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Fourth Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS

29 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty - First Legislature

Members, Constituencies and Political Affiliation

Name	Constituency	Party
ADAM, A. R. (Pete)	Ste. Rose	NDP
ANDERSON, Bob	Springfield	PC
BANMAN, Hon. Robert (Bob)	La Verendrye	PC
BARROW, Tom	Flin Flon	NDP
BLAKE, David	Minnedosa	PC
BOSTROM, Harvey	Rupertsland	NDP
BOYCE, J. R. (Bud)	Winnipeg Centre	NDP
BROWN, Arnold	Rhineland	PC
CHERNIACK, Q.C., Saul	St. Johns	NDP
CORRIN, Brian	Wellington	NDP
COSENS, Hon. Keith A.	Gimli	PC
COWAN, Jay	Churchill	NDP
CRAIK, Hon. Donald W.	Riel	PC
DESJARDINS, Laurent L.	St. Boniface	NDP
DOERN, Russell	Elmwood	NDP
DOMINO, Len	St. Matthews	PC
DOWNEY, Hon. Jim	Arthur	PC
DRIEDGER, Albert	Emerson	PC
EINARSON, Henry J.	Rock Lake	PC
ENNS, Hon. Harry J.	Lakeside	PC
EVANS, Leonard S.	Brandon East	NDP
FERGUSON, James R.	Gladstone	PC
FILMON, Gary	River Heights	PC
FOX, Peter	Kildonan	NDP
GALBRAITH, Jim	Dauphin	PC
GOURLAY, Hon. Doug	Swan River	PC
GRAHAM, Hon. Harry E.	Birtle-Russell	PC
GREEN, Q.C., Sidney	Inkster	Ind
HANUSCHAK, Ben	Burrows	NDP
HYDE, Lloyd G.	Portage la Prairie	PC
JENKINS, William	Logan	NDP
JOHNSTON, Hon. J. Frank	Sturgeon Creek	PC
JONGENSON, Hon. Warner H.	Morris	PC
KOVNATS, Abe	Radisson	PC
LYON, Hon. Sterling R.	Charleswood	PC
MacMASTER, Hon. Ken	Thompson	PC
MALINOWSKI, Donald	Point Douglas	NDP
McBRYDE, Ronald	The Pas	NDP
McGILL, Hon. Edward	Brandon West	PC
McGREGOR, Morris	Virden	PC
McKENZIE, J. Wally	Roblin	PC
MERCIER, Q.C., Hon. Gerald W. J.	Osborne	PC
MILLER, Saul A.	Seven Oaks	NDP
MINAKER, Hon. George	St. James	PC
ORCHARD, Hon. Donald	Pembina	PC
PARASIUK, Wilson	Transcona	NDP
PAWLEY, Q.C., Howard	Selkirk	NDP
PRICE, Hon. Norma	Assiniboia	PC
RANSOM, Hon. Brian	Souris-Killarney	PC
SCHROEDER, Vic	Rossmere	NDP
SHERMAN, Hon. L. R. (Bud)	Fort Garry	PC
STEEN, Warren	Crescentwood	PC
URUSKI, Billie	St. George	NDP
USKIW, Samuel	Lac du Bonnet	NDP
WALDING, D. James	St. Vital	NDP
WESTBURY, June	Fort Rouge	Lib
WILSON, Robert G.	Wolseley	PC

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 10 June 1980

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Radisson.

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

I move, seconded by the Honourable Member for Portage la Prairie, that the report of Committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, I have a statement to make. There are copies for the members of the House.

Mr. Speaker, I wish to make a statement to the House concerning the First Ministers' meeting on the constitution which I attended yesterday in Ottawa. Mr. Speaker, there were two important developments as a result of the meeting. The First Ministers have agreed to reconvene the Continuing Committee of Ministers on the constitution. That Committee will meet next Tuesday for organizational purposes, followed by meetings in July and August, leading up to a First Ministers' meeting in September.

As a result of yesterday's meeting, the Committee has been assigned specific topics to report back on. These are: a Charter of Rights, including language rights; the reduction of regional disparities; the patriation of the constitution; resource ownership and interprovincial trade; off-shore resources; powers affecting the economy; communications, including broadcasting; family law; a new Upper House involving the provinces; the Supreme Court and Fisheries.

The First Ministers, Mr. Speaker, will reconvene for a constitutional conference on September 8 to 12 next.

Mr. Speaker, in accordance with earlier undertakings, the government of Manitoba will shortly recommend establishment of a Committee of the House to sit between sessions to consider constitutional proposals and to receive briefs from interested citizens and groups in our province.

Mr. Speaker, I wish to add that the mood of the First Ministers' meeting indicated a desire by all

governments to get on with the job of constitutional reform as quickly as possible.

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

MR. SAUL CHERNIACK: Mr. Speaker, I would like to thank the Premier for his brief report. The wording of the report is such as to be more hopeful than some of the press reports and radio reports that we have heard and I hope indicates a positive attitude is indicated by all Ministers.

I'm glad also that the Minister has indicated that he will ensure a committee of this House to meet to consider these proposals and to receive briefs and I would expect and hope that it would be fairly soon so that it may have some influence on the meetings, the continuing meetings, that will take place prior to the First Ministers' meeting in September. I'd like to say, Mr. Speaker, that we would like to see an open mind in approach to all the issues referred to in the report itself on a charge of rights, reduction, regional disparities, resource ownership and offshore. Because from the press report that I saw just before coming into the House, there were three particular Ministers who were reported to be somewhat steadfast in their — may I use the word — intransigents and I would hope that in certain areas there will be still be room for a discussion, because that's rather important since I believe, as must we all, that the future of Manitoba is dependent on a strong and cohesive Canada. We must be flexible and be prepared to discuss all issues, bearing in mind, Mr. Speaker, that only within the last short period of time we have found, by Supreme Court ruling, that the language rights, as regard to French and English in this Legislature, are already entrenched in Manitoba's constitution and we find that entrenchment we were not aware of before.

So, Mr. Speaker, I want only to mention that we should be prepared to examine the proposals made, and I do agree with the report that the First Minister said that there must be a heavy onus on those who advocate change. But I believe one must be prepared to look at change and consider closely whether or not our system is really so responsive, in view of the fact, that on the Order Paper today we have matters dealing with Legislature rejecting court decisions, such as the Defamation Act, such as the Social Allowances Act. There are various infringements on the natural system of justice but that's not necessarily an infringement if the Legislature makes changes which are not always good because we have another bill on the Order Paper which deals with confiscation of shares in a private club. So, Mr. Speaker, we must discuss these matters; we must see how to protect these rights.

Just for a moment, on Natural Resources, Mr. Speaker. Yesterday, in Committee of Supply on Finance estimates, it became very clear that the ability of the federal government to be able to support equalization grants which are necessary for a reduction in regional disparities and a proper sharing of the natural resources of Canada by all Canadians

makes it necessary that the Premiers, who are so insistent on protecting their own provincial parochial rights to the natural resources, should be eased by the fact that excess profits or windfall profits should naturally fall into the hands of the federal government, in my opinion, so as to make possible a greater equalization of opportunity for all Canadians. Therefore, I think that there is a good deal to explore on the question, not of resource ownership, but really on the ability to benefit for all Canadians in the resources of Canada. With that, Mr. Speaker, I look forward to further discussions which the First Minister is undertaking to make possible during the summer months.

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

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed with Oral Questions, I should like to draw the honourable members' attention to the gallery where we have 60 students of Grades 5 and 6 standing from Windsor School, under the direction of Mrs. Enns. This school is in the constituency of the Honourable Member for St. Vital.

We have 19 students of Grade 6, 7 and 8 standing from Barrows Junction School, under the direction of Mr. Joseph. This school is in the constituency of the Honourable Minister of Municipal Affairs.

We have 18 students from Gordon Bell School, under the direction of Mr. Werner Epp. This school is in the constituency of the Honourable Member for Wolseley.

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

ORAL QUESTIONS

MR. SPEAKER: The Acting Leader of the Opposition.

MR. CHERNIACK: Thank you, Mr. Speaker. I would like to ask the Minister of Labour whether there has been a Conciliation Officer Report under Section 98 of The Labour Relations Act and if so, when was it made?

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): There has been no written report, Mr. Speaker, but the conciliation officer is reporting in the normal fashion.

MR. CHERNIACK: Mr. Speaker, may I explain that I was not asking whether there was a written or verbal report, I was asking whether there was a report under Section 98. If the Minister has not responded that there is, then I would have to ask him whether he allowed a longer period of time for the report required under Section 98 and if so, when did he make that decision?

MR. MacMASTER: Mr. Speaker, I am pleased that the Acting Leader of the Opposition is aware that there is provision for latitude in that particular section. That wasn't the position taken by some

members opposite a period of time ago. The conciliation officer involved in these particular issues has been allowed what latitude is necessary in co-operation with the organizations that he is working with to do the job that he is working so hard at.

MR. CHERNIACK: Mr. Speaker, it's very clear that we've known all along what the provision of Section 98 is. The question is, whether or not the Minister has specifically made an allowance to the conciliation officer to extend the period of time, the 30-day maximum period. He did not give that answer unless he's saying he left it to the discretion of the conciliation officer. Is that the case?

MR. MacMASTER: It's surprising, Mr. Speaker, how definite the Member for St. Johns can be when it's only a few days ago that it was definite, in their minds, that there had to be a report. I am pleased again to say that they now concur that report wasn't necessary and the conciliation officer has been allowed the latitude that's necessary to deal with the situation.

MR. CHERNIACK: Mr. Speaker, being disappointed to note that the Minister does not know the law and that indeed a report is necessary, unless the time is extended, I will then ask the Minister another question on which he may not have the answer, because he certainly hasn't had the answer up to now.

Mr. Speaker, I would ask the Minister whether or not, in view of consultations which the Minister of Health reported he has had with the Minister of Labour, whether or not the Minister has or has been preparing back-to-work legislation?

MR. SPEAKER: The Honourable Government House Leader.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, I submit to you, Sir, the question is out of order. Any such recommendation would be a recommendation to Cabinet and thus the Member for St. Johns cannot ask a question with respect to any recommendations which may or may not be made.

MR. CHERNIACK: Mr. Speaker, in view of the objections to the question I will willingly withdraw it and ask the First Minister whether he is aware of the fact that the newspapers have today reported and directly quoted the Minister of Health as that he and the Minister of Labour represent different constituents and therefore it is natural that there could be a difference between them on the basic issue of dealing with the strike.

MR. CHAIRMAN: Order please. Questions of awareness of newspaper articles and the ascertaining of whether those articles are correct is the responsibility of the person who is reading the article.

The Honourable Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Speaker. I would ask the First Minister whether there is indeed disagreement between his Minister of Health and his

Minister of Labour as to how to deal with the strike situation and whether it is correct that it is because they serve different constituencies.

MR. CHAIRMAN: The Honourable First Minister.

MR. LYON: Mr. Speaker, my honourable friend's question, as he is well aware, is equally out of order because if such a hypothesis were true, then of course that alleged disagreement would be manifested around the Cabinet table and I'm not here to report on what is said in Cabinet. But I do say to my honourable friend that the government of Manitoba represents all of the people of Manitoba and will look after the interests of all of them.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE: Mr. Speaker, I have a question for the Honourable Minister of Labour. I wonder can the Minister advise the House as to Manitoba's position which was reported in the all-Canada unemployment figures by Stats Canada today.

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Good question, Mr. Speaker, and I'm sure the members opposite share with me the fact that we were the only province in Canada who, seasonally adjusted, had a decline in the employment rate. It was a pretty good Tuesday morning in that respect, Mr. Speaker.

MR. McKENZIE: Mr. Speaker, I wonder if the Minister could advise the House to what he, or the government, may attribute these encouraging statistics?

MR. MacMASTER: I hesitate to answer that because it leads a person to want to make a speech, Mr. Speaker. It's certainly contrary to some of the comments that I've been hearing from the members opposite about the horrible economic situation. We have about 15,000 more people working in May than we had in April. The interesting fact is that there are approximately 14,000 more people working in Manitoba this month than there were a year ago, Mr. Speaker.

I have mentioned in my release, Mr. Speaker, a serious note to it all. We don't know how many more there would have been working if God had blessed us with a little bit of rain in the appropriate areas in our province.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Honourable Minister of Agriculture. I wonder when the Minister will be able to respond to my questions of the 21st of May relative to the Milk Board and whether he can, not only answer those questions, but add further information on the deliberations of the Milk Board.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Yes, Mr. Speaker. The member's question I believe, was what was the procedure in calling a Milk Board hearing, a price review. It was a reconvening of the initial hearings that were being held earlier on this year. They ruled on the milk price increase and I believe they have, as of today, announced an increase of one cent a litre for the processors of table milk.

MRS. WESTBURY: I thank you for that information of which I wasn't aware, Mr. Speaker. But I wonder if the Minister can also reply to the questions which were, were the producers notified in any way of that further hearing. And also, could he explain why the participants were given only six days notice of the meeting so that they hardly had time to prepare for the further hearing?

MR. DOWNEY: Mr. Speaker, I can't indicate who, specifically, was informed by the Milk Control Board. As I indicated, it was not a new hearing, it was a continuation of one that had been in the process earlier this year and as far as I'm concerned, I think the fact that the individuals who had presented their positions, or their statistics, or their case earlier, probably six days was a sufficient amount of time for them to reappear before the Milk Control Board, because in fact they knew that the hearing would continue after a period of time.

MR. SPEAKER: The Honourable Member for Fort Rouge with a final supplementary.

MRS. WESTBURY: On another matter to the Honourable Minister of Consumer and Corporate Affairs, Mr. Speaker. I asked a question the other day and the Minister courteously suggested my question was not decipherable. Since I handed him a photostat of the HUDAM report, from which I obtained my information, could he now answer my question, please?

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. WARNER H. JORGENSEN (Morris): Mr. Speaker, I'm sure that the question is, even at this stage, still decipherable. I'm not sure just what HUDAM is referring to or what my honourable friend is referring to.

MR. SPEAKER: Orders of the Day. The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: I have a question for the Attorney-General. I wonder if the Attorney-General could confirm, it was suggested to me that an unanimous resolution was passed in North Dakota at the Manitoba Bar Association Convention, to demand that the 25.00 a hour now paid for Legal Aid be increased forthwith to 50.00 an hour. I wonder if the Minister would care to comment on those reported events.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, it's usual practice to meet with officers of the Manitoba Bar Association subsequent to their annual meeting, to review any resolutions which they have passed and which they wish to bring to the attention of the government. On the question, Mr. Speaker, of Legal Aid, we have included in this year's estimates sufficient funds to eliminate that holdback in lawyers' fees which had been in effect for some number of years. We also have a proposal through the Legal Aid Society and with the Legal Aid Liaison Committee of the Law Society, a proposal for a block-fee concept which is being worked on in some detail. That matter is still before them and the discussions have not yet been concluded.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. WILSON: I wonder then, in light of the current wage problems in many industries in Manitoba, if the Minister could assure this House that he would not give in to their demands of such a large increase to double. In other words, that he wouldn't give in to a 50 an hour Legal Aid hourly rate at this particular time.

MR. SPEAKER: Order please. I believe the question is hypothetical because the matter has not as yet been discussed.

The Honourable Member for The Pas.

MR. RONALD McBRYDE: Yes, Mr. Speaker, I had a question for the Minister of Labour, who made a statement today in the guise of a question or answer to a question. Mr. Speaker, I'll just get it on the record. I wonder if the Minister of Labour has had any success in terms of his commitment since he's been in office to attempt to get the statistics of Treaty Indians unemployed included in the Statistics Canada figures of unemployment.

The second question, Mr. Speaker, is to the Minister of Environment, and I wonder if the Minister yet has an answer to my question of last week about the number of local governments who are applying to be able to use the chemical 2,4,5-T, and I wonder if the Minister could confirm that 18 municipalities and one LGD will be applying or have applied to use 2,4,5-T.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

MR. JORGENSEN: No, Mr. Speaker, I'm not able to confirm yet as to the number of municipalities that applied to the Clean Environment Commission.

MR. McBRYDE: Mr. Speaker, I'll just ask the Minister, then, what is the process for them applying and is it a complicated process and is a record kept of those who have applied for its use and the amount that they intend to use?

MR. JORGENSEN: Mr. Speaker, the purpose of the application is to ensure there would be no environmental damage upon application of any chemical.

MR. SPEAKER: The Honourable Member for The Pas with a final supplementary.

MR. McBRYDE: Mr. Speaker, I wonder if the Minister or his department are monitoring and getting information on the hearings now taking place in Washington, and whether or not the Minister is still considering the ban on the use of 2,4,5-T that he talked about previously. And I wonder whether the Minister has made up his mind firmly about the use of 2,4,5-T, as has the Minister of Highways, or whether he is still considering that question.

MR. JORGENSEN: Mr. Speaker, we don't have anyone monitoring those hearings. The results of the hearings will be made available to us. But I can assure my honourable friend that we're interested in the hearings and will be following them.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Speaker, I was going to address a question to the Minister of Labour, but perhaps it's more appropriately addressed to the Premier at any rate. It's with respect to the unemployment situation in the city of Winnipeg. I note from the statement issued today by Statistics Canada that the unemployment rates are much higher in the city of Winnipeg than in the province as a whole. Using the actual data, the provincial rate is 5.6, but Winnipeg is 6.3 percent. So my question is, given the fact that it is much higher in the city of Winnipeg, are the Premier and his government prepared to engage in any special employment programs to alleviate a situation which I believe is serious and is one that will continue to be serious and perhaps grow in the months and years ahead?

MR. LYON: Mr. Speaker, the specifics of the interpretation of the figures in question are best left with the Minister of Labour. I can only assure my honourable friend that we share concern along with all other citizens of Manitoba if there is any great disparity in unemployment rates. The fact that the city of Winnipeg is only marginally higher than the rest of the province, not much higher, as my honourable friend would attempt to indicate based on his figures, would not lead one to move immediately into some kind of make-work program for that purpose. But I am sure that the Department of Labour will continue to monitor that situation and I stress, as I believe the Minister of Labour always does stress, that the figures that we have today are month-by-month figures, and really the figures that one must look at even though these figures are exceptionally good for the province of Manitoba. The figures that one must look at are the longer-term trend figures which indicate trends in employment in the province, and fortunately those trend figures have been very good as well for the province of Manitoba. The fact, as was indicated in the statement that was passed around that the number of employed people, according to Stats Canada, is 463,000 in Manitoba, up some 15,000 from April and 14,000 more than in May of 1979, I think it's a very hopeful sign of encouragement for all Manitobans

and I am sure my honourable friend joins with all members of the House in noting that good mark in the economic progress of the province.

MR. EVANS: Leaving the policy option of job creation programs aside, I wonder if the government is prepared to consider new initiatives to stimulate private investment spending, particularly in the urban centres of the province including the city of Winnipeg, where we note that of the 28,000 people reported as unemployed last month, 19,000 of them were in the city of Winnipeg. In other words, 68 percent of the unemployed in Manitoba are reported to be in the city of Winnipeg. Given that fact, Mr. Speaker, I wonder if the First Minister and his government would be prepared to consider new initiatives to stimulate the private sector in the developing, manufacturing, and other industries in our urban centres.

MR. LYON: Mr. Speaker, I think it's apparent to my honourable friend that roughly 60 percent of Manitoba's population is in the city of Winnipeg so it's not surprising that a figure of about 68 percent, to use his figure, I haven't verified it, of the unemployed would come from the city of Winnipeg. That is rather axiomatic.

Mr. Speaker, with respect to incentives for the private sector, my honourable friend has had an opportunity, and I can't honestly recall how he voted on some of the incentives that this government has taken with respect to the private sector, but we did reduce the small business tax from 13 percent to 11 percent some two years ago — I can't remember if my honourable friend voted for that. That was a big incentive to small business growth in Manitoba. We did, Mr. Speaker, remove a large number of small corporations from The Corporate Tax Act, a tax that was inflicted on the people of Manitoba by my honourable friends opposite. We did reduce, Mr. Speaker, the personal income tax for all Manitobans by two points, and I think my honourable friend or some members of his party perhaps, voted against that and that was an incentive, Mr. Speaker, for all Manitobans.

