'll have to start talking to the Minister again to try and encourage him to look at it for another year.

I want to say that - and he knows too, Mr. Chairman - the City of Portage la Prairie, the city fathers have set aside the funds to undertake their side of the program. The underground surface drainage program has to be renewed; they are prepared. They have the funds set aside to take that on and now, of course, I guess they'll probably find other places to put those few dollars but, however, it's pretty disturbing.

I don't have to point out to the Minister that Portage la Prairie is the third largest city in the Province of Manitoba and we are the centre of the agricultural producing area of the province, the centre of the food producing area and definitely now the centre of the food processing industry. This, as we can all understand, requires a lot of heavy traffic and the roads system is deteriorating fast in Portage la Prairie, and I can see where we're going to be in deep trouble in the area of road construction in the City of Portage la Prairie if this is put off much longer.

The present condition, Mr. Minister, of the highway is such that I can foresee you and your department having to spend considerable dollars just to maintain it in a standard that is required. Maybe this year, new legislation that you're suggesting will go through, the compulsory seat belt legislation; maybe we will have to have that in order to stay inside the cars. Maybe we'll have to put those seat belts on to ride over the humps and the bumps in that avenue of ours. Mr. Minister, as I said, the people are going to be very disappointed now that this has been turned down, once again. I trust that you will see fit in the course of the next year to make every consideration to bring this to the forefront of your road program. Thank you.

MR. CHAIRMAN: The Member for Thompson.

MR. S. ASHTON: Yes, Mr. Chairman, I just wanted to correct the member. Thompson is still the third largest city in Manitoba.

MR. CHAIRMAN: The Honourable Minister.

HON. S. USKIW: Mr. Chairman, I want to tell the Member for Portage that he is somewhat premature

with his comments. I don't know where he draws the conclusion that we have made a decision with respect to Portage in the negative. I have not said that and, therefore, the member is not accurate, at least to this point, in making that assessment. Now I appreciate that it isn't mentioned in the road program, but I also want to remind the Member for Portage, that the project in Portage la Prairie is the kind of project that might fall logically into the Jobs Fund category and that's where a decision might be made to continue with it now. Certainly, if it isn't made there, there is one other opportunity under these Estimates, and that is under the Pre-Ad Program next fall. So, we have not given up on Portage la Prairie yet. I believe that their project is desirable, it is needed, it's long overdue. I don't believe there is any argument to be made on the other side of the ledger and we want to get on with it. I still have hope that we might be able to do that, and we have not concluded our discussions with the City of Portage la Prairie in that regard, so I would hope the member would be a little more patient, although, I appreciate that it is not noted in the program and, therefore, he has all the rights to draw attention.

MR. L. HYDE: I have faith in the Minister now after what he's saying to me and I know that if this program should make headway this year you are going to make a lot of people in Portage la Prairie very happy.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, I was hoping the Minister would have, in his response, answered that one particular point that I was making, and that is, that simply the question of the overall government expenditures which he is part of, and collected part of in agreeing to, are running at 17.5 percent as indicated by his Minister of Finance. It is in that context, as I said before, that the position that the Department of Highways finds itself in is, in my judgment, less than satisfactory. If the government's intention was to run with a lesser deficit, to run with a tighter hand on government expenditures, generally, then the Minister's position would be much more defensible before this committee at this particular time.

Mr. Chairman, I don't dispute the basic position that the Minister indicated about highways and highway construction generally having difficulty in keeping up to a certain level. All I can do is remind him that in '68-'69 we were pretty well served and coming along pretty well with the development of our Highway Construction Program, generally, through the Province of Manitoba. I'll deal with the North in a little while. By and large, of course, and my figures could be questioned, I wouldn't want to say that they are absolutely accurate, but if my memory serves me right that, in the latter part of the '60s, '68, '69, we were spending somewhere in the nature of 16 percent of the provinces' resources on road construction. That then steadily fell to something like 9 percent during the '70s, even as low as 7, the former Minister of Highways tells me. What we were trying to do from the fall of '77 on was try and recover some of that ground - and I will be the first one to acknowledge that we certainly didn't bring it back up to those earlier levels but we were

moving back in that direction. I believe we increased the expenditure, or the percentage of provincial highway expenditures back to 9.5 or 10 percent. The Minister, with his advisors, will be able to tell me in a hurry whether I am way off base or not, but I am going by memory.

Another specific question, Mr. Chairman, there were very fundamental differences in approach with respect to this department, for instance, with respect to our attitude to, and working with, the Northern Agreement. While the NDP chose to spend most of their money on various basket-weaving courses, we attempted to put some of them into road construction programs. In '77-78 we fundamentally altered the Northern Agreement to put a far more substantial road component into the Northern Agreement. My question to the Minister is, our we back to basket weaving in the North, are we still going to try and build some roads in the North?

HON. S. USKIW: Mr. Chairman, the Member for Lakeside is trying to make a case for the fact that the Highways Construction Program is a percentage of Manitoba's expenditures is diminishing; that is true. I would hazard a guess that is true in every province of Canada. I would like to give him some figures on that, and I am going to start with the ones I have, which is '72, '73. As a percentage of the total we were 6.94; and then in '73-74 we dropped to 6.1 - I am talking construction dollars now - and then to 5.6 again in '75; 5.4 in '76; 5.6 in '77; 4.4 in '78-79. That's an interesting year by the way. . .

MR. H. ENNS: Who was Minister that year?

HON. S. USKIW: . . . '78-'79; 4.4 in '80-81; 4.1, '81-82. So the pattern hasn't changed, regardless of the government, in terms of percentage spent on construction, as a percentage of total provincial expenditures.

We're now down to 3.5, last year's figures are 3.5.

MR. H. ENNS: Well, Mr. Chairman, the Minister is too old a hand not to appreciate what one can do with figures.

Mr. Chairman, I can tell the honourable members opposite that the rural constituents can tell the difference between a yellow caterpillar earth moving machine, or a paver, or a asphalt paving machine and they can recognize, when they see those machines on the roads, as distinct from not seeing any of them.

What, of course, has happened is that the total revenue of the province has grown substantially in those years. That same year '68-69 the total expenditures of government were some \$348 millions of dollars, . . . so it depends on what 4 percent or 4.1 percent represents.

HON. S. USKIW: That's right.

MR. H. ENNS: We have not expanded the geography of Manitoba to a corresponding degree. We are still trying to service the same area' we are trying to maintain essentially the same road system with, of course, some additions and improvements from time to time. So that the use of the figures in that way can be very misleading.

All I can tell the Honourable Minister, and the Minister knows that deep down in his gut, that what counts in rural Manitoba is to see a few machines on the road and see some improvement on the roads and see the maintenance being done on the roads. All the arguments that we can have in this Chamber aren't going to resolve that issue, it's going to be resolved on the road system throughout rural Manitoba and the Minister hasn't got good news for the rural people of Manitoba, for the tourists of Manitoba and those that need the roads most and travel on them most in Manitoba.

Again, I simply come back to the point that I started with, this is happening at a time that his government is nonetheless spending, expanding the overall growth of government by some 17 percent and, in fact, accepting a 10 percent actual with inflation added on, to closer to 20 percent cut in actual highway construction. Mr. Chairman, that's going to be a message that's going to go home to many parts of Manitoba that will not be forgotten and I suppose, perhaps that I should not be unduly happy about it. It just means that I'm going to have take on the responsibility of highways, perhaps, once again, break in a new Deputy Minister of Highways in short order and hope that maybe some of the older fellows have maybe moved on to their reward so I won't have to fight with them again as I have in the past. Maybe I should leave well enough alone when I see a deliberate attempt by this Minister to do his government in but, Mr. Chairman, I really have some compassion for you, you really know not of what I speak and neither does the Minister of Cultural Affairs, least of all the Member for Thompson, he only flies.

MR. S. ASHTON: Oh, that's not true.

MR. H. ENNS: So, Mr. Chairman, but back home in those other 15, 16 or 18 seats that the Member for Portage comes from, the Member for Pembina comes from, the constituency that I come from, the Member for Birtle-Russell, we know what roads mean to Manitobans. My final comment is, the Minister won't understand why, even though I appreciated the fact that the NDP opposition was off on a tangent in that first year of my administration as Minister of Highways when they credited me with a 50 percent increase in highway construction, I wasn't about to stop them, Mr. Chairman, because after all, I must say my reputation still hasn't suffered from that little bit of assistance that I got from the honourable members opposite. If you chose to do that to a government Minister from time to time you would hardly expect him to create too much of a fuss while that was happening.

MR. D. ORCHARD: Mr. Chairman, the Minister when he started talking about percentages on construction my colleague, the MLA for Lakeside, has pointed out that figures can mean a lot of things to different people. I think what's important to point out here is the number of dollars that were spent from those same years, 1972-73 on, on construction. The provincial expenditure on construction from '72-73 was \$38 million approximately. It went up to \$42 million in '73-74, and I believe there was an event called an election in that year. In '74-75

the provincial expenditure dropped down to \$37.333 million. That was the provincial expenditure because at that point in time the Provincial Government was using federal funds to help build highways in Manitoba. The provincial contribution in '75-76 was about \$44.5 million, '76-77 \$51.3 million. In '77-78 it was down to \$47 million, provincial contribution to highway construction and that also was an election year and I can't imagine why they didn't boost it up in that particular year as well. But there was a declining amount of money going into highways as of '77-78 and in '78-79 the provincial contribution went up to 55.7 and then as federal funds decreased, '79-80 it was over 72 million and that, Sir, was a quantum leap of some \$17 million in one year of provincial contribution. The program didn't expand that much but when federal funding was dropping by some \$10 million over that year we replaced it with provincial dollars and added to the program.

In '80-81 there was approximately \$92 million dedicated to highway construction, at that point in time it was 100 percent provincial dollars, there was no more federal sharing. If my memory serves me correctly I believe it went up to \$96 million the following year and then the last year's budget that the Minister introduced, he indicated a lot of things that were in the budget were ours so I guess we'll take credit for that, it was \$100 million.

This year, Mr. Chairman, it's down to \$89 million hence the case that my colleague has made and I attempted to make on Wednesday where there is a declining effort at the same time that other government expenditures are going up and, indeed, the user fees are going up in the Department of Highway revenues.

Mr. Chairman, I would like to ask the Minister on the SMY sheet that he passed out he's indicating a reduction of 316 SMYs overall in the department. Of those 316 how many of those were filled, say mid-summer last year and how many people are we actually talking that will not have jobs? How many real people are we talking about?

HON. S. USKIW: The real people are 86, on Page 1, the 86.37 SYs are the real people.

MR. D. ORCHARD: Thank you, Mr. Chairman, 86 fewer and now I assume that with the overall reduction of 316 you've actually eliminated some SMY categories throughout the department.

HON. S. USKIW: Departmentals, yes.

MR. D. ORCHARD: Mr. Chairman, I don't believe I have any more areas that I want to discuss under (b).

HON. S. USKIW: I want to make a comment first. Mr. Chairman, it's too bad that the Member for Lakeside isn't here because I wanted to respond to that last interjection of his when he indicated that the opposition was so generous to him in 1978-79 by suggesting that he had increased his expenditures by some \$30 million or so than he really did. I was going to suggest to him that he owes me one and if he wants to pay it back this is the year.

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

The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I recall two or three years back we approved a fairly significant amount of money in computer services to undertake an inventory control system that I was duly promised by all those involved, some of whom I won't mention right now, that was going to save the department some considerable amounts of money. I believe that computer inventory system should be in place now and could the Minister indicate whether it has achieved the kinds of cost saving the government that was anticipated back when we approved some four years ago?

HON. S. USKIW: I wonder if the member would repeat that question, Mr. Chairman, I lost track of it.

MR. D. ORCHARD: Thank you, Mr. Chairman, I think it was four years ago - I'm not sure of the exact year - we approved extra money in the Computer Services Department to develop an inventory control system, which was to run a tighter rein on parts inventory in the warehouse store system, the mechanical division, etc. If my memory serves me correctly, I think the projected savings was something like \$750,000 when we got it in place. I think that system should be developed now. I'd just like the Minister to indicate whether the decision was a good one to proceed with that and we're achieving the kind of cost savings?

