

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 10 May, 1982

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY — URBAN AFFAIRS

MR. CHAIRMAN, Harry M. Harapiak (The Pas): This Committee will come to order. We are on Administration and Finance Branch, 2.(a) — Mr. Minister.

HON. EUGENE KOSTYRA (Seven Oaks): Thank you, Mr. Chairman. This afternoon, we were discussing the differences with respect to the existing staff complement and the new staff complement of the new department. I wonder if I could try to clarify the situation.

First of all, there were three existing positions within the Estimates of the Department of Urban Affairs, '81-82; Executive Assistant to the Minister, administrative secretary in the Minister's offices and administrative secretary 3 in the ARC Authority. There were existing positions transferred from within the Estimates of the Department of Municipal Affairs, '81-82, six positions; that was Assistant Deputy Minister, administrative secretary to the ADM, senior urban co-ordinator, senior urban research analyst, planning and program analyst 2 and administrative secretary 3.

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

MR. G.W.J. (Gerry) MERCIER (St. Norbert): A question on the research people, Mr. Chairman. How many research people were approved for the Department of Municipal and Urban Affairs last fall?

MR. KOSTYRA: There were four additional positions, as I understand it, approved last fall, of which two are in the ones that were transferred.

MR. MERCIER: Mr. Chairman, the Minister confirms my understanding. I thought it was four that were approved. The Minister of Municipal Affairs told us the other evening that he had four people in his Research Department in the Department of Municipal Affairs. So I don't see how, somehow now there are apparently six positions; there were only four approved last fall. So I suggest to the Minister that he has not transferred two positions from Municipal Affairs for Research, but has created another two positions.

MR. KOSTYRA: As I understand it, the four positions that were referred to in Municipal Affairs, made up of two that were transferred to here, and there are two other positions within Municipal Affairs that were transferred to the policy section to keep the same four that the member referred to.

MR. MERCIER: Has the Minister of Municipal Affairs then added two? Four were approved last fall.

MR. KOSTYRA: I have been informed that there were four positions approved last fall, of which two were transferred to the new Department of Urban Affairs to

remain within Municipal Affairs and there was an additional two existing positions within Municipal Affairs that were transferred to that section; not additional positions.

MR. MERCIER: Well, in any event then, Mr. Chairman, those positions were not filled prior to the election. So, we have apparently 12 new persons in the Department of Urban Affairs and I'm not going to dwell on it anymore, only to say that these 12 additional persons which the taxpayer is going to have to pay for and the Minister in his answers so far has not really — at least to my satisfaction — substantiated the benefit to the taxpayers from those additional positions when we consider the fact that there is a lot of expertise in other departments related to the specific issues that the Minister has raised and it is questionable whether anything positive will flow from these additional positions.

Mr. Chairman, if we can move on. Last fall the City — well, if you want to move down to Grants, that's fine with me.

MR. CHAIRMAN: I'll pass 2.(a) Salaries—pass; 2.(b) Other Expenditures—pass; 2.(c) Grants to the City of Winnipeg.

The Member for St. Norbert.

MR. MERCIER: That 2. (b), I wonder if the Minister could just explain Other Expenditures, \$100,000.

MR. CHAIRMAN: Mr. Minister.

MR. KOSTYRA: Yes, Mr. Chairman, those expenditures those are required to set up the department and the ongoing materials and equipment that are needed for the department. They're based on estimates of what is required for a department of that size.

MR. MERCIER: The only comment, Mr. Chairman, is we see over a quarter of a million dollars for extra salaries; we see \$100,000 here for other expenditures for these people; later on we see another \$20,000 for other expenditures for new people; rent of \$30,000.

MR. KOSTYRA: Mr. Chairman, the rent is included in the \$100,000. It's not additional.

MR. MERCIER: We can move on to (c).

MR. CHAIRMAN: (c) Grants to the City of Winnipeg.
The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, during our term in office the City had proposed a number of special capital works programs which we participated in. One, I believe, back in the fall of 1980 with respect to capital works and highways projects in which we participated 50 percent and this was over and above the ordinary grants.

Last fall the City proposed a \$4 million City-Provincial Water Main Renewal Program, which would have been very labour intensive type of work which

would have taken place during the fall and this winter. I believe the Minister turned down that request from the City of Winnipeg. I wonder if he has any comment on that?

MR. KOSTYRA: Yes, Mr. Chairman, the total increase for the total amount of grants to the City of Winnipeg for the year 1982-1983 was \$78,607,714 which was an increase of \$11,932,252, which we are of the opinion was a substantial increase to the City of Winnipeg for a variety of purposes, including the unconditional grant for current programs, the unconditional grant for Capital programs, the Transit grant and all the other additional grants that the City of Winnipeg gets under various programs of the Provincial Government; also including the provincial-municipal tax sharing, the money spent on the Core Area Initiatives and the ARC Agreement by the province in the City of Winnipeg. So in total terms, the increase to the City of Winnipeg was substantial and should give the City the necessary flexibility to cover those Capital programs that the member was referring to.

The Special Capital Grants Program that was referred to, as I understand it, was not done in the last fiscal year but two years ago. The City by its own decision decided to cut back on its capital works lower than it has in previous years. So it's our opinion that the amount of grants to the City of Winnipeg were of a significant amount that would have allowed them to carry out the necessary capital works.

MR. MERCIER: Mr. Chairman, in a news release dated February 12, 1982, when the Minister announced the grants to the City of Winnipeg for the year 1982, there's a statement that he emphasized, however, that the province wants to use alternative funding to the three-year old block funding system. Can the Minister indicate what alternatives he is looking at?

MR. KOSTYRA: Yes, as I indicated early this afternoon that the province did move away on an interim basis from the former block fund of the former Block Grant to three grants; two unconditional grants, one for Capital programs, the second one for current programs and a third one with respect to Transit. Our government is prepared to look at various options for grant assistance to the City of Winnipeg in the form, as the member is aware, there was in years prior to 1978, I believe, a number of conditional grants to the City of Winnipeg. That is one area that we would explore again and possibly other areas that have not been used with respect to assistance to the City of Winnipeg. As I indicated this afternoon, we have not made any decisions with respect to the type of grants or the form that they will take for the next fiscal year, that we will be doing a review of those during this current year and discussing them with the City of Winnipeg prior to the grants being determined for the next year.

MR. MERCIER: Mr. Chairman, I believe it was the Minister — it may have been the Municipal Affairs Minister — but in any event, this Minister is involved in the announcement of the provincial-municipal tax sharing payment. It was noted in the statement that the per capita grant for centres of up to 5,000 popula-

tion and of more than 5,000 population were held at the same level as the previous year. Does the Minister intend to increase the urban services per capita grant in the future or would he like to move in that direction.

MR. KOSTYRA: It certainly is a possibility that those grants, the urban services supplements, could well be increased in the future. It was determined for this year that they would remain at the same level as the previous year, but again that would be one of the areas that we would be exploring, Mr. Chairman.

MR. MERCIER: Mr. Chairman, how long does the province intend to maintain the freeze on transit fares?

MR. KOSTYRA: The transit fare freeze is in effect for this year and will be reviewed again when we get into a position of looking at financial assistance to the City of Winnipeg for next year. So it's in effect for the year 1982 at the present time.

MR. MERCIER: There's no policy to maintain it indefinitely.

MR. KOSTYRA: There's no policy been adopted to maintain the freeze indefinitely nor has there been a policy to allow transit fares to increase at any level.

MR. MERCIER: Mr. Chairman, I ask the Minister to confirm this, I don't recall seeing anything, but as I understand it there was a slight increase for ambulance services but there was a significant — perhaps there wasn't, did the Provincial Government increase the monies available for the ambulance service?

MR. KOSTYRA: Yes, Mr. Chairman, I'll get the actual figures. The 1981 grant was \$726,288.00. The 1982 grant was increased to \$820,705 and there was an additional grant, I believe, in the neighbourhood of \$282,000 with respect to the Special Ambulance Services Grant made by the Minister of Health with respect to the proposed amalgamation of ambulance and fire services in the City of Winnipeg, which was provided on the basis of the City and the Commission agreeing on the actual utilization of the grant. It was \$282,500.00.

MR. MERCIER: I take it then, Mr. Chairman, the government refused the request of the city to provide a dollar per capita increase.