We did as well, Mr. Speaker, repeal The Succession Duty and Gift Tax Act, which was oppressing farmers and small business people in Manitoba, and I can't remember how my honourable friend voted on that, but that was certainly an incentive for small business in Manitoba. Mr. Speaker, we have done things with respect to regularizing and making competitive again, the royalties for oil and minerals in Manitoba which have resulted in more oil exploration, Mr. Speaker, in the last year than we've had since the 1950s; I think that was a good incentive. I don't know if my honourable friends voted for that or not; I don't think they did. And on and on I could go, Mr. Speaker. Why is it that when we take these steps to provide incentives for growth in Manitoba my honourable friends vote against them all the time?

MR. SPEAKER: The Honourable Member for Brandon East with a final supplementary.

MR. EVANS: Mr. Speaker, given the fact that the various programs that the First Minister has just

enunciated, enumerated, have been very ineffective, have been totally ineffective, because given the fact that Manitoba is expected to have an increase of 7 percent, only 7 percent in the private sector in investment spending, which is only one-half of the national average, third lowest in Canada and less than the rate of inflation; and given the fact, Mr. Speaker, that in the past three years the level of investment dollar spending in the province of Manitoba, as a percentage of Canada, is even less than the percentage that occurred in the period of 1970 to 1977; given the fact that the private sector has not responded, is the Premier now ready to use public investment spending to stimulate this economy and get it going at a rate of progress that was more characteristic of a few years ago?

MR. LYON: Mr. Speaker, I think we have the question at the end of my honourable friend's comments. All I can say to my honourable friend is that one of the best things that this government has been able to do, to help repair some of the rather considerable chaos and damage that we saw inflicted on the economy of Manitoba in the nine years or so when my honourable friends were in office, what we have seen since that time is a growth in the employment rate in Manitoba which was three times the growth that occurred under my honourable friends each year, 11,000 and 12,000 in the first two years and now we're looking at — and these figures will have to be projected for the full year and they won't be as high as 15,000 perhaps for the full year — but we're looking at another year perhaps of 10,000, 11,000 new jobs.

My honourable friends, with all of their policies, Mr. Speaker, of spreading the taxpayers dollars all over the province, hither, thither, and yon, in make-work programs, useless programs of a sort that were helping to bankrupt this province very quickly, were not able to create jobs. So now my honourable friend says that we should do what they did when they were failing to create jobs. We're doing the right thing, Mr. Speaker, by providing incentives for people to do things on their own and jobs are being created at a rate three times better than when my honourable friends were in office.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM: Mr. Speaker, to the First Minister. In view of the fact that he feels that his programs have been so successful, could he explain why that in many towns with a population of 500, almost half of the businesses have For Sale signs in front of them? Let him explain that, Mr. Speaker. His Minister of Agriculture was in one of those towns . . .

MR. SPEAKER: Order, order, order please. The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, my question is to the Minister of Northern Affairs. I'll ask the Minister if he can confirm that the present Deputy Minister of the Department of Northern Affairs is being removed from Thompson, and can the Minister clarify if this suggests that the Deputy Minister of Northern Affairs

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is being removed from that position or does it mean that the Deputy Minister's office of the Department of Northern Affairs is being removed from northern Manitoba?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. DOUG GOURLAY (Swan River): Mr. Speaker, I can say that I have this under active consideration.

MR. COWAN: Mr. Speaker, according to my sources, I would suggest that it's under very active consideration and a memorandum has been presented that would remove that Deputy Minister of Northern Affairs from the city of Thompson. Can the Minister inform the House if there will be a further reduction in staffing levels for the Thompson office of the Department of Northern Affairs; and while the Minister is answering, can he also indicate if his own Executive Assistant is based in Thompson or in another part of the province?

of the Department of Northern Affairs, and while the Minister is answering can he also indicate if his own executive assistant is based in Thompson or in another part of the province?

MR. GOURLAY: Mr. Speaker, I can answer the last question that my executive assistant is stationed here in Winnipeg, he works with me out of my office. With respect to reduction of staff in the Thompson office, as I indicated I have under active consideration moving the Deputy Minister to Winnipeg, however. To go back to 1978 it was a decision of the government of the day to place a senior staff position in Thompson to try and sort out the mess that had been left of this government back in 1977, and I can honestly say that the position of the Deputy Minister in Thompson has fulfilled the obligations very well and I feel that it would be an advantage to have the Deputy Minister here. However at the same time I would hope that I could get approval from Cabinet that a senior staff man would be located in Thompson to fill the position that would be vacated by the Deputy Minister there.

MR. SPEAKER: The Honourable Member for Churchill with a final supplementary.

MR. COWAN: Thank you, Mr. Speaker. I thank the Minister of Northern Affairs for a typical answer from his side of the House in regard to why they have taken such action. I'd ask the previous Minister of Northern Affairs and the now Minister of Labour if he recalls making the statement in September 6, 1978 and I quote We feel your needs can best be served with a senior minister . . .

MR. SPEAKER: Order please. May I suggest to the honourable member that statements or policies of former Ministers have to be asked of the present Minister, you cannot ask a question of a Minister on a former portfolio that he occupied.

The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. I appreciate your advice on this matter and will direct

my question then to the Minister of Northern Affairs, who is currently occupying that portfolio. As the previous Minister has indicated that he feels the best needs of northern Manitobans can be served by a senior administrator close at hand, and as the Minister has now indicated that he has under active consideration and has in fact ordered the removal of that senior administrator from northern Manitoba, can the Minister of Northern Affairs indicate if he did so with the advice and upon consultation with the Minister of Labour, or if he took that decision onto his own and thereby by doing so breaking the election promise that was given to the people of northern Manitoba by the Minister of Labour.

MR. SPEAKER: Order please. May I point out to the honourable member that asking for internal cabinet decisions is a question that is not recommended.

The Honourable Member for Churchill.

MR. COWAN: Perhaps I can try one more chance at rephrasing it, Mr. Speaker, with your indulgence. I would ask the Minister of Northern Affairs if he believes that the interests of northerners can best be served by having a senior administrator, namely the Deputy Minister of Northern Affairs, close at hand, namely in the community of Thompson; and does he feel by removing such a person that he will be in fact taking away the advantage of having that person within the general northern constituency.

MR. GOURLAY: Mr. Speaker, in view of the present situation with the current staff at Thompson, I feel that the Deputy Minister could serve the department well in the office here in Winnipeg.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I have a question for the Minister of Agriculture. I wonder can the Minister advise the House if he has received any reports of the impact of the severe killing frost that the weatherman had imposed on northwest Manitoba last week.

MR. DOWNEY: Yes, Mr. Speaker, that was one more of the difficulties that the agriculture people are facing, particularly in the northwest region. We saw frost damage to the alfalfa crops that were doing fairly well, as well as the rye crops that had survived the dry conditions in the northwest region, particularly in the Roblin and the Swan River area. The rye crop in that area was in the blossom stage and was destroyed, as well as 30 to 40 percent of the alfalfa crop was hit by frost. Frost conditions also hurt the crops that were doing fairly well in all the other regions of the province and the toll at this particular time is hard to estimate but it's one more hardship that the producers of livestock will have to face when it comes to gathering their feed supplies.

MR. SPEAKER: The Honourable Member for The Pas.

MR. MCBRYDE: Mr. Speaker, I'd like to address a question to the Minister of Northern Affairs and try

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to get clarification from that Minister, which is very difficult. I wonder if the Minister could tell the House, is his Deputy Minister of Northern Affairs moving from Thompson or not moving from Thompson.

MR. GOURLAY: Mr. Speaker, as I indicated, I have it under active consideration.

MR. McBRYDE: Mr. Speaker, I'd like to ask the Minister of Northern Affairs is his Deputy Minister moving from Thompson or is he not moving from Thompson?

MR. SPEAKER: The question is repetitive.
The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Speaker, I would like to get an answer from the Minister. It looks like it's going to be difficult. I wonder, Mr. Speaker, if the Minister could tell us then whether or not his Deputy Minister in Thompson has sent out notice to his staff, sent out notice last Friday that he will be moving from Thompson. Could the Minister confirm that?

MR. GOURLAY: Yes, Mr. Speaker, I can confirm that.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. My question is to the Minister of Labour and while we on this side of course appreciate the good news contained in today's unemployment statistics, we agree with the First Minister that trends must be examined also. Can the Minister of Labour confirm that on both an actual and a seasonal basis, that with 28,000 unemployed in the province that there are more unemployed today than when the government took office; that there are 1,000 more unemployed on a seasonally adjusted basis and that there are 6,000 more unemployed when actual figures are taken into consideration?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: I can't confirm those figures, Mr. Speaker, I know the Member for Churchill well enough to know that he'll dig out some set that relates to something, someplace, somewhere. I know that the average this year, when you average it out over the number of months so far in the year 1980, there are approximately 6,400 more people working in Manitoba this year than there was last year. That's on the year average, Mr. Speaker.

MR. COWAN: Thank you. Then the Minister should also know me well enough to know that my facts are usually correct. I'd ask the Minister then . . . — (Interjection)— The First Minister wants to drag MacGregor into this and I would ask him to look at the well samples to ask who should be believed in the matter of the spill at MacGregor and the fact that we on this side consistently told the full picture and a complete picture.

But my question, Mr. Speaker, is to the Minister of Labour, or perhaps, let me redirect that, to the First Minister who made such a hullabaloo about the fact

that 15,000 more people are employed May of this year than April of this year. Can the First Minister confirm that going back as far as 1966 that an increase of 15,000 for May over April is in fact the average increase and has been exceeded many times under the previous administration and has been exceeded many times by the administration previous to the last New Democratic Party Government?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, what I can confirm from the release that is in front of all honourable members — and I don't have to distort it in any way at all — is that year over year, according to the releases in front of me the increase, that is from April of last year to April of this year, and I'll just get it and read it again, Over 94 percent of the Manitoba labour force was working last month with the number of employed totalling 463,000, an increase of 15,000 from April and 14,000 more than in May of 1979. I don't have to give any further dilution on those figures, Mr. Speaker. I think all people in Manitoba understand them, even if my honourable friend doesn't.

MR. SPEAKER: The Honourable Member for Churchill with a final supplementary.

MR. COWAN: It's interesting, Mr. Speaker, that the First Minister wants to talk about trends and then when you point trends out to him, he doesn't want to talk about them. My question to the First Minister is, can he confirm and explain why it is that since his government took office that for every four persons entering the labour force, on average, one of those persons was unable to find a job? Why it is since he took office that 25 percent of those people entering the labour force in this province have been unable to find productive work? Can he explain that to the people of Manitoba?

MR. LYON: Mr. Speaker, I don't know from whence my honourable friend gets his figures. Even more, Mr. Speaker, even more of an enigma is where my honourable friend gets some of his political philosophy. But what I can say to my honourable friend is that the participation force for workers in Manitoba is higher now than it's ever been before. What I can say to my honourable friend is that the jobs that are being created in Manitoba today are being created in the private sector, not in the public sector by make-work jobs, such as the Member for Brandon East was asking us to start doing again. I tell my honourable friend for his benefit that he is observing what can happen in this country, and indeed in this province, when the private individual is allowed some elbow room and isn't oppressed by government taxation and other government rules, such as my honourable friend is trying and will be running in the next election to try to put back onto the necks of the people of Manitoba. They won't buy it.

MR. COWAN: Thank you. Well, since the First Minister indicated that he did not know from whence I got my figures, I would ask him if he can confirm

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that since October of 1977, 29,000 persons have entered the labour force and during that same period only 23,000 of them had been able to find productive work. Can he confirm that would lead us to the conclusion that one out of four had been unable to find work and that is where the statistics come from, Statistics Canada, can he explain that away?

MR. LYON: Mr. Speaker, I repeat, I don't know from whence my honourable friend gets his figures. All I can tell him is that the participation rate of people employed in Manitoba is up over what it used to be, and thank heaven it is.

MR. SPEAKER: Orders of the Day. The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. I'd ask the Minister of Labour if he can confirm that on a seasonal basis the number of unemployed has resulted, in fact, in 2,000 new jobs since January. The seasonally adjusted level has resulted in 7,000 new jobs; the seasonally adjusted level in January of this year being 481 and in May being 488,000 persons.

MR. SPEAKER: Order please. I suggest that detailed information of that nature can best be served by an Order for Return.

The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister for Economic Development that Mr. . . .

MR. SPEAKER: Order, order please. The Honourable Member for St. Johns.

MR. CHERNIACK: I'm sorry, Mr. Speaker, the House Leader was quick. I wanted to ask the Minister of Health, Mr. Speaker, whether he has had any recent conversations with the hospitals involved in the strike to review with them their ability to pay a reasonable settlement, an increase, without lifting his ceiling of restraint?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Not recent, Mr. Speaker. The hospitals know where they stand in this situation and they have been pursuing their objective which is to settle the strike fairly and reasonably. There have been no discussion of that kind.

MR. CHERNIACK: Would the Minister confirm that the hospitals know that they stand with a ceiling imposed on them which is a restraint of some 8 percent?

MR. SHERMAN: Mr. Speaker, I've dealt with that question before. There is substantially more than 8 percent on the table so the contention of the Honourable Member for St. Johns is unsupported on the evidence, Sir.

MR. SPEAKER: The Honourable Member for St. Johns with a final supplementary.

MR. CHERNIACK: Will the Minister confirm that the only way they can work out any higher rate than that would be from other parts of their budget because of the restraint imposed by this government on the hospitals in the health service field?

MR. SHERMAN: No, Mr. Speaker, for the innumerable time, for a numberless time, I won't confirm that. The Honourable Member for St. Johns knows what the procedure is, the hospitals know what the procedure is and the situation will be resolved the way it's always been resolved, by dealing with hospital budgets as they confront us.

MR. SPEAKER: Orders of the Day. The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. I just had a question of Minister of Agriculture to ask him whether he has yet found an answer for the question that he took as notice about three weeks ago, and that is, why the number of farms in Manitoba are disappearing or being reduced three or four times as rapidly as in Saskatchewan and Alberta?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, the answer is the same and that is the fact that they were worked under a NDP government for eight years and it's the effects of their programs and their policies that have caused that reduction.

MR. EVANS: Mr. Speaker, I don't think the Honourable Minister heard the original question or doesn't remember the original question, because the period of time we're talking of is . . .

MR. SPEAKER: Order, order please. Order please. This was the question period. The time for question period having expired, we'll proceed with Orders of the Day. Order please.

The Honourable Member for Brandon East on a point of order.

MR. EVANS: Yes, I have a point of order. I asked a very serious question of the Minister three or four weeks ago. Obviously he doesn't understand it and I would appreciate 10 seconds so that he would understand the question and look in and try to give this House an answer, because he obviously doesn't understand with the period of time we're talking about, which is 1977 to 1979.

MR. DOWNEY: On the same point of order, Mr. Speaker, I believe I responded at that particular time but I will check out to see the specifics of the question and will take it as notice. If in fact that is what I said I would do, I would respond in the proper manner after doing so.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Economic Development, that Mr. Speaker do now leave the Chair and the House

resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for the Department of Education, and the Honourable Member for Virden in the Chair for the Department of Finance.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — FINANCE

MR. CHAIRMAN, Morris McGregor (Virden): Call the committee to order. We're on Resolution 66, 6.— pass — the Member for St. Johns.

The Honourable Minister.

HON. DONALD W. CRAIK (Riel): Mr. Chairman, maybe before we deal with tax credits, there were a number of questions that were left over from yesterday. The Member for Seven Oaks raised the question on the refund of revenues. In the last fiscal year, 1979-80, the refund of prior years' revenues totalled 2,723,000 and the refund for the current year's revenues totalled 6,248,000.00. They'll be shown separately in the Public Accounts.

There were further questions by the Member for Lac du Bonnet on the pattern of Manitoba expenditures on and recoveries for Registered Indians. The main question was the escalation rate. I haven't got a definitive answer on that, except that the department has confirmed that projecting into the future there are indications that the rate of urban migration is again increasing at this time — (Interjection)— into the urban areas. The rate of migration from the rural to the urban areas is increasing. Cost increases will proceed apace and therefore, unless the federal government agrees to an adequate increase in its financial commitments to meet the exceptional costs of services to Indians moving into the urban area, the net input of the province's local governments will again increase sharply. So it's presumed that they will increase unless there's agreement on the programs and the financing of the programs. As we go along there will be a rate of increase that will escalate at a rate greater than the normal inflation rate.

The questions with regard to the Bond Issue 10C, the department has worked out a comparison as to whether, if the issue had been paid out at the callable date of June, 1978, rather than the June, 1979 date when it was called, and what the saving would have been, the difference works out, making some assumptions on rates that were prevalent at those times, that there would have been a possible saving in 1978 of 2,440,000 Swiss francs, which translates roughly into about 1.7 million Canadian.

I think that's all the questions. Oh, I have one other. I've mentioned to the Member for St. Johns that if we could leave it until we come to my salary portion, I would deal with it then.

I'm sorry, Mr. Chairman, there are some number on the tax credit that were taken as notice as well. Maybe we can leave those until we get on to your Item 66.

MR. CHAIRMAN: We are on it now.

MR. CRAIK: I guess we are; maybe you want to deal with the other one first.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, there's only one item under 6. If the Minister has answers to questions raised, then maybe we should have the answers and it'll save time, I think.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Yes, okay. I mentioned last night that there was a question with regard to the likely or projected number that would qualify for CRISP, and I indicated that our rough answer was 30,000. I see that this is confirmed by the department on looking at it, roughly 30,000, with a full year expenditure estimated at 19.4 million.

It also appears that in the order of 27,500 pensioners over the age of 55, and senior citizens, that is 65 and over, will qualify for MSP. So the total number qualifying for the Manitoba Supplement for Pensioners is estimated at 27,500. That includes about 3,500 pensioners between 55 and 64 inclusive. An additional 2.2 million is the current estimated annual cost of the extension of the MSP to pensioners over 55 and the doubling of maximum payments.

With regard to SAFER for pensioners and senior citizens, the estimated number of eligible people is in the order of 7,500, of whom an estimated 3,500 will receive SAFER payments greater than the new property tax credits, and they would get the greater of the two. Under 1,000 in the under-65 pensioner category are expected to qualify.

Generally speaking, we expect the enrichment of SAFER and its extension to pensioners over the age of 55, to be accommodated within the existing SAFER expenditure provision in MHRC. Since SAFER, in part, represents an advance payment of property tax credits to eligible applicants, SAFER payments to new applicants have the dual impact of increasing SAFER expenditures and reducing tax credit expenditures.

The block vote principle followed for the White Paper reform facilitates any necessary reallocations of expenditure authority between property tax credits and SAFER in light of actual experience among the interdependent programs. As well for the senior citizen and pensioner universe, close to 50,000 pensioner homeowners and tenants are expected to qualify for the enriched pensioners school tax assistance and extension to tenants proposed in the White Paper. The annual cost of these initiatives is expected to approximate 6 million, up from the 1.5 provision in the Main Estimates. Approximately 2.5 million of the increase is expected to flow in this fiscal year.

On the family SAFER side, an estimated 2 million is included in the 29.6 annual cost of the White Paper package, of which 500,000 is expected to flow this fiscal year. An estimated 4,000 to 4,500 families with children will qualify for larger payments under SAFER than under property tax credits.

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At this stage, the administrative arrangements, as I indicated, aren't quite finalized. We have the three-part committee that is in the final stages, MHRC and the Community Services and Finance. The Finance Department has had an active role in the research and the preparation, of course, and produced the White Paper, but as far as the administration of the programs is concerned, it will now flow as a result of the three department examination into one of the line departments for administration.

I think, Mr. Chairman, that pretty well covers it.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Chairman. I wanted to ask the Minister whether there has been any attempt to approximate, to estimate, the portion of the property tax credit which goes in reduction of education tax and that portion which goes in reduction of municipal taxes.