HON. S. USKIW: Mr. Chairman, the system has been developed and it's just being implemented now. It has not been in operation as of yet.

MR. D. ORCHARD: Does it look like it's on target in terms of the kinds of savings that were projected for the department?

HON. S. USKIW: Mr. Chairman, I think the way to handle that one is my staff indicates they can have some information ready for us, but not today on that issue.

MR. D. ORCHARD: We can pass Salaries. I just have a couple of questions on Other Expenditures, Mr. Chairman.

MR. CHAIRMAN: 1.(c)(1)—pass; 1.(c)(2) - the Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I've done a little calculating on some of the Other Expenditures. Most of the time they're down or at least not increasing very much. In this particular case, they're increasing by some 32 percent. Can the Minister give an indication as to what the increase in Other Expenditures are?

HON. S. USKIW: Yes, the general rise in operating costs is \$3,400; eye examinations for operators, visual display terminals, are \$500; service contracts and microcomputers \$3,200; computer equipment for direct use in engineering and construction \$55,800; Transport Board \$8,900; transfer of funds for word processing from other appropriations \$36,500; paper supplies for Stores accounting procurement and inventory management \$7,200.

MR. D. ORCHARD: Is it fair to assume that the Computer Services is taking up more of, for instance, word processing from other parts of the department?

HON. S. USKIW: Yes.

MR. D. ORCHARD: We're on line with Manitoba Data Services on that computer system?

HON. S. USKIW: Yes, that's correct, Mr. Chairman.

MR. D. ORCHARD: Have their charges to the department increased?

HON. S. USKIW: Yes, Mr. Chairman.

MR. D. ORCHARD: What percentage of increase was MDS put in and when did the increase come in?

HON. S. USKIW: We don't have that information here, Mr. Chairman. We're prepared to provide it. We don't have it here.

MR. D. ORCHARD: The last I recall, Transportation Division had a couple of fairly bold type schemes using computer inventorying of various statistics, etc. Has there been any progress or any move to avail them of the Computer Services Division and computer capacity for data storage, data retrieval?

HON. S. USKIW: No, all we have is the establishment of a minicomputer . . .

MR. CHAIRMAN: 1.(c)(2)—pass; 1.(d)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I'd like to ask the Minister a few questions about something that's concerning the people of Brandon and certainly will be concerning the people of Manitoba.

I'm sure the Minister has guessed; it's the PWA application to continue servicing Brandon or their route from Calgary, Brandon and to Toronto. As a matter of fact, that starts in Victoria and goes to Vancouver, Kelowna, Calgary, Brandon and Toronto. The Minister may or may not be aware, but my colleague sitting beside me here, when that application was approved, we fought very hard with the Department of Transport - I guess the word fight is not the right word - but we convinced the Department of Transport to have their hearings in Brandon. We made a very, very strong case as to having that particular route approved by PWA. The government went to the expense of hiring a lawyer to represent us and research it.

Now, as we know, the application ends the end of May, I believe. I've had correspondence, as I'm sure the Minister has, from the Chamber of Commerce in Brandon, very concerned that the Department of Transport commissioners have not seen fit to say that this route will continue. They had an approval given to them for two years. This has become so important to Brandon that the figures of PWA, people getting on board in Brandon, is about 76 percent capacity. As a matter of fact, my colleague may have some better figures because I believe he was just in Brandon and they were brought up to him.

This is something that's serious. I believe I saw a news release saying that the Minister had made representation, but right now in Brandon, PWA cannot take a reservation and guarantee it after the end of May. Now somebody who makes a reservation, they say, yes, we're very pleased to accept it, but we can't guarantee you can fly to Toronto.

I think that situation is getting very serious. I would ask the Minister what he is doing about it to get the Transport Commission to give some decisions on this. If they still intend or if they're still in doubt, maybe we should be making representation again to them regarding this line.

HON. S. USKIW: Well, Mr. Chairman, the member is quite right. There is a fair amount of anxiety about that question on the part of PWA. We have supported them fully and have made representation on their behalf. We've met with them. I'm not aware as of recent days that things have become anymore urgent than they were. We have no hesitation in renewing any effort or simply sitting on the backs of CTC, if you like. That's something we're prepared to do. I don't think we've had a call from them in recent days. Not in the last month, Mr. Chairman.

MR. F. JOHNSTON: I'm not going to dwell on it because I know the Minister knows the seriousness of this as well as I do. He knows the concern of Brandon.

I would ask that if the Minister can find out this. Are they are going to say yes or no? We're now a month away and it's getting serious, and if they're not intending to renew that, I think the Province of Manitoba has to take the fight up again to get it done.

HON. S. USKIW: Well, Mr. Chairman, I think that's a fairly fair comment. It's obviously a good observation and a good suggestion. We certainly intend to pursue that.

MR. F. JOHNSTON: I just might if I may, Mr. Chairman, if Mr. Orchard could tell me what the figure was you were given today in Brandon?

MR. D. ORCHARD: 77 percent.

MR. F. JOHNSTON: 77 percent capacity out of Brandon to Toronto, and that's anybody that would cancel a line, that's doing that, is wrong.

MR. CHAIRMAN: The Member for Thompson.

MR. S. ASHTON: Yes, Mr. Chairman, that's the end of the line of questioning on this particular subject. I have a related concern in regard to my constituency and, once again, in regard to PWA service. Over the last year, PWA has cut back a number of flights, particularly the Saturday morning flight, although that is apparently being reinstated for the summer period. I know that the Minister's aware of my concerns and my constituents' concerns about this particular matter. I was wondering if he's had any opportunity to meet with PWA and whether there is any indication of any reinstatement of those particular runs or whether, in fact, we're likely to see more cutbacks in the future.

because they had indicated, I believe, as recently as six ago months that they might be cutting back further in the number of flights to Thompson and other points in the North.

MR. CHAIRMAN: Mr. Minister.

HON. S. USKIW: Well, Mr. Chairman, I appreciate the point that the member raises. We did discuss that with PWA; but their service, although it was there, was not really being used to the extent that it would make them viable, and we had to appreciate the fact that they couldn't continue on that level without greater utilization. We have decided not to fight them on it because we believe the economics speak for themselves.

MR. S. AHSTON: I believe the drop in passenger volumes to a certain extent has been because of the situation of the economy in the North, and I think the feeling of people in the North is that, obviously, things were beginning to turn around; certainly in the City of Thompson. We would hope, if and when things do turn around and passenger volumes do pick up, that we would have that service reinstated because we can certainly accept the problem they might have in terms of passenger volumes. They, I think, have to understand that those volumes have decreased because of the particular circumstances of the North over the last three or four years now actually in terms of mineral problems.

HON. S. USKIW: Mr. Chairman, I think that what has happened there is very much the same as what has happened with respect to all of the airlines. There have been cutbacks, and very severe cutbacks, on the part of many airlines, if not all of them, and there's no doubt that if the demand for service is there, I would imagine that PWA would be right in there wanting to give the service because, obviously, it would be profitable for them to do so. I don't think we are in a position to insist on service if it's so obvious that they can't sustain the losses.

MR. S. ASHTON: Yes, Mr. Chairman, one other area I think, too, in terms of PWA in recent years where they are having problems is the fact that they are not as competitive as they used to be in their previous form; that being Transair. I remember years back we used to complain about Transair or "trashair" as we used to call it, but one thing they did do was they actively sought out additional passengers. They used to have seat sales, for example, on Friday afternoon; they'd have a certain number of seats available and they'd sell them at half price. At the present time that doesn't exist. You have to pay \$270 for a round-trip fare and the lowest special rate you can get is \$175 and that requires a two-week in-advance booking period. When you compare that to what they're doing on their east-west runs, for example, you can go to Regina now for \$69.00. I think that might be another explanation of why their passenger volumes have dropped, and I realize there isn't much the Minister can do about this but, at least, I'd like to express publicly my own concern about the way they've become uncompetitive and where they've jacked up their air fares in recent years, because I think it's getting beyond the reach of many people who would otherwise fly.

HON. S. USKIW: Well, Mr. Chairman, I'm not all that familiar with the airline's business, but I would hazard a guess that to compare a run east-west with one from Winnipeg to Thompson is probably not the proper comparison, or not an analogous situation, in that we only have the one destination point and that's Thompson; whereas the east-west run, you have probably stops all along the way, Regina-Edmonton or Regina-Calgary, and so on. So there's an efficiency factor there that may result in lower fares which would not be practical or possible with respect to a straight hop between Winnipeg and Thompson, but that's just an assumption of my own; I am speculating on that.

Certainly, we intend to stay in contact with them on those questions, and if there seems to be evidence that there's a need for improved service then we are going to be urging them to provide it.

MR. S. ASHTON: Just one final comment, Mr. Chairman. I certainly do think there is need for improved service. One problem, in addition to those I've already mentioned, is the fact that we're basically the tail end of their run. I experienced this last year, for example, the one time I remember, I booked a plane ticket; the plane was three or four hours late; there were three stopovers. In the end, I decided to cancel my ticket and drive instead. I got back in Thompson two hours later than I would have by plane, thereby saving a considerable amount of money; and I found, to my utter amazement, the reason the plane was delayed the extent it was, was the fact that they were washing the plane. Apparently, it had returned from a charter flight and they had to wash it to get it to the capability of flying once again on the Thompson run. That kind of thing shouldn't happen. We are supposed to be receiving regular service and to be put back because of a charter flight, I think, is absolutely ridiculous. If they start wondering why their passenger volumes are dropping, apart from the fact that it's very expensive, when you can't guarantee service to the extent where it only takes two hours longer by road at a much lower cost, then I think that should perhaps give them another message as well.

So, as my final comment, I'd say to the Minister if there's anything he could do to press for better service as well as better cost to Northern Manitobans, I think it would be greatly appreciated.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I just want to add a few comments on the PWA Brandon run. I think the Minister has hit the nail on the head that the east-west traffic is very very competitive now. You can buy a ticket for very very economical travel to Toronto, to Vancouver, to Calgary, from both Air Canada and CP Air. There's no question in my mind that PWA routing via Brandon into Toronto and then, of course, hooking up with Calgary-Brandon-Toronto, I would venture to say when they're running at 76-78 percent capacity, that they are probably taking some of those seats from the two majors; and it would be my very extreme concern that all the work the department put in, the citizens of Brandon and Chamber of Commerce and everybody did some two years ago to get that ATC approval of

the two-year licence, might be all for naught if C.P. and Air Canada might perchance be making their position of woe and whatnot known to the Federal Government and to the agency regulating the air industry; and that we might fall between the stools because Pacific Western coming out of Alberta - I don't know whether it's a particularly popular airline to start with when you get down east - I would really urge the Minister to have the department follow that with a great deal of diligence and urgency because they were largely responsible for head-manning probably the best support to an application that an air carrier has ever had in Canada. To have that effort maybe jeopardized because of a current downturn in air traffic would be sad, and I can assure the Minister that anything that we can do on this side of the House to back up any efforts he might want to undertake, we will certainly support any effort that he and the department can put in and we would very much want to see that licence and that service continued in Brandon.

Can the Minister provide, lest he may not have it readily available, but if he could provide a list of the special projects, if any, that the Transportation Division plan to undertake in this next fiscal year, and also the organizations through which Transportation Division will be providing operating grants and the amount of those grants.

HON. S. USKIW: Is the member suggesting that a list of those would be sufficient? Yes, we'll have them for him tomorrow.

MR. CHAIRMAN: 1.(b)(1) - The Member for Pembina.

MR. D. ORCHARD: That's good, and if there's any question we can just refer back to it tomorrow.

In December, the Minister established a regulatory trucking regulation study group, headed by the head of the Transportation Division. If my memory serves me correct, and I don't have the press release in front of me, but I think you had about a four-month time frame, is that right?