MR. KOSTYRA: Yes.

MR. MERCIER: Does the Minister have any views on this particular subject. As I understand it, the user fee is increased to \$75 a trip from \$60 a trip, which seems to me to be a very, very significant user fee. The Minister would be quite right in indicating that I, and we, when we were in government, followed the same course of action in that we increased the funds available each year, but in spite of those increases the ambulance service was expanded and the user fee had to be increased. Sometimes there simply isn't enough, as the Minister will understand, there isn't enough money available to do everything that you

want to do. This does seem to me, it always has seemed that way, that it is an area that, where certainly in the City of Winnipeg with user fees of \$75, it seems to me it should be a part of the regular health system and is a service that should be assumed by the Provincial Government. I'm sure the official delegation of the City have raised that particular subject, or if they haven't, they shortly will. Does the Minister have any views or proposals for that?

MR. KOSTYRA: That issue has not been raised as of yet by the official delegation to the City of Winnipeg outside of, there was a letter of request with respect to the per capita grant increase. I, too, am concerned with the raise in the user fee for ambulance service, though I believe some portions of that, and I guess depending on the actual utilization or the reason for the ambulance trip, is covered through Medicare or Hospitalization or by the United Health, by Blue Cross, where people have that protection. I guess it's one area that we would review and I would certainly review in consultation with the Minister of Health with respect to the policy and the level of user fees for ambulance service. But as the member indicated in his preamble to the question, is the assistance to the City of Winnipeg in determination of the grant levels for this year were done in a very short period of time on the change of government because the grants had to be confirmed very early in the year so that the City could set its Budget for the year.

MR. MERCIER: Mr. Chairman, through the term of our government and through a combination of different approaches, through an increase in the property tax credit in one year of \$100 and then I think another \$25 comes into effect through the introduction of the new Public School Financing Plan that we brought into being and into effect for last year, the overall increase in the mill rate was — and I'm talking about the net figure that the homeowner had to pay — I think it's fair to say it was held down quite considerably. I think homeowner pensioners in Winnipeg School Division actually paid less taxes in 1981 than they paid in 1977.

This year, with the education financing that we have and looking at Winnipeg #1 School Division, there is a 15 percent increase in property taxes and that's talking about a home assessed at \$7,000 along with school tax increases of up to 18.5 percent, so that in Winnipeg, the increase in taxes is from \$180.14 based on this average-assessed home. In reading the news report about it — I don't have the City's information; the Minister may very well have it — it is disturbing, particularly, to note that the City was only predicting a 1.7 percent increase in taxable assessment in 1982 compared with 2.8 percent in 1981 and the Budget apparently said this increase is the lowest since at least 1971. Considering the economic circumstances that are prevalent now as opposed to when this prediction was made, when we consider the number of bankruptcies, continuing high interest rates, unemployment, the prediction of a 1.7 percent increase in taxable assessment in 1982 may be optimistic. There is no question that the City of Winnipeg taxpayer will have a significant tax increase this year and prospects for an increase in assessment are very pessimistic.

I take it the Minister will be, as he has indicated in his news release, reviewing the financing of the City of Winnipeg and overall and reviewing this particular difficult situation as it is the homeowner taxpayer who is going to find it difficult in the economic circumstances of the times to pay any increases. I wonder if the Minister has any particular comment or does he share this concern?

MR. KOSTYRA: Yes, I certainly do, I think we all do share the concern with respect to increases in taxation. The Minister of Education did announce that with respect to the Winnipeg School Division No. 1 that there was additional assistance by way of a special grant to the Winnipeg School Division No. 1 of \$2 million which obviously has a direct impact on the amount of money that's needed for the Winnipeg School Division, which impacts on the property taxes in the City of Winnipeg.

The Minister of Finance also announced that there was a change with respect to the school tax assistance for pensioners where any taxes over the amount of \$162.50 will qualify for the school tax assistance and as the member will recall the previous level was any taxes over \$325.00. This change alone means that there would be additional assistance for some 12,000 pensioner homeowners in the province and as an example would give assistance to a pensioner residing in a home assessed at \$5,000 in the Winnipeg School Division No. 1 would be facing a total of \$399 in taxes, which was an increase of \$63 over the previous year. Last year that homeowner would have qualified for \$11.00 under the Pensioners School Tax Assistance Program and with the change announced by the Minister of Finance that same person would qualify for assistance of \$175.00 in Pensioners School Tax Assistance, which is an increase of \$164.00, so there has been some relief given by both the Minister of Education and the Minister of Finance with respect to the educational levy.

MR. CHAIRMAN: 2.(c)—pass;

MR. MERCIER: Mr. Chairman, I note that \$125,000 in this particular item, as opposed to \$1 million last year, which was not paid out. Has the Minister discussed a change in this policy with the City of Winnipeg?

MR. KOSTYRA: No, Mr. Chairman, I've not discussed any changes with the City of Winnipeg with respect to this policy. My understanding is that the previous government, the previous Cabinet, had decided to terminate the Inter-Governmental Land Sales Agreement with the City of Winnipeg and the \$125,000 in the Estimate is set aside for the winding down of that agreement.

MR. MERCIER: Mr. Chairman, as I recollect a good portion was going to have to be paid to Manitoba Hydro to compensate them for the right-of-way for the Bishop Grandin Boulevard and within the department we had concerns that it didn't seem to be particularly appropriate inasmuch as the right-of-way was still being used, still is being used, by the Manitoba Hydro. Has there been a settlement of that question with the Hydro?

MR. KOSTYRA: No, Mr. Chairman, as I understand it, it is anticipated that that will come to resolve, but the amount of money needed would be far less than what was considered to be needed before and it would be within the \$125,000 that's allocated.

MR. MERCIER: Who does the Minister expect to pay this \$125,000?

MR. KOSTYRA: As I understand it, that would be the net contribution to Manitoba Hydro from this department.

MR. MERCIER: The City hasn't raised any particular objection to winding this policy down?

MR. KOSTYRA: I have not received any specific objection from the City of Winnipeg. I'm informed that there has been concerns raised at the staff level previously that haven't been resolved yet.

MR. CHAIRMAN: 2.(d)—pass.

Resolution No. 123 — Resolved that there be granted to Her Majesty a sum not exceeding \$45,220,000 for Urban Affairs for Administration and Finance Management for the fiscal year ending the 31st day of March, 1983—pass.

We'll go on to Urban Policy Co-ordination Branch. 3.(a) Salaries. Do you have an opening statement, Mr. Minister?

MR. KOSTYRA: I could make some brief opening comments with respect to the section.

Resolution 124 provides for \$8,503,900 for the Urban Policy Co-ordination Branch primarily for expenditures under the Canada-Manitoba Winnipeg Core Area Agreement. Appropriation 3.(a) provides for \$217,900 for the Salaries and appropriation 3.(b) provides \$20,000 for the expenses of seven staff of the re-established Urban Policy Co-ordination Branch, which is responsible for co-ordinating the development and implementation of provincial-urban policies, plans and programs on behalf of the Minister of Urban Affairs. Appropriation 3.(c) provides for \$8,266,000 for Provincial Expenditures and Payments to Canada and Winnipeg under the Winnipeg Core Area Agreement. Total authority, however, including \$2,066,700 in the Canada-Manitoba Enabling Vote is \$10,332,700.00. Estimated recoveries from Canada and Winnipeg are \$4,466,700, leaving a net provincial expenditure of \$5,866,000 for the 1982-83 fiscal year. These Estimates are to provide for the first full year of programming under the Core Area Agreement, which was signed last September.

I am pleased to advise that after what seemed to be a slow start the Policy Committee has appointed a general manager and the Core Area Initiatives Office has been established. The programs and projects described generally in the agreement are being worked out in detail and brought forward for approval by the Policy Committee and City Council as quickly as possible. All core area projects are cost-shared equally by Canada-Manitoba and Winnipeg and require unanimous approval before they are assigned to one of the three jurisdictions for implementation. A lot of time and effort has been devoted to obtaining the

necessary approval during the past five months but I'm pleased to say that the bulk of the project authorizations are now finally approved or awaiting approval by City Council and we have every expectation of moving ahead together on all fronts. This government attaches a very high priority to the objectives of the Core Area Agreement, particularly with respect to increasing employment and training opportunities for core area residents. We intend to take full advantage of not only the financial commitments but also the evident goodwill of our partners in responding to the urgent needs of the core area population.