MR. CRAIK: Not that I'm aware of, Mr. Speaker. I think I gave up a long time ago, attempting to get a resolution of that question. It's a question I've heard before, of course.

MR. CHERNIACK: Then the Minister is really speaking on behalf of his department, to say that they haven't come up with any estimate.

MR. CRAIK: They may have, Mr. Chairman, I can't say that they haven't. I haven't dealt with it directly and felt that it was going to be resolved with any definition.

MR. CHERNIACK: Mr. Chairman, possibly the Minister is prepared to enquire and inform us whether they have.

MR. CRAIK: I will enquire to see what we can come up with.

MR. CHERNIACK: All right, Mr. Chairman, I'll move on then. To make a general statement, Mr. Chairman, in the first place I did indicate yesterday that I believed that this program is a very progressive tax measure; that it deals with moneys that are provincial moneys, most of which are raised from the form of progressive taxation, which I believe the Tory government has reduced to some extent in various ways, but generally the largest part of provincial income is in the field of progressive taxation, and only to some extent has the province enabled municipalities to tax, in growth taxation, i.e., both either progressive taxation or in other growth tax areas, which makes this tax credit program even more valid as a progressive measure. That's why I always felt that the Minister had gone overboard when he attacked it so violently back in 1976, and maybe even earlier, that in fact any person involved in taxation and believing in the principle of progressive taxation — which means ability to pay, which means to tax people at a higher level who are better able to pay tax, and to tax low income people at a lower level — that this would be consistent with that principle. The Tories have not yet rejected the principles of progressive taxation.

Having said that and having, as I mentioned yesterday, a belief that in addition to zeroing in on the two specifics of property taxation and cost of living, that this does have a redistributive effect, to some extent, wherein people who don't even pay tax get a rebate under the cost of living tax credit. I think that that's good and right, and I really don't expect the Minister to carry out the prediction he made in 1976, that it would be wiped out. I can see there will be change, and we'll be discussing that at greater length if we have a chance to, before the next election.

I do believe that this latest measure which we've been calling for for the last three sessions, of increasing the amount of the property tax credit, that having finally received an increase, the increase was regressive. In the first place, Mr. Chairman, the Leader of the Opposition reacting to the first announcement that the minimum was increased by 100.00, used the phrase, too little and too late. I want to submit to you, Mr. Chairman, that when you speak about 100 increase, the first in three years, then you would have to recognize that it is the equivalent of a 16.67 increase if it were made in each of the three years; in that, in the first year back in '78 there should have been an increase and there wasn't, and if there had been an increase designed to put 100 into the pocket of a municipal taxpayer, or property tax payer, then to do that it would have been a cost of 16.67, or an addition. In 1978, the following year, would be 33.33, that is the 16.67 in '78 and again in '79 and in this year 50 would have been another increase of 16.67 and that totals 100.00. So that, had the government carried out the policy of increasing the tax credits by annual installments then to have ended with 100 this year, which they did do, it was the equivalent of a 16.67 increase in each of those three years.

Since we have no idea of what's going to happen next year, then I can only say that in these three years, in '78, '79 and '80, the Tories, by giving 100 this year, have given the equivalent of 16.67 increase in each of the last three years and that's why I think the Leader of the Opposition was so right in saying, too little, and it really is too little and not at all reflective of the additional costs, just cost of living alone. So I'm critical of that, Mr. Chairman.

The other regressive feature I want to refer to is the fact that, as the minimum and maximum increases, the disparity is negative to the principle of progressive taxation. And the previous government also increased by similar lump sums which doesn't make it right, but the higher you go the worse it gets. This year, if you increase the minimum, which is universal, by 100, you increased from 225 to 325, which I calculate — and my arithmetic is subject to review — which means that in this year the universal increase was a 44 percent increase to rich and poor alike. When you look at the maximum, an increase from 375 to 475, that 100 increase is an increase of 26 percent and the people who are the beneficiaries of the maximum are the people in the lower income group, otherwise they wouldn't qualify. I don't remember what the cut-off is for reducing the maximum down to the minimum but we can well recognize that all the people of all income groups, including the richest, have received a 44 percent increase in the reduction of their property tax or in

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the benefits from this program here; and those in the lowest income groups who are paying property tax of 475 have only had an increase of 26 percent, and that is to me clearly a regressive increase.

So we're still dealing with progressive taxation though within the bracket of progressive taxation. This is typical, I think, of the attitude of this government as shown in all its tax measures since the emergency or the quick session in 1977. So that although I indicate disappointment, I do not indicate surprise. It just means that the Conservatives do not believe in progressive taxation in this way because they've cut back in various ways, in regressive ways, even when it comes to the principle of progressive taxation. I suppose if they hadn't done so then there might be less of disagreement in philosophy between the two parties vying for power and I suppose that's what makes for democracy. But I couldn't let the opportunity go without pointing out that the amount of the increase was too little, too late, in that it has taken three years to make even that equivalent of 16.67 a year, and that the change itself is a regressive change and one unjustified.

Now we'll see what the next change will be after we hear about the education changes, but my prediction is that it will be again one which will be a regressive one, just as social allowances are being adversely affected, just as other proposals are aimed at — of course, I recognize — at those who are practically in a destitute line — and I recognize they are being helped — and also are helpful to the wealthiest and that the middle income or lower income people are adversely affected by the policies — and I believe they're philosophic policies — of the Conservative Party.

MR. CHAIRMAN: 6—pass. Resolution 67, 7.(a) . . .

MR. CHERNIACK: Mr. Chairman, on a point of order. Yesterday you balled us out for not raising our hands and I saw the Member for Lac du Bonnet's hand but you weren't looking at us.

MR. CHAIRMAN: Okay. I take that rap on the knuckles and honour the Member for Lac du Bonnet. I didn't see him, honestly.

MR. SAMUEL USKIW: Mr. Chairman, obviously the Minister did not intend to respond or at least he doesn't appear to be wanting to respond to the criticisms levelled by the Member for St. Johns. But I would like to have a breakdown of the 156,300,000 if I could. Just how does that apportion out amongst the several tax credit programs that we are now involved in? No, this is two, that's right. Can we have a breakdown of . . . ?

MR. CRAIK: I presume, Mr. Chairman, the member wants a breakdown, not of that item but the total package. With the changes announced in the budget which will change the figures in the estimates book . . .

MR. USKIW: By another 28.6.

MR. CRAIK: Yes, additional.

MR. USKIW: Yes, that's right, 28.6.

MR. CRAIK: It will probably be more valuable if I was to give you the breakout of the program.

MR. USKIW: Mr. Chairman, I wonder if we couldn't divide the 156 first and leave the 286 out, because there are a number of programs in there that are not really tax credit programs.

MR. CRAIK: Yes.

MR. USKIW: In the 286.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Well, I'm just asking the Minister if he could give us a breakdown, Mr. Chairman,

MR. CRAIK: The 156 — the property tax assistance would be, as indicated in the estimate book, 116 million, the cost of living tax credit would have been 39.5 million, and then there's an administrative fee to the federal government of 0.8 million, for 156.3 million.

MR. USKIW: Could the Minister give us the difference between last year's property tax credit total figure and this year's? What was last year's?

MR. CRAIK: Last year's was — in 1979-80 — 105.3 million.

MR. USKIW: What was the cost of living tax credit for last year?

MR. CRAIK: 299 — sorry, Mr. Chairman, I'll correct that — last year's property tax was 109.2, the cost of living was 35.0, federal administration 0.7 for a total of 145.

MR. USKIW: Mr. Chairman, what that seems to demonstrate is, that we're really talking about the same dollars as between last year and this year, in these two programs. Well almost the same. But what has taken place is a shifting around as between programs. 116 and 39.5, as I understand it. Is that correct?

MR. CRAIK: Yes.

MR. USKIW: So that's about 156, yes, million dollars. It's about an increase of 11 million. That's what we're talking about here.

MR. CRAIK: Yes.

MR. USKIW: Could the Minister then explain to us, do they have a projection on how many homeowners will receive a real increase in the property tax credit? That's after they file their income tax. How many will receive a gain out of all these changes, based on the property tax credit changes and based on the cost of living tax credit changes, after filing?

MR. CRAIK: Mr. Chairman, of course, all will get the basic increase. All the property taxpayers at the municipal office get the minimum, which is included in this too.

MR. USKIW: Mr. Chairman, just to explain to the Minister what I am trying to arrive at. After we do all of the calculations, the additional credits, the negative aspects of these changes, because of the change in formula, many people will get a reduction because of the change in the method of calculation. So somewhere the department must have a figure in order to arrive at the millions of dollars that it's going to spend in this program, as to how many tax filers, next year when they file their income tax, will have a negative impact because of the changes, and how many will have a positive impact. There is a trade-off here, the Minister alluded to it himself in his budget address. What I'm trying to do is put a figure on it.

MR. CRAIK: Mr. Chairman, I don't have any figures that would be worthwhile on the property tax credit side. It's not anticipated that there would be people, any substantial number, who would receive less, the vast majority would receive significantly more. That's not the case in the cost of living tax credit though.

MR. USKIW: I think, Mr. Chairman, the Minister's last point demonstrates his, I guess, lack of understanding my question here. I'm combining the two, and I'm asking the Minister how many tax filers then, let me use that term, will have a financial advantage because of these changes, and how many will have a disadvantage? How many tax filers are there in Manitoba? Let's start with that figure?

MR. CRAIK: I don't have that, Mr. Speaker. If the member wants all this, I think he'd better write it out, because it's going to take some time. He may as well file an order for return to make it complete.

MR. USKIW: Mr. Chairman, as I recall it, and I may be wrong, I thought that the Minister mentioned a figure at one time, somewhere in the order of 186,000 people, tax filers, having a negative result from this whole exercise, but I may be wrong. My guess was about 250,000 will be worse off, after they file their income tax. I think the Minister used a figure of 186,000, and I would judge that to be a conservative figure.

MR. CRAIK: Mr. Chairman, I thought the member was referring to one particular aspect.

MR. USKIW: No, combined.

MR. CRAIK: If he's talking about total tax filers, figures I gave in the House were about 400,000, and that there would be, as I recall, 130,000 fewer as a result, not of the property tax but of the cost of living tax credit changes principally, that would get a reduced return under this program. The reduction number was around 130,000.

MR. USKIW: Not 186,000.

MR. CRAIK: I don't think it was that high. Well I'll find it, Mr. Chairman, as I did give the figure in the House. I'll come back to it, Mr. Chairman.

MR. USKIW: Mr. Chairman, what I'm trying to demonstrate here, is that the Minister's alleged tax changes — and his words are designed to help the

people that need it most — don't quite work out that way. I tried to point that out in the debate on the budget, that whether you take income people of 7,000 or 8,000 or 10,000 or 12,000 or 17,000, you come up with a negative result after you file your income tax return in 1981. Any family combinations work out by and large to a negative result because of the changes, that's why I'm trying to determine just how to quantify on those numbers whether we're talking about half of the tax filers being worse off, or less than half, or more than half. But obviously there is a shift. What I'm trying to understand is the Minister's logic in shifting benefits from people who earn 7,000 or 8,000 to other people who earn much less than that. It seems to me that is an awkward shift. I can't see that as being a progressive shift in taxation because every one recognizes that a 7,000 or 8,000 income is below a poverty line situation. Yet the net effect of the Minister's changes results any transfer of wealth from people who earn 7,000 or 8,000 to people who will qualify for other things in his program that are well below that income figure. To me that's not the resource from which to extract revenue in order to pay for needed programs. If the Minister was shifting wealth from other areas in the economy to pay for SAFER or to pay for CRISP or what have you, you know that makes an awful lot of sense, Mr. Chairman. But to take income away from people who are on modest incomes, people who have families of two or three children, earning 10,000 or 12,000 or 15,000 or 16,000, end up with less money under this program. How this Minister rationalizes that as being a logical progressive tax change is beyond me. It isn't taking from the wealthy and giving to the poor, not by any stretch of the imagination; it is taking from the poor and giving to the poorer. That what's it is . . .

MR. CRAIK: Mr. Chairman, that's not the case at all. You know, the member gets on one of these tangents and you just have to let him run. You've got it on the record, and go ahead and say it, but the member himself may well have been getting it. People who are making 100,000 a year were getting a cost-of-living tax credit. The member is saying that we ought to have maintained a tax program that was leaking that badly and ignored . . .

MR. USKIW: But you haven't plugged that leak.

MR. CRAIK: It is plugged. It would be plugged further if we could do it.

MR. USKIW: It isn't likely.

MR. CRAIK: Mr. Chairman, the member is ranting on here and saying now, suggesting that the resources are coming from a low income area to do something non-useful.

MR. USKIW: For the destitute.

MR. CRAIK: Mr. Chairman, it couldn't be more completely wrong, but I have no illusions about the fact that I am some way going to stop the member from saying it; he's going to say it anyway. So be it, but the fact of the matter is that tax program which I presume was set up by the former government to do

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a job, namely to provide some income support for low income families, was in fact subject to so many distortions and anomalies in it that it was leaking in areas where it was never intended that it would; in one fact alone, that the family income was never taken into account.

If we had a choice in setting it up, we would have gone even further and used a provision or an income from the tax form that would have disallowed the deductions for RRSPs and MURBs and other things. That wasn't available to us. If we had the option, we would have gone that one step further and removed all of those from it as well, but it wasn't possible to do it. However, we are at least partially getting at the source of the problem by going to the combined family income. It is going to stop a lot of the leakage that was occurring as a result of the program that was not doing, again, I don't think, what it was originally intended to do. So it was a reasonable and logical source to go to, since what we're doing is attempting to get at, on a needs basis, to those same people that are most in need that would have fallen under this program but who would have received much less under the old program.

MR. USKIW: Mr. Chairman, the Minister alleges that these changes will plug some of the loopholes or seal off the sieves, so to speak, to reduce the leakage, but the fact of the matter is that the bulk of the leakage with respect to high income people is on page 1 and the top of page 2 of your Income Tax Return. That's where you are able to write off income against all sorts of tax shelters or RSPs. There are umpteen ways of doing it and any one that has a healthy income is obviously using that method as a means to reduce his taxable income. I gave the Minister a number of illustrations during Budget Debate on that very point. But they are factual, Mr. Chairman.

MR. CRAIK: I just referred to that myself. I endorse you 100 percent, so what's the use of saying it four times over.

MR. USKIW: They are factual. All right.

MR. CRAIK: That alternative is it is not available under the federal tax collection system to get at that.

MR. USKIW: Mr. Chairman, I recognize that; there's no question about that, that it is currently not available. But it seems to me that there should be some common purpose amongst the provinces and the federal government in rearranging the tax forms so that it could be made available. If tax credits mean anything, it means some transfer of wealth or relief of taxation, whichever way you want to look at it, in favour of those who need it most. But that isn't what's happening because of the way the tax forms are drawn up, and we have to live with that problem and so does this government have to live with that problem. But the changes that have been brought about this year do not detract from that. That is still fully intact and those people who are earning large sums of money will continue to shelter those earnings both from taxation and in favour of tax credit benefits, wherever they can. That is natural. I don't fault them for it, because if it's open to them,

why not? The person who is sort of in the middle income category isn't able to do that because they are not in a position to finance these kinds of ventures and they have enough trouble just paying their mortgage payments and the car and keeping the family together. People who are earning 15,000 or 20,000 do not earn an excessive amount of income these days if they are raising a family and buying a home.

That is the group, not only at that level, but right down to 7,000 of income, Mr. Chairman, is where the shift is taking place from in favour of those other programs and unless the Minister wants to dispute my analysis, I don't think I'm wrong. I've worked out a number of tax forms based on several different income categories, right down to 7,700 of income, Mr. Chairman. I could go lower, but I took five examples. We have a negative situation arising out of this policy, even to the person earning 7,700 a year, a married couple with one person working. Whether you look at that one or you look at where you have two incomes, combined income of 17,000 between two income earners in the family, they still end up with a negative position after they file.

So really the Minister is not shifting from where he can find the resources. He is shifting from people who can't afford it and that is the argument that we are presenting, Mr. Chairman. It is not a logical shift. It's not a progressive shift. If you look back over the last three years and recognize the tax concessions that have been given to the corporate sector and the business sector in Manitoba, to the wealthy sector, Mr. Chairman, and then you compare that with these measures, one has to raise the question, surely the Minister can't get away with the notion, or at least can't convince me that these changes are progressive. They are to those people at the very very bottom who will receive additional benefits, but he's scalping the people right next to them in order to make it possible. He's taking it away from a 10,000-breadwinner, from an 8,000-breadwinner, from a 7,000-breadwinner in favour of people that are virtually destitute, or are destitute, Mr. Chairman, and that is the wrong kind of reallocation of taxation as far as we are concerned.

There are many other areas that the Minister can find his 10 million, or whatever it takes, or 15, to do his thing, but certainly to reduce tax credits to the average Manitoban who is trying to pay for his mortgage and trying to educate his children, is not the area that I would find the money, Mr. Chairman. That's the essential difference of opinion between members on this side and the government's.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Well, one comment, Mr. Chairman. I would think that the member to be consistent ought to recall that he was advocating the abolition of indexing, and if his real concern is for the tax bracket that he's indicated here . . .

MR. USKIW: I didn't say that.

MR. CRAIK: . . . or his colleague, the Member for Brandon East . . .

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MR. USKIW: I don't think he said that either. I was asking you.

MR. CRAIK: I see. Well, I withdraw that, Mr. Chairman. I presume now that the members are indicating that they are opposed to withdrawing indexing.

MR. DEPUTY CHAIRMAN, Henry J. Einarson (Rock Lake): The Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Chairman, on a point of order, just to eliminate any confusion.

MR. DEPUTY CHAIRMAN: The Member for Brandon East on a point of order.

MR. EVANS: Yes, re the Minister's statement on the indexing, we have taken no position on that, we were trying to seek a position. We were trying to obtain the clarification of the government's position on the matter of indexing as to whether it should be removed or modified. But I took no position on it.

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

MR. CHERNIACK: Mr. Chairman, the Minister has not told us what he believes about indexation, has he?

MR. CRAIK: I think the Member for St. Johns was perhaps out when we did deal with it last night after . . .

MR. CHERNIACK: And I'm told that the Minister has not taken a position on that.

MR. CRAIK: Well, the government's position to date has been that we have not favoured the removal of indexing. Until there is a change in the position, that's it.

MR. CHERNIACK: So the government of Manitoba is opposed to removal of indexation. In other words, it favours indexation.

MR. CRAIK: Mr. Chairman, that is the policy, and we haven't taken a position in opposition to it. We have to assume we endorse the position of indexing, but I added last night that we haven't dealt with it, and I think that in any depth if it comes up in the present course of looking at the constitutional changes, or equalization, or other financial matters that are bound to get dealt with over the next 18 months, then it will have to be looked at more closely. But you have to assume at this point in time that the government supports the position of indexing, and until there is a change in that position, that's it. Now, I don't know what the NDP's position is. I presume it's the same, because they went through a period of time in government where I don't recall them taking any opposition to indexing.

MR. CHERNIACK: Mr. Chairman, the reason I got into this is, that I want the Minister to know — apparently he's not been informed by his research staff — that as a government we did take the position in opposition to indexation, but that is not

the position that the NDP is now taking. You know, I quote my colleagues on that, but if the Minister wants to have a very reasoned, personal opinion, he can just look it up, my personal opinion.

MR. CRAIK: Mr. Chairman, I have to assume then, that if the NDP position hasn't changed, that they are still in opposition to indexing. I thought they were, as I recall from the questions that were raised, that they were in opposition. I guess they are not prepared to indicate their policy.

MR. CHERNIACK: The reason I mentioned that, Mr. Chairman, is that I don't think the Minister will succeed in trying to box us into any position, because his own example is so prominent in the minds of many of us in relation to Autopac, in relation to investment in mining development, in relation to property tax credit, and so many other things, where this Minister and the Conservatives have taken a clear position and have then waffled back and even went back on positions they had taken. So if they are able to do that, then they can't really force the NDP into any sort of a corner by the Minister's assumptions. That's the reason I raised it, and that's the reason, Mr. Chairman, I took the trouble to interrupt to point out, that even if he hasn't done any research, that if he did some research, he would find that I once made a presentation in favour of indexation away back — I don't know when, but whenever the question came up — and that does not mean it is a continuing NDP policy. It was the position of the government at that time, and times change and situations change, as we all know. So I just want to make it clear that it is the government that has to take a position and the NDP may take a position.