HON. S. USKIW: Mr. Chairman, we're hopeful that by the next Session of the Legislature we will have recommendations for legislation changes. That's the time frame that we're working on.

MR. D. ORCHARD: The terms of reference were laid out broadly by the Minister when he made the announcement. Has there been any change in the terms of reference under which the committee is now operating vis-a-vis a few months of operation? They've probably come up with some new wrinkles and things that were unexpected. Have the terms of reference changed significantly?

HON. S. USKIW: Mr. Chairman, the first exercise will be the production of a Green Paper, after which we will then go back to the public, produce a White Paper, after which there will be legislation. That is the strategy that we are employing. At this stage there have been no changes to their terms of reference.

MR. D. ORCHARD: The time frame on that - is the Green Paper expected, say, possibly during this Session?

HON. S. USKIW: Within about six or eight weeks we should have that first document out, Mr. Chairman.

MR. D. ORCHARD: Mr. Chairman, will that be a document that all members of the Legislature would avail themselves to, a public document?

HON. S. USKIW: A public document.

MR. D. ORCHARD: That's good. Now, would the purpose of that so-called Green Paper be to form - for the lack of a better word - a target for the participants in the industry to focus on to suggest, yes, you're right here, you're wrong there, and come up with versions of change?

HON. S. USKIW: Yes, the paper will represent the findings to that point in time which will then be put forward to the public, and it should serve as a focus point on which to then come up with more definitive recommendations in the subsequent paper.

MR. D. ORCHARD: I almost hesitate to ask the Minister this, but will the Minister be having a travelling Standing Committee of the Legislature on hearings on this Green Paper?

HON. S. USKIW: Mr. Chairman, the Green Paper will attempt to outline options for the public to consider and to express opinion on. I don't envisage a need for a committee of the Legislature at this point in time.

MR. CHAIRMAN: The Member for Gladstone.

MRS. C. OLESON: I was just wondering Mr. Chairman, through you to the Minister, if this study on the trucking industry takes into account interprovincial problems. I raise the point because one particular constituent of mine, who runs a trucking business, has a great many problems that involve interprovincial trucking and how to get around regulations so that he can bring a payload back with him. Of course, it isn't very economical to drive to British Columbia with a load and come back empty. Also, he has problems concerning compensation - if his drivers have accidents in other provinces and many many complications that causes essentially a small trucking firm, for the manager, to spend a great deal of his time on paperwork where he would really prefer to be managing his trucking business from a point of view of having it viable.

MR. CHAIRMAN: Mr. Minister.

HON. S. USKIW: Well, first of all, I would have to know the details of his licensing. Is he a PSV operator, is he an independent, or what is he? What kind of a licence does he carry, do you know?

MRS. C. OLESON: He's the Carberry Transfer and he has a contract to haul potato chips cross-country. That's the particular trucker I'm talking about at this time and part of his problem is interprovincial licensing.

HON. S. USKIW: I'm advised by the Chairman of the Transport Board that there are meetings under way

next week, or will be under way next week, which will hopefully bring about a lessening of the paperwork that is now involved there in the processing of one's application and so on. I don't know that I can answer specifically to that particular situation. We'd have to have more research or detail on that.

MRS. C. OLESON: I am just concerned that when this study is on that problems like that are taken into consideration, of trucking firms that have to deal with other provincial regulations and that there could be some way, perhaps in conjunction with a federal department, that would make it easier for people to work across the borders.

HON. S. USKIW: We recognize that we want to minimize as much red tape as possible and that's part of the effort of the review or the task force. There's always in a regulated system going to be some necessary paperwork, of course, abiding by regulation, no question about that, unless we abandon regulation completely. I don't believe that is going to come out as one of the recommendations, although one never knows.

MR. CHAIRMAN: 1.(b)(1) - the Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I just want to ask the Minister, I found a couple of more items. It might take a little more than 15 minutes if you want to . . .

HON. S. USKIW: Yes.

MR. D. ORCHARD: Is the Transportation Division working on any abandonment hearings right now, supporting any retention associations?

HON. S. USKIW: The Erwood Subdivision is being heard today, Mr. Chairman. We're involved in that one.

MR. D. ORCHARD: Erwood goes to where? Is that up in the Interlake or is that on the west side?

HON. S. USKIW: It's on the west side. That's Swan River.

MR. D. ORCHARD: Oh, yes, Swan River.

HON. S. USKIW: Near Swan River, I think.

MR. D. ORCHARD: Are there any other associations that the department is providing assistance to?

HON. S. USKIW: Yes, the department supports every local submission where we concur in what they are attempting to do. In this case, I believe we are supporting some local . . . We're lending assistance to local people in the area.

MR. D. ORCHARD: On which subdivisions?

HON. S. USKIW: That's on Erwood and we have been involved with Inwood and Winnipegosis and we may still further be involved with respect to those two.

MR. D. ORCHARD: The MacFarlane Campers' Association, how are they making out now with their passenger service, Mr. Chairman?

HON. S. USKIW: Well, all I can say is that we are trying to do something there that will result in a service, but we are not satisfied that we're at all making a great deal of progress at this stage. We're not sure.

MR. D. ORCHARD: Well, I want to wish the Minister every success.

HON. S. USKIW: You don't have a cottage in Ontario, do you?

MR. D. ORCHARD: No, I don't have a cottage in Ontario, but I just maybe I broke ranks on my normal Progressive Conservative — (Interjection) — economic type analysis from time to time - who said shame? - in that when it came to passenger service, I recognized that with Via Rail there were some substantial losses, but we adamantly opposed the Northern Transcontinental, a discontinuance of that, and we tried to support passenger rail in Northern Manitoba. I am pleased to see that it was out of those hearings on that northern transportation, that the idea came up of the rail bus is going to be tried. I think that is a quantum leap forward that has obviously taken a couple of years pretty solid effort on behalf of the potential users of that service.

Now this MacFarlane camping one, it is in some regards it might be a little difficult to put a lot of emphasis and effort into it because you are dealing not with an economic need for passenger service, but more a recreation need. But, boy if they don't have some Via Rail service in there, they are just right out of luck. I would hope the Minister can persuade the powers that be that this service is indeed a fairly necessary one for those citizens that have the good fortune of a summer cottage there.

Another matter that I want to ask the Minister about, the trucking industry, and I would suspect the Transportation Division has probably done the numbers on it. The trucking industry made the point when the payroll tax came in that they have drivers that are inter-provincial and that they're not earning their entire income within the Province of Manitoba, particularly drivers that go from Winnipeg say to Edmonton as an example where probably 70 percent of the their mileage is outside of the province, hence their income is really earned outside of the province. The Minister has indicated, according to an article in the Highway News of November, December; that the Minister recognizes the problem which I think is a fairly legitimate one, and that amending legislation will be introduced in early 1983. Is that the case that you're going to be bringing in a method of remedy for the industry?

HON. S. USKIW: I have to say that I don't recall anything that would indicate legislative change. Are you talking about the Minister of Highways or the Minister of Finance?

MR. D. ORCHARD: Well, okay. Let me read it here.

HON. S. USKIW: That's a Department of Finance question.

MR. D. ORCHARD: Yes, fine fine fine, you're right. It indicates that the Minister of Finance, they protested to the Minister of Finance, he recognized the problem.

I wonder then, could the Minister, just since the Minister of Finance has passed his Estimates without me asking him the question, could the Minister undertake to find out if there is going to be some kind of an accommodation because I think it is a pretty legitimate concern that they have. It was identified early on when the payroll tax came in. Could the Minister just provide us with some detail on that?

HON. S. USKIW: Well, Mr. Chairman, I think I can endeavour to give whatever information is available.

MR. CHAIRMAN: 1.(d)(1) - the Member for Pembina.

MR. D. ORCHARD: I guess we can - I just got a few more questions on rural transportation and then we can pass the whole works.

Now the Minister in his opening remarks indicated that - and I'll be chastized again because I am trying to get you to spend more money, Mr. Minister, but I question whether your statement is necessarily correct and you can provide me, of course with your usual good information, sound information. But, you indicate that we are continuing with - okay, members will also recall that a few years ago, we introduced, that's not quite right, it wasn't you that introduced it, it was us that introduced it, but I don't want to nitpick. The rural transportation grants to the disabled.

HON. S. USKIW: That's what I said.

MR. D. ORCHARD: No, but you said that, members will also recall that a few years ago, we introduced. Now if I was sitting back reading, I would take it that you did it. Okay, we won't argue about that.

HON. S. USKIW: Mr. Chairman, I believe if the member reads it correctly, I did mention that it was done by the previous government.

MR. D. ORCHARD: Oh, by God you did. That's unbelievable, I've never made two mistakes so quickly in all my life. I should have known better. Yes, the previous government began this program.

Now, we are continuing with that at a level that is meeting the needs of communities in Manitoba. There is no increase here, is the Minister sure that obviously the level of grants aren't increasing nor the number of communities that have got the service are increasing, but the same amount of money available?

HON. S. USKIW: I believe, Mr. Chairman, what I was trying to say is that we are able to respond to all of the communities that have made application or that we can foresee that will be making applications within the budget that we have. In other words there have been no financial restraints given the parameters of our program.

MR. D. ORCHARD: How many communities are on the program now? Neepawa, Steinbach, The Pas.

HON. S. USKIW: Sorry, I think I should mention this. We only spent 70,000 last year and that is all we will spending this year. So, it isn't being taken up as fast as we had anticipated.

MR. D. ORCHARD: How many communities are on the program now, Mr. Chairman?

HON. S. USKIW: We have about six communities. We anticipate about two more at the present time. If the member wants a list, I think we will have to do that at the next sitting.

MR. D. ORCHARD: Now the Minister also went on to say that this year funds from the UTAP Program have also been used. I thought the UTAP Program was finished about a year ago. Is it still ongoing or do you have renewal of that?

HON. S. USKIW: There was an additional allocation of 100,000 I believe it was. The program was extended for one year for the expenditures.

MR. D. ORCHARD: And what portion of the 170,000 does the Minister expect to be drawing down out of the UTAP Program?

HON. S. USKIW: We are aware of the need for capital grants for four different groups for locations that will use up the \$100,000 under the UTAP Program.

MR. D. ORCHARD: One final question, I think on this, Mr. Chairman. Has the Minister changed any of the operating criteria with the program to change any part of it?

HON. S. USKIW: No, there is nothing changed excepting that we have a committee looking at co-ordinating a number of programs. There is nothing new with respect to this.

MR. D. ORCHARD: That stimulated another question, Mr. Chairman. Co-ordinating a number of programs, could the Minister expand on that a little for me?

HON. S. USKIW: Yes, all of the handicap programs and things of that nature we are trying to put together under one system or framework. That's still some days ahead. We are going to have some meetings on that. That is all I am indicating. I don't know what is going to be the outcome of that.

MR. CHAIRMAN: The Member for Thompson.

MR. S. ASHTON: Thank you, Mr. Chairman. I should perhaps indicate to the Minister that he may soon be getting an application for assistance under this program from a group in Thompson. There is an active effort being spearheaded by the local chapter of MLPH as well as some of the senior citizens groups and I can indicate to you that if their initial progress is any indication, they may very well have an application in for a handi-van system for next year because they certainly have been very active, and they are certainly getting the community support on that. It is an area which is liable to be of growing need in Thompson since we are finally getting to the stage where our population is growing somewhat older and we are ending up with a fair number of people who are growing older and with the disabilities that are incumbent with

advancing age, so you may find the next year that Thompson will be one of the seven communities rather than six.

HON. S. USKIW: Mr. Chairman, I appreciate the point that is being made by the Member for Thompson. We are very much aware of that initiative there. We're hoping to get the contract. We certainly will do whatever we must do to make that happen.

MR. CHAIRMAN: 1.(d)(1)—pass; 1.(d)(2)—pass; 1.(d)(3)—pass; 2.(a)(1)—pass?

MR. D. ORCHARD: 2.(a)(1), are we going to go on tonight?