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: The Minister indicated previously there were seven staff man years in this branch. How many are directly involved with the Core Area Agreement?

MR. KOSTYRA: Directly, four of the seven positions.

MR. MERCIER: Are they then reimbursed out of the Core Area Initiatives Fund?

MR. KOSTYRA: No, they are not. They're direct expenditures by this department.

MR. MERCIER: Mr. Chairman, I saw an ad related to a senior urban transportation planner for this department and it describes the position as co-ordinating the development and implementation of provincial policies in programs affecting urban transportation. The incumbent will research, prepare and present analysis of urban transportation planning issues involved in public transit, the regional street system, urban railway systems and related land use issues, and it goes on. One is led to the conclusion that the province intends to develop its own policies in these areas to be imposed upon the City of Winnipeg if they are not in agreement.

MR. KOSTYRA: No, Mr. Chairman, as I indicated in dealing with another section, the role of the Department of Urban Affairs would not be to interfere with what is being planned by the City of Winnipeg, rather to work in co-operation with them to attempt to achieve the needs and the goal of the City of Winnipeg with respect to all areas, in particular urban transportation. Certainly one person giving the necessary advice on those issues that are related to the Provincial Government is not going to be used in the manner that is being suggested by the member.

MR. MERCIER: Mr. Chairman, the Minister acknowledged that there is much more expertise at the City of Winnipeg level in urban transportation planning, public transit, the regional street system, urban railway systems and related land use issues than could ever be accumulated by the Minister in his department through these positions. The city not only has the expertise but the practical working knowledge of these matters.

MR. KOSTYRA: There's no question that the city has far greater expertise in the area of urban transporta-

tion. I don't know the number of employees but I imagine they have 50 times, 100 times, the amount of employees that were going to have been reviewing those policies and with a view of looking at the implications to the Provincial Government. I think there are a number of urban transportation issues that the city is dealing with that they're going to be looking to the Provincial Government for assistance and we have to have the ability to review those from a provincial perspective and doing that with very minimal resources of, basically, one person in that area.

MR. MERCIER: What does the Minister hope to be able to do with one individual?

MR. KOSTYRA: A lot.

MR. MERCIER: Mr. Chairman, does the Minister have any views on the southwest rapid transit corridor proposal of the city?

MR. KOSTYRA: I am aware of the proposal from the City of Winnipeg for the rapid transit corridor. In fact, there is, I believe, two or three of them and that's, I guess, precisely the kind of area that we want to review. I know with one respect in being apprised of the capital program of the City of Winnipeg, a long-term capital program, that they're looking at that as one area they want to move in. One aspect of it rather surprised me, that was they were looking at using a nonrenewable source of energy to be used as fuel for the vehicles in that transit corridor. It seemed to me that we ought to be looking at using a renewable source of energy such as we have an abundance of in this province, of electricity, to power the vehicles using that corridor. So I think the need for rapid transit in the City of Winnipeg is obvious and we would intend to work with the City of Winnipeg to assist them in reaching some of those goals with respect to rapid transit.

MR. MERCIER: Mr. Chairman, along that line and I think as a preliminary to looking at an electrified system along the southwest rapid transit corridor, through the Department of Energy and Mines we were participating in a study of the electrification of the transit system. Is the Minister aware of the status of that study?

MR. KOSTYRA: That still is ongoing. The report hasn't been received as of yet, but I'm informed that it should be coming in shortly.

MR. MERCIER: Will that be a public document, Mr. Chairman?

MR. KOSTYRA: As I understand it, it's a Federal-Provincial study with respect to the Provincial Government under the Minister of Energy and Mines. I would undertake to consult with him as to whether or not it should be made public.

MR. MERCIER: I'd be very interested, Mr. Chairman, if the Minister sees fit to obtain a copy of that document when it's completed.

MR. KOSTYRA: Yes, I will do that, Mr. Chairman.

MR. MERCIER: Mr. Chairman, we can move down to the Core Area Agreement.

MR. CHAIRMAN: The Member for Arthur.

MR. JAMES E. DOWNEY (Arthur): Mr. Chairman, I have two or three questions for the Minister. I would first of all like to ask the Minister, in this particular area, what the proposed expenditure is on the Core Area Program. What is the total amount?

MR. KOSTYRA: Are you referring to this year?

MR. DOWNEY: The total cost of the project?

MR. KOSTYRA: The total direct cost to the province under the Tripartite Agreement is \$33 million.

MR. DOWNEY: That, Mr. Chairman, is the provincial share?

MR. KOSTYRA: I'm sorry, the provincial share is \$32 million over the life of the agreement in direct costs under the Core Initiatives. There are also proposals for a number of complementary programs by each level of government over and above the direct input into the Core Area Initiatives.

MR. DOWNEY: But basically, if I understand it correctly, Mr. Chairman, you're looking at some in excess of \$90 million of government money being put into the Core Area Program, is that correct?

MR. KOSTYRA: \$96 million.

MR. DOWNEY: The Minister has emphasized the main area of concern as job creation. Have you done a cost benefit on it? How many new jobs do they expect to create with that \$96 million? What is the cost benefit per job as opposed to what you believe it's going to cost? They must have some overall parameters of new job creation; that's how I'll put it. How many new jobs do they feel they'll create?

MR. KOSTYRA: Well, first of all, the major emphasis is not just on job creation.

MR. DOWNEY: Oh, I misunderstood that, I'm sorry.

MR. KOSTYRA: The Core Area Initiatives Agreement, the Tripartite Agreement has a number of broad objectives. One is to increase employment opportunities in the core area of Winnipeg especially for core area residents. It also has an objective to revitalize the core area of Winnipeg with respect to housing, with respect to commercial and business operations in the core area of Winnipeg and it also has its further objective to look at the social problems that exist in disproportionate numbers in the core area of the City. So it is not fair to say that the major focus is just on job creation.

I don't have any figures in front of me with respect to the analysis of actual costs of creating new jobs, but they are going to take a number of directions. One,

hopefully, is to have increased employment opportunities in the core by being able to attract new industries to the core area of Winnipeg. But also, and I think equally important, is to allow individuals, people that have not been able to be employed in the core area, to have the opportunity of being employed in jobs that presently exist in the core either in the public sector or in the private sector. There's a commitment from all three levels of government to ensure that there are more unemployed people, who have been unemployed for a long period of time in the core area, given opportunities for jobs that presently exist in the core area both in the public sector and the private sector, but I don't have actual figures. I can attempt to get estimates for him.

MR. DOWNEY: Well, Mr. Chairman, I thought I understood the Minister correctly when he said one of his high priorities would be job creation and employment opportunities.

I guess one of the concerns that I would have that the taxpayers are being asked to fund this particular program and there really hasn't been any identification of new jobs. It's all very nice to make a nice overall speech to say they want to improve business opportunities, to have new industrial areas, but when we're seeing the tremendous layoffs and the amount of industries that are outside the core area now taking place, I think it would be hard to justify the additional expenditure. I know some of the programs were good and I support those areas that are good, but I think he's being led down the garden path somewhat to think that there's going to be an immediate influx of new jobs in that area with new industries when we're seeing what is happening throughout the rest of the province where industries are somewhat closing down or laying off of people.

The other point that I would like to make and put on the record, Mr. Chairman, it's fairly obvious that the government's priorities are to spend some \$32 million in the core area when the Minister of Municipal Affairs for all the rest of Province of Manitoba only has \$1.5 million to do those kinds of things in rural towns and villages, to do the same kinds of things that we had hoped would take place there. It's unfortunate that a government has those kinds of priorities, spending \$30 million in the City of Winnipeg in the core area and they've only got for the whole of the rest of Manitoba \$1.5 million for Municipal Affairs in Main Street upgrading.

I think, Mr. Chairman, that there has to be more equity brought into the whole area of programming and development within this provincial administration and I can't understand why the Minister of Municipal Affairs who has been leading us to believe that he's got the greatest thing since sliced bread for the people of rural Manitoba, towns and villages, when he in comparison has peanuts, he has nothing. He has absolutely nothing. So, Mr. Chairman, I have to say that the government's priorities are totally out of proportion. Again, particularly when this Minister can't give us any hard and concrete direction other than there is to be hoped there are more jobs created through a new industry development. He hasn't been able to tell us one new industry that may be able to be developed and he is asking us for \$32 million.