While I'm saying that, Mr. Chairman, I point out also, the Minister doesn't even have a position on the equalization of mineral resource revenue under the Equalization Act, because I think yesterday he learned for the first time that there is a qualifier in the Equalization Act, and he doesn't yet know what position he is going to take, mainly because he didn't know what had gone on. Mr. Chairman, I think that he had better do some research before he either gets Manitoba into trouble or his party into a bind.

MR. CRAIK: Mr. Chairman, on the latter point, the equalization changes that will occur next are for the fiscal year ending 1981-82. So we're looking at changes that may occur two years from now. In the meantime we're locked into a five-year equalization formula, so the Member for St. Johns, or anyone else in this room, can get themselves excited about one aspect of the equalization formula. But let me remind the members that there is not going to be anything done about it until the negotiations take place on the next formula. So if he's suggesting that somehow there is something going to arrive because somebody is not recognizing an aspect of the formula, again, let me repeat, you know, he's using a tactic that's not uncommon in suggesting something that would have an impossible chance of anything occurring if you were concerned about it.

MR. CHERNIACK: Mr. Chairman, the point is, that when indexation question arose, just the last week or

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two I think, from the Prime Minister, it suddenly became something necessary to discuss. I would think that it is up to the Manitoba Government to review the whole thing and start formulating a position on it before it's too late. The reason I related that to the equalization, is that in the end, Mr. Chairman, it could be and was a unilateral decision by the federal government. I want the Minister to be aware of the fact that you don't delay positions until it becomes too late and that therefore, although the new agreement is maybe two years off, discussions will be starting much earlier, and I think you told us that it's starting this year; I think you said that. —(Interjection)— Next week? Well, all the more reason, Mr. Chairman, for the Minister to be fully familiar with the pros and cons to make sure that he gets into the discussion early because it is very difficult to go back to a prior position and argue that than to take the present and argue from that. I think that on the equalization issue, which is so basic to Manitoba and is apparently going to be part of the whole constitutional discussion that's about to take place, that the earlier the better — and the earlier may be next week — to get involved and to start instructing staff to aim for a better and fairer and more equitable deal on equalization, as well as on indexation. That's the reason I mention it now rather than wait for a year or two.

MR. DEPUTY CHAIRMAN: Resolution 66—pass. Resolved that there be granted to Her Majesty a sum not exceeding 156,300,000 for Finance—pass.

MR. CHAIRMAN: 7.(a)—pass; 7.(b)—pass — the Member for Lac du Bonnet.

MR. USKIW: Sorry, I thought we were on 8.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: Looking at the description of this particular division reminds me of the Task Force that was headed up by Mr. Spivak a couple of years ago and I'm wondering whether this division is utilizing that particular set of recommendations and is continuing to review government departments in light of recommendations made by the Spivak Task Force on government organization.

MR. CRAIK: Mr. Chairman, I may have missed some point and the member will pick it up if I did. This group here, which formerly was the Management Committee function of Cabinet, this is the group that came out of Management Committee and went into finance and has operated as assistance to the Secretary of the Treasury Board in the operations of the Treasury Board function.

It has gradually been growing smaller and smaller and I wouldn't be surprised if next year, when you look at this, it will be smaller still, as time goes by. It's the government's intention to experiment. First of all, a number of the management committee group were retained for this function as The Financial Administration Act has got into force and the governments have taken over the operation of their own programs. The role that was done by the Management Committee staff in this area before has diminished and, as a result, it's down to the

point where it plays a very minor role in the department and in the operation of the Treasury Board.

MR. EVANS: Mr. Chairman, very briefly, I don't expect any lengthy detailed answer, but very briefly, for my edification at least, perhaps others know of this, but how does this organization, this branch or section operate differently from the Management Committee secretariat? Just basically, what is the difference in their approach? What is the difference basically in their role? I understand it's a diminishing role from your remarks just made. But essentially, are you saying that there is less review, a less sort of a check in balance approach because of the way you are now organized with this division as opposed to the Management Committee setup? I don't want to put words in the Minister's mouth; I just really want to know exactly and very concisely what is the basic difference in the approach?

MR. CRAIK: Mr. Chairman, the budgetary process, the budgets of various departments are prepared within the department and come to the Treasury Board from the departments and are reviewed, go back, go through the give and take of the budgetary process and then go back to departments and are administered by the departments. Prior to, under the former system, as the member is aware, the Management Committee received the budgets and did a separate analysis of the budgets. The Management Committee analysis of the departmental budgets went before the Management Committee of Cabinet, which I think was normally chaired by the First Minister, the day up until the latter days of the government, anyway, and then reverted back to the departments. But the Management Committee, when normal things came up that by the rules that were laid down had to come back to Management Committee in the course of the year's operation, came back up through.

Again, the Management Committee screened it before it went to the Ministers who were on the Management Committee. That screening of the budgets, first of all, has been reduced to very very little and there are still requirements that have to be met during the year's operation for sizes of expenditures, types of expenditure. If they exceed a certain level, they have to come before Treasury Board. If they are below a certain level, they are what we call pre-cleared through the system with Ministerial approval but require Ministerial approval, which in turn is documented with the Cabinet every week and is therefore reviewed by all Cabinet. If they exceed a certain limit, they have to be approved by the Treasury Board and then go before the Cabinet, as the Treasury Board minute, again for a review by the Cabinet.

But what essentially has happened is that in the middle group the Management Committee has been all but removed completely from the system and the budget is prepared by the departments, approved by the Treasury Board which is made up of Ministers and then during the year's operations, if they exceed certain limits in their expenditure which vary from type-to-type in their limits, it comes back again for approval. But again when it comes back, it's not normally examined by any staff other than the

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departmental staff before it goes directly to the Treasury Board and, as a result, the procedures are much more rapid than they were.

MR. EVANS: The Minister said earlier that he sees this group becoming smaller. What provision — and this group services the Treasury Board, which is a committee of Ministers — if the Minister does not envisage that this group will disappear altogether, because it would seem to me that you need some sort of a secretariat or a staff to assist the Treasury Board in its responsibilities.

MR. CRAIK: Mr. Chairman, that's essentially what it is becoming and has become is a secretariat support for the Secretary to the Treasury Board rather than a program analyst or investigator, which was more the rule under the previous administrative procedures.

MR. EVANS: Getting back to the question I had asked previous, the task force on government organization and efficiency headed up by Mr. Sidney Spivak, I was wondering whether this group would still be trying to carry out certain recommendations of that particular report. Looking at the terms of reference as described in the estimates booklet and knowing what the recommendations were in the Spivak task force, is this group still attempting to implement some of those recommendations or is that a dead issue now?

MR. CRAIK: I don't think at this point in time that this group itself would refer in any regular way, at this point in time, to the recommendations of the Task Force. The setup that we're operating under is not the type of setup that was recommended by the Task Force.

MR. EVANS: What group within the governmental structure does the Cabinet have to conduct an ongoing assessment as to staff size? In other words, what organization do you have that can help you maintain a watch over excessive growth of SMYs or what have you? I appreciate, during the budget review each year, that's a matter of concern, but my experience has been normally departments come in asking for more bodies, for more positions.

It would seem to me that it's a useful mechanism for government to have or an organization to have within government that looks at it from the reverse point of view, not just responding to departments requests for more positions, but an organization which says, we'll look at this particular program under this department, there seems to be a diminution in its activity, and so on, and therefore perhaps there should be a reduction of staffing here, reduction of positions and so on.

In other words, taking a look at efficiency and staff levels from the government's point of view, as opposed to a departmental point of view which comes in with a vested interest. The department, with the best of intentions, will come in at budget time asking for all kinds of money to fulfill what they see as their mandate. It seems to me it's useful to have a body that sort of take a non-departmental viewpoint and it has to be some staff persons that have the time to advise the Ministers.

MR. CRAIK: That staff end of it is vested in the Civil Service Commission, which includes the large number of personnel that were one time in the Management Committee.

MR. CHAIRMAN: 7.(b)—pass. Resolved that there be granted to Her Majesty a sum not exceeding 185,100 for Finance—pass.

Now appropriation 8. and 9. on the next page deal with Statutory Expenditures which need not be voted on. However, if any member wishes to comment on these items, they may do so.

The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, the matter that I would like to pursue at this time is the decision on the part of the Minister to retire that Swiss loan.

MR. CHAIRMAN: Are we going back to the Minister's Compensation?

MR. USKIW: No, we can discuss this here. You don't vote on it.

MR. CRAIK: That's right, Mr. Chairman, there are a number of places where this can be dealt with and the normal place you would deal with it is under the Act before the House that in the final analysis that presents this, but it's not normal to deal with statutory provisions under estimates.

MR. USKIW: You can discuss it.

MR. CRAIK: There's no exclusion of discussion. The normal place you would discuss it is when the bill is before the House that makes the provision and at that stage.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, on a point of order, there is not necessarily any bill before the House dealing with these items. There may be a bill, well, there certainly is a bill for future borrowings. But, Mr. Chairman, I do believe that it has never been out of order to discuss and ask questions on these statutory items, for example, on members remuneration, which is another statutory one. But I don't recall any occasion when people were prevented from asking questions, getting information, and discussing this item before us. That's why it's there. Vote them down, but it's not voted on.

MR. CRAIK: On the point of order, Mr. Chairman, there is no vote on this, so I think technically, in terms of setting up the rules of the operation of the committee, you should deal with it under the Minister's salary, which is a wide-ranging discussion. Perhaps that's what we are doing, but I think technically you either vote on it or debate it under an appropriation, or under a bill in the House. Now the only appropriation that is broad enough to provide it is the Minister's salary, so if you wish to indicate that it's under the Minister's salary, I think you'd be setting a precedent you'd want to follow in normal committee operation.

MR. CHERNIACK: Mr. Chairman, you'll see how altruistic I am when I tell you that I want to fight on

behalf of the opposition; since I expect that members opposite will be in opposition soon, I want to protect their interests.

Mr. Chairman, when salaries used to be discussed at the beginning of a department, this item was still a matter for discussion, and this is presented in a form which is detailed for information. I do believe, Mr. Chairman, that the Minister is trying to set a precedent, but that the precedent before us for 17 years that I've been around, is that this item is discussable. It's not to be voted on; it is an item before us, but it's not to be voted on because it is statutory. I would think that no one should try to prevent our gaining information when staff is present, and of being able to comment on this, because you cannot comment on it otherwise. Mr. Chairman, the reason is, that though it is statutory, the amount is not statutory. The requirement to make the payment is statutory, but the amount is not, and if we, in discussing this, are able to show the Minister that there's a mistake and that there has to be a change, more or less in amount, then this would be the occasion to do it. So, Mr. Chairman, really the precedent, I am quite sure, is that this is a matter that is before the committee, which the committee has a right to discuss and ask questions on but has no right to vote on.

MR. CHAIRMAN: Well, the Chair did reasonably cover it I thought. If any member wishes to comment on these items, they may do so. So Item 8 — the Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, that's the whole point that I was trying to pursue, the decision of the government to retire the Swiss loan at this point in time by floating a debenture of 50 million in Canadian money, at a rate, as I understand it, according to the OC, a quarter of one percent below the average prime rate, which in today's terms would be about 13-1/2 percent. As I understand, the Minister indicated yesterday that the Swiss interest rates were somewhere around 6 to 8 percent; that's quite a range, and I'm not just sure where it is, but obviously we're talking about a rate half of what the Canadian rate is at the moment. So, I would like to find out from the Minister whether he is now making the judgement that the exchange rate is going to continue to be unfavourable in terms of Canada, and that for this reason he feels quite comfortable in ignoring the option that he does have, and that is of rolling over the Swiss loan again for Swiss francs, instead of going for Canadian money in refinancing this amount.

MR. CRAIK: Mr. Chairman, there is every indication that the short-term rate, or the bank prime rate will continue to fall at a rate that exceeds the drop in the long-term rate, and from that point of view the decision was made on the advice of the financial advisors and others that this would be the prudent way to go at the present time in order to stay in Canadian funds. The American picture, at this point in time, would not have provided any improvement, and as a result the decision was made, not that we expected to remain up in the 13 percent range, but that it would drop. There is a provision in this issue for payout at the end of two years. It's a

five-year issue, but payout after two years. It remains to be seen whether it's been a good decision or not. If a year from now we are still paying 13 percent, I expect you'll tell me about it.

MR. USKIW: Exactly the point. Mr. Chairman, perhaps the Minister would indicate to us what the value of the Swiss franc is today, so that we know exactly what we are dealing with.

MR. CRAIK: Seventy one cents, I understand, Mr. Chairman.

MR. USKIW: Mr. Chairman, obviously I'm not going to argue with the Minister, you know, it is a judgemental thing. But he is foregoing his option to refinance in Swiss francs and has opted for Canadian money, despite the fact that the interest rates are double at the moment in Canada, compared to what they are in Switzerland. I'm not saying he's wrong, but it is a judgement that he is making in terms of the next two years, at which time he has an option, or even for the whole five, that conditions will continue to be unfavourable exchange-wise and therefore he feels that this is a prudent course of action. We will remind him two years down the road.

MR. CHAIRMAN: Appropriation 9 — the Member for St. Johns.

MR. CHERNIACK: I don't want to overlook the opportunity to say that I think that it is a favourable transaction if one were to require Canadian dollars; I'm excluding the point made by the Member for Lac du Bonnet. I'm not sure that this is the time to buy Swiss francs, which the Minister is about to do, and give up the opportunity to borrow Swiss francs at a lower rate of interest than he is obligating himself to pay in Canadian dollars. That I'm setting aside. I agree it's a judgemental decision, and one that he is making, but the loan itself, if one is to borrow Canadian dollars, I think is a favourable way of doing it at this time, and I want to congratulate whoever negotiated a borrowing related to prime in this way, because I think that it is a good idea. I still doubt very much if it should have been done at this time and for this purpose, but if the Minister's going out for that, then okay, that would be a way to do it. Could the Minister indicate who are the lenders?

MR. CRAIK: There are two lenders, two trust companies, Permanent Trust was one and Canada Trust was the other. The agents, of course, were our two fiscal agents.

MR. CHAIRMAN: Then we'll return to the Minister's Compensation. Resolution 61, 1.(a) — the Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I have two specific items, both of which the Minister undertook to deal with. One is the question of tax refund discounter.

MR. CRAIK: Mr. Chairman, there was a court settlement on the matter. There was an outstanding question that the Member for St. Johns asked me,

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as to whether the discounter still had his licence, and I have to advise him that he does.

MR. CHERNIACK: Mr. Chairman, I'd like to ask the Minister whether he has discretion in granting the licence.

MR. CRAIK: Mr. Chairman, there is discretion under subsection 67(4) of the Income Tax Act that the Minister may cancel the registration of a discounter, if the decision of the court on the advice of the Crown was to impose a minimum fine because of the technical nature of the infraction, such as failing to be registered; as an example, as opposed to violation of the intent of the Act, to require payment of at least 85 percent of the refund, then it would appear to be logical not to impose a subsequent deregistration of the discounter's certificate.

Now, Mr. Chairman, in this case the primary conditions were met. He paid the 94 percent average of it, and there was not sufficient cause nor recommendation coming from the court system that he not be registered, so the registration has not been cancelled.

MR. CHERNIACK: Mr. Chairman, I assume the three charges were laid. I assume there were indications that there had been less than 85 percent paid, my question then is, did he remedy his breach? Is that what happened? Or was it discovered that the charge was incorrect, because now you are saying, Mr. Minister, that 94 percent of the amount of refund was paid, on an average, which implies that he did not pay less than 85 percent?

MR. CRAIK: That's correct, Mr. Chairman.

MR. CHERNIACK: Well what were the charges that were laid, that were not dealt with?

MR. CRAIK: The charge that was laid was the charge that he was operating without being registered.

MR. CHERNIACK: No, that's the one to which he pleaded guilty. What were the other three charges?

MR. CRAIK: The three counts made were of failing to pay 85 percent of the amount of the estimated refund at the time of acquisition, and the difficulty lay in proving the time of acquisition. Well, the three counts were all on the same principle, that of failing to pay 85 percent of the amount of the estimated refund at the time of acquisition, and the difficulty lay in proving the time of acquisition.

MR. CHERNIACK: Mr. Chairman, does that then mean that he paid up an adequate amount to bring him above the 85 percent in these three cases?

MR. CRAIK: He paid 92 percent, 96 percent and 93.8 percent.

MR. CHERNIACK: This was after the charge was laid. This was justifying his . . . having it withdrawn, is that . . .

MR. CRAIK: Mr. Chairman, the advice I receive is that it was before the charge was laid, that he had paid this amount.

MR. CHERNIACK: I see. The Minister read from the Income Tax Act that he has discretion, and I just want to put it on record, that he has exercised his discretion to continue this man as a discounter, properly licenced.

MR. CRAIK: Mr. Chairman, for the current year at least, he can't have his registration cancelled, as a result of the actions that were taken by the court and the fact that he had met the general requirements. There won't be a move made to cancel his registration.

MR. CHERNIACK: Mr. Chairman, could I have an assurance that the Minister will inspect carefully his application for registration for the next year.

MR. CRAIK: Yes, this one will expire and will have to be renewed by January of 1981 and we'll keep an eye on it.

MR. CHERNIACK: All right, Mr. Chairman, I accept that. Mr. Chairman, I would very much like to complete this item in the next five minutes but the other question I asked is a really complicated one, as I understand it — I don't know if the Minister has a one-minute answer — on that Section 39 of The Financial Administration Act.

MR. CRAIK: Mr. Chairman, I haven't reviewed it since it was raised last night. It will come up in the bill and there will be an opportunity there, if the member wants to review it at that time. I'm not in a position to make further comment than I was last night, I haven't had an opportunity to look at it.

MR. CHERNIACK: Mr. Chairman, if the Minister undertakes that we will have full opportunity to review it when the bill comes before us, with the assistance of staff — and when I say staff I don't necessarily mean the people in his department but I think I mean some representative from the department but also the Provincial Auditor and the Legislative Counsel — I hope he'll clarify it because to me there's an anomaly in this and to repeat it year after year I think it looks silly to keep saying, well, we're not going to be bound by a section which we brought into the legislation. So it's not a pressing thing. I'd like the Minister to undertake to study it, to become familiar with it and to give us ample opportunity to discuss it and maybe by studying it he will reach the conclusion I'm close to reaching and maybe we'll change the approach. By all means, I don't want to press it for an immediate response now but I want that opportunity.

MR. CRAIK: Mr. Chairman, I'm advised that the staff have met with the Legislative Counsel and with the Provincial Auditor and that amendments are going to be recommended for review at the time we look at the bill.

MR. CHERNIACK: Mr. Chairman, since there isn't a matter of principle or policy here except just legislative good sense — I don't like the Legislature

doing what looks so silly — I hope that I can be apprised of this early enough so I can try to understand what is being proposed so that the matter will go smoothly when it comes before the House. I have no right to ask for that but I express the hope that we can, so that we can just seem to make sense in what we're doing.

MR. CRAIK: If that's agreeable, Mr. Chairman, I'll get it to the member at the earliest opportunity.

MR. CHAIRMAN: 1.(a)—pass. Be it Resolved that there be granted to Her Majesty a sum not exceeding 906,500 for Finance—pass.

In accordance with Rule 19(2) the hour of 4:30 having arrived I am interrupting . . . I maybe need some guidance here.

MR. CHERNIACK: No, Mr. Chairman, we finished the item.

MR. CHAIRMAN: All right, committee rise, and we will be going into Energy and Mines this evening, I believe. Committee rise.

SUPPLY — EDUCATION

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members' attention to Page 41 of the Main Estimates, Department of Education, Resolution No. 53, Clause 4, Item (h) Manitoba School for the Deaf: (1) Salaries—pass — the Honourable Member for Rossmere.