HON. S. USKIW: No, no, we're still . . .
Committee rise, Mr. Chairman.

MR. CHAIRMAN: Committee rise.

SUPPLY - EDUCATION

MR. CHAIRMAN, P. EYLER: Committee, come to order. We are considering the Estimates of the Department of Education. Does the Minister have any opening comments?

Madam Minister.

HON. M. HEMPHILL: Mr. Chairman, it is my pleasure to introduce the Estimates of the Department of Education for your consideration. The total Estimates, including Expenditures Related To Capital Assets, are \$618,596,900, an increase of 8.71 percent.

Before dealing with the activities my department has pursued so ably in the past year, allow me to comment upon external events which have put extraordinary pressure on provincial revenues. I refer, of course, to the significant downturn in the economy which has forced so many Canadians, including Manitobans, to go without jobs.

In addition, the Federal Government has recently seen fit to cut its contributions to post-secondary education in Manitoba by close to \$5 million. This is a significant amount.

Members are aware of the Federal Government's proposal for additional cutbacks in its support for Health and Post-Secondary Education - cutbacks which would come on top of last year's federal cutbacks which hit Manitoba hardest, on a per capita basis, than any other province.

All provinces are concerned with the new cutbacks and have asked Ottawa not to proceed with them thereby providing an opportunity for program Ministers to conclude their discussions on program objectives and conditions and improvements - after which Finance Ministers should conclude agreement on financial aspects.

Currently Ottawa appears to be continuing discussions on program objectives and improvements in segregated discussions among program Ministers. It is especially disappointing to have the Federal Finance Minister at the same time prepare further cutbacks in Ottawa's contribution.

We recognize the importance of sustained federal support as a financial foundation for quality

programming and feel Ottawa's proposals threaten those financial underpinnings.

In spite of these difficulties, the Government of Manitoba has maintained its commitment to developing the human resources through the education system of this province. We have provided generous support to schools through our levels of funding, allowing schools to maintain their programs.

We have maintained the Education Support Program within its legislative mandate which provides for an automatic increase based on the change in the Consumer Price Index, which is 10.4 percent. This, combined with a .8 percent decrease in the eligible enrolment of school divisions, provided an increase of \$37.6 million or 8 percent in the program. The direct government contribution to education in Manitoba in 1983 will increase by \$30.9 million or 9.2 percent. The \$30.9 million increase includes an increase of \$25.9 million in the government's direct contribution to the Education Support Program and an increase of \$5.0 million in other grants.

In providing sufficient direct funding, the government had three goals:

- A) Maintenance of programs and staffing levels.
- B) Relief of the tax burden on local property taxpayers by paying a larger percentage of school costs from provincial revenues.
- C) To respond to inequities created by the Education Support Program (ESP) in divisions with low assessment and low per pupil expenditures when the program was introduced, we provided an additional \$12.4 million in supplemental grants in 1982. Because these problems continue to exist and are getting worse, we are increasing the supplemental grant to \$16.9 million this year. And, as we did last year, we will provide a special \$2 million grant to Winnipeg School Division No. 1, to help that division respond to the needs of the large number of "at risk" children in the core area of the city.

Without the supplemental grant, local property taxpayers would have experienced an average 5.2 mill increase in their local property taxes this year. I further wish to emphasize, Mr. Chairman, the net school tax increase across the province this year will average 5.8 percent - a magic figure in some people's eyes - as a result of funding from the government. The overall percentage of costs of education borne by the province has been maintained at 54 percent. We are proud of this achievement, Mr. Chairman, considering the burdens placed on this government by a very difficult economic situation.

The Education Support Levy required of property owners increased by 2.5 mills on balanced assessment - an increase of 6 percent. Last year, the rise was 4.2 mills. Many divisions, however, had their mill increase for Support Levy offset or more than offset, completely offset, by the additional supplemental grants. Thirty divisions had their mill increase offset last year. This year, 44 divisions will have their support levy offset. The mill rate relief achieved through this supplemental program goes as high as 18.9 mills in Turtle River School Division and 24.7 mills in the School District of Lynn Lake.

We have successfully redistributed funds to divisions and areas of the province where there is the greatest

need, whether that need is the result of inequities of the ESP or because of problems caused by declining enrolment or lack of local property-based revenue.

For Children with Special Needs, we were able to add \$5.1 million for programs in this important area. This aids school divisions to help the increasing number of children with special needs, including those with social and economic disadvantages.

Once again this government has recognized the wisdom of providing help to the smallest schools in the province. We have been able to increase grants slightly to \$1.76 million and have made it possible for schools to use the grants entirely for human resources if they choose to do so. In addition, we are supporting a number of pilot projects in rural and remote areas of the province, which we hope will provide innovations in the delivery of programs which could be used by other schools throughout the province. Our Small School's Program has been one of the best received programs. Mr. Chairman, and confirms our commitment to providing equality of opportunity to all residents of Manitoba.

I am confident the level of support and the amount of support we have provided school divisions this year will offer equality of educational opportunity without adding a heavy burden to the local property taxpayers.

Contrary to the approach taken in other jurisdictions, where the tendency is to reduce support in these difficult economic times, our approach has been to recognize the importance of maintaining our commitment to education. We have done so for two very important reasons: If we don't pay now to train our children to become productive contributors to society, we will pay later in higher social costs; and our children require good education in bad economic times as well as times of affluence.

This past year, I've undertaken a major reorganization of my department which will be reflected in my Estimates.

The purpose for this organization was fourfold:

1. Greater equity in provision of resources and services.
2. Integrated service delivery, tied to non-education services
3. Co-operative system: local autonomy - including wide public participation - balanced by support in leadership from the department.
4. Responding to the rapidly changing needs in the education system.

Mandates have been changed for several branches. First of all, the Native Education section has been raised to branch status and its mandate has been broadened to respond more adequately to the needs of Native students. The Planning and Research Branch will now provide an improved information and planning capacity to the department. The Child Care and Development Branch will now be dealing with the whole range of Special Needs, with a particular emphasis on preventative programs and those that involve parents, teachers, and the community jointly in meeting the needs of exceptional children. The Curriculum Development and Implementation Branch will be emphasizing the implementation of curricula.

Regional Services Branch is a new branch which will provide support services to schools and school divisions; assist them in dealing with critical issues:

such as, computer education, declining enrolment, special needs of remote communities and small schools.

This branch will be using the expertise and knowledge of the people working in the field in these areas.

Mr. Chairman, pressures have not eased in the past year for either teachers in the classroom or for the education system as a whole. Schools have been confronted with changing needs of students as families face increased financial stress. Schools must deal with the effects of declining enrolment and changing enrolment patterns. In response we have taken a leadership role in providing school divisions with school closure guidelines.

Schools do not function in isolation. They add directly to the quality of life of their communities. For that reason the decision to close a school cannot be made in isolation from community. The guidelines give recognition to the fact that school divisions have authority over school closure, but give school boards procedures to follow before making a decision to close a school. This includes consultation with parents and area residents and a full year for implementation of the decision. This last point helps to minimize disruptions within the community.

Also reflecting changing times and changing needs of our school system are the changes we have made in considering Capital out of revenue projects. The days are past when emphasis is on building new schools in an expanding school system. Today we must respond to the need to recondition and upgrade existing facilities.

In developing a new system for considering major building and renovation needs of divisions, we realize that information should be gathered on the existing education facilities and that this information should be computerized and maintained. With this information we can be more confident that the communities and the students with the greatest need for new facilities will receive the highest priority. Again, Mr. Chairman, our purpose is to ensure equality of educational opportunity.

Our new policy regarding major projects recognizes the ability of school divisions to determine their own needs. They can now decide when and how to proceed with many minor building renovation and maintenance projects without going through a lengthy process of prior public schools finance board approval.

During the last nine months, Dr. Glenn Nicholls, Assistant Deputy Minister for Administration and Finance Division has been conducting a major review of educational finance. I am expecting Dr. Nicholls' report in June. But Mr. Chairman, whatever recommendations Dr. Nicholls brings forward for consideration, the people of Manitoba can feel that they have had an opportunity to make their views known. Through a series of public meetings over 150 briefs were presented to the review. In fact, additional hearings were called because of the level of interest.

The briefs did not stick to simple questions of how to raise money for education and how to distribute those funds. Instead - and this is something which we encourage - the public presented views on 14 major topic areas, on everything from transportation-related issues to issues involving the social and economic disadvantages found in some communities of our province.

Quite apart from the public hearings on Education Finance, I have had the opportunity to visit schools

throughout the province in some 27 school divisions. Again, Mr. Chairman, I've been delighted by the interest shown by parents and even people who don't have children in the school system, in issues with which all members of the education community are trying to come to grips.

We want to encourage and stimulate dialogue between educators, trustees, parents and the public as a whole. To this end, we are sponsoring three seminars; two on public involvement and one for the those members of the public who are interested in the subject of the teaching of heritage languages. Our most recent seminar was last week in Brandon where over 200 trustees, teachers, and parents gathered to discuss ways to increase public involvement in the school system.

Community colleges. This past year Manitoba's three community colleges attracted 33,000 full and part-time students. The demand for training is strong throughout the province. It is particularly strong in those areas where demands for highly skilled workers are greatest. I refer to high technology and computer-related occupations. We have, therefore, been making efforts to devote our resources into keeping pace with the changing technology. This year we will be adding five new course areas to the community college programs, all of which provide full cost recovery from the Federal Government. So we are increasing our support to the community colleges by 14.9 percent this year.

Universities. Manitoba's three universities and St. Boniface College will be receiving a 10.7 percent increase in funding, inclusive of funds to offset the 1.5 percent Special Levy for Health and Education. When this increase is added to the 15.7 percent increase which the universities received last year, it is not difficult to see that even in tough economic times the government has maintained its commitment to support high level education.

In addition, we have maintained what was a 66 percent increase in funding for upgrading and renovating buildings last year - a \$5 million sum - this year. This, despite an approximate \$5 million cutback in support for post-secondary education from the Federal Government.

Mr. Chairman, I want to emphasize that, in spite of the federal cutbacks in post-secondary education funding, which affects Manitoba more severely than other provinces, our government is providing a level of support for this year that, to date, is unparalleled in any other province.

The education system continues to be a major employer, not just of teachers, but of custodians and bus drivers. It continues to be a major buyer of goods and services in our smaller, as well as, our larger communities. It continues to be a builder, not only of buildings, but of people as well.

Mr. Chairman, the estimates of my department reflect prudent use of resources to provide good quality education and the broadest possible access to education while at the same time contributing to the full economic recovery of our province.

MR. CHAIRMAN: The Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Chairman, I welcome the opportunity to respond to the Minister's opening

remarks and to commence the debate on the estimates for the Department of Education for this year. There are many things that we, in opposition, would like to discuss with the Minister, would like to have her opinions and views on. There are many areas of information that we would like to have on the table so that we could more fully evaluate the programs and the thrusts of her department in various areas.

We appreciate the remarks that she has made with respect to the commitment of this government towards education. All of us on this side of the House, and indeed I am sure all Manitobans, view education as a very important aspect of provincial government activities and indeed we were pleased to hear the Minister's commitment to maintaining a high quality of education in Manitoba.

I'm sure we would all appreciate it more if that commitment were backed up by firm action and I think that, as the information on the Estimates unfolds, we will perhaps have an opportunity to see that the action doesn't necessarily support the verbal commitment which the Minister has given, both today and on many occasions, and perhaps we'll have an opportunity to discuss whether or not the perception that I have and that my colleagues have is a valid one, but certainly I feel that in many cases, the Minister has overstated just how well she and her government are maintaining their commitment to education in this province.

As we view the Estimates that the Minister is putting before us, I think that they have to be viewed against the backdrop of a number of issues of concern, the continued and added dependence on the property tax as a prime source of funds for education in this province, when her leader, the now Premier of this province, promised to ease the property tax burden on Manitobans, and we have seen last year, on average, more than 10 mills added to property tax rolls throughout the province for education purposes.