MR. KOSTYRA: Mr. Chairman, I wonder if the Member for Arthur missed the Estimates of Municipal Affairs. I know they went through very quickly and I guess maybe he didn't have the opportunity to discuss the Main Street Project.

Just specifically on that project, there is a Main Street Project under the Winnipeg Core Area Initiatives which is only \$3.7 million for a five-year period, not \$1.5 million for a one-year period. But I'm rather surprised by the comments because we are continuing on with an agreement that was signed by his previous administration, which was a commitment from three levels of government to deal with the specific situation that exists in the City of Winnipeg where the core area of the City of Winnipeg is deteriorating at a pace and to a point that there may be no turning around for it.

I think that if we, as governments, were to ignore what is happening to the City of Winnipeg, and I should remind the Member for Arthur that the City of Winnipeg has over half the residents of the province, that the impact on the province of the deterioration of the core in social terms, in social costs and the deteriorating conditions that are existing, the decaying core has been growing year by year in the City of Winnipeg, which has played a part in the urban sprawl and the additional costs of building the infrastructure on the peripheral of the City when the core is continually deteriorating. I think what happens to the City of Winnipeg and, particularly, what happens to the core area of the City of Winnipeg has a direct impact on the Province of Manitoba and I think that was recognized by his previous government and also by the City and the Federal Government at the time and it's something that we recognize and are going to continue with.

MR. DOWNEY: Mr. Chairman, I think the Minister has it somewhat turned around. In most cases in this province what happens in rural Manitoba then you usually see a follow-up of what will happen in the city, it either prospers or somewhat diminishes.

But let me go back, Mr. Chairman, because I think it's important to put on the record because my colleague is here and I think that when he was putting together this program we were also looking at some major industrial developments in the Province of Manitoba where in fact we could have seen some industrial development taking place in the core area to support probably an Alcan or an aluminum smelter where we could have seen the development of some industries to support a potash mine, where we could have seen the development of some spin-offs of a hydro-electric generation station and a power grid. Those were all things that could have been developed; those were all really very real and developmental industries that could have supported initiatives in the core area and industry, but I haven't heard from any member or any Minister of this government anything new that is going to happen in the Province of Manitoba, other than everybody is going out of business and they are closing down.

If he wants to go back on the 60-40 split as far as the people of Winnipeg, there's never been any argument from the people of Manitoba whether they support the transit system, whether they support the universities,

whether they support all those things that can be done in cities of the nature of Winnipeg or the size of Winnipeg it has always been supported by. But what I am suggesting, if that's the way he wants to cut it, 60-40, then the 1.5 million that went to the rural Manitobans in the Main Street Manitoba Program should be boosted to quite a bit more money and if he's trying to make some kind of reflection on me because I wasn't in Municipal Affairs, I can give that same speech right tonight. I think the Minister of Municipal Affairs has been hung out to dry and hasn't stood up for the rural communities and towns and villages in Manitoba when it comes to putting together funds to support them. If he isn't able to speak up for himself or the towns and villages in rural Manitoba, then who is going to? I will do it right now, I think they should have a lot more money to do those things to develop their towns and villages that they have to do the same kinds of programs that the Minister thinks should be done in the city. So, it's just a matter of the Minister of Municipal Affairs being very weak when he went to Cabinet to get funds to do those things that my Minister of Urban Affairs was able to accomplish.

Mr. Chairman, I don't think there is any problem with the kind of debate.

MR. RUSSELL DOERN (Elmwood): You're attacking Gerry.

MR. DOWNEY: Mr. Chairman, they're suggesting I'm attacking Gerry. I said we had some pretty major developments taking place in the Province of Manitoba, where there was some real jobs could have been developed for the core area people, but today, Mr. Chairman, people are losing their jobs by the hundreds in the Province of Manitoba under this New Democratic Government. There aren't any jobs or job creation; it's unemployment at record high. Yet we are still being asked to spend money for something that he can't put in hard terms to this committee.

It doesn't make sense to continually overburden the taxpayer at times when maybe there should be some of this money put on hold until they can identify other areas of major development in the economy that will help give some real and firm jobs to the development that he is proposing to take place.

I don't disagree with the kind of overall statements that are made, but I haven't to this point seen any hard and real jobs coming out of the money that they're asking us to spend.

MR. KOSTYRA: Well, it is pretty difficult when those programs are just proceeding to implementation to see any hard jobs created or any employment opportunities made available to core area residents when those programs aren't implemented. I think that his comments with respect to other towns throughout the province, I think that the present Minister of Municipal Affairs is doing a good job to represent the other towns and cities and villages of the province and I, too, share the concerns in work with the Minister of Municipal Affairs to accomplish and to meet the needs of other municipalities in the province.

MR. CHAIRMAN: The Member for Elmwood.

MR. DOERN: Mr. Chairman, just briefly to the last Minister, the former Minister of Agriculture, you know I don't want to spring to the defence of his colleague, the Member for St. Norbert, having just attacked him before dinner, but it strikes me that he is criticizing his colleague who is the person who signed the agreement and piloted along for a number of months — (Interjection) — Well, the same things are happening now under the core area agreement that were happening before the election, only there is more advancement along the way.

The other thing I mentioned, if you want to talk about a 60-40 split, well you can go the City of Winnipeg and they will provide you with tons of statistics about the impact and the role of the City of Winnipeg in terms of the economy of Manitoba. They've long argued for their role, as they would say is the main engine in the economy. Now, maybe you don't accept that, maybe it's an argument that can't be made, but they've made it for years and they certainly have some merit in their case. If you want to talk about a 60-40 split, the Department of Agriculture has a budget of 42 million, which is spent in the rural part of the economy; Highways has 195 million, I am sure that nearly all of that is spent outside the Perimeter; Municipal Affairs has 30 million, so you're talking way over \$200 million compared to \$55 million in the Department of Urban Affairs. I am just saying, you can't say for one split second — (Interjection) — Well, I don't think so. My impression is that you are concerned about the core area agreement and you're trying to put in a context whereby you're trying to indicate that the government's priorities are urban and not rural. If you look at the total Budget and where it is spent and so on, I think you will find that a substantial percentage, a majority percentage is spent in the rural areas.

I also say to honourable member that I assume he's going to support my resolution on the CPR, to come up with \$7 million, \$10 million, \$15 million, \$20 million, \$30 million, whatever it's going to be, which would go to the City and which would come out of the pockets of the railway, not out of the pockets of the farmers.

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, I want to assure the Member for Arthur that I would have supported an equitable and substantial program for the Main Street Program, which the Minister of Municipal Affairs admitted in his Estimates the other evening that we had developed and he had started the change in legislation to implement that program.

Mr. Chairman, the Minister has indicated, however, that he and his government is prepared to implement the Core Area Initiative Program which we had developed and signed an agreement with the other levels of government. I wonder, could he indicate what, if any, changes he has made or proposes to make in the plan that we had developed? Significant changes? I know what he has done with respect to the inquiry in the Logan Avenue area, but other than that, has he made any substantial or significant changes in the overall plan?

MR. CHAIRMAN: The Honourable Minister.

MR. KOSTYRA: The only major change that has been proposed by the province is a change with respect to the Employment Facilities Program. We've proposed to the other two levels of government that Activity 610 which is the Technical Training Centre and Activity 611 which is the Work Experience Center were basically to be facilities. The Technical Training Centre which was to be an actual physical building with projected estimates of \$7 million, and the Work Experience Centre which was to be \$1.15 million, we've recommended to the other two levels of government that those projects not proceed and that the funds that were set aside for that program be put to the Winnipeg Core Area Agreement Training and Employment Agency for actual training and employment projects rather than in physical structure. I believe that's the only major change that has been proposed to date with respect to the Winnipeg Core Area Initiatives Tri-level Agreement.

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

MR. MERCIER: Mr. Chairman, I would ask the Minister whether that change was supported by the Department of Education. As I recollect, that facility was virtually an extension of the Red River Community College facility, if not very similar in nature, which has a very high demand on its facilities and whose graduates have been very successful in the job market. I wonder if the Minister considered that aspect when that change was made.