MR. VIC SCHROEDER: Mr. Chairman, I note that this is another one of the items, the Manitoba School for the Deaf, which does not appear to be keeping up with inflation, and I'm just wondering whether the Minister could explain why that is.

MR. CHAIRMAN: The Honourable Minister.

HON. KEITH A. COSENS (Gimli): Mr. Chairman, if the honourable member can tell me what is keeping up with inflation these days, I'd like to know. We're seeing an increase here in the Salaries' area of some 10,000. We are not seeing an increase in our staff at the School for the Deaf at this time. Our enrolments are remaining reasonably static; we are not getting any large enrolment there at all. It has remained reasonably static over the last four or five years. We find that we can deliver the services quite adequately with the particular staffing we have at this time. The advisory committee of parents and interested citizens who sit on the board of this particular school advises that the service level is adequate. I would suggest to the honourable member that things seem quite in order as far as the School for the Deaf is concerned.

MR. SCHROEDER: Mr. Chairman, my calculation, based on constant 1971 dollar values on this particular area, are that in 1976 there were 691,000 spent; in 1977, a substantial increase to 776,000; in 1978, a slight slippage, down to 772,000; then by '79, there was a drop to 753,000; there was a slight increase in 1980 to 765,000; and now we're down to 740,000.00. So from 1978 to 1981, we're down by some 32,000 in constant 1971 dollars. It would

appear that trend downwards has started only since the change in administration. Has there, at the same time, been a change in the workload. Are there fewer students? Is there some other reason why there is a decrease in funding in this area?

MR. COSENS: Mr. Chairman, I'm concerned with level of service that's provided to the children in this particular school for the deaf. I'm assured that service has not lessened, in fact it may well have increased, Mr. Chairman, over the last two or three years. If the honourable member wishes to play with constant dollars and any type of dollars that he would like to bring up, that's fine. I'm concerned that we maintain service levels, and we're doing that, Mr. Chairman.

MR. SCHROEDER: Have there been any changes in services in the past year?

MR. COSENS: Mr. Chairman, our SMYs for 1979-80 and 1980-81 will be identical at 7,105.

MR. SCHROEDER: Again, is there an increase or a decrease in the numbers of students? Is there any waiting list for people to get into that school, and if so, what are the numbers?

MR. COSENS: Mr. Chairman, I can give the honourable member the enrolment over the last eight years. In 1972-73, it was 133 people; 1973-74, 127; 1974-75, 112; 1975-76, 118; 1976-77, 119; 1977-78, 121; 1978-79, 113; 1979-80, 115, and I don't believe that we anticipate any significant increase at this time. As far as a waiting list is concerned, I'm not aware that one exists, Mr. Chairman.

MR. CHAIRMAN: (1)—pass; (2)—pass; (h)—pass. (j) Child Development and Support Services: (1) Salaries—pass — the Honourable Member for St. Vital.

MR. D. JAMES WALDING: Mr. Chairman, the Minister gave us some figures the other evening under a different appropriation for the amounts that were to be expended on special needs' education. I've been reviewing those figures since then and I wonder if I could go over just briefly with the Minister to try to ascertain that I've got the right amounts in the totals that he gave us. I wonder if the Minister can confirm that this year under the Foundation Grants there is some 5.218 million, special needs' category; 1 million in Other Grants, special needs; and that 3.(e) is 2.289; 4.(h) is 1.474; and 4.(j), 2.071. I wonder if this is the sum total of the amounts for special education that are going from the Department of Education.

MR. COSENS: Mr. Chairman, I think I also pointed out to the honourable member when I was giving him that cumulative total the other day, that the branch budgets in the department are also included in those figures under 4.(h) that we have just passed, a sum of 1.474 million; and of course, the present section that we are considering at this time, Child Development Support Services, a budget of some 2.071 million for a total of 3.545 million in that particular section as well, Mr. Chairman.

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I also mentioned to the honourable member at that time that other government departments also provide services in the special needs area and particularly I referred to Community Services and Corrections. I believe I undertook at that time to get the honourable member the breakdown in that regard as far as Community Services and Corrections are concerned, Mr. Chairman, and I have that information available for the Member for St. Vital and I'll send it over to him at this time.

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

MR. WALDING: Thank you, Mr. Chairman. The Minister did confirm a couple of the figures that were listed there. Other figures that I have were other grants and a special needs of 1 million and 5.218 under Foundation Grants. Those totals, according to my arithmetic, comes to very slightly over 12 million. I'd like to ask the Minister if I'm using the correct figures and if that is the total for the Department of Education spending for special education.

MR. COSENS: I would have to check the figures, Mr. Chairman. The figures that I gave the honourable member also included — and I broke them down for his particular interest in this area — they also included the school division contributions as well. I believe the final total of both provincial government and local government contribution amounted to some 27.9 million that I quoted to the honourable member. If the school division contribution is subtracted from that, it may well be in the neighbourhood of 13 million or 14 million in the actual contribution of the provincial government.

MR. WALDING: Mr. Chairman, the Minister is quite right, that he did give me other figures the other evening including the amounts spent by the school divisions and also amounts spent by Health and Social Development or Corrections, whatever the department was. I've had a chance to review those figures since then and what I'm trying to get at with the Minister now is the actual contribution by the Department of Education to special needs children. I wonder if the Minister would care to just review these amounts again. Foundation Grants 5.2 million; under Other Grants, special needs, 1 million; under (3)(e) 2.289 million; under (4)(h) 1.47 million; and under (4)(j) 2.07 million. Do I have all of the categories now for expenditures by the Department of Education for special needs? That total comes to 12.05 million.

MR. COSENS: Yes, on the basis of these figures, Mr. Chairman — and these would cover the major areas of granting and support from the Department of Education — that figure would be very close to being correct.

MR. WALDING: Mr. Chairman, I thank the Minister for that reassurance. I'd then like to compare those figures with the figure given last year, again under the same categories for the '79-'80 year. Those figures that I have here are: Foundation Grants, 5 million; Other Grants, .5 million; under (3)(e) 2.011 million; under (4)(h) 1.46 million and under (4)(j) 1.96

million. The last three were taken directly from the estimates book, the others from figures the Minister gave last year, and that comes to a total of almost 11 million, 10.936 million. I wonder if the Minister can confirm that figure.

MR. COSENS: Mr. Chairman, I'd have to take a minute to confirm it. We are seeing an increase of a 500,000 this year in (3)(a) area, in the grant towards special needs alone. We are seeing increases in every other area, as well, whether it be in the grants towards resource teachers, TMH, EMH, OEC teachers or authorized clinicians and co-ordinators, an increase of close to 200,000 in that regard. We are seeing an increase also in the appropriation that we are now considering, of over 100,000-and-some, Mr. Chairman. So I would suggest, without sitting down and doing the actual computation, that the honourable member is perhaps reasonably close in his figures.

MR. WALDING: Thank you, Mr. Chairman. I have every reason to believe that the figures are correct. I merely repeated them for the Minister's benefit, to be absolutely sure I was using comparable figures and not attempting to compare apples with oranges. It would then appear, if these figures are correct, that last year the Department of Education had spent 11 million, in round figures, on special needs and that this year it is up to 12 million, very slightly over, for an increase of 1 million.

The Minister gave us a figure that the school divisions this year would be spending 13.876 million on special needs education. I was interested to seek a comparison with the previous year, '79 to '80 year, as to how much the school divisions spent in the same area. Again, going back to Hansard to review the debate, I find that the Minister had given a figure of 10.9 million that the school divisions were spending. So a year ago we had an almost exact match from school divisions on the one hand to the department on the other, in that both were intending to spend 10.9 million. This year the government is putting in an extra million dollars; the department is putting in an extra million dollars. Insofar as the school divisions are concerned, the increase there is almost 3 million, 2.9 million, in round figures 3 million. So it would seem that school divisions are viewing their responsibilities perhaps a little more responsibly than the Minister of Education.

The expenditure now by school divisions is running some 2 million ahead of the department, whereas only one year ago they were approximately even. I seem to recall that the principle of the Foundation Program, when it was set up, was that most of the increased costs of education would be borne by the provincial government in the proportion of approximately 4 to 1; that was the basis of it. We have heard from the Minister and his colleagues on several occasions that they are in favour of this proportion of 80 percent provincial input. It would seem to follow then, from that, that there is a responsibility on the government when there are increases in the costs of education, that the provincial government take the bulk of those, whether it should be exactly in the proportion of 4 to 1 or something else, but there would clearly seem to be an onus on the Minister, on this government, to

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bear those increased costs. Yet, we find exactly the opposite when it comes to special needs' education. The government is increasing its contribution this year by 1 million and school divisions by 3 million. In other words, the bulk of these extra costs are going on to the school divisions and from them on to their local taxpayers. I wonder if the Minister would care to comment on those figures, and whether he feels that the division of costs as of a year ago was correct, and whether the relative increase in those two costs between the divisions on the one hand and the department on the other are correct and equitable in this year.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, of course, we share in the funding with the school boards of the special education services. What the member is suggesting at this time, that the government's share should be greater in this regard, and I can assure him that under the educational financing review that is under way at this time, that we have discussed at some length during these estimates and that this is one of the areas that certainly is being given very special attention. We're attempting to rationalize many of the problems of funding that do exist in this area. We would be the first to admit that over the last number of years the approaches by government to the funding of special needs has been less than organized — might be one way of putting it, Mr. Chairman — in that there has never been an established form of funding that has remained in place, so that school boards quite often are not sure from one year to another what the government's decision will be or what grants will, in fact, be continued on and what grants will cease. However, Mr. Chairman, I can assure you that in the educational financing review that we now have under way, we are looking at ways and means of regularizing the grants of moneys that go towards the support of special needs' services in this province. It is one of the priorities in that particular review, and I would hope that next year when we approach these estimates that we will have renewed many of those inequities that exist.

Mr. Chairman, just while I'm on my feet and we are discussing this particular area, I would like to cover a number of the areas of service that are provided to special needs' children in our schools and those areas of responsibility that the department does look after, because we have discussed this bit by bit and piece by piece as we move through the estimates and I would like to, at this time, just cover a number of those areas that are the responsibility of the department and we have accepted as our responsibility.

One of them, Mr. Chairman, of course, is accessibility of schools. This has been a problem that certainly has been in place for some time as far as handicapped children have been concerned. Our policy, of course, is to provide adequate access to school buildings for physically handicapped students whenever this is possible. Of course, under new school construction the policy is to eliminate any access barriers, so that wheelchairs can be taken in and out of buildings without difficulty and students can have access to all parts of the school plant. We

have supported school division requests for modifications to existing school buildings in order to provide better access. We give this high priority construction approval and in capital funding.

In the past three years, there have been a significant number of modifications to buildings that we have made to provide access, both into the building and for ease of circulation within the building. In these cases, the department has approved indoor and outdoor ramps, elevator service and low level hydraulic lifts, depending of course on the recommendations for the most appropriate access route for a particular physical handicap. That is one area that I see as a priority, Mr. Chairman, and one that we have been attempting to come to grips with, and we will continue to see this as a priority. As I say, it is taken care of in new school construction, but there are a number of older schools that do require further modification and we will move on that as quickly as possible.

In the area of special equipment, Mr. Chairman, in the past three years the department has been providing some highly specialized equipment to handicapped students in the school system in order to allow them to remain with their peers. That equipment is ordered to fit the specific needs of the child and remains the property of the department in order to facilitate transfers of the equipment to other students whenever possible. Priority has been given to provide special machines to the visually impaired, the hearing impaired and the orthopaedically handicapped, and these are items such as auditory trainers for sound amplification, TV readers for visual magnification, as well as a wide variety of modified typewriters. During the past year in fact, Mr. Chairman, the Child Development and Support Services has provided some 270 items of special learning equipment at a cost of some 164,000.00. I can go into the different types of equipment that have been placed at the disposal of handicapped children in the schools: 30 brailers, 5 language consols, 100 phonic ear auditory trainers; 42 units of electric and modified typewriters and so on, Mr. Chairman, equipment that is placed at no cost with the particular handicapped child.

Another area of some concern, and certainly of some concern to my department, has been the area of teacher training, the people who will be working with handicapped children in our school system, who will be in contact with them the greatest amount of time, of course, our classroom teachers. I can mention that special education courses at this point are not mandatory in the teacher certification program for primary or elementary teachers, although encouragement is given to students to include some special education courses in their programs. I am encouraged by the fact that a large number of student teachers are now taking those courses. Any teacher wishing special education programs will find the following available at the University of Manitoba: they have a special education course available at the under-graduate, the pre-masters and master's level; a course in resource teaching is available as part of the four-year Bachelor of Education program or as part of the one-year certification program; a course for a diagnostic prescriptive resource teaching is available also at the pre-master's degree level; a course for

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part-time resource teachers is available as the 30-hour program needed to meet the minimum requirements of the Department of Education; and, of course, within the master's and education program, studies are available in educational psychology. At Brandon University, there are also programs available at the under-graduate and Bachelor of Education levels.

The particular section that we have under consideration at this time, Mr. Chairman, deals with professional development activities for school personnel as well. I feel this is one of the important initiatives undertaken by this branch. They, of course, see as their prime motivation the provision of ongoing clinical support services which stress the development of teacher competencies to deal with students who experience learning difficulties. But a special thrust was initiated by this particular section during the 1979-80 school year to provide professional development opportunities for most special education personnel, as well as a large number of school administrators in the province, and during the period December 1979 to March 31, 1980, 24 workshops were offered on a regional or province-wide basis to resource teachers, teacher aides, school administrators, OEC, TMH and EMH teachers and co-ordinators, of course, of special education services.

This year, in order to emphasize a preventative approach even further to children with special needs, the child development and support services will extend the initiatives in the area of professional development to encompass the regular classroom teacher in the early school years, and planning and delivery of that particular type of in-service program or workshop will be in conjunction with school divisions.

This particular branch also, this year, for the first time, will be piloting a project, will be developing a project with several divisions in the area of early identification and intervention. The emphasis here, Mr. Chairman, will be to enhance the awareness and skills of school personnel in dealing with children who experience learning difficulties in their early years. It is our intention, our hope that this preventative approach can be expected to increase the ability of school divisions to program effectively for students as they begin to attend school.

We have already touched on the teacher grant aspect of these particular services and it has been mentioned that some 5.1 million will be paid out in teacher grants under the Foundation Program to school divisions, for a total of some 583 teachers, clinicians and co-ordinators.

In the area of special grants for low incidence, high cost handicaps, Mr. Chairman, in 1978-79, 40 school divisions and districts received special grants for students with high cost, low incidence handicaps. In 1979-80, this number has risen to about 56 school divisions and districts. During the current 1979-80 year approximately 335 students in public schools are receiving some direct support from the special grant. In a few cases, children have been able to attend their local school rather than having to stay home or attend schools at greater distances and, in all cases, the educational program has become more appropriate with the addition of resources which allow the school to deal more effectively with the

handicaps of some children. Most school divisions have used the funds to hire para-professionals, to assist the teacher in providing a more suitable program.

As well as these grants, Mr. Chairman, we also have special project grants that are provided to Brandon School Division and Portage la Prairie School Division in recognition of the fact that they provide an educational program for foster children who are ex-residents of the Manitoba School for Retardates.

I have mentioned, of course, that Health and Community Services and Corrections also provide some educational services to children with special needs. I won't go into that in any particular detail, Mr. Chairman. I'm sure it has been alluded to by the Minister of Community Services when he was going through his estimates.

Another area that is of concern in the special needs category, Mr. Chairman, in transportation for 1980, transportation grants have been increased from 255 to some 290 per transported pupil. Perhaps as important as the increase, Mr. Chairman, is that the eligibility criteria has been waived for handicapped pupils, allowing divisions to provide transportation for them, whatever their particular residence location.

Another aspect of the child development support services that I consider very important, Mr. Chairman, are the institutional services and these are services that are provided by the government to children and young adolescents who are institutionalized for short or long periods of time and, since 1974, the educational services have been administered by school divisions and funded fully by the Department of Education. Examples of these particular programs, first of all those existing under Winnipeg School Division No. 1 at the Health Science Centre, on the medical wards, we have bed to bed and classroom teaching for any child in hospital beyond one week; two teachers are employed in that particular program and again funded fully by the Department of Education and provided by Winnipeg School Division No. 1.

We also have a clinical assessment program, operating again under Winnipeg School Division No. 1, where educational evaluation and prescriptive programming for children who have been referred to the children's psychiatric unit for assessment is provided. These children are usually in hospital for three to six weeks and this service was increased from two to three teachers in September 1979 at the request of the Director. This enables the service to include outpatients and to give teachers time to provide a bridging process and resource service to schools and institutions receiving the pupils on hospital release.

We have a children's day treatment service, where educational services are provided for severely emotionally disturbed children, aged 5 to 10, who are receiving psychiatric services through the day treatment program. The minimal length of service is one year and the maximum clientele that can be served is 12 children. In fact particular program, we have two teachers who are employed and fully funded by the Department of Education.

Under the Adult Rehabilitation Centre, Respiratory Centre and General Centre, we find one teacher who

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works with young adults 16 to 21 who are hospitalized for over one week and particularly with long-term patients. The services range from regular upgrading, ESL, to vocational courses, Mr. Chairman. As I've mentioned, one teacher who is funded for this particular program.

In the Youth Psychiatric Centre, this particular facility houses 13 teenagers under active treatment in a milieu setting. The academic program, which is considered an integral part of the treatment process, follows the regular school term. An outpatient unit is being developed to function as an assessment . . . to the centre, with possible implications for the educational component staffing. We provide the funding for the staffing of two people in the educational component in that particular program.

Also, Mr. Chairman, we have the Children's Rehabilitation Centre which was formally the Shriner's Hospital. Here two teachers are employed, one working with children aged 6 to 12 who are under orthopaedic review and assessment, and the other involved with the development of a program for the severely physically and mentally handicapped children who do not fit in to existing programs at St. Amant, Montcalm or the Portage Home.

There are also three programs in addition, Mr. Chairman, outside of the hospital setting, the Villa Rosa, a home for unwed mothers, which provides schooling for a population which varies in number from 15 to 28 and in abilities from EMH to Grade 12. Last year over 200 students attended the program with an average stay of from 3 to 6 months. As in all settings, the clientele come from all parts of the province and funding is for one teacher in that particular setting.

Another facility is Nuras, a group home for eight emotionally disturbed boys and girls aged 11 to 16 located at St. Pierre. We fund the teaching position in this particular facility and arrangements have been made for the classes to be conducted in a school in St. Pierre.

The Neechewan facility is a residential treatment centre that's located on the Fort Alexander Reserve. Once again, we fund one teacher in this particular situation, a school program that is provided for those boys aged 10 to 16 who are unable to function in a regular classroom. The numbers vary from five to ten, depending upon admission date and their readiness to enter the regular school on the reserve. The goal here is to return these young people to their home school or to a special setting.

Winnipeg School Division, Mr. Chairman, has also been authorized to hire additional teacher time, to the equivalent of one annual salary, to be used commencing September 1, 1980, in a flex fashion as overload demands occur and hope that this extra person will enable them to meet any particular situation where that overload does happen, in any one of those particular programs.

The St. Boniface School Division is funded to the extent of one teacher for the educational component in the St. Boniface Hospital in the medical wards.

The St. James School Division No. 2 is funded to the extent of one teacher and one aide for the Lindenview Home, an education program for unwed mothers and severely disturbed girls.

St. Vital School Division No. 6 is funded to the extent of 13 teachers and nine aides for the St.

Amant Centre. This is an education program provided to resident trainable mentally retarded and a few educable mentally retarded children, 115 in total in 1979-80. The stated purpose here: Preparation for regular school-based TMH and EMH classroom placement wherever possible.

The Brandon School Division is funded to the extent of one teacher and two aides. This represents partial support for the program at the George Fitton School, program for the profoundly mentally retarded and physically handicapped students, some of whom come from surrounding school divisions.