Part of it, 4.5 mills, as I recall, 4.2 mills was as a result of the Provincial Government's imposition on the Education Support Levy. Although the imposition this year was a little less, still 2.5 mills is significant, and when added to the requirements in terms of special levies throughout the province, I think we'll find that it will be again close to the order of 10 mills across the board throughout the province on all property taxes for additional support to education.

I think that's a disturbing prospect, disturbing both from the viewpoint of, as I say, the added dependence or the continuing dependence on the property tax rolls to support education in the province, and of concern when it is compared to the promises which the Minister's leader and party made in running for election in 1981, the promise that it would ease the property tax burden, and indeed it has not. — (Interjection) — My colleague says that in some cases various members of that government had indicated that they would remove the property tax burden with respect to education. Obviously, there is much to be achieved and this Minister, who holds great potential, also holds a great burden in having to live up to the promises that her party made in running for election in the last election in 1981.

As well, among the areas of discussion that will evoke concern and questions on our part is the very maternal approach that this government and this Minister - I do

not say that in a sexist term, I could easily use paternal approach - is using with respect to the issuing of special grants. There are instances, I'm sure, where given a rational set of criteria, one could justify giving special grants to various divisions for various purposes. But I think the Minister, in only her second year, is demonstrating very clearly that the special grants approach is one which she and her government favour, because they have the direct opportunity to gain political credit for giving additional funds to divisions. The purposes for which they give the special grants may well be justifiable, but the difficult is that all divisions do not approach them on an equal footing. They are not equally available to all divisions and the opportunities to qualify aren't always stated ahead of time. In fact, what happens is that the Minister chooses because of political, I suppose, reasons to simply jump in and throw a special grant at a particular division for a particular purpose that isn't necessarily visible ahead of time. By the time the grant has been given, other divisions have not had an opportunity perhaps to lay their case out and have not had an opportunity at that sort of grant.

It's a situation which the Minister sort of runs to put her finger in the dike to stop a bit of leakage as it appears and doesn't come forward with a calm, rational, broadly-based approach to funding, but rather throws money at a particular problem for a particular purpose which isn't always visible to the general public.

That kind of maternal or paternal approach in utilizing special grants as opposed to a broadly-based, well-considered, province-wide program of support, to me, takes away eventually from the autonomy and the decision-making capabilities of individual locally-elected governments. I think here, in particular, of school boards and of course municipal governments who must rely on ministerial fiat to get some additional funding from time to time. There are always, no doubt, strings attached.

I suppose, in some cases, one could argue that this year, because we are facing municipal and school board elections this coming fall, that particular divisions that have a majority representation of New Democratic school board members, come in for a little greater consideration, because they obviously have to come up for re-election this fall. It's in this government's interest to support those people and make them look favourably to their electorate as they come forward for election this fall. One could argue that. I'm not necessarily stating the case at this point for it, but there certainly doesn't appear to have been any other justification for some of the special grants that have been thrown out by the Minister for these.

I say that she leaves herself open to this kind of suspicion, which may in no way be valid, when she comes forward with these special grants without any overall program that could be used to justify them.

We're concerned about the organization of the department. The Minister has spoken in complimentary terms about her government's efforts to reorganize the Department of Education for purposes of efficiency, for purposes of efficiency, for purposes of more effectively carrying out their mandate in government. But at the same time, I guess, we have to question just how effective that reorganization can be.

In looking at the organizational chart contained in the Annual Report of the Department of Education, I

notice that there are six separate branches that report directly to the Deputy Minister and ultimately through the Deputy Minister to the Minister. It seems to me that kind of clogging up, that kind of bottlenecking of reporting relationships, is not a good situation to be in. I question whether the reorganization, in putting more people in direct relationship to the Deputy Minister and Minister, isn't ultimately leading to the situation where too much comes together at one point, and therefore it's not possible for rational, calm and well-considered decisions to be made because there's too much pressure on one particular point in the department, and that particular point, being so close to the top, that ultimately things get backlogged.

There was a question in the House earlier by my colleague for Emerson as to why the Minister hadn't responded to a letter from a constituent of his for over two months. The Minister replied saying that she received over 100 contacts a day, and it wasn't possible to respond to all of them and these things happen. It seems to me that when you set up an organizational structure that places six branches separately reporting to the Deputy Minister and Minister that you're asking for this kind of bottleneck and this kind of difficulty in relationship. Surely, the Minister can set the department up in a way that she has confidence in some people to carry out her wishes, carry out her policies, go forward and do the administrative tasks without them all having to come directly through to hers or her Deputy's office.

Maybe that's a problem. Maybe the goals, the philosophies and the policies of this Minister and this government with respect to education are not well enough defined so that others can carry out the work of the department. Maybe the decision-making, the goals and the policies are so ill-defined that they amount to basically political moves that have to be made from time to time in order to satisfy the public out there who are concerned about education. I think that those are areas that this Minister is going to have to satisfy my colleagues and I more as we go through the Estimates. I am concerned that this kind of disorganization, the Minister has said that the department is better organized, more efficient, more effective; I say that it isn't well enough organized. I think that this kind of disorganization can and does and is leading to low morale.

I say that many of the moves that have taken place without some general policy direction being evident to senior staff in the department have led to low morale, have led to a concern on the part of senior civil servants who see long-time civil servants being replaced, moved out of positions. I have some Orders-in-Council here that identify the removal of senior civil servants from positions in the department to be reassigned. I think that kind of thing - and the reassignment isn't evident immediately. I hope that the Minister has some answers on the reassignments that are to be taking place.

I think that kind of thing leads to an overall lack of morale and a concern on the part of senior civil servants who are looking over their shoulder and saying, am I the next one to be moved over, am I the next one to be replaced, what's happening now?

I think that kind of thing that happens when the Minister moves in quickly, calls a meeting within 24 hours of senior staff members and says, we've got a

whole new ball game here and this is the new thought and all of you are on hold and that kind of thing, although from a public relations standpoint, calling together the staff and giving them a lecture about what's happening may be good from the Minister's viewpoint, I think it is devastating to morale in the senior staff in the department. I am concerned that sort of thing has happened during the past year and will continue to happen unless the Minister comes up with some pretty readily understandable policy directions for her department in the next year.

I am thinking in terms of the fact that as I reviewed the Estimates debate for last year, I asked specifically about certain areas of the department and whether or not the Minister was satisfied that they were doing their job, that they were doing a good job, and whether or not she had any major plans to change. The Minister was evasive, but seemed to indicate that there weren't any drastic plans for change in the department. Within four months of that statement, she announced some major reorganizations in the department and cut adrift a considerable number of senior civil servants as a result.

I am concerned and my colleagues are as well, Mr. Chairman, about the change in policy and direction that the Minister has taken with respect to the freeze on university tuitions. Last year we questioned the Minister as to the rationale. We questioned her as to whether or not the amount of money that was involved in the freeze might better be used in student aid support and whether or not she had any indications that would say that all people of all economic circumstances found the burden of university tuition to be too high. She didn't have any of that. No studies had been done at that time with respect to whether or not the money might better be spent on student aid or on a tuition freeze. It appeared to be a very directly political decision. Well, this year we have a political about-face on that. We now have a situation where the universities are permitted to increase their tuition. I am wondering what has changed in the past year other than perhaps a decision within Cabinet.

I am concerned about the fact that when in opposition, the New Democratic Party spoke out loudly about what they perceived to be a tightening up of procedures, some auditing that was taking place within the student aid branch, to ensure that those who needed the support got the support and to ensure that no money was being squandered by people who were not eligible or not entitled to receiving student aid, to ensure that we made maximum use of taxpayers' dollars to support people who absolutely needed it for support in attending universities and post-secondary institutions, all of those reasons. And I find that this Minister has come forward with precisely the same approach this year even though her colleagues, when in opposition, screamed loudly and longly that this was harassment, that by doing this we would be cutting out people and they're doing virtually the same thing with respect to auditing and checking and making sure that people are committing resources from their families towards their housing costs in going to post-secondary. All these kinds of things which this Minister says is a new deal and a new idea, were all things that her party in opposition criticized two years ago.

I am concerned as well with respect to various cuts overall in post-secondary education. Some of them are

specific; some of them are general. Perhaps some of them have to do with redeployment of funds to the so-called Jobs Fund, that ephemeral concept that's been sold by the Minister's colleagues in the House and we'll obviously want to know more about it, but at the moment they appear to be removals of funding in certain areas from the Minister's budget. Hopefully they show up elsewhere under the Jobs Fund and hopefully they will continue to provide the same kinds of things that they were in the past when they weren't in the Jobs Fund but will support education in this province.

The Minister has made various comments in her opening remarks about the support of the government and the commitment of the government to certain things. The commitment to not building new schools when there are other existing schools that can be used and renovated and renewed and used for other purposes is one that certainly makes some sense, it has some logic attached to it. It is certainly something that we on this side wouldn't propose to criticize, but at the same time we don't always see the Minister carrying through with that commitment. It seems as though, for whatever purposes, the Minister has that as a general policy, but that general policy can be overridden for political considerations from time to time. We would like to discuss some of those situations with the Minister from time to time during the Estimates review.

The other area that is of concern to us is the overall statement that is made by the Minister and I quote. She says that "the government of Manitoba has maintained its commitment to developing the human resources through the education system of this province. We have provided generous support to schools through our levels of funding, allowing schools to maintain their programs." Well, generous support of course, beauty is in the eye of the beholder and the definition of generous support, I am sure would vary depending on who is receiving that support. Just in overall terms, if one has to assume that this government, like any government, has its own priorities, and its own system of priorities. I wonder how the Minister can accept the fact that the overall increase in spending by the government in this fiscal year is projected to be over 19 percent, and her department, which is presumably a high priority and has the commitment to develop human resources through education, gets an increase of 8.71 percent compared to the Provincial Government average of over 19 percent. That doesn't sound like a priority to me, but then again, I don't know what the definition of priority is in the mind of this Minister or this NDP Government and, certainly, I'll be anxious to hear the explanation of that anomaly.

The Minister talks in terms of various aspects of the programs and the work that she is doing and, among others, we have the special grants which are increasing. We'll talk about those special grants; we'll talk about the special-special grants that are coming through, as I said before. The comparisons that are being made are not always, in my view anyway, the same comparisons that people out in the community would make. The fact that 44 divisions will have their support levy, that is the extra 2.5 mills that were added by the government this year offset by the special grants that the Minister is giving, isn't the only important thing because, of course, as the Minister well knows, there

is the increases in special levies that will occur and, as I said, I think that once again we're going to be in the range of 10 mills increase across the board throughout the province as a result of what I would term to be an under-funding. We're still at the level where the fresh addition of provincial money this year is, and I have it in the Minister's statement, something in the range of \$31 million. That compares to the fresh increase of provincial money two years ago, the last year that we were in government, of between \$70 million and \$80 million. Although the Minister says that her support is "generous," it doesn't meet the test of the needs of the school divisions out there and, therefore, all of them are having to face their property taxpayers with rather large increases in requests for property taxes this year.

The Minister has indicated that one of the major thrusts of her department during the past year has been to come forward with a set of guidelines to be followed for school closures, and I'm pleased to see that. Obviously, that was the thrust of the private members' resolution which our side brought forward last year and urged the Minister to have that kind of thing. I'd say that those guidelines are useful and I'm glad that the Minister is taking the interest in the problem that occurs in communities as a result of school closures. I would hope that the Minister having placed the guidelines in front of the school divisions, will now allow the local authorities to make their best judgment based on those guidelines. As I say, there has been a disturbing tendency during the past year by the Minister to get involved in the actual decision making to, in effect, overrule some of the best judgments and wishes of local school divisions, not necessarily by order, but by comment that's made to the divisions after some appeals, perhaps, to her office.