MR. KOSTYRA: I don't think there's any question that the community college is successful. It was our belief that rather than building new physical structures for the training programs and for the Work Experience Centre that we could better accomplish the aims and the goals of the Tri-level Agreement by having more funds available for the actual training and employment projects and use existing facilities, either within the core area where there may be existing buildings that could be rented or utilized for the training programs, or utilizing existing educational facilities, obviously, including Red River Community College or other educational facilities in the city, without having to build new structures for the actual programs. I don't want to get into an area I'd rather not tread into, but with declining enrolments there are schools being made available that aren't being utilized, that are built and are functional that we could tap existing structures rather than building new structures. So that's the basic reason. There's no question that we felt the general goals of the Employment and Training Agency to be worthwhile, in essence, taking a step further by having additional funds available for those programs.

MR. MERCIER: Mr. Chairman, did the Minister indicate the other two levels of government had agreed to that change?

MR. KOSTYRA: No I didn't. There is no agreement at the present time to those changes and they are pending before the Policy Committee.

MR. MERCIER: Will it be necessary to await the

recommendations from the inquiry into the Logan Avenue expropriation?

MR. KOSTYRA: The city has taken a position that they will not respond to the province's request for the transfer of funds until the results of the inquiry are made available. However, we have agreed to proceed with Program 1 and there is sufficient funds for the first year of operation.

MR. MERCIER: When does the Minister expect the final report on the inquiry?

MR. KOSTYRA: I hope to receive the report by the end of the month. That was the initial indication that the Commissioner gave me.

MR. MERCIER: Those then, Mr. Chairman, are the only significant changes in the Core Area Initiatives Program that have been made.

MR. KOSTYRA: Yes, there have been no other major changes proposed by the province with respect to the programs under the Core Area Initiatives.

MR. MERCIER: Yes, I suppose there is one, the north of Portage Avenue expropriation of the addition block for the Air Canada project, is it?

MR. KOSTYRA: Yes, I should just clarify for the record. I think the initial line of questioning was what changes were proposed by the Provincial Government? The Air Canada development was a tripartite agreement to make the necessary changes to accommodate that development. There have been a number of minor changes made in specific projects, but no major changes or no changes in the actual allocations of funds with respect to each program as was under the initial agreement except for the change with respect to the employment facilities that I just earlier referred to and the Air Canada development.

MR. MERCIER: Mr. Chairman, with respect to the additional expropriation for Air Canada, I believe the Minister indicated previously, Air Canada will pay \$3.5 million for this site and the Core Area Initiatives Program will be responsible for any cost of acquisition over and above \$3.5 million?

MR. KOSTYRA: Yes, the estimate that we received with respect to the net cost to the Core Initiatives is \$1.8 million; of course, that is an estimate based on appraised values of the property in question and other considerations, but the final cost will not be determined until all of the offers with respect to compensation for the expropriations are agreed to or determinations are made under the procedures of The Expropriation Act.

MR. MERCIER: Mr. Chairman, on the north of Portage Avenue redevelopment, has there been any decision made on how that area will be developed, through what process? Will there be a nonprofit corporation formed, for example, particularly in this area with representation from the private sector to develop a plan for the area to look at perhaps incentives that

might be required to attract development in that area? Has there been any consideration or any decision made as to how that will be developed?

MR. KOSTYRA: Yes, there has been a project authorization signed by the three levels on January 8, 1982, for the study of a development corporation for the north of Portage Redevelopment Program and the objective of the study is to have a development corporation established for the area north of Portage to administer a program of incentives to investors to encourage investment in this area. So the study is under way with respect to the feasibility of setting up the development corporation to accomplish what the Member for St. Norbert referred to.

MR. MERCIER: How long does the Minister expect that study to take and some decision made, so that we can get on with it?

MR. KOSTYRA: We're expecting the completion of the study by August 31st of this year. A consultant has been retained and is starting his work, so I would expect the report from the consultant by August 31st and then shortly after that we would be in a position to make some decisions with respect to development corporation.

MR. MERCIER: Could the Minister name the consultant who is looking at that?

MR. KOSTYRA: It is Mr. Sid Schwartz, he's with the law firm in the City of Winnipeg, Schwartz Weinberg et al. The member would, I am sure, know Mr. Schwartz.

MR. MERCIER: Does the Minister know or had any indication whether the Winnipeg Free Press intends to redevelop in that area as they had indicated or plan on relocating?

MR. KOSTYRA: No, Mr. Chairman, I don't know. There was some communication I believe to the present Attorney-General with respect to the Free Press property and I do not believe that they have responded to the offer of compensation for the property that was being — they haven't responded as of May 7th to the offer of compensation under The Expropriation Act.

MR. MERCIER: Mr. Chairman, on the C.N. East Yards, has there been any steps taken with respect to that matter? I know it falls into the ARC Program too, but there are the appropriations under this program.

MR. KOSTYRA: Yes, Mr. Chairman, there was a project authorization signed on the C.N. Redevelopment Agreement. The purposes of the authorization that was signed was for the firm to be hired to enter into and conclude negotiations with the CNR with respect and leading to the major redevelopment of the area contained within and lying south and east of the C.N. main lines for the park recreation, institutional, commercial and residential purposes. That consultant hasn't been retained yet. The City is implementing jurisdiction for this project. This was signed, I believe, back in February and I would anticipate the City

would be hiring a consultant shortly.

As the Member for St. Norbert is aware, there is a fairly large piece of land, in fact it was one of the largest pieces of land in the inner part of the City that will be made available once these negotiations are concluded and are tied directly into the proposals and plans under the ARC Agreement for the project.

MR. MERCIER: Has there been anything developed on the Historic Winnipeg Area Development?

MR. KOSTYRA: There are a number of projects under that area. The only one to date that has been signed, and again that was signed on February 8th, 1982, as a feasibility study with respect to the Arts in the Historic Winnipeg Area Development. It's objective is to look at the possibility of accommodating Arts groups in the Heritage Winnipeg area. The City of Winnipeg is the implementing jurisdiction for that program and they are in a process right now of short listing, I believe, candidates to be awarded the feasibility study. I know there were some meetings last week with respect to this program. That is the only project authorization under Program 9 that has been approved to date, but the others are in the process of being prepared for approval.

MR. MERCIER: Mr. Chairman, under Program 10, Chinatown, there was a long-term lease that we had authorized, and then I believe subsequently the city authorized a lease to a nonprofit Chinatown development corporation. Are there any prospects of early development in that area?

MR. KOSTYRA: Yes, I am hopeful that there will be early development in the Chinatown area. The lease that is referred to was confirmed by this government and there is negotiations ongoing right now to conclude the actual agreement with respect to — it's basically dealing with the legal documents, it's a matter of just concluding the agreement with respect to the City.

I am also informed that CMHC has approved the housing project for the Chinatown development and that hopefully will be proceeding later this year.

MR. MERCIER: Well, Mr. Chairman, that's encouraging to hear, but what about the — part of this program was in the area of housing? I believe those programs were in a position where they certainly could be approved by the Provincial Government quite some time ago. Have those been approved and are they proceeding?

MR. KOSTYRA: Yes, a number of the housing projects have been approved. The Home Repair Administration Costs Program has been approved and was signed on February 24th. The loan forgiveness for hardship cases was also signed and approved on February 24th. The expanded nonprofit assistance for Kinew Housing, the native nonprofit housing corporation in the core area, was also approved on February 22nd and the Logan CPR Rehousing Project was also approved on February 22nd. There are, I believe, a number of other housing projects that are in the process of being developed and should be approved

within the next two months.

MR. MERCIER: Mr. Chairman, when is the government going to re-embark upon the Core Area Initiatives and the discussions that went on for some time? I believe I was successful in persuading my colleagues in Cabinet to agree to the principle that whenever any department of government or any agency of government was considering a new facility, that priority be given to establishing in the core area of the city. I don't think he will find that in writing anywhere, but I can assure him that it was discussed and agreed and followed through with. Perhaps the Minister hasn't had an opportunity to discuss it with his colleagues, but I would ask him if he agrees and if he agrees, would he agree to attempt to obtain his colleagues' agreement to that effect, that if there is to be a new facility required for government, if Manitoba Hydro requires a new building to house employees or the Telephone System. It makes, particularly when the province, the city and the Federal Government are making a heavy financial commitment to the downtown of the city and apart from that, it is so important to the downtown. Would the Minister agree with that principle and perhaps persuade his colleagues to give that serious consideration?