These are a number of the services that are provided, Mr. Chairman. The branch itself, of course, has a particular and specific function beyond those that I have just mentioned. We actually employ in this particular branch, I believe it is 61 personnel, who are field based in rural and northern Manitoba and who deliver psycho-educational core support services to school division personnel, students and parents. We have a professional staff, a speech pathologist and school psychologists who provide psycho-educational assessments and programs for children with a variety of handicapping conditions, learning problems and disabilities and, of course, also consultation and professional development with rural and northern educators and parents is part of that ongoing program. The same type of services, Mr. Chairman, are provided in the Winnipeg area by the Child Guidance Clinic of greater Winnipeg and the St. James-Assiniboia Educational Support Service Program, and of course in these cases we fund the administrative staff.

I can also report under this particular heading, Mr. Chairman, that the Vision Screening Program has been developed and placed in the province for some five years. This is continuing. The purpose is to identify children with visual impairments, Grades K to 7, and from 1975 to 1978 the emphasis was on vision screening in the rural areas; during 1979-80 the program was extended to the urban areas of this province.

We do, of course, work in close liaison with the Department of Health in the delivery of that service. As well as the vision screening, we also have the Hearing Conservation Program or Hearing Screening Program and I can report, Mr. Chairman, and I am pleased to be able to report that the Department of Education has accepted the responsibility of providing itinerate teachers for the hearing impaired in the rural and northern regions and we now have established a total of seven positions for this purpose, two of those are newly established for the 1980-81 fiscal year. These teachers, of course provide direct tutoring to students, consultation to classroom and special education teachers in regard to program modifications for hearing impaired students who are remaining in their local school.

There is one other area that I would like to mention also, Mr. Chairman, just as I am giving an overview of the services provided by this particular branch, the Department of Education also provides special assistance for students who are blind, braille learners, and deaf-blind, and during the 1979-80 school year, four blind children and two deaf-blind children are attending school at the Ross MacDonald School for the Blind in Brantford, Ontario, and full costs are paid by the Department of Education.

Within the province, it provides substantial financial and consultative support to school divisions which are providing programs for blind and visually impaired students within their schools. Sixteen blind braille learning students and a number of visually impaired students are provided with a combination of direct tutorial and consultative services from seven itinerant teachers of the blind. Five of these are Civil Service positions and two are school division positions which are funded by the Department of Education. In addition to that, Mr. Chairman, ten school divisions are provided with full financial assistance for providing teacher aides for blind children where this is necessary.

I thought that type of overview would be of some interest to honourable members, Mr. Chairman, and it, I think, does put together in one complete package, the number and diversity of services that are supported, funded, and provided by this particular department of child development and support services.

MR. DEPUTY CHAIRMAN: The Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, we did appreciate the Minister's overview of the department. It spells out in some detail the services that are provided. Whether it's a complete service, as the Minister mentions, is perhaps a matter of opinion. Certainly it demonstrates a willingness on the part of the government to recognize its responsibility, at least in the area of low incidence high-cost needs. Whether that is adequate for other special needs' children, as I mention, is a matter of opinion and it would seem from what information we have received that there is still more to be done.

The Minister mentioned two particular points that I wanted to follow up on and ask him questions on. One had to do with teacher education, and the fact that the Minister tells us that special education courses are not mandatory for training teachers, that it's a matter of choice whether they should take them or not. I want to put it to the Minister in the form of a question, whether or not these courses or a course should not be a necessary part of a teacher's training. I don't know whether the Minister would consider that as being an interference with the autonomy of a university to insist on that, although I feel almost sure that the Minister has that authority to require that a teacher training institution includes such a course on a mandatory basis. Even if the Minister did not want to order that to happen, I am sure that if the Minister's wish were made known to the institution, that it would probably occur that such a course would become mandatory. So I would like to get the Minister's reaction to that, whether he thinks it should be and whether he is prepared to indicate his will in this regard.

The other question — the topic that the Minister mentioned in his remarks, was the matter of early identification. This is another matter that has been pointed out to us as being of vital importance. It's been pointed out to us that the earlier in a child's life that this identification of any need for special education is made, the better the chances of remedying it and the better prognosis there is of beginning remedial action early. But that raises the

question of where the responsibility lies for this early identification. I am not sure where that responsibility lies. Does it lie with the Minister or with the department, or with the school boards or with the teacher? And I ask it so that a parent will be able to know who to approach if he finds that his son or daughter in Grades 3, 4, 5, is suddenly discovered to have a learning disability, hearing, or speech impairment, or whatever the need is. Who does that parent then go to see and say, why didn't you catch my son or my daughter in Kindergarten or Grade 1, Grade 2? Does the Minister agree that this early identification should be done at that early an age, and if so, where does he see it taking place; in Kindergarten or Grade 1, who should do the screening and who is responsible for it?

MR. COSENS: Mr. Chairman, as I mentioned in my earlier remarks, we are going to be piloting a number of early identification and remediation programs this year. There are some that exist now in school divisions. We would like to see them exist in a great number of divisions. The reason that we are piloting these programs is to develop a working model that can be utilized by divisions across the province. We are talking here about very early childhood education and the identification as early as possible. In that case, Mr. Chairman, we would be talking about Kindergarten and Grade 1 level. If the student has progressed to Grade 3 or 4 without being identified to that point, then I would suggest that it is quite possible that we may have lost several years where some of the problems could have been addressed and the student assisted.

The other question that the honourable member asked is, where would the parent get help? We now have in place across the province, specialists, clinicians with special training who are members of this particular component in this branch, established regionally throughout the rural and northern part of this province. We have in place, of course, within the city of Winnipeg, the Child Guidance Clinic and the Educational Resource Centre in St. James, and where a parent wishes their child to receive that type of specialized attention, if it's brought to the attention of the school authorities, that is available at this time. We are not talking about waiting until it has been brought to someone's attention. With an early identification program, we are talking about something similar to an early screening program that will find these children, or hopefully identify them very early in their school career and then be able to provide some type of remediation that will help deal with their problems.

MR. WALDING: Mr. Chairman, that was a somewhat lengthy reply. The Minister didn't answer either of the questions that I had posed to him. I did not ask him who a parent takes a child to for remedial action. The question was posed, who does the parent go to and say, you were responsible for screening my child and spotting these things. I'm suggesting to him that a parent now does not know who is responsible for that screening. The question that I asked the Minister was, who is responsible for it? The other question that I raised with the Minister was the need for mandatory courses and teacher education. Those were the two questions.

MR. COSENS: On the matter of the teacher training programs, Mr. Chairman, I have outlined to the honourable member the programs that are presently offered, and there are quite a number at the teacher training institutions. They are not mandatory, as I mentioned earlier at this point, and though they are not mandatory, I'm rather encouraged on conversation with the teacher training institutions, to find out that a large number, or the greatest majority of teacher training students, particularly at the elementary level, are availing themselves of the opportunity to take these courses. And of course, any student teacher who is training in special education, or as a resource teacher or OEC teacher, is required to take these courses. I would have to sympathize with the Member for St. Vital, that I think it would probably be valuable for all teachers, regardless of what level in the system, even probably people at the high school level, to have had some knowledge in this particular area. It would also be useful for administrators, I might suggest. However, again I am encouraged by the fact that professional educators are availing themselves of these courses and are taking them, sometimes at summer school, sometimes at evening school. As a result, at this point, I wouldn't see the necessity of making these things mandatory as long as the utilization is at the level it is today.

I believe the member asked another question in regard to the early identification. I'm not sure if he's concerned with the process. He keeps saying, well, who does the parent go to? If, in those areas where early identification is being carried on, it's being conducted by the special education personnel and classroom teachers working together as a team, with the heaviest reliance of course being placed on the special ed. personnel in the school division.

MR. WALDING: Thank you, Mr. Chairman. I'm not sure that the Minister has fully answered the question. On the matter of the teacher ed. in special education, like him I'm gratified to know that so many students would opt to take those optional courses. The Minister has suggested that he does not feel a need to make them mandatory. I'd like to recommend to him that he give that matter a little bit more thought and perhaps review the situation; and perhaps, as he said, these courses would be valuable to high school teachers and administrators, not only to those students who are intending to go into special needs' education. I'll leave that with the Minister as a recommendation for review and go on to this other matter.

The instance that I quoted of a parent not knowing to whom to go to, was merely in the form of an illustration of the point that I was attempting to ask the Minister about. I want to know who has that responsibility for screening, whether there is a responsibility for it to be done at a particular grade, or what grades, if it's in a plural. The Minister did mention teachers in the classroom and people at the school board. Can the Minister be a little more specific? Is it a divided responsibility, or does the school board have the responsibility, or is it assumed that the classroom teacher has that responsibility?

MR. COSENS: It would certainly be a school division responsibility, in fact that is the way that it

operates now in certain school divisions, and that is the way that I would see it operating in the future. What we are most interested in, is providing school divisions, those particularly in the rural areas who have not been able to develop that particular type of expertise to this point, of providing those school divisions with models that they can follow in producing and developing early identification and remediation programs. But the responsibility, Mr. Chairman, if that is the member's main concern here, certainly would rest with the school division.

MR. WALDING: Thank you, Mr. Chairman. I appreciate the directness of the answer from the Minister. I'm very pleased that the Department of Education is providing that support for the divisions and for the teachers in the classroom. But when he gives that answer, it does raise a question with me as to whether, since it is a school board responsibility, that there will be an equal level and frequency of screening throughout the province in the different school divisions. I think the Minister is well aware that there are grave differences in a number of areas, school division to school division. Is it the intent of the Minister, or perhaps it exists already, for there to be a certain standard required for screening, or screening for a certain number of subjects in every school division? Is it laid down or is it intended to be laid down by the Minister, that this screening should take place in kindergarten and Grade 1 and Grade 2 or Grade 1, 3 and 5, or some other combination?

MR. COSENS: It is the intention, Mr. Chairman, that we will develop a model that can be used in school divisions at the very early age, to try to identify particular problems that students have in the learning field, and then using the specialized personnel that are available — and are available now — to subscribe certain remediation, certain ways and means of dealing with the problems that are identified.

The main purpose, of course, is to identify these problems at an early age rather than letting the problem exist without anyone knowing how to deal with it and then attempting to come to grips with the problem at a later age when it has become rather firmly implanted and may have had all sorts of rather negative effects on the child's experience to that date.

MR. WALDING: Mr. Chairman, the Minister used an expression there, I believe it was pilot program or demonstration model, or something like that, which is intended to be developed for the use by these school divisions. I want to ask the Minister, when this program or project is completed, will the Minister insist that all school divisions follow that program and that that is to be a sort of a minimum service to all of the children, or will this program be voluntary as far as the school divisions are concerned, that they can accept it or reject it?

MR. COSENS: Mr. Chairman, I hadn't crossed that bridge as yet. My experience in the last three years has been that, where worthwhile programs are developed and where some assistance is available to school divisions, that there is no need to come down

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with an official decree that they must implement these particular programs immediately. They are more than anxious to follow any programs that are obviously worthwhile and will help children within their system.

MR. WALDING: Mr. Chairman, I thank the Minister for that. I realize it's probably a policy decision that's still some way down the road.

I'd like to move to a slightly different area, still under this heading. The Minister gave us the other day some figures that the school divisions were spending in the area of special education and he said that there was an amount of 9.9 million to be spent in this coming year for resource teachers, by the divisions, and 3.9 million for clinicians. I wonder if he could tell the committee the numbers of resource teachers and clinicians in each of those categories, please.

MR. COSENS: I can get the honourable member that information, Mr. Chairman. If he'd like to pursue some other areas that are of interest to him, I'll come back with that answer in a minute or two.

MR. WALDING: That's fine, Mr. Chairman, I don't expect the Minister to have that information just at his fingertips. I wonder if the Minister could give me a breakdown of the 67 positions for last year or the 69 positions for the coming year. Can he tell us, first of all, whether those 69 positions actually represent 69 people presently employed in this branch?

MR. COSENS: I understand, Mr. Chairman, that there are a couple of vacancies at this time. In fact, that is one of the ongoing characteristics of this particular area, that we are continually trying to enlist and to hire people in this area. They work in it for a number of years and then move on to some other area. We do have problems keeping these positions filled, particularly so in the northern areas, and we often have the problem of trying to fill vacancies there. I'm informed that all but two of those positions are filled at this time.

MR. WALDING: For clarification, Mr. Chairman, is the Minister indicating two positions vacant out of 69, or two vacant out of 67?

MR. COSENS: I'll have that information, Mr. Chairman, for the honourable member. It takes a minute to check out how many are in place at this particular date, of the 69.

MR. WALDING: Thank you, Mr. Chairman. I wanted also to get an indication of what positions there are in this branch, if the Minister could provide us with a breakdown of how many psychologists and audiologists, resource teachers, therapists and whatever categories there are and for the 67, 69.

MR. COSENS: Mr. Chairman, I can provide the honourable member with this information that I do have available at this time. Under the Administration in this branch we have two people in the professional category; three in the administrative clerical category, for a total of five. In inter-regional consultants we have six professional people and two in the clerical field, for a total of eight. Under

Services for the Blind and Deaf, some 13 professional people and one clerical person, for a total of 14. And under Regional Services — these are the services of psychologists, speech therapists that are provided across the province — we have 40 professional people, two clerical people, for a total of 42, which does give us a total of 69. However, I am informed that there are not two vacancies at this time, Mr. Chairman, there are nine vacancies spread among the various areas of that department, not two but nine.

MR. WALDING: Mr. Chairman, I was trying to write down as the Minister was listing them off and certainly I missed some. Did he give us a breakdown of the category of professional staff there, as an indication of what audiologists, psychologists, etc., that I asked for originally?

Mr. Chairman, while the Minister is just checking on that I would, as another question, like to know if he can tell me the actual numbers of people presently employed in each of these categories in each of the regions. When the Minister says that there are nine vacancies, that makes me wonder where the vacancies are and, hence, the level of service that is being provided in some of the regions. The Minister mentions, in particular, the north. Perhaps he can indicate to us which categories of professionals are employed there.

I notice in the annual report, it lists a number of regions, Northern Region, Parklands, South Central, etc. Are these, in fact, the regions that are used by this branch?

MR. COSENS: Mr. Chairman, I wonder if the honourable member would repeat his last question. In attempting to get some figures together here for the honourable member, I just missed his last remark. I believe he's concerned about those regions which may have more vacancies than others. Without even checking, Mr. Chairman, as to the actual figures, I would suggest that we would find the majority of vacancies would be in the northern region, or at least some of them would occur in that area.

MR. WALDING: Mr. Chairman, I had asked the Minister if he could break down the numbers of psychologists, audiologists, therapists, etc., by region. The last point that I'd made was that the annual report refers to a number of regions and the question was, are these regions for the whole department, for every branch, or are these regions coming under CDSS?

MR. COSENS: These certainly are CDSS regions, Mr. Chairman, CDSS regions specifically.

MR. DEPUTY CHAIRMAN: (j)(1)—pass — the Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, did the Minister indicate that he was looking for the information as to the breakdown by region and by category? And if so, I'm willing to wait for it if it's not immediately available.

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MR. COSENS: I can bring that in this evening, Mr. Chairman. I just don't have that complete breakdown by region with me at this time and I'd be quite willing to bring it in later.

MR. DEPUTY CHAIRMAN: (j)(1)—pass — the Member for St. Vital.

MR. WAIDING: Just one other question, Mr. Chairman, and that's to ask the Minister whether this breakdown that he will provide will show the number of people in this branch who are working outside of the department and in the schools in the region, as opposed to simply clerical or administrative people.

MR. COSENS: We'll give you their clinical specialty.

MR. WALDING: No, Mr. Chairman. What I was getting at is, is there, for example, an audiologist who would be listed by a professional category, who might not be giving audiological services in the schools in that particular region but who might be an administrator in an office here or in a region. I'm trying to get an indication of what services are available to children in schools through CDSS, as opposed to those who might be doing backup services and preparing pilot programs and other things of that nature.

MR. COSENS: Mr. Chairman, just of interest to the honourable member, I have the particular staffing for the northern region and I'd have to double-check to make sure that none of these are vacant at the time, as one or two of them may well be. But in the northern region in Thompson, we have a regional coordinator who started in August of 1975; and four psychologists, one in The Pas, one in Flin Flon, two in Thompson; three speech pathologists, one in The Pas, one in Flin Flon, one in Thompson; and one administrative secretary in Thompson; one consultant for the hearing impaired in Thompson; and a second consultant for the hearing impaired, which is a new position as of this particular coming fiscal year — the one we are now in, the '80-'81 year — that will be located in The Pas.

Now, as I said to the honourable member, I would have to double-check to make sure that none of these positions are vacant at this time, other than the second consultant for the hearing impaired, that I announced. I believe that's the type of information that he's interested in.

MR. DEPUTY CHAIRMAN: The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. The Manitoba Association for Children with Learning Disabilities has indicated that in its estimation there are some 35,000 children with some form or other of handicap, in terms of the various learning disabilities. I'm wondering whether the Minister care to hazard a guess as to whether that is an accurate number.

MR. COSENS: Mr. Chairman, when we get into answering that type of question, it depends on how one defines disability. Some experts say that about 10 percent of the total student enrolment probably

has some learning disability. By some, of course, it can be a very minor, very trivial. It may have been a learning disability that the honourable member or myself might have had as we went through our school career, and it was rectified by a teacher or some other individual who recognized it and was able to help us deal with it. But 10 percent of our present school population would be about 20,000 students. Again, we're talking about disabilities ranging from the very minor to the very major.

MR. SCHROEDER: Is the Minister familiar with the, I believe it's the Kinsmen Centre for children with learning disabilities and, if so, could he advise as to the function of that program?

MR. COSENS: I believe the honourable member refers to the Lion's MACED centre, children with learning disabilities. Yes, I have some familiarity with that particular centre. It's a diagnostic centre that receives children and works with them over a short period of time, applies a remedial program and then after, say, three weeks or so of the remedial program, returns the child to their particular school with the specific remedial program that they have been following at the centre.

MR. SCHROEDER: Yes, that was the program I was referring to, a diagnostic and remedial program. Is the department funding that program in any way?

MR. COSENS: Not that particular program, Mr. Chairman.

MR. SCHROEDER: Can the Minister confirm that children who are sent there are paying somewhere in the vicinity of 750 for a two-week stay?

MR. COSENS: No, I can't confirm that, Mr. Chairman.

MR. SCHROEDER: Well, is the Minister aware that the parents of these children are required to pay for this assistance?

MR. COSENS: I wasn't aware of any fee schedule that was charged in that particular facility. Again, Mr. Chairman, it's not operated by my department so I don't have any close familiarity with the administration.

MR. SCHROEDER: Mr. Chairman, I would hope that the Minister would make himself familiar with it. I've been told by a parent who sent a child to that centre, that it was of tremendous help, that in a matter of several weeks, a child had picked up something like close to one year of school, a child with a learning disability; that it was of tremendous benefit. Here we have a situation where that type of program for children who most need the help is not funded by the public, and yet in the year 1978, this government began to fund, for the first time in history, the students at St. John's-Ravenscourt.

Now, Mr. Chairman, we often hear about people talking about the equality of opportunity for education, and it's all very well to talk about equality of opportunity, the equality of opportunity in the sense that everyone has the right to attend at a school may well be there, but the right to an

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education appropriate to a special child's needs is not, I suggest, being met at this time. I would hope that the Minister would do something to bring us into line to assist those many children who have disabilities.

I would ask him specifically what has been done by his department, by this particular agency, to assist, to determine what the problem is with the some 3,000 truants in Winnipeg No. 1? Is it a matter of the truants, do they have problems with the system? Is it that they cannot adapt to the system? Is it that the system cannot adapt to them? Is it because they just happened to be misbehaving kids who should be able to be in school? Is it because their parents don't care? What is it? It would seem to me that is a problem serious enough in itself for the department to be very concerned and to be doing what it can to prevent it. It is something that not only in human terms, but also in economic terms, will cost us in the future. When we have kids coming out of the system, basically uneducated, they are going to have far more problems than the rest of the children when they get into their upper teens, when they're heading for their first job interview, and they are going to have problems getting into the labour force. I would urge the Minister, if nothing is being done about that area, to start doing something now.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Rossmere.