The Minister has indicated that she's had the opportunity to visit throughout the province in some 27 school divisions. The only comment that I have to make on that is that I recall the Minister sending out the news release indicating that she was going to do this and it was a major thrust and, certainly, I'm sure that all people throughout the province like to feel that they have access to their government and to the Minister responsible for various areas in which they have a concern or a problem. The difficulty is that I was contacted on a number of occasions by people who said we are out in this particular division, there was an announcement; in fact, it was carried in the paper that the Minister would be out to visit our division and to meet with interested parties, and we attempted to see the Minister and were refused access to the Minister. Yes, I guess I would have to admit that in each case there was a grave area of public concern and these were people who, perhaps, the Minister didn't want to hear. If the Minister is going to advertise that she's accessible, that she's open to being met by the public, and she's interested in soliciting the concerns and opinions of the public, then I think that she ought to carry through and listen to those people who maybe disagree with her as well. I've always maintained that you learn more from people who disagree with you than necessarily those who agree with you, because they only tell you what you already believe. — (Interjection) — Well, the Member for Inkster says I'm learning a lot from him.

There are always exceptions to every rule and, of course, all knowledge isn't necessarily useful and I'm afraid that he — (Interjection) — My colleague for Fort Garry indicates that all experiences are valuable; some of them teach you what you don't want to do and some people, of course, tell you things that you obviously don't want to have to go through.

In any case, as we go through the consideration of post-secondary education in this province and we talk about community colleges, for instance, they are growth industries. They are areas in which enrolments are up considerably, community colleges, universities. The major area, of course, that this Minister is going to have to answer for is the fact that in her annual report, it indicates that there is a distinct lack of job opportunities for graduates of the community colleges in Manitoba. In fact, this past year there was an unemployment rate in the graduates from the community college, according to the Minister's annual report, of 12 percent, which is double the level that it has been for the past five years and, obviously, that's an area of concern that we have. We know that certainly economic times have some part to play in it. I think we have every legitimate right to suggest that this government has something to do with that situation.

The Minister continues to refer to the cutbacks in federal post-secondary education funding, and I'd like to have her go over that with us to just illustrate precisely what those cutbacks are. My perception, and I think the perception of my colleagues, is that, in fact, those are not cutbacks in real dollars, but those are reduced dollar commitments over the expectations that the government has. In fact, they are reduced over the projections that the Provincial Government has, based on the former funding formula, and that formula was announced and given to the provinces prior to the taking of office of this government. So that, (a) it isn't a surprise; (b) it isn't a reduction in actual dollars, the province is still getting more dollars - and I'm not saying this to justify the fact that the Federal Government is transferring fewer dollars than this government expected it to, based on an old formula, but I do believe that it's important to speak in proper terms, in correct terms.

I suppose this Minister can't be held solely responsible for making that statement because she's merely repeating the statement that has been made by her Minister of Finance and her Premier, and if they choose to make statements that are false, then I suppose that she shouldn't be too severely criticized for making false statements, but I think they should at least be drawn to her attention.

So, in reviewing all of those various areas from the Minister's opening remarks, I say that I welcome the opportunity, and my colleagues join me in welcoming the opportunity to review the Estimates of the Department of Education, and to make comment and perhaps some constructive criticism on the matters that we feel should be dealt with by this department in the forthcoming year.

Thank you very much, Mr. Chairman.

MR. CHAIRMAN: Item 1.(b)(1) - Departmental Administrative Support Services, General Administration: Salaries.

The Member for Tuxedo.

MR. G. FILMON: Does the Minister have any opening remarks to make on this particular area?

MR. CHAIRMAN: Madame Minister.

HON. M. HEMPHILL: Yes, Mr. Chairman, I might make a few opening remarks about this branch and give some indications about the major activities undertaken by this branch in the previous year.

I think that probably one of the most significant accomplishments undertaken last year, and not quite completed, but an activity that we're all looking forward to completing and finishing because of its importance to the education system, is the Education Finance Review. I think that the fact that we've undertaken what I consider to be one of the major educational finance reviews undertaken in about 20 years that is really looking at both the equitable way of raising money and of distributing money, and that it was done in a public way; that it is the first one that I know of that has had open public hearings where all members of the education community and the public and parents were able to come and put forward their views and their knowledge about the deficiencies or the inadequacies in the system.

We are also finalizing work that had begun a couple of years ago, and I think I mentioned it in last year's Estimates, that is, to standardize the accounting system in the Department of Education. That standardized accounting system is called FRAME and what we are doing there, and I think we're now at the point where 85 divisions are on FRAME, previous to that each division had their own accounting system in their own categories and it was very difficult for us to gather information and to have adequate information about programs, monies and funding to the school divisions.

This system that will be completed in the very near future will allow us to have a lot better, more accurate information about expenditures and needs and that's proceeding quite well - I just want to see if I have any other points to make about the FRAME - 25 divisions using manual accounting and reporting systems at the commencement of the FRAME project, only 5 remain on manual and 20 divisions have converted to computerized accounting. I think we can all understand the need to have one of the most complex financial accounting systems in government, which the Department of Education system has, on an up-to-date system. In fact, I did think that it was almost like the horse and buggy days, to come in and find a Department of Education keeping accounts and distributing money in the five hundred of millions of dollars, and still doing this by a manual accounting procedure. So I think it's very important that we get onboard with the computer technologies that are available to us.

The Education Finance Review, I think I said we had 160 submissions and had hearings four days in Winnipeg and six across the province. We also have set up an advisory committee that is made up of trustees, teachers, superintendents, secretary-treasurers, representatives of industry and labour and we're studying a number of major areas, special needs,

compensatory grants, the question of equity, transportation and language programs.

I think that's probably a reasonable beginning to discuss the actions or the activities of this department.

MR. G. FILMON: Thank you, Mr. Chairman. In speaking to the area of General Administration, is this an area in which the Minister will entertain discussion on the organizational chart of her department as it appears in the Annual Report?

HON. M. HEMPHILL: I'm quite prepared to discuss it here or there. If you'd like to go into that now that's fine.

MR. G. FILMON: Before going into that the Minister made reference to the Education Finance Review. I have a number of observations to make on that review. One is that in an article in which the Premier was interviewed some time last summer, he made the statement that he expected the Education Finance Review Interim Report to be issued in January. I would like to know if that is still intended, or if there will be no interim report, but rather simply a final report at the end of June as the Minister just indicated.

HON. M. HEMPHILL: Mr. Chairman, I'm expecting the final report in June.

MR. G. FILMON: Has the Minister received an interim report on the matter?

HON. M. HEMPHILL: No, I have not received an interim report, although I have received information about how the review is going; the hearings; the interest; the number of briefs; the topics of concern to the community, and at the same time, Dr. Nicholls has been working very closely with the advisory committee all the way along. They've had access to the briefs and the reports and all of the information that came through in the hearings. I have no formal report to this date. I'm expecting the final report shortly.

MR. G. FILMON: In speaking about the Education Finance Review, and certainly we on this side are anxious to learn the results and the recommendations and the proposals that will emanate from Dr. Nicholls' report. I had occasion, along with the Member for Kirkfield Park to sit in on at least two days of the hearings that were carried on by Dr. Nicholls and just by way of commentary, I might indicate that certainly I would think that most would agree that Dr. Nicholls is a well-qualified individual to carry out this review. Certainly the review attempted to be open to as many presentations as possible and was held in various places in the province, and did indeed attract, as I think the Minister indicated, over 100 presentations.

I was a little concerned. I recognize that the reason for establishing the review was a political reason, the reason being that the government now had decided that the current Education Support Program ought to be replaced, or at least the government had concerns about the existing Education Support Program. I wondered though at a number of comments which I heard made by the chairman of the review in response

to presentations that were made where in questioning the presenters, the chairman took the position that there were serious inadequacies in the existing Education Support Program and that it was seriously flawed and seemed to have predetermined at least that the existing system ought to be replaced.

It seemed to me that if one is going to review education financing in this province, one has to at least review all possible alternatives, and the assumption must always be that maybe the existing is still better than what anyone else can come up with. It seemed to me that the position of the chairman ought to be neutral to the extent of not making comments to the effect that well, everybody recognizes that the existing program isn't good. I could be wrong, but that was the impression I was given by some rather leading questions that the chairman gave to some who were making presentations.

HON. M. HEMPHILL: Mr. Chairman, I would like to comment on a number of points made by the Member for Tuxedo.

First of all, I'd like to say that while I did not attend the hearings, I was pleased to hear that the two members opposite were interested and did sit through two full days of hearings and listened to all the briefs and the presentation of the people; that Dr. Nicholls has gone into this review, I believe, with an open mind. I believe on every occasion that the subject arose he made a sincere and a serious effort to point what was known about the existing Education Support Program. That is it's good and it's bad. At no time has he ever, to my knowledge suggested that we have a bad program; a really deficient program that must be thrown out. What he has suggested is and what we have admitted all along - and I admitted it in this House last year - that there were a number of very good factors, points related to the program that was brought in by the members opposite. I want to give them, and tried to last year - and Dr. Nicholls has done the same in the hearings - given full credit for those things.

To mention a few of them, certainly the tremendous increased level of support for special needs had to be recognized as a very big shot in the arm for an area of high need; special needs children. So the special needs funding that you introduced was badly needed and well recognized.

We also recognized that having it in for three years with a built-in inflation factor that the school divisions knew of ahead of time, and therefore, could do a better job of planning because they knew what their grants were going to be, was a very good move. One of the criticisms has always been, of course, that they live from hand-to-mouth and they don't know what they're getting from year to year, and what you did there gave them a degree of security and certainty in terms of their budgeting.

However, to suggest that these hearings were set up or that the review was set up for political reasons is not correct. In fact, the program that you established disappears in 1983. You brought in a program that had a three-year life and it ends at the end of 1983, so obviously it has to be replaced with something. Obviously, it is the time to look to see what elements of it are very very good and will be kept.

I think I can say that we're not looking and I'd be very surprised if Dr. Nicholls came in with a program that threw out the baby with the bath water, that threw everything out and said we're going to start from square one. A lot of the elements and a lot of the funding things probably are very very good and may not be able to improved on. What we will be trying to do, of course, is improve in the areas where it's well-recognized by everybody in the education community that improvements need be made.

The changes that were made and, of course, one of the biggest deficiencies has been recognized by everyone in the field, it has been recognized as using 1980 as the base year where whatever inequities were in place, low-spending divisions who had decided to have an economic year or to bring in a low budget were caught in that year. Low-spending divisions had their increase forevermore frozen at the 1980 level and the increase built on that base. But I think the greatest deficiency has to have been the disparity in assessment base between the divisions where the range goes, I think, from \$7,900 or about \$8,000 up to about \$24,000.00. It isn't hard to understand that a school division that can raise about \$8,000 on a mill on the local property taxpayer and one that can raise \$24,000 on the mill, there's a serious disparity and inequity in their ability to raise money.

The supplemental program, and I'm going to be pleased to table the money that went out to every school division in the province, and the Member for Tuxedo will be able to see how many of the benefits went to other than New Democrat areas. That program has saved, it is clear now, approximately half the divisions in the province from being in very serious financial difficulty. And, on the contrary, the feeling that a program like a supplementary program is an interference with local control or a special grant that goes to sympathetic or supportive places instead of those in need, the school divisions themselves, the Manitoba Association of School Trustees, the Teachers' Society, the Superintendents Association, the Secretary-Treasurers, have all communicated very fairly to us that the supplementary program that was brought in was absolutely vital in terms of school divisions across the province being able to maintain programs and have equity. They'd have been in serious problems had it not been for that.

Just to sum up on that, I want to say that we don't want to make any more changes than we have to. What is good about the program - we will be looking at keeping, I'm sure, but we will certainly be making every effort to improve the serious deficiencies that there are in the program. You know, sometimes we don't know about these right away. When you bring in a new program, they are not as evident, and the fact is that some of the deficiencies I don't believe were evident in the first year as much. They have become more evident as the program has been going through its cycle, and I believe that had the members opposite still been in government they would have been correcting those obvious deficiencies themselves when they became known.

MR. G. FILMON: Well, I can see where the Minister and I are going to have difficulty disagreeing because she just . . .