MR. KOSTYRA: Yes, Mr. Chairman. I am rather surprised how the Member for St. Norbert and I are on very much the same wave length that I have had the opportunity to discuss that with some of my Cabinet colleagues and the member made mention that was an unwritten policy. I am hoping to have it as a written policy of this government and I would hope to even go maybe a step further. The member talked about new facilities, that if they are to be built that they would be built in the core area of Winnipeg and I very much agree with that, but I also have had discussions with respect to the utilization of existing structures in the core area that if the opportunity presents itself where the Provincial Government or any of its agencies is in need of space, that we could look first at heritage buildings or existing buildings with the view of moving into them either on our own, rehabilitating those buildings or move into premises that are being rehabilitated by their owners or to give the owners some assistance in doing that. So I would see that as the first priority in that if we couldn't find space in existing buildings or rehabilitate existing buildings, then if there was need for new construction, that also be done within the core area of Winnipeg.

I might add that at the present time, one of the other departments that I am responsible for, Cultural Affairs and Historic Resources, is in the process of moving into a building in heritage Winnipeg that is going to be maintained under its original character. I would hope that we would be able to continue with that policy and that it will become a written policy of this government.

MR. MERCIER: Mr. Chairman, I wonder if the Minister could give me some details on this line. As I recollect, there should have been a considerable amount of money advanced under these expropriations in the 1981-82 fiscal year. Could the Minister indicate how much money was actually spent in the 1981-82 fiscal year and what it is proposed that the \$8,266,000 will be

spent on in this coming fiscal year and perhaps you could also give some information with respect to the 2 million that is in the Canada-Manitoba Enabling Vote.

MR. KOSTYRA: Mr. Chairman, I am not sure that I caught all the questions, but I will try to answer some of them and then if I miss some, the member can repeat them. Under Program 6, which is the Logan, there are 157 owners affected. There has been compensation offered to owners and/or tenants of \$4,886,000 and change. Compensation paid out in the last fiscal year was \$2,132,599 and compensation paid to date this year is \$470,060.00. There are still 37 files on which settlements have to be made. Oh, I'm sorry, 37 have been settled and there are 52 on which advance payments have been made to date.

Under the north of Portage, there are 12 owners affected, \$3,468,840.00. Compensation paid out in the last fiscal year was \$978,647, nothing paid to date in this fiscal year, three settlements made to date and six with advance payments.

On Program 8, which is the C.N. East yards, there are eight owners affected. Compensation offered to owners is \$2,204,800.00. Compensation paid out in the past fiscal year is \$1,379,160, one settlement to date and three advance payments.

So the totals of that are compensation that has been offered, \$10.56 million, compensation paid out last year was \$4,490,408 and compensation paid to date this year was \$470,060.68.

I am not sure I caught your other questions.

MR. MERCIER: Mr. Chairman, I wonder if the Minister could indicate how the total \$10 million included in this and the Enabling Vote is to be allocated or spent in this 1982-83 fiscal year.

MR. KOSTYRA: I could give the actual breakdowns by programs for this year, 1982-83. These are the programs implemented by the province. There is \$2,105,000 for the various training programs. Under the Housing, there is \$150,000; under the Community Facilities is \$1,285,000; the Logan Industrial Development is \$420,000; land acquisition this year for Logan, north of Portage in the East Yards is \$740,000; the total for Other Expenditures including the north of Portage is \$2 million, which is the total of \$6,700,000, and the estimate of the province's contribution to the city and federal expenditures is \$3,632,000, which is the grand total of \$10,332,000, of which \$8,000,266 is contained in the Estimates and approximately \$2,066,700 is in the Canada-Manitoba Enabling Vote.

MR. MERCIER: Mr. Chairman, could the Minister indicate the specific programs that will be proceeding under Programs 4 and 5, Community Facilities and Community Services?

MR. KOSTYRA: I'm sorry, I can't give the specific projects. The project authorizations for Program 4, Community Facilities, and Program 5, Community Services, are going to be announced very shortly, within the week, which are the general project authorizations, but the specific proposals will be dealt with once the two project authorizations are approved and then they'll be dealing with the many proposals that

have been put forward already that I'm sure the Member for St. Norbert is aware of and others that have been generated since. So, I can't tell him which specific proposals will be approved, outside of that those two project authorizations, the approval will be announced within the next few days.

MR. MERCIER: Mr. Chairman, under Program 5, there was a suggestion there would be a community based foundation with, I think the concept was that interest on the capital funds would be used to fund community services over a long period of time. Has that concept been approved by the three levels of government?

MR. KOSTYRA: As I understand it, that concept was approved in the original agreement. There has been some concern expressed by the Federal Government, whether or not they, through their statutes, are allowed to provide funds for that type of foundation. As I understand it, the Federal Government cannot put funds into trust and that's still being reviewed with the Federal Government and the city and ourselves. Quite frankly, I had expressed some concerns with respect to the foundation, not in basic agreement with the concept of a foundation, but in the amount of monies that would be set aside in trust for the foundation. It was being proposed by the City that approximately half the funds be set aside for the foundation and only half of the funds be made available for actual programs under the Community Services authorization. At the present time we are working on approval on that project authorization and still dealing with the outstanding questions with respect to the actual formation of the foundation and the amount of money that would be set aside for the foundation.

MR. MERCIER: I have no more questions on this item.

MR. CHAIRMAN: The Member for Inkster.

MR. DON SCOTT (Inkster): Thank you, Mr. Chairman. I have a couple of questions and concerns, and I don't want to provoke anything in here and keep us up any later, but I would like, first off, are questions regarding the housing program in particular and also the community improvement areas.

First off with housing, is the number they state in the Core Area Initiatives June '81 proposed plan, the rehabilitation of about 4,000 existing dwelling units over five years and the construction approximately of 400 privately owned infill housing. I'm wondering if this is including the number of homes that they're trying to get both revitalized and rebuilt, in some instances from scratch, in the core area and if they are based on 1981 standards or 1982 standards?

You know, from starting off from a level — what's our population in the inner city now and we're saying we want to maintain that population or at least slow down the decline of the population in the area, that's one of the main purposes of the whole core area, to keep the core area a living part of the city. I'm wondering when they're talking about the rehabilitation and the building of new homes, are they using it as a housing stock number base when the program started

or are they going to be starting to use a new base, our current base, 1982 or 1983, when it will finally get rolling?

MR. KOSTYRA: I don't believe it was really done on the basis of — I guess it was done on the basis of the units that were in existence at the time, but the objective of the program is to provide varying levels of financial assistance to affect the rehabilitation of approximately 4,000 core area dwelling units and there are a number of programs that are being put into place to do that.

Now, there are also other programs dealing with capping up of the Critical Home Repair Program to provide greater assistance for Critical Home Repairs, which has an impact on the revitalization or the rehabilitation of existing homes. There is also assistance being provided to Kinew Housing to carry on their specific projects, which again are rehabilitation of housing units for native people. There also is going to be a bylaw enforcement with respect to existing upgrading and maintenance bylaws and codes within the core area for both homes and rental units, so there are a number of programs. The direct rehabilitation target is 4,000 units, but it goes further when they talk about the topping up of the Critical Home Repair Program.

MR. SCOTT: Thank you, Mr. Chairman. What I'm concerned of with this is that in the past six months or so in the City of Winnipeg on Broadway Street we've seen the demise of probably close to 354 to 400 units of rental housing. Here we have the three levels of government on the one hand co-operating, suppositively at least, towards making the downtown part of the city a more livable place, trying to keep people living in the downtown part of the city. Then we have the City of Winnipeg approving both through adjustment of bylaws, I suppose, and also of giving permits for demolition of a large block just two blocks to the east on the north side of the street, I'm sure that one had somewhere in the vicinity of 150-200 units in it. — (Interjection) — Yes, and plus, as the Member for Wolseley says, it was a beautiful old block. It certainly took them two months to tear it down, it would not take them two months to tear down the new things that are being put up today. We have, a couple blocks further down the street, back in the late fall, another one went down. I think it was on the corner of Garry and then, right now, there is another wrecking crew working on Broadway and Smith so that we have another one going down.