MR. SCHROEDER: I would have hoped that the Minister would have responded. He mentioned in his overview of the department, the fact that there is one extra teacher in Winnipeg now being funded by his department. It wasn't that long ago that he was presented with a brief by the trustees of Winnipeg No. 1, and at that time the trustees indicated that they were losing pupils where they could manage a high pupil-teacher ratio without an inordinate degree of staff support, but are substituting a large portion of that loss with a group where pupil-teacher ratios must be very low and the support staff must be commensurate.

They point out that, for instance, in 1968, there were 48,000 students in the system; they are now down to 33,000. But then, on the basis of that larger population, there were approximately 1,000 native Canadian pupils, now it's up to more than 5,000. Then they had less than 100 English-as-a-second-language pupils, and today they have more than 2,700 immigrant children with less than two years' residency in Canada. Then segregated special education students were some 1,300, now there are 3,200. It would seem to me that these increases must be reflected in additional spending by the government. I suppose that the basic question is, is it the position of this government, that based on its projected spending for the year 1980-81, that it is providing education appropriate for the needs of each child in this province?

MR. COSENS: I'd be very interested, Mr. Chairman, in the honourable member's definition of what is appropriate education. First of all, I suppose it would be quite easy to define that in a number of ways and then say that no government anywhere is providing what is adequate for appropriate. But I

would suggest to him that a half-million increase in that Winnipeg Centre grant this year will be of considerable assistance in the delivery of their programs.

The member earlier talked about the problem of truancy. He said, is it a matter of this, is it a matter of that, is it a matter of something else? And he mentioned I believe, about five different factors that could and do affect truancy. Yes, it's all of those things, and the Winnipeg School Board, as are other school boards, is attempting to cope with that particular problem. It is not simply a school problem, Mr. Chairman, but much more than that, it is a community problem.

MR. SCHROEDER: Mr. Chairman, it would seem that the basic definition of an appropriate education would be one which would be suitable to the needs of a particular child. If a child has some learning disabilities, some difficulty in learning to read, then an education which does less than teach that child how to read is not appropriate for that particular child. That very type of education may well suit everybody else in the classroom, but if there is one individual there for whom that type of training does not trigger the ability to read, then you don't have appropriate education. Until we are in that position, I would suggest we don't have equality of opportunity in education. Now, I had mentioned to the Minister that there is money available. There is obviously money available. When you have money for St. John's-Ravenscourt for the first time in history, then surely you have money for kids who have difficulty in learning how to read, or in any other area of learning in the school system.

I noticed in the annual report of the department, that the Minister has divided up the province into a number of regions, the northern region, Parklands, south central, interlake, and southeast. I'm just wondering where Agassiz School Division fits in.

MR. COSENS: There are two models that are used in the delivery of the services, Mr. Chairman. The one model directs services that are provided by the department where the people providing the services are employed by the Department of Education and are funded by the Department of Education. The other model provides services to a number of school divisions where they themselves employ the commissions and the specialists and in turn are funded by the department. So we have two types of delivery model operating in the province. If the member was concerned that certain areas had been ignored, I can reassure him that the whole province is covered by this service.

MR. SCHROEDER: Does the education system in any way become involved with juveniles who are detained, say, at our detention centre in Winnipeg?

MR. COSENS: The education component there, Mr. Chairman, is under the jurisdiction of Community Services and Corrections.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Rossmere.

MR. SCHROEDER: Is this the area in which we would be dealing with English as a second language?

MR. COSENS: No, Mr. Chairman, that particular area would come under Curriculum and Program Development.

MR. SCHROEDER: In the matter of transportation, the Minister indicated earlier that there had been changes instituted now which would allow for transportation, regardless of where a pupil lives in relation to a school. I appreciate that; I think that's an excellent, progressive move. I'm just wondering whether that also applies as of now, or at least as of this fall, to the transportation of children with learning disabilities from one school division to another.

MR. COSENS: Yes, Mr. Chairman, that can apply in that case. I should also mention that the department has supplied special lifts for school vehicles to a number of school divisions across the province who are transporting handicapped children to their schools. I believe it is some 17 vehicles that are so equipped now across the province, at no expense to the school division.

MR. SCHROEDER: I just have one final comment on this area. I would hope that the Minister would consider the Lion's Centre for children with learning disabilities as an area where the province should be providing funding, so that parents and school divisions are not required to pay that extra amount. I believe that it is money that could be well worth spending. People who have had experience with it tell me that it is an excellent source of remedial training for children. Again, I would remind the Minister that those children who do not experience any success in the school system, are children who, when they become adults, are going to have an extremely difficult time experiencing any kind of success in adult life. They are probably the ones who are going to be involved with the justice system, with the social welfare system, and all those other areas which we would hope that everyone would be able to avoid for their own human dignity and in terms of societal objectives, to save us that added burden.

MR. CHAIRMAN: (1)—pass; (2)—pass; (j)—pass. (k) Instructional Media Services: (1) Salaries—pass — the Honourable Member for Rossmere.

MR. SCHROEDER: Could the Minister advise as to what the function of this branch is?

MR. COSENS: The main function of this branch, Mr. Chairman, is to provide media support services to the educational systems across the province in accordance with general policies and goals and priorities of the department. It deals with certain specific areas, that I might point out to the honourable member, the Education Department library and library services, school film services, special material services — and there I'm talking about the type of materials that are provided to special needs children in the form of large print books, that type of material — and also production and school broadcasts.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Chairman, I wanted to make a few remarks about the apparent cutback in school broadcasts. This is a department that I have some personal familiarity with because I guess before I entered this Chamber in '66 I wrote a few programs for them. In fact, I once wrote a program on the Chamber itself and one on the political cartoon, and once interviewed Mr. Real Caouette, which is a very interesting experience in terms of radio. So one would assume that in an age of television and at a time when television is used as an aid to teaching and is used, if not extensively, at least to a certain extent in universities, that this would be a time to expand the department of school broadcasts, and yet in spite of that, Mr. Chairman, it appears that the government is allowing this department to cut back, or is either not providing sufficient funding to the department or has in fact ordered a cutback, possibly because of certain technical problems or possibly because of an inability to come to an agreement with the CBC.

So I would like to get some clarification in that regard, from the Minister; namely if he could explain how it is that a department or a branch of the Department of Education, which has a 40-year old history and one that I think some Ministers as well as civil servants took some pride in, is being allowed to wither and die in one department. I simply remind the Minister, I'm sure he must have in his career met Gertrude McCance, who was the dynamic director of school broadcasts for a number of years and is now retired, and I wonder if he could explain to the committee how it is that he's allowing cutbacks at a time when the average person and the average observer of the department would assume that there should be an expansion in this area.

MR. COSENS: Mr. Chairman, I'm very pleased that the honourable member has approached this topic. First of all, let me reassure him there is no cutback whatsoever as far as production of T.V. programs, radio programs and films are concerned, within the department. The only difference that we now have is that we will be producing these with our own departmental staff and facilities rather than using the facilities of CBC. We will not be airing as many programs or having as many programs viewed over CBC, mainly for the reason, Mr. Chairman, that we had observed and CBC also had observed that there was a very limited use being made of these programs by the possible users out in the field. On surveys that we have conducted through the schools of the province, the type of feedback that we have been receiving points out that the idea of having a program broadcast at a certain hour of the day no longer fits into the school systems of today.

The Honourable Member for Elmwood is starting to show his age a little bit and suffering a bit from nostalgia, I would suggest, when he really looks at the timeframe of some years ago. The type of demand that we are finding from the school system today is for videotape programs that can be shown with some flexibility and shown at a time that is convenient to the school and the timetabling that exists there and the programs that exist in the

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particular school. The idea that at 3 o'clock, regardless of whether it may be recess time or it may be a time that's scheduled for some other program in the school, that everyone must sit down to watch a certain T.V. program is no longer the way that schools operate. History teachers want to utilize a certain type of history program at the point that they are teaching that particular segment of history to their class, not at the time that CBC or the department decides that they should see a movie or a film that deals with LaVerendrye. Again, it's a matter of flexibility; it's a matter of utilization that has resulted in our decision and in CBC's decision. It certainly represents no cutback, Mr. Chairman, let me dispell that particular thought from the member's mind.

In '79-'80 the department produced and broadcast some 185 radio programs, some 190 T.V. programs. It produced five and a half films, one of them by the way, Mr. Chairman, that has won an international award; some 38 studio radio productions and some 16 studio T.V. productions. They anticipate no cutback in the number of productions in the coming year. A similar number of on-air programs will be organized. However, the new productions will reflect the new production role of the department. I have some problem understanding the honourable member's reflection to cutback. Certainly there's no cutback in the amount of moneys that are being utilized by this particular unit, and in fact I would suggest that the utilization of the programs and of the tapes that will be produced, particularly the video and audio tapes, will result in greater facility and greater usage by the schools of this province.

MR. DOERN: Mr. Chairman, rather than begin, perhaps we could call it 4:30.

MR. CHAIRMAN: The hour is 4:30. I am interrupting the proceedings for Private Members' Hour and committee will resume at 8:00 o'clock this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: We are now under Private Members' Hour. Tuesdays the first item of business is Private Bills, followed by Public Bills and then Resolutions.

ADJOURNED DEBATE ON SECOND READING PRIVATE BILLS

MR. SPEAKER: The first bill is Bill No. 54, a motion of the Honourable Member for Crescentwood, an Act to Grant Additional Powers to Charleswood Curling Club Ltd., standing in the name of the Honourable Member for Logan.

MR. WILLIAM JENKINS: Stand, Mr. Speaker.

SECOND READING — PRIVATE BILLS

BILL NO. 30 THE CANADIAN INSTITUTE OF MANAGEMENT (MANITOBA DIVISION) ACT

MR. WARREN STEEN (Crescentwood) presented Bill No. 30, The Canadian Institute of Management (Manitoba Division) Act for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Speaker, in moving this bill I'd like to take a moment and just tell you a little bit about the Canadian Institute of Management and what their function is, and so on.

The function of the Canadian Institute of Management is to provide the vehicle and the self-stimulus whereby our managers can find self-improvement, fellowship and the appropriate recognition in the community, using Canadian talent and Canadian facilities. The aims and purposes of the Canadian Institute of Management, Mr. Speaker, is the primary purpose of the Institute is to serve the best interests of the management body in every way possible, collectively and individually. The Institute strives to include among its members, all such individuals who, by their managerial position or academic background, can contribute to the fields of management, knowledge and welfare and the Institute's aims are to stimulate the advancement of managerial efficiency, through investigation, presentation and discussion of management principles and practices.

The institute promotes academic courses, conferences, and the publication of literature to encourage research and professional development among the field of management. The Institute also aims to encourage mutual assistance amongst its members by the interchange of knowledge and experience of management techniques.

Mr. Speaker, in moving this bill, which will give the Canadian Institute of Management (Manitoba Division) their powers to operate, the objects of the bill are: The general objects of the Institute are to promote knowledge, skill proficiency and efficiency, and education in the field of management and administration. The bill also goes on to outline the powers that the Institute will operate under, the agreements that they have with educational institutions so that they can offer advanced educational training for its own members, the powers that they can affiliate with other institutes in other provinces. It outlines the types of memberships, the professional member, the certified member, then the general member and their various classifications.

The bill also tells how their board of directors will be elected and what is required for a quorum, the terms of office, and the bylaws in which the Institute will govern themselves, mentioning also the various existing bylaws and so on. The members will be able to use the designation behind their names of CIM, for Certified Industrial Managers. The bill come into force upon the commencement of the Act.

I think, Mr. Speaker, that the bill is very straightforward, fairly self-explanatory. The officers of the Canadian Institute of Management will be present at committee for answering any questions that any Members of the Legislature might have at that time that they wish to have answered by a member of their executive in person.

Mr. Speaker, I would recommend that the bill be approved.

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Elmwood, that debate be adjourned.

MOTION presented and carried.

BILL NO. 57 — AN ACT FOR THE RELIEF OF INGIBJORG ELIZABETH ALDA HAWES AND GEORGE WILFRED HAWES

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE presented Bill No. 57, An Act for the Relief of Ingibjorg Elizabeth Alda Hawes and George Wilfred Hawes, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. I presented a similar bill to this one, that was Bill No. 55 on May 4th, 1978, and that bill passed through second reading and into committee and was defeated on a voice vote on July 20th, 1978, in this particular Chamber. I indicated to the committee at that time that in all likelihood there would be another similar bill presented in this House, but some of the objections at that time were understandable, Mr. Speaker, and I quote from Hansard of July 20th, 1978, the Honourable Member for St. Johns, where he indicated that with the reports that he had been able to read and the information that he had been able to gather on the account that it had indicated that there was a clear fault on behalf of the lawyer that was handling the case and that action should be commenced against him at that time, that the lawyer should have been sued. That position, I think, was shared by some of my other colleagues in this House.

Mr. Speaker, with the defeat of the bill, that process went forward and the lawyer in question was subsequently taken to court and there was an award on the 29th of November, 1978, or at least there was a court claiming damages, the award was the 11th day of October, 1979. The action went against the lawyer and it was adjudged by Justice Benjamin Hewak, awarding Mrs. Hawes the amount of damages for which she could have recovered from the driver, totalling 63,703.53 plus costs. A further judgement of 1,100 plus costs to George Wilfred Hawes was also awarded at that time for loss of consortium and surveillance.

Mr. Speaker, at that particular time, I was aware of some of the predicament arising from that particular action and subsequently the information was provided that the lawyer in question was insolvent with assets totalling some 41,200, but the largest liability, of course, was the judgement by the Department of National Revenue for 90,000 and

other debts including Mrs. Hawes' judgement, liabilities totalling 187,287.53. So it was pretty obvious, Mr. Speaker, that the petitioners in this case believed at that time that the lawyer was without financial resources to satisfy their particular claim. They also believed that the errors and omissions insurers of the Law Society of Manitoba would not pay any claim arising out of the professional negligence of the particular lawyer. The Law Society had changed carriers around that time and switched to another carrier and both of them have denied any liability of malpractice in the case.

Mr. Speaker, the liability in this particular sad case was never denied. The insurance corporation at all times acted in the best interests of the corporation and received medical reports on an ongoing basis, even went as far as advising the lawyer that was handling the case that time was running out and that the two-year time limit was nearly expired and that he should file a claim on behalf of his client. This was never done, of course, Mr. Speaker, as was stated in the previous bill and has been stated since then and, consequently, they deny responsibility or any obligation to pay the claim.

Mr. Speaker, Mrs. Hawes and Mr. Hawes, of course, are long time residents of Selkirk, have been known to myself for many many years, and Mrs. Hawes was born and raised there, as was Mr. Hawes. They were married in 1950 and have raised six children. Mr. Hawes was employed by the Royal Canadian Legion as secretary for some 30-odd years, retiring on a modest pension last year. Mrs. Hawes went back to work in 1963 as a nurse's aide at the Mental Hospital in Selkirk to assist the family and provide additional income so as they may raise their children with maybe a little more of the amenities of life that other people were enjoying. She worked until 1974, until the unfortunate automobile accident where she was severely injured and resided in Intensive Care in the Winnipeg General Hospital for a period of roughly three weeks, later being transferred to Selkirk Hospital for continued treatment of the injuries which consisted of a multiple fracture of the pelvis, fracture of the right femur, multiple rib fractures with tearing of the lung and pneumothorax. She was left with permanent damage to her right hip which resulted in her using a cane for some time and she was left with a limp when she walked.

The female petitioner, Mrs. Hawes, Mr. Speaker, was advised that she would eventually require surgery for prosthetic replacement of the right hip joint. I believe Mrs. Hawes has undergone that surgery and with some difficulty — and I think a second operation — is getting around reasonably well but is permanently injured as a result of the accident. The lives of their children, of course, and the personal life of Mr. Hawes were disrupted and with the intensive care and the anxiety that the family were under during her period of therapy has been of some trauma to that particular family, Mr. Speaker.

The matter of the judgement secured from the lawyer is not going to be satisfied, Mr. Speaker, and therefore we are re-presenting this bill for the House and I am seeking support from members of all sides of the House, Mr. Speaker, to provide some sense of justice and compensation to this particularly unfortunate case. It is unfortunate, Mr. Speaker. I

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don't think you will find very many cases that parallel it, where there is a severely injured party that's being denied compensation through technicalities. As I say, the sense of liability has never been denied. In fact, I have been told privately that they were considering a 100,000 claim in this instance when they realized the extent of Mrs. Hawes damages.

This is going back to 1974, Mr. Speaker. The family have received nothing whatsoever to compensate them for those many years of suffering. Everything has been documented extremely well, Mr. Speaker, and we've gone through it in a previous bill. I don't know just how long that I should speak on it, but there are medical reports going back right from the start of the accident almost weekly, semi-monthly at the outside, Mr. Speaker, right through the full two-year period and right up to the date when the particular claim should have been filed and wasn't filed and these people are not accustomed to dealing in the legal field. They had the case in the hands of a lawyer who they had confidence in and went along feeling that everything was in order and that the case would be filed and there would be a matter of routine until they were awarded some compensation for her injuries and the suffering of the family. This has not been the case, Mr. Speaker, and there is no compensation whatsoever going to be coming from their judgement against the lawyer.

So we are bringing the bill in, praying for the relief of Mr. and Mrs. Hawes, Mr. Speaker, and if the bill passes, which I hope it will, I feel that there should be, if the claim is then brought against the Manitoba Public Insurance Corporation, that they should have some recourse against the judgement that has been awarded for the negligence or malpractice, whatever you may call it, of the lawyer, in order that they may have some possibility of recovering, whatever, however small it may be; if that is possible, I don't know. But in any case, Mr. Speaker, I look forward to hearing from members opposite, those who will feel obliged to support it and those who may feel otherwise, Mr. Speaker.

But at the time the bill was defeated on July 20th, 1978, I indicated to my colleagues at that time that there was no question in my mind that this bill would be coming back before the House because there's a clear case of injustice and strictly on a technical nature. It is all on technicalities. As I said earlier, Mr. Speaker, liability has never been denied in this particular case and I feel that with the lapse of time and the number of years that have passed that compensation to Mrs. Hawes and Mr. Hawes is long overdue, and I am seeking the support of my colleagues in the House to pass the bill as quickly as possible and let the matter proceed through the normal channels to allow Mrs. Hawes to have her claim satisfied.

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

MR. CHERNIACK: Mr. Speaker, I would like an opportunity to ask the honourable member who introduced the bill a couple of questions, if I may.

Mr. Speaker, in the first place the member indicated that he thinks that the MPIC should be given an opportunity to take an assignment of the judgement against the lawyer, and I am wondering

— there is no provision in this bill to give them that opportunity. I don't see how they would have the right to get it without some kind of legislation. That's the first question.

The second question is that since he indicated that the MPIC justifiably is relying on the limitation period and he is trying to have that period set aside so that the action can proceed against MPIC, why does he not, in the same bill, enable this unfortunate claimant to take proceedings against The Law Society and its insurers, who are relying on the same argument and that is The Limitation Act? Why not give the person the right to go after the defaulting lawyer and his society and his insurer?

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Speaker, in the first instance, the petition of course was handled by a firm of lawyers. I didn't prepare the bill, naturally. In the first instance, that was discussed at the time and I suppose the fact that it may not be in here, it may be very difficult to do that. I merely throw that out as to give them maybe some redress if they are inclined to pay the bill.

The second was that they have gone through the legal process and the expense of suing one particular lawyer, and you know what the results of that are. I feel very strongly personally, that if they go through the process of suing the Law Society, then the results won't be same naturally, but the compensation arising out of it will be very very negligible and probably be all used up in legal costs than what might be awarded to Mrs. Hawes. Because there is no question about it, there has been a fairly decent claim there that she is being denied, and with all of these legal processes going on, the legal fees keep mounting and I'm afraid Mrs. Hawes is not going to be a winner, Mr. Speaker, in any case.

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Kildonan, that debate be adjourned.

MOTION presented and carried.