MR. A. BROWN: You'll have to try a little harder.

MR. G. FILMON: You just took the words out of my mouth. I don't think there's any question that any program's worth is not able to be proven until it's tried and given the objectives which were held out, many of them, if not all of them, were satisfied by the program in the first year. It then became the responsibility of whoever was in government, whether that be this Minister or our party, to work out and adjust any inequities as they appeared along the way.

I'm pleased to hear the Minister indicate that the overall thrust of the program is not what's at question but rather whether or not adjustments can be made to overcome the inequities as they have appeared during the first year or two and as they are anticipated to appear as time goes on. Because in any program that's based on any base year assumptions, any inequities that are built into that base year in which the assumptions are made become magnified with time. One of the best examples of that is the Greater Winnipeg Equalization Levy, that infamous levy that was imposed in 1972 at a level of a couple of hundred thousand dollars, and by 1981 had grown to over \$7 million - a matter of nine years. My mathematics is leaving me but about a 30-fold increase in nine years. That kind of thing will happen under any system of education finance and my only concern was that there had been a predetermined decision for political, or whatever, reasons to throw out the program that exists and come in with, like Ford, a whole new and better idea.

I'm assuming that I agreed with the Minister, so I'll carry on with the next area. The area was that point that I made in my opening remarks about the organizational structure of the department where, from my reading of it, there are six areas of administration that appear to report directly to the Deputy Minister and through the Deputy Minister to the Minister. I'm speaking in terms of the Frontier School Division, the Universities Grants Commission, the Public Schools Finance Board, the Personnel Services Branch, the Planning and Research Branch and the Communications Branch, along with those other four areas, that are under an Assistant Deputy Minister and through that Assistant Deputy Minister also report to the Deputy Minister and Minister. It seems to me that's a bottleneck situation that leads to poor organization.

HON. M. HEMPHILL: Well, first of all, Mr. Chairman, I will agree. I want to recognize some of the points that the Member for Tuxedo made in his remarks without agreeing completely with his conclusion. To say that in general I think that there is a reasonable amount or a limit in terms of the structure in the organization for direct reporting to the top level. I certainly am not either inclined nor do I believe it is good structure or good management that all departments and all people will report directly to the top, because I do believe in building a very strong organization full of highly-capable people heading each of their departments and areas, getting good people in there and to a fairly large degree, letting them do their job and giving them some opportunities to both have initiative to develop things and the management skills and expertise to manage their departments.

However, I think, there are times when I don't think that the six you suggested is too large a number. I think that management theory might suggest that six to eight areas are manageable. That is not too much to have reporting to be manageable to one person.

I might make, I think another point, that there might be reasons or I think there were reasons for this level of reporting and amount of reporting directly to the Deputy Minister at this time. The reason of course is the large amount of change where we had a number of top management people who were leaving, who were retiring and we had mandate changes and role changes in four or five major departments where we have new directors in place. I think under those circumstances with a lot of change and a lot of new administrative people coming in, that for a time it is perhaps more appropriate while we are going through the transition and the change and people are getting adjusted, they're able to review their branches to understand and learn what is going on, to have a little more communication and a little more direct reporting than one might have otherwise.

We will certainly be looking at that in the coming year when the people have been in, they have got a good understanding of their department and are beginning to be capable of taking over and directing their branches.

MR. G. FILMON: In view of the references that the Minister has made and some that I have made to changes in the senior administration of the department, I wonder if, utilizing the organizational chart as it exists in the Annual Report if the Minister could just go over for me who are the people who fill the positions and when they were appointed. Is that available?

HON. M. HEMPHILL: Mr. Chairman, we didn't bring the organizational chart in with us. I wonder while we're getting it - I can do it from memory or we can get the list, and perhaps he could go on to another question and we'll just go to that one in a few short minutes.

MR. CHAIRMAN: The Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Chairman, to the Minister. Referring to the Education Finance Review and in listening to the briefs, one of the things that seem to be coming through, especially through parent groups, and with parents constantly being worried about the local autonomy of the boards, I am just wondering what the thread was that has been coming through. I understand that there isn't a report, but I feel that there is a real concern out there that although in some areas they might like to be crossing divisions for possibly vocational schools and different areas, I think their big worry is that it will get into more of regions and that they will lose the local autonomy. I wonder if the Minister would comment on that aspect.

HON. M. HEMPHILL: I don't think, as I said in my speech to the school trustees at their annual meeting this year, that local autonomy is an issue in many provinces across the country and because it is and because they are seriously threatened in a number of ways, in some cases their powers have been taken

away completely and they have been replaced with advisory parent bodies or committees. In some cases, they have had limits put on their expenditure levels so that they cannot determine their own budgets. In some cases negotiations have been centralized where they are not able anymore to negotiate with their employees. In some cases they've had such large budget cutbacks that one couldn't suggest that they were in control of their own budgets and programs.

Interference with negotiations, board expenditures, decisions on organization for schools, those are serious threats to local autonomy, but there is nothing like that happening in Manitoba. I think that I have reiterated numerous times in the House, in my speech to MAST that local autonomy is alive and well, that all of the things that are in their area of jurisdiction and their responsibility I leave to them and I expect and hope that they will do that job well so that we can all do our own jobs.

Presently, about 76 percent of the funding that school divisions get, and many people in the public don't know this, about 76 percent of what they get is block unconditional funding which allows them to make many decisions about where the money will go. Even in some of the other cases, where it is not block funding, it is in specialized areas like Indian band funding or language immersion programs, there are very few categorical grants.

I think to the point that you made, that they might want to co-operate, and I am not sure if you were saying that they want to co-operate and they think I won't let them because I am going to interfere with how they can do their job, or if you were saying that if they co-operate they're going to be regionalized or grouped in a different way and that regionalization is going to interfere with their local autonomy, I can only say that I have no design or plans in mind to alter or change or take away from the existing authority or jurisdiction of school divisions.

I have encouraged and I said this in the convention, at the convention to MAST, that in these difficult times when resources are tight, if boards can co-operate and wish to co-operate and, in some cases, they do and the inhibitor will not be my department. In other words, we will not operate in a way that we would not allow sharing or a grouping of children. I think, in one case that I can think of, through the Small Schools Grant, two small high schools in two different school divisions are actually sharing high school programs by offering different ones in each school and then sharing, where the children go from each division. They are, therefore, getting courses and options that they could not get alone. I support that; I encourage it. When resources are tight, I think that we can never lose by co-operating and sharing, even if the sharing and co-operation goes beyond geographical boundaries. But I do not have any plan of setting up a structure that does not exist today, that would interfere with the existing authority of school divisions.

MR. G. FILMON: If the Minister has the organizational chart there, then what I would request of her would be to just simply indicate in each slot, starting with Mr. Duhamel, who was appointed about 15 months ago, I think, as Deputy Minister and just going through the

various slots and indicating what has happened to the person who fits that position, if this is a new position, and who is the person who is presently in the position in the department, and I would take that through, I guess, to the director level in every case.

HON. M. HEMPHILL: Mr. Chairman, we'll start with Dr. Duhamel who is the Deputy Minister - I haven't got the date - January 26th is the new Deputy Minister; the former Deputy Minister, Ron MacIntosh, was on an alternate assignment, had another assignment for a period of about six months, I think, with the Council of Ministers, where he undertook to plan, for the Council of Ministers, the major national conference that took place on post-secondary education and retired, at that point, from the Department of Education.

The Public Schools' Finance Board is now Chaired by Tony Frechette, who was a former Secretary-Treasurer in St. Boniface School Division. I'm just saying he's Chairman of the Public Schools' Finance Board, hired in place in September 1st, 1982. Previously that position was held by Mr. Besteck who co-sat on two positions which was the ADM of the finance section and the Public Schools' Finance Board. Dr. Duhamel is sitting as the present Chairman of the Universities Grants Commission.

The Communications Director, who has just been recently appointed and was done through internal competition, was previously with Information Services, is Wayne Boyce; the Planning and Research Branch Director is Dr. Benji Levin, who graduated from the University of Manitoba and formerly was the Director of MERC, the Manitoba Education Research Association, which was perhaps the only research arm or body in education, other than the capacities at the universities. The former director is on leave, Mike Yakimishyn, for a year.

Personnel Services hasn't changed. Dr. Morrison is the Associate Deputy Minister of Post-secondary Adult and Continuing Education Division; that branch did not exist previously. What we did was take all of the post-secondary activities that were spread throughout the department, it was colleges, the adult education portion and the post-secondary activities within my branch that deal with BUNTEP and ACCESS Programs, bring them all together. He was previously a Dean of Continuing Education at the University of Manitoba.

Guy Roy is the Assistant Deputy Minister of the bureau and he was in an acting position previously and was confirmed as the director. Program and Development and Support Services Division - the Assistant Deputy Minister for Program Development and Support Services is John Dyck, who was hired effective January 3rd. The former Director of Support Services in that branch, Dr. Nicholls, has been named the Assistant Deputy Minister of Administration and Finance Division as of March 1st.

Curriculum Development and Implementation Branch is Ed Buller, who is the director of this branch, and he was previously with River East School Division and had a great deal of experience in the field, in developing fairly innovative curriculum, and had also been on the curriculum committees of the Department of Education for a number of years and, therefore, had a fair amount of knowledge and experience about the curriculum development process in the Department of Education.

Florence Zaharia is the Director of Native Education and that has been upgraded to be a branch, she was formerly co-ordinator of the branch, and in the competition became the new director as of March 1st. Mr. Bert Cenerini is the Director of Child Care and Development, as of March 1st, and he was previously a co-ordinator in that same branch and in the competition moved into the position of director. Joan McLaren is Director of Instructional Media Services and was previously in the branch as a co-ordinator; Mr. Huberdeau is Director of the Centre of Resources in the bureau; Ala Lahn has been named as the Director of Keewatin Community College as of May 1; she'll be coming in May 1; Dr. Lahn was previously at the University of Manitoba for quite a number of years and worked in a school division as the Director of Student Services and so has a wide range of experience.

I think one of the things that will be clear, having gone through the numbers and the people is that we have done exactly what we said we hoped to do, and that we are (1) using the resources of the people of Manitoba, that I did at the time say that I thought we had excellent people in Manitoba and I expected that we would be able to get the expertise and the knowledge from there.

I think I also said that there would be a balance between people in the Department of Education with experience; with the background and the understanding about the programs and the field, and some new people with perhaps directly from the field or with a different experience and understanding about the needs of the system; and that I think we have actually achieved what I think is going to turn out to be a very good team that's going to show and has a lot of credibility in the field and in the education community and is going to show both the stable experience with the knowledge of the people in place and also some progressive and new initiatives that are required when a system as important as the education system is heading into such quite difficult and changing times. I think we've got a good balance.

We have a number of females; we have a number of departmental experienced people; we have a number of new people and we've called fairly heavily on people from the field and certainly from Manitoba.

MR. G. FILMON: In reviewing the organizational chart, there were a number of areas that the Minister didn't name directors of branches. Am I to assume that those she didn't name have not been changed during the past 15 months?

HON. M. HEMPHILL: Unless I unknowingly missed one, but I think we covered them.

MR. G. FILMON: So out of 32 senior staff positions from Deputy Minister through director level, in effect, 16 have changed in the past 15 months?

HON. M. HEMPHILL: Well, I might say that change is not always bad, Mr. Chairman, and that the Member for Tuxedo will realize when I went through my explanation that quite a number of the changes were people that have worked in the Department of Education for some time who competed in the open competitions

for the positions, and in fact, were judged to be the most capable people available and won those positions; Florence Zaharia, Mr. Cenerini, Joan McLaren, John Dyck, are all examples; Guy Roy, Wayne Boyce of course was not inside the department, but was in Information Services and won an internal competition.

In a number of them, while he points out the total number, I think that in total we have about six people what you would consider to be from the outside, and the others were people in place whose capabilities were recognized in their appointments to higher positions. I think that's a reasonably good balance.