Personally, I would like to see some form of penalty go against the City of Winnipeg for every time that they approve to knock down housing units that are either in good condition or in condition where the rehabilitation of that housing is not going to cost that much more or cost more than building a whole new unit. Because I see us trying to maintain a stabilization and maintain the population in the area and trying to upgrade the housing, I see the city come in with wrecking balls and destroy large numbers of units.

We had another one just west of here, just on the corner of Colony and Broadway. It was a beautiful old block, one of the nicest and one of the earliest old blocks restored in the city, and it was ripped down — a

loss of probably close to 50 units in there, units that had just been rebuilt in the early '70s and here we have it down. What do we have? — some idiotically-shaped new Imperial Bank of Commerce, a one-storey building. We displaced all of those people and stuck a ruddy bank up, so that Great-West Life can knock down another bank that is sitting in front of this big stone block that they are sticking up on the corner of Broadway and Osborne North.

I think it is something that has to be addressed and we have to be firm with the city and let them know that we are not into this Core Area Initiatives Program just so that they can go along and knock down more apartment units in the city in an area that we are trying to put units into. I see it really going at cross purposes and if the Minister has any comments towards that, I would appreciate them at this time.

MR. KOSTYRA: Mr. Chairman, I, too, share the concern when we see the demolition of existing housing units that are still in a condition to be utilized. I know some of the buildings that he refers to and I would hope that through positive programs we would be able to encourage private developers or private owners to keep their properties in shape. If the member is suggesting that the city take more drastic action as is the case in some jurisdictions with demolition controls, that is something that could be discussed with the City of Winnipeg.

MR. SCOTT: Mr. Chairman, I would certainly encourage the Minister to take that action and to go to the city and give a general note of displeasure on behalf of the province that they are going ahead with the demolition of a number, probably close to 600 or so, just in the past year of housing units in the downtown part of the city. Moreover than that, they are housing units that probably weren't priced out of the range of a number of people. Let's face it, the new ones that are going up in general, at least, the private sector ones and mostly condominiums are very expensive apartment units and most of the people are being chased out; they are being knocked out of the units that they are existing in.

Perhaps, it is all part of a scheme that they started a couple of years ago when they knocked down the Safeway store that was on Broadway and at that time they said there was going to be a new building going up there and there was a concession given to the elderly people who lived in the blocks nearby that there would be a grocery store go into the basement of that new block. Well, the new block is still a parking lot. The elderly people in the area — there is a high portion of elderly people in that area — have to go quite a distance further to be able to get their groceries, all the way down to Eaton's is the closest one, I believe now. It just seems that there is almost — whether it is some planners or someone from the demolition companies have gotten the ear of someone in City Hall that is going along and letting them change drastically the complexion of Broadway Avenue. I don't know if we want to turn Broadway simply into another street of no residences and just a bunch of high-rise office towers.

The other thing I would like to just ask a quick question on and that is regarding the Community

Improvement areas. I am wondering what kind of efforts or when it is going to be scheduled for the Community Improvement in an area such as Weston which is in desperate need of it right now, partially because of the pressures that they are facing from people being displaced from the central parts of the city and moving on to the next cheapest part of the city to live in which, unfortunately, at this point in time and, fortunately, I guess in another way, is Weston.

MR. KOSTYRA: First of all, Mr. Chairman, the decision for the Community Improvement Programs is under the jurisdiction of the City of Winnipeg. There are programs planned for the Fort Rouge Community Improvement Area; the West End Community Improvement Area; the Wolseley Community Improvement Area; the North Central Winnipeg Community Improvement Area which includes North Point Douglas, William Whyte-Dufferin area; North Winnipeg Community Improvement Area which is St. Johns and the Elmwood Community Improvement Area.

MR. SCOTT: So, there is nothing even planned for Weston and Brooklands.

MR. KOSTYRA: As I understand, Brooklands is already done.

MR. SCOTT: Brooklands is basically done west of the railway line that transects it north-south. West of there, the improvements have all pretty well gone in. On the east side, the improvements have not gone in and there has been very little housing redevelopment east of the north-south running rail line there, the CPR line, or at least I believe it's CPR, I may be wrong there. None of the back lanes are cemented yet; they are still all mud. The houses — there has been very very little effort towards assisting in the improvements of the homes in the area.

In the Weston side of town, I had a constituent go through not that long ago and came up with something in the vicinity of 25 or 30 homes that were abandoned and boarded up. Some of these old blocks are being kept alive that have six or seven units in them that have no proper foundations under the buildings and are just crumbling and the city cannot tear them down as long as they keep one resident in the building. So the landowner is keeping one resident in the block to try and keep the thing from being torn down in these instances. The buildings, not contrary to what I was saying earlier about not tearing down buildings that are in sound structures, these are unsound buildings. Many of them have had several fires in the past. They will go in, they will make a few improvements to one or two suites and get someone back in them again. I don't, for the life of me, understand why the landlords are doing it, but it certainly is being done and it detracts considerably from the general community, let alone the number of burned-out hulks that are still left standing as well.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): This is on a different subject, Mr. Chairman, if the Minister

wants to . . .

MR. KOSTYRA: Well, I can't really answer the question. I could take it as notice and inquire of the City of Winnipeg what plans they have for the area that was referred to.

MR. SCOTT: If you wish any assistance along that line, I'll be glad to help you out as well because the area definitely is need of a lot of assistance at this time, because it's going through a considerable transition as a community does evolve, and it's going through a very troublesome one at this point in time.

MR. KOSTYRA: I'm just informed now that as part of the City of Winnipeg's five year Capital Program that the area bounded by Keewatin, Notre Dame, McPhillips is scheduled for 1984.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek, I wonder if we could pass (a) and (b). Did you want to speak on (c)?

MR. MERCIER: I've got another question later on.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, there was a feasibility study done by officials from Manitoba, and the National Research Council of Canada, which culminated into a recommendation to the Federal Minister for a National Research Facility in the Province of Manitoba. The discussions carried on to the point where it was deemed advisable for that facility to be in the Core Area Program. Could the Minister inform us whether the National Research Council is still intending to put that facility in the core area of Winnipeg?

MR. CHAIRMAN: Mr. Minister.

MR. KOSTYRA: No, I cannot tell the Member for Sturgeon Creek whether or not the Council is intending in putting that Center in the core area. I do know, however, that item is still being pursued by the Federal Minister of Immigration and Employment at the present time, and that's about all I know about the status of that project. I could enquire further through the Federal Minister to find out what the status is of that project.

MR. JOHNSTON: Well that's fine, thank you.

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, I wonder if the Minister could indicate the status of Plan Winnipeg? I don't believe that it has past second reading yet at City Council, although it should very soon. I take it when it has passed second reading, it comes to the Minister for approval and that it would be processed through the PLUC Committee?

MR. KOSTYRA: The Plan Winnipeg has not gone to second reading of the City of Winnipeg. As the

member is aware, first reading took place last August, last summer, and there was a process of community hearings with respect to Plan Winnipeg throughout the community committees, and the City of Winnipeg Executive Policy Committee, as I understand it, is reviewing all of the input that was given on Plan Winnipeg and will be then making its recommendations to City Council for second reading. Once second reading takes place at the City, it's then referred to the Minister of Urban Affairs, and as I understand it, it can be adopted and referred back to the City for third reading. It could be reviewed by the province and specific changes proposed, or it could be referred to the municipal board for hearings, if need be. Insofar as it hasn't gone to City Council for second reading, and I'm not certain when it is, I know that they're planning in the near future, but I don't know as if they've set a date for second reading at City Council.

MR. MERCIER: Mr. Chairman, I wonder has the Minister taken any preliminary position or made any preliminary comments to the City on the plan?

MR. KOSTYRA: The province did, the Urban Affairs Committee Cabinet did meet with the official delegation from the City of Winnipeg, and were presented with an overview of Plan Winnipeg by the city officials. There was a subsequent meeting to discuss Plan Winnipeg with the city officials and there is ongoing discussions taking place at the staff level and there will probably be further discussions at the political level with respect to Plan Winnipeg.