ADJOURNED DEBATE — PUBLIC BILLS

MR. SPEAKER: Bill No. 40, An Act to amend The Labour Relations Act, standing in the name of the Honourable Member for Inkster. (stand)

Bill No. 44, An Act to amend The Medical Act, standing in the name of the Honourable Member for Logan. (stand)

RESOLUTION NO. 23

ELIMINATION OF SALES TAX ON SOLAR AND WOOD HEATING EQUIPMENT

MR. SPEAKER: The Honourable Member for River Heights has seven minutes.

MR. GARY FILMON: Thank you, Mr. Speaker. I'm rather surprised that the Member for Rossmere has

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not withdraw this particular motion, since the major intent of the motion was covered in the recent budget brought down by our government. Perhaps it is not his intent to give credit where credit is due, Mr. Speaker, but I believe in looking at the changes that were brought forth in the recent budget, it's evident that our government was concerned about this and in fact had been working on this particular item long before the member brought the resolution in. Because it was a matter that had been anticipated in the budget, it was debated initially, and we are now in a position of seeing the results of the budget having addressed this particular topic.

The resolution which the Member for Rossmere brought forward requested action in the particular area of sales tax exemption on solar and wood heating equipment, and I would indicate, Mr. Speaker, that the budget goes much farther than that. The budget, Mr. Speaker, addresses the following areas which are now sales tax exempt in Manitoba: storm windows and storm doors; heat pumps for use principally to provide heat in the heating systems of buildings; solar cells which may be used to produce directly from sunlight, electricity, or to charge batteries of course; various types of wood burning devices, furnaces, wood burning stoves, etc.; windmills, another device which may be used to convert wind energy to electricity or other forms of energy; these are now sales tax exempt in Manitoba. In addition to that, of course, time-controlled thermostats, which again are energy conserving devices, which have been developed for this purpose and are currently in more and more widespread use in our province. These are now exempt from sales tax in the province.

So I think that, rather the member should be bringing forward a congratulatory resolution to the government for seeing this as a concern and as a need in our province, and for stimulating the conservation of energy and encouraging the involvement of people of our province in going to alternate sources of energy as opposed to our heavy reliance today on petroleum and fossil fuel forms of energy. However, notwithstanding that, there is one other area that the resolution addresses, and that is the field of legislation relating to what might be called Right to Light, that is elimination of solar rays by virtue of placing buildings close to and within the path of the sun, separating one building from another.

That's a very complex area. It's an area which I would say is very new, and for which there is not any legislation that we are aware of, certainly in Canada, although certain American states have been looking at it in some detail. This Right to Light legislation that the member has referred to involves really municipal jurisdiction as opposed to provincial jurisdiction, and also of course, it does involve some of the rights of the provinces within the federal system of government. And we, as a government, are aware of many problems which are involved in the development and enactment of legislation for this Right to Light concept, and we are reviewing matters relating to solar energy as it impacts on this type of legislation. I'm sure, Mr. Speaker, that it goes without saying, that once we have determined the most logical way to implement such legislation with respect to solar energy and preserving the Right to

Light of people who occupy certain space, we will certainly implement the necessary measures to develop this type of legislation.

But because it involves building control legislation under the jurisdiction of municipal governments, because it involves restricting building heights, proximity of construction of one building to another, and all of these that are intergovernmental affairs, it's certainly something that I don't believe we or anyone should plunge into blindly or carelessly, but rather look at co-operatively with the municipal level, the potential for this type of legislative development, and enter into only after we're assured that the cross connections between our government and the municipal level and our government and the federal level have been well taken care of.

So Mr. Speaker, in the absence of the mover having moved either an amendment of congratulation or having withdrawn his resolution, I would move, seconded by the Member for St. Matthews, that the motion be amended by deleting everything after the words province of Manitoba in the first statement of the preamble, and substituting the following:

WHEREAS the Progressive Conservative government is aware of the non-renewability of oil and gas; and

WHEREAS this government is encouraging the development of alternative and renewable energy sources and conservation measures; and

WHEREAS this government is aware of the desirability of Right to Light provisions and recognizes the legal complexities of such measures;

THEREFORE BE IT RESOLVED THAT the government of Manitoba consider the advisability of continuing to bring forth changes in legislation in taxation which will encourage the development and use of alternative renewable energy sources in this province.

MOTION presented.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. I'd like to say a few words about this whole question of the promotion of the use of solar techniques in this ever-increasing energy shortage world of ours, and also to say a few words about other methods of coping with the problem of energy shortages. And of course, what we're dealing with today in this resolution and in the amendment is only one small part of the total picture of coping with energy shortages in the world and in this country and in this province of Manitoba. I would like to point out, Mr. Speaker, that of course there are many ways of coping with the problem of energy shortages, and there are some very dramatic ways that we in Canada, and we in Manitoba, can pursue, in order to hopefully ensure, in the years ahead, that we have adequate energy to meet our needs, whether they be for heating purposes or it be for transportation purposes. Some very dramatic things of course, such as the promotion of the exploration and production of oil in Canada, which involves the whole area of government taxation, involves the whole question of whether or not the government should use an organization such as Petro Canada to be able to

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bring forth the maximum amount of oil development that we have some potential for, similarly, of course, in the field of natural gas.

It involves government policies in the area of exportation, in fact it involves the government taking a stand. I would suggest this government taking a stand, Mr. Speaker, on the whole matter of the level of oil exports from Canada to other countries, and of course particularly in this case, the United States. It involves governments taking a stand with regard to natural gas exports. As far as I am concerned, this government, the government of Manitoba, has to take a very firm stand against any additional gas exports to the United States. When I think back, Mr. Speaker, in particular, I think it was around — I stand to be corrected, but it was a few years ago, 1975-76, where one winter we actually had a natural gas shortage in the city of Winnipeg. We could not supply those homes that were being built at that time with natural gas, and it was driven home very dramatically to us in Manitoba, that while the federal government was allowing millions of cubic feet of natural gas to be exported outside of the country, here we were in the province of Manitoba, unable to get sufficient quantities for our purposes at that time. So I say it's incumbent upon any government of Manitoba to take a firm stand with regard to gas exportation.

When we talk about solar heating and the utilization of wood, as I said, that is but one component of a whole set of policy initiatives that governments and industry and people have to take in order to cope with the energy situation. I just might add, also, Mr. Speaker, the building of pipe lines to transport natural gas from western Canada, particularly to the Quebec market, is very critical, because as we know, Quebec today, is one area of the country that is very dependent for off-shore oil, to heat thousands upon thousands of homes in the province of Quebec, and of course, the Maritime area is in the same position. I think it's very vital therefore, that governments get on with the job of construction of pipe lines to bring western natural gas to Quebec and possibly to the Maritimes. This will very dramatically reduce Canada's dependence on offshore oil.

Of course, another component of policy initiatives would be the whole area of conservation. The governments must show some leadership in the whole area of conservation, and I note that there are many innovative things that are being done around the country, including the province of Ontario. And I just might say in passing, Mr. Speaker, that the government of Ontario's Ministry of Energy has begun a five-year 4.9 million program of thermography, as it's called, where they are going to cover 60 communities by the year 1985, resulting in energy savings of the equivalent of 20 million gallons of fuel oil annually. To put it very briefly, Mr. Speaker, what they do is take aerial heat pictures of dwellings and they are able to detect where heat is escaping, and they are able to make recommendations to homeowners to conserve energy in whatever way, through better insulation or what have you.

To date, I understand the early part of this program, or the pilot project, up to 16,000 homeowners were assisted in upgrading the energy

efficiency of their homes. I would think this is something that we in Manitoba would do well to emulate, to encourage insulation by a massive program of thermography, that is the taking of pictures of residences to show people where they are possibly losing energy. In our particular climate, of course, this is a very critical factor. But that is only one of the many many things that can be done in the area of conservation.

Then the whole area of promoting renewable energy resources as opposed to non-renewable, which gets us to the question of promoting solar energy, and indeed the use of wood, because certainly wood is a renewable form of energy, inasmuch as we plant forests, they grow, they are harvested, but they can be reharvested ad infinitum with proper forestry methods.

The promotion of solar energy was undertaken by the previous government right in this particular building, Mr. Speaker. It would be interesting to learn just what has happened to that particular project, because it was undertaken really to help dramatize to the people of Manitoba that there was something to be gained by each citizen considering whether it would be worthwhile to undertake some form of solar energy system within their particular residence, or if they are in business perhaps within their business establishment within the factory.

This particular building, Mr. Speaker, does have large tanks that can hold water and, of course, water storage is a key element in solar heating. The idea, of course, is to have panels on the roof of the building concerned, which in effect these panels, however they may be described — some of them are called flat plate collectors, which consist of black absorbing plates that converts the incident of sunlight into heat. As I understand it, the absorber is insulated on the sides and the back and has a glazing on top to inhibit heat loss while trapping the long wave radiation. Then there are varying degrees of efficiencies of these flat plate collectors; there are various types of collectors. But regardless, collectors were established on the roof of the Legislature collecting the heat, transferring the radiation into heat energy. This was then transmitted, or should be transmitted to the storage facilities above this Chamber. The advice we got from engineers at the time, was that there was enough heat that could be collected by this solar method that would heat the entire dome of the building and therefore it would save — I don't know how much money — but it would save a certain amount of money that would have to be used to heat that dome. As I said, I am not sure what happened to the project. It was hoped that there would be panels down in the entrance of the building, electronic panels that would show what was happening, how much heat was being collected, how much heat was being stored and so on, the amount of heat that was generated in the dome of the building.

The point of it all, of course, was to make people more aware of solar energy as an option. So there is no question in my mind, Mr. Speaker, that there is need for government leadership, and using the taxation method is one what to encourage people to utilize solar heating or wood heating equipment.

There are other initiatives, of course, that governments can take to encourage owners of

properties to install solar energy equipment, and I think, Mr. Speaker, that there would be wide-scale public support for these various incentives. You could, for example, allow maintenance costs associated with solar energy equipment to be deducted from taxable income. That is one technique that could be utilized, in addition to the one that has been suggested in the Resolution and implied in the amendment.

Another suggestion, another incentive, would be to treat maintenance costs as a tax credit. Still another incentive could be allowing depreciation on solar energy equipment to be tax deductible over a 25-year amortization period. That is another type of incentive. Another incentive could be the depreciation over a five-year amortization period, tax deductibility over a five-year period, or, Mr. Speaker, there could be direct government subsidization of mortgage rates on solar energy equipment by given percentage points, 1, 2, 3 percentage points. In other words, there would be some incentive in terms of reduced mortgage interest rates for homes that were built with a solar energy system. You could have mortgage interest deductibility on solar energy equipment, again deductibility from taxable income. Or government could provide some lump sum payments, some lump sum cash initiatives, cash incentives, to purchasers of solar home heating, and so on. I was mainly thinking of single-family dwellings, but to some extent, this might be applicable to multi-unit owners as well. So what is suggested in the original resolution, and what is under debate even with this amendment, is really looking at only one small aspect of the matter of providing incentives for the utilization of solar equipment.

I just might add, Mr. Speaker, that probably the most practical type of solar system for most people will be the passive solar energy system, not the complete or more complicated system that you have in this particular building, where you have a collection system and the transference of that heat into a storage component of some kind. For an individual home to have a complete system, I would say it is probably impractical. It would require a very large amount of water storage. You would have to have something the size of a large backyard swimming pool buried in your back yard some place or under the home some place, where you would store up the heat. I don't think that that, given the cost of energy still at this time, I think relatively speaking the cost of energy is still relatively cheap in this part of the world, at least it is cheap relative to implementing this very complicated type of system.

But I think there is lots to be said for the so-called passive system, which is simply a matter of constructing the home in such a way that windows are built in such a way that more energy is captured from the sun than you would otherwise do so. As a matter of fact, I guess perhaps many of us are reminded of that in the hot summers that we experience in Manitoba, when some of us are forced to close the curtains, install shades and so on, to try and cool the house down. It simply gets so hot, not only because of the high temperature outside, but because of the sunlight coming through the windows causing the house to be hotter than it would be otherwise.

Again I would suggest that this can be encouraged through this amendment; it can be encouraged, I think, vigorously through our Department of Housing or maybe through the Ministry of Energy. I would like again to refer to the government of Ontario, which is now financing an Ontario-wide competition to encourage the design and construction of energy efficient housing incorporating passive solar energy features.

More specifically, just to clarify this, passive solar heating is space heating derived directly from solar energy. The thermal energy is collected by nature means through windows without assistance from fans, pumps, or other mechanical collection devices. So what is involved, Mr. Speaker, really is a design of the house, and I believe we do have some homes in the province of Manitoba where the buildings have been constructed in such a way as to have large windows with a southerly exposure in order to capture as much of the sun's heat as possible.

I don't want to over-simplify the passive solar heating system, because there are different categories even here. The direct gain in which the majority of windows face south for maximum exposure to the sun, this is the simplest and the cheapest method, Mr. Speaker. The indirect gain in which the sunlight shines through a window to heat an inside wall, which in turn conducts the heat into the house, and a third method is the so-called sun space type. This method consists of a glass greenhouse on the south of a house which collects solar energy, which is then passed into the house through ducts.

At any rate, Mr. Speaker, what I am suggesting in my remarks, is that there are many many ways that we as a society can attempt to cope with the so-called energy crisis, and the encouragement of the utilization of solar energy is but one of these. It is a worthy method, it is method that deserves the support of government through various incentives, including this incentive of the tax elimination that was suggested by my colleague, the Member for Rossmere.

I have not had the opportunity to study the amendment, but I don't believe that the amendment per se is against the encouragement of solar energy. In fact, I read it, it says, that the government consider the advisability of continuing to bring forth changes in the legislation and taxation which will encourage the development and use of alternative renewable energy resources in this province. No one can really be opposed to that objective, Mr. Speaker.

I simply wanted to point out, however, to the members in my remarks that there are many ways that we must all cope with the energy problem. This is one way that is deserving of more government support, and I think as the years roll by you will see more and more homes with solar heating equipment, and if this Legislature can do something to encourage that, all the better.

Thank you.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker.

I suppose that I should make more of an effort to get in before the Member for River Heights, so that I

can speak to the main motion, instead of speaking to an amendment that has totally altered the resolution as it stood in the first place, and that is exactly what the Member for River Heights' amendment does in this case. Although I have to note, in this instance he did allow the first seven or eight words to stand and didn't amend it by striking everything after the first whereas, so perhaps as time goes on, he will allow the first clause to stand in the future.

I would be tempted, Mr. Speaker, to argue right from the beginning his first whereas, which now reads, Whereas the economy in the province of Manitoba has demonstrated renewed vigor over the past two years, and I would be tempted to argue that in light of the statistics that came forward today, but I have to inform you that I believe the subject matter of the resolution and of the amendment to be important enough to resist the temptation to rise to that particular bait.

So having said that, I'll look to what the amendment actually has done, accomplished, in regard to the original resolution. What it has is taken out several statements which I believe were proper statements, were truthful statements and were statements that deserved to be allowed to remain within the resolution. One of those was, Whereas alternative energy industries based on solar and bio-mass can prevent such energy shortages while stimulating our economy in that such alternative energy sources are extremely labour intensive; and Whereas that industry should be encouraged to manufacture and experiment with sunny Manitoba, and those two whereas have been stricken from the original resolution and I have to question as to what the Member for River Heights found to be inappropriate or found to be negative about those because I think they're very positive statements and I believe that they are statements that could well have been allowed to remain, if the government on that side did have the type of commitment that is necessary to ensure that our province is going to be a front runner in the field of solar and bio-mass energy, as well as other alternative forms of energy.

We do appreciate the tax changes in regard to alternative forms of energy that were included in the budget, or at least I should say I do and the members on this side, I am certain, share that to a greater or lesser extent, depending on the individual. But the fact is it does not go far enough. It will perform somewhat of a function, but it does not go as far as the original resolution went.

What the Member for River Heights has effectively removed from the resolution and from the debate by his amendment is the last resolved of the original resolution that called for legislation that would protect the rights of our citizens to solar access, and that they be established immediately.

Now we share his concern that that is fairly complex legislation and we share his concern that it does cross lines of jurisdiction, but that should not be a reason for not attempting to move forward with it, for not attempting to in a very immediate, positive and comprehensive way dedicate the energies of our government to resolving the complexities in resolving the conflicts and it can be done. As the Member for River Heights mentioned, it has been done in other jurisdictions, although to my knowledge it has not been accomplished in the Canadian context yet. That

is no reason that the province of Manitoba cannot attempt to do so, and the Member for River Heights, by his amendment, has taken that impetus away from the government to develop those sorts of legislation that will deal with the right to light provisions of the original resolution.

We have to, when dealing with the amendment, look at what solar energy can mean to our society and what solar energy can mean to us as individuals. It's not a new form of energy. We've always relied upon solar energy, as the Member for River Heights knows, and it's not simplistic to say that solar energy has been part and parcel of our daily lives as individuals and as a group of human beings from time immemorial. It drives the global climatic system. It supplies the kinetic energies that provides us with the winds and the waves and the ocean currents. It sustains life on our planet by supporting the photosynthetic plant growth process. It has even been a major factor in the development of fossil fuels.

Solar energy is in fact a long time friend, and this resolution, even as amended, focuses our attention on a new use of solar energy, that is developing methods to direct the sun's energies to do tasks that we previously relied upon conventional fuels to fulfil.

By eliminating the provincial sales tax in this regard, we have taken one small step forward in regard to promoting the manufacturer and the selling of solar heating equipment in the province of Manitoba. It will, I hope, have an effect on production and the introduction and the use of such equipment, and we look forward to analysing the impact of the procedures outlined in the Budget of the last month, in regard to seeing if in fact it is having an impact of any significance in that regard. But unless we accomplish the other part of the resolution, unless we provide protection to those persons who wish to use solar energy, we will not be fully encouraging the manufacture, the introduction and the use of solar energy in the province.

The fact is that a person now who wishes to spend the capital investment to provide their house with solar energy is afforded no protection under the law to have a right to that solar energy. Somebody can come and put a building up next to him which puts them in shade all of the day, or can surround them on all four sides by buildings and they have no recourse under the legislation as it stands now, and as long as that very major threat hangs over the heads of those who wish to use solar energy, we will find that there is a hesitation on the parts of those individuals to make the capital investment that is necessary to provide their house, factory, their work site or their operation with solar energy, because they may find that in a matter of days, or a matter of years, they have lost the benefit of the rays of the sun because of building that has gone up around them.

We must direct our attention to what the Member for River Heights has suggested is a very complex and a very detailed problem, but what I suggest and what the Member for Rossmere suggested is a problem that is not insurmountable. If we look at the whereas of the amendment that deals with the particular section of the resolution, we see that there is no commitment contained within that whereas that would cause the government to speedily and

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comprehensively deal with this problem, this very major problem.

The whereas reads: Whereas this government is aware of the desirability of right to light provisions, and recognizes the legal complexities of such measures, and that is the end of the whereas. There is no commitment whatsoever contained within. As a matter of fact, there is no indication whatsoever contained within that whereas that would assure my fears that the government is not giving this matter the proper attention that it deserves. Of course it is desirable to have access and legal access to solar energy and of course it is a legally complex matter but what are we going to do about that? Are we going to let those statements stand as is, or are we going to try to provide by this resolution an impetus, an initiative for the government to begin to develop the type of legislation that cannot only encourage solar energy but can deal with the desirability of right to light and can deal with the legal complexities that are involved?

Mr. Speaker, I note that I have just one quick moment to finish up this evening. I'm not certain that this matter will come before the House again, although I hope that it does, but in that one moment I would like to point out that the field of solar energy and the field of alternative energy is a growing field and this government has recognized that to a certain extent, and what the resolution asks them to do was to put into effect some legislation revolving around that recognition. The amendment takes that away.

MR. SPEAKER: Order please. When this item next comes up, the honourable member will have ten minutes to conclude his remarks.

The hour being 5:30, the Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Honourable Minister without Portfolio, that this House do now adjourn and resume in Committee of Supply at 8 o'clock.

MOTION presented and carried and the House adjourned and stands adjourned until 2 o'clock tomorrow afternoon. (Wednesday)