MR. G. FILMON: Mr. Chairman, I think we can agree that half the senior positions from the Deputy Minister through to the director have been replaced during the past 15 months and of that half, about half were from promotions from within.

Looking at some of the new areas, I believe that the area of Director of Communications is new and that part of the staff complement must be new, or at least I haven't been familiar with it in the past. I wonder if the Minister could tell us a little about that?

HON. M. HEMPHILL: Yes, I think that is true, what the Member for Tuxedo has pointed out. I might just suggest that because that is now a new branch that it does have its own line. If he'll look down the road a little ways, he will see Communications Branch. I'd be quite prepared to deal with the staffing and the role and functions of that department when we reach that.

MR. G. FILMON: Could the Minister just give me the number? — (Interjection) — Okay, thank you.

I wonder if the Minister would like to give me some information on what has happened to the 17 people who had formerly been in the Field Services Branch. They were all removed from their positions as that branch was, I suppose classified as redundant. There was quite some publicity given to the removal of these, I believe it was 17 people. I wonder if the Minister can just indicate what has happened to these people.

HON. M. HEMPHILL: If the member opposite will just bear with me for a minute, I have some information. I have another sheet that I tucked in somewhere that I'd like to find before I start. This is under this one. Okay, we'll deal with it under this one and if I have some information on my sheet that I neglect tonight, perhaps I can fill it in to make sure I get all my points across tomorrow.

I will make a couple of points, first of all, that is that all of the people are still in place, or that the branch just actually terminated or went out of existence. I believe it was at the end of March, March 18th was the date. Some of those people are still going to be kept on for another period of time because some of them were secondments that would automatically be going back into their school divisions, or their previous jobs, in June perhaps or down the road a little ways and we are leaving them in those positions until their seconded periods are up. As you may recall, we had a joint committee that was made up of representatives from the MGEA, from the Field Services Branch themselves, and from my department, and that we

worked over a fairly significant period of time with them on an individual basis. The decisions that were made with each of those individuals were done in consultation with them and in the end, in all cases, making the decisions themselves on where they would go and what they would do. There were a number of options available to them to choose. Some of them have chosen the early retirement option; I believe, there are three. They will be working for us; this is Mr. Bollman, Mr. Duhamel, Partridge, Sanderson and Taylor are the ones that have chosen early retirement. We have worked out an agreement with them where they are going to continue to work for the department for a number of days per year for a period of two to three years, I think, it depends on how close they were to the early retirement age. I believe it is 75 days is the number of days that they will be working per year.

I must say that the experience that we went through with the field officers make me believe that we should be much more flexible in our approach to how we handle staff and to arbitrary ways of handling them, so that all people must do the same things at all times, regardless of their wishes. In this case, the gentlemen are going to retire, they are going to continue to have some work and they are going to be working in areas that are going to be very important to the department and assigned to what might be considered sort of high priority important areas. I can point out a couple of them, there is some support and help in the Ed-Finance Review because there is a great deal of information and study that needs to go on there. I believe that we're also utilizing them in the new policy, the three year capital plan for the building of schools, where the first job is to gather information and computerize it on the condition of all the schools in the province so that we know where the needs are the greatest. This is a fairly big job and they will be giving some support and help there.

Some of them continued to do some of the tasks, and I can think of a couple of them, there were previously two field service officers serving the North; they are still there. We both recognized and agreed that the North has very special needs and that, even though, we were changing the mandate, and the role, and the function of the support that we were going to give to the field to be in those areas where the need was the greatest under the Regional Services Branch; we recognized the North as being a high priority previously and in the future. So, those two are still there doing the same job in the same place that they were doing it previously.

We did have one of the field officers working on the Small Schools Program and he is continuing in that position. That continues to be one of the areas where the support and the resources, both the additional resources and the support of the department have been, not only very encouraging, but clearly have given a great boost to the teachers, students, and the staff and administration of small schools. This is something that we hear about almost every day, is how well the program is working, and we certainly intend to continue that.

One of the other field officers is carrying out the legislative requirement for the review of private schools. That was a task that had been done previously and is continuing to be done. Some of the others have been

redeployed; one into Curriculum, one into Library, one into Administration, and one into Field Services. In each case - I think in one case, I believe it's the Library position was one that required some retraining - where we have worked with the individuals and identified areas in the departments and positions that would be available, and given them the option of taking them or not, and where there was an interest and a position that did require some additional training, we have followed through with that.

I think, without my other notes, I think that in a general sort of summary, that we ended up with a fairly creative approach and one that was very flexible. We ended up with about a third of them being retired, about a third of them staying on in positions or functions that were much the same as the old Field Services Branch where the decision was that they would be continued. About a third of them were put into other positions within the department in branches where there were positions that were of interest to them.

MR. G. FILMON: I am pleased, Mr. Chairman, to learn that the Minister did end up with a fairly creative and flexible approach because I know that was not the case in the beginning. In fact, in the latter part of September of last year, there was a great deal of concern and unrest in her department over the manner in which the people in the Field Services Branch were being dealt with. Indeed, they were being dealt with, from the information I have, in a rather arbitrary way and there was a great deal of unhappiness with the whole process. So much so that, I believe, that there were as many as 13 grievances lodged with MGEA by people who had been subject to this, it may not have been a purge, but certainly a major reshuffling and reorganization in the department.

I'm pleased that in some way, through this process, the Minister and her government arrived at a much more reasonable and much more humane way of dealing with long-time staff members who had been, I believe, dealt with in a shabby manner or were about to be dealt with in a shabby manner. There is no question in my mind that these people with their vast experience, having served the department for a considerable length of time, ought not to have been put in the position that they were of simply being cut adrift and not having any real alternatives to go to as a result of the removal of this major area of the department.

I think it is well to recognize, Mr. Chairman, that although the Minister has said in response to my questions about the considerable number of changes in the senior administration of the department, changes which, as I indicated, have seen fully half of the entire senior administration, the 32 senior positions, having been changed during the past 15 months, that the Minister has said that change is not always bad and I agree that change is not always bad and certainly there is a need to evolve new strategies and new organizations and so on in any type of grouping. But sudden change is upsetting and when you have as many as half of the senior staff positions changed within a 15 month period that sudden change can certainly be perceived to be, by some within the department and observers of the department of the government, a purge.

Now, certainly the Minister has indicated that isn't the case but I want to put it on the record that that kind of major overhaul in a very short period of time cannot lead to good morale and happy staff and I would think that the Minister has a rather monumental task in front of her to ensure that morale and working conditions and the opportunity for creative and meaningful work continues in her department in the administration of their affairs.

HON. M. HEMPHILL: I don't disagree, Mr. Chairman, with the points made by the Member for Tuxedo at all about the importance of being careful when you make change and some fairly significant changes with the impact and their effect on individuals and on people who have served the system and the people of Manitoba for a long time and that we always took that into consideration.

As a matter of fact, at no time were the group collectively or any of the individuals being dealt with in an arbitrary, inflexible manner. I think we did have a little bit of a problem initially, we were setting up a joint committee to sit down and deal with them on an individual basis and I must say in retrospect, and we certainly learn from our experiences, that a delay of a couple of weeks even in getting a committee going does add to concern and fear and worry and uncertainty. I think some of what arose in the early stages had nothing to do with our intentions, our design, or what was actually going on.

I don't have the figures here in front of me but I do know that the activity in terms of settling the individuals was very very fast and that to my recollection was completed within about a two-month period where we would be having collective meetings between myself, the MGEA and the representatives of the field services and the two representatives who they had appointed and the Deputy and we would be meeting every week or ten days or two weeks and every time we met we had come to agreement on three or four or five or six more individuals. So we gave swift attention to it, we gave individual attention to all of the people. It's my understanding that they are all pleased with the way they were handled and with the decisions that were made and some of them are absolutely delighted with some of the changes. As I said all change is not bad, so I agree that it's important to do it in that manner.

We made a number of commitments early on that, I think, must be made to allay the fear and uncertainty and one of them was that no individual would be removed from their community which, I think, is a very important principle to follow in cases like this where you have people who have been servicing a community in the North or out in the rural area who have a home there, who are raising their children there, who have children in school and the suggestion that they would be uprooted and their family uprooted and you would say well you've got a job in Timbuktu we hope you'll be happy with it, we would never consider handling people in that kind of a way. So one of the very early commitments we made is that whether they were support staff or secretarial staff or field services officers they would be given a position in the community in which they were presently working and residing.

I think we have demonstrated and it was a process that wasn't terribly lengthy but it was one that we went

through very carefully. I think we have demonstrated that you can make change; that you can make it in a way that both allows you to make changes in programs that are really required; and do it in a way where the people are handled with care and consideration and given every effort and opportunity to continue to be in control and make decisions about what they are going to do with the rest of their working lives.

MR. CHAIRMAN: The Member for Fort Garry.

MR. L. SHERMAN: Mr. Chairman, I'd like to ask the Minister if this is the executive area under which decisions are made or unmade relative to the composition of the school day and the determination of the school system's responsibility insofar as it extends relative to the teaching of methods in which to meet social challenges of the day, whether it be challenges in the field of personal hygiene and public health, whether it be challenges in the field of physical fitness, alcohol and drug abuse, living skills and the like. Is this the executive area where those decisions are made?

HON. M. HEMPHILL: Mr. Chairman, I think if I understand the point that the member is making that almost all of those areas that he suggested would be in the area of curriculum. I think he is talking about programs in the schools and the content of curriculum, and that will be under the Program Development Branch.

MR. L. SHERMAN: I appreciate the Minister's answer, Mr. Chairman, but I would request further reassurance on the point, because if it's curriculum, then that's fine, I'm prepared to discuss it under curriculum. But perhaps she could enlighten me as to whether education in terms of some of the subjects that I've mentioned, alcohol and drug abuse among the young and increasingly among the very young, for example, is in fact, acknowledged by the curriculum people in education as a part of curriculum. It's my understanding that there is a considerable dispute and debate in education circles as to whether that type of education; that type of exposure to problems and solutions should be addressed in a curricular way, or an extracurricular way.

If the Minister is assuring me that these things are dealt with under curriculum, then I'll wait till then, but I need that assurance, because if they're not dealt with under curriculum, then they have to be dealt with somewhere and the curriculum people have to be addressed with respect to their seriousness.

HON. M. HEMPHILL: Mr. Chairman, yes, I can give the member the commitment that it is appropriately dealt with under curriculum. I'd be happy to be dealt with it under that area. There have been in a number of the courses fairly major changes in some of those programs, and I'd be quite happy to discuss them when we get to those courses.

He did mention one other activity and that was regulations regarding the length of the school day. That is the one thing you mentioned that doesn't come under curriculum and we could appropriately discuss any question you have on your mind related to that issue now if you like.

MR. L. SHERMAN: Thank you, Mr. Chairman. I suppose my fundamental question on that point now derives from the answer that the Minister has given me about the curriculum division's responsibility for the other subjects. In other words, who makes the determination and how do you make the determination as to whether there should be an additional half hour or hour once a week, twice a week, three times a week devoted to some of the societal challenges that we've referred to in the last minute or two in the school day. How do you make the decision as to whether that's going to be done by lengthening the school day on certain days of the week, or by adding an additional period or class time at some other stage of the week? Is that done independent of the curriculum and the curriculum decisions?

HON. M. HEMPHILL: No, Mr. Chairman, actually I misunderstood the point that I thought the member might be making when he was talking about the length of the school day and the school year. I thought he

might be talking about how many days were teaching days and when the holidays came. Since he's expanded a little bit, he actually is talking about the amount of time allocated to the different programs and what the requirements are for courses and curriculum; what the curriculum requirements are in the schools. I think curriculum is at the heart of the school system. It's the substance of what we teach our children and how we teach and when we teach it is a very important issue. I would look forward to going into both the content of the courses and the amount of time allocated to courses and what is required and not required when we get to the Curriculum Development Branch, if that's all right with him?

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

MR. G. FILMON: Committee rise, Mr. Chairman.

MR. CHAIRMAN: Committee rise.