MR. CHAIRMAN: That's 3.(a)—pass; 3.(b) Other Expenditures—pass; 3.(c)(1) Provincial Project Expenditures—pass; 3.(c)(2), Payment to Other Implementing Jurisdictions—pass.

Resolution No. 124 — Resolved that it be granted to Her Majesty a sum not exceeding \$8,503,900 for Urban Affairs, Urban Policy Co-ordination Branch for the fiscal year ending 31st day of March, 1983—pass.

4.(a) Agreement for Recreation and Conservation for the Red River Corridor; 4.(a) Salaries.

Mr. Minister.

MR. KOSTYRA: Yes, I'd just like to make some opening comments on this resolution. Resolution 125 provides for \$1,697,000 for the provinces expenditures under the Canada-Manitoba Agreement for Recreation and Conservation for the Red River Corridor.

An estimated \$550,500 is recoverable from Canada. The master development plan for the corridor was approved by the responsible Federal and Provincial Ministers last October and provides for the expenditure of a total of \$12,907,000 on 18 projects before the agreement terminates in March of 1985. The province is responsible for the implementation of 16 of the approved projects and is proceeding in accordance with the master development plan as quickly as possible.

Appropriation 4.(a) provides for \$15,000. for the salary of one administrative secretary, and appropriation 4.(b) provides for \$286,000 for the full year costs of the contract staff and expenses of the ARC Secretariat in the New Manitoba Arc Authority Incorporated, which has been created to arrange for the implemen-

tation of provincial projects.

Appropriation 4.(c) provides \$1,396,000 for anticipated expenditures during 1982-83 on most of the 16 projects assigned to the province for implementation.

I'm of the opinion that the prospects for improving public access to the major historical recreation and cultural resources of the Red River Corridor are tremendous and I look forward to seeing the actual projects under construction in the near future.

MR. CHAIRMAN: The Member for St. Norbert.

MR. MERCIER: I take it from those comments, Mr. Chairman, that the Minister and his government are prepared to implement that plan that we developed, and I had the privilege of signing with Mr. Roberts of the Federal Government?

MR. KOSTYRA: Yes.

MR. MERCIER: I assume the Minister will be calling these last two Items the Progressive Conservative New Democratic Party Core Area Initiatives and ARC Programs in all his . . .

MR. KOSTYRA: Well we can't leave out, in the case of ARC the Federal Government and in the case of the Core Initiatives the City and the Federal Government. Give credit where credit is due.

MR. MERCIER: Mr. Chairman, could the Minister indicate what projects he anticipates or he is providing for to be done in this fiscal year?

MR. KOSTYRA: The projects that are being worked on this year, some will be in various stages of completion. If the member is interested, I could run through all the projects that are proposed as to what is being expended this year. St. Peter's Church, there is an estimate of \$50,000 to be spent this year; the downtown river banks, \$200,000; the St. Boniface Docks and River Bank Project is estimated at \$100,000 and that project will still be ongoing for two more years before it will be completed. The River Road Park Way, the Bank Stabilization Test Project is budgeted for \$300,000 this year. The Selkirk Waterfront Project is estimated \$150,000 which will be the bulk of the funds for that project with further minor expenditures in the subsequent years. There is no money in the Estimates this year for the Trappist Monastery. The Forks Park, there is \$180,000 for the park and the Upper Gates Project; the Gates Project should be concluded during this year. There is \$100,000 set aside for the LaSalle Park with some further minor expenditures next year. Lockport, there is \$217,000 estimated with further major expenditures in subsequent years. There is no money set aside in this year's Estimate for the Boat-Bus Project. There is \$40,000 set aside for the Point Douglas Project with further major expenditures in subsequent years. The Fort Moropaus (phonetic) Project, there is \$18,000 which is the anticipated amount for the life of the agreement. There is nothing set aside for Nesbitt Hall this year nor the Kildonan docks or St. Norbert X-kalay Project and there is \$41,000 set aside for the Netley Creek project.

If the member would like more specific information

on any of those projects, I could give it to him.

MR. MERCIER: Mr. Chairman, I believe the Minister indicated there was \$150,000 for the La Salle River Theme Park Project.

MR. KOSTYRA: I'm sorry. I didn't hear him.

MR. MERCIER: For the La Salle River Historic Theme Park Project, \$150,000.00?

MR. KOSTYRA: \$100,000 this year.

MR. MERCIER: Is there money also in the Minister's Cultural Affairs and Historic Resources Budget for that project?

MR. KOSTYRA: Yes, there is. I don't know the actual amounts, but there is money in the Cultural Affairs and Historic Resources Budget for that proposal and there is work that will be starting again shortly on that project.

MR. MERCIER: Mr. Chairman, did the Minister say there was no money set aside for the Trappist Monastery Project?

MR. KOSTYRA: As I understand it, the amount that was estimated last year was not all expended and there will be expenditures to conclude that in this year's Estimates or there will have to be funds expended this year on that project.

MR. MERCIER: Mr. Chairman, that would be the, I think it was an architectural study on the building.

MR. KOSTYRA: Mr. Chairman, there has been a contract awarded of \$22,000 to the firm of Stechesen & Katz to determine the costs of site development and maintenance costs for the Trappist Monastery.

MR. MERCIER: Is the proposal then, Mr. Chairman, for ARC to discuss that study with the church group that is involved to determine a further course of action?

MR. KOSTYRA: Yes, there will be discussions at the completion of the study on seeing the position of some cost estimates and then discussing that with the various user groups, including the church.

MR. MERCIER: That study would be made available to the group that's being . . .

MR. KOSTYRA: Yes, it will be.

MR. MERCIER: Mr. Chairman, as I recollect, there was also some money in the St. Norbert area for a boat launching facility.

MR. KOSTYRA: That is part of the X-kalay Project site and that is conditional on the Heritage St. Norbert group or others to get their funding together.

MR. MERCIER: Mr. Chairman, I will just speak briefly. I don't expect a response, but perhaps the Minister

and perhaps even the Minister responsible for the Environment later on would respond to me.

There was a letter sent to the Minister of the Environment and the Minister for Urban Affairs by a Mr. Saidman, relative to property just north of the perimeter of the floodway gates, relative to a Hydro right-of-way expropriation and construction of the transmission facility. I would appreciate it, when the Ministers are in a position to respond to those letters from their respective, that they forward me a copy. The writer subsequently sent me a copy of those letters.

MR. KOSTYRA: Yes, Mr. Chairman, I will provide the member with a copy of the letters. As I understand it, the concern was raised and I don't have a copy of the letter in front of me, but I did read it just a day or two ago that the writer was concerned about the fact that the additional Hydro line crossing would detract from the efforts that are being made with respect to the Red River Corridor. First of all, it is known that there are a number of Hydro crossings throughout the Red River Corridor which are there because of necessity of the Hydro lines crossing the river that I don't think, in general, detract from what we are trying to accomplish under the ARC Agreement, but I will provide a copy of the response to the Member for St. Norbert.

MR. CHAIRMAN: The Minister responsible for the Environment with a short comment.

MR. COWAN: I can only assure the member who made the request that I will contact the writer of the letter and ask permission to forward a copy of my response to him to the member and if that permission is forthcoming, then I certainly undertake to do so.

MR. CHAIRMAN: The Member for Inkster.

MR. SCOTT: Thank you, Mr. Chairman. I would just like to, I guess, with a very short background to this item, it's something that I've been involved with since about '76, (inaudible) was just starting to get going and I've said here — (Interjection) — no, I'm not going to do the whole history of the project at all, Mr. Minister. Sorry, Jay, no history lesson tonight. But a couple of areas of concern of things that have gone by the — or at least through delays in the program, the program really has been very slow getting off the mark since its initial conception and that was partially with the River Road Parkway. I understand that we've lost some of the initial parkway concept due to not taking options on land and some land being sold and being developed. I would just like to, I guess, make the Minister aware and the departmental officials aware that I would hope where land is to be acquired for the project that we put some form of a lien on it until it is required; if not, then it's acquired as soon as possible and held in reserve until such time as it's going to be used.

On another point, within the city's limits itself for the access to the river banks, I think that's exceptionally important. At one stage, I know they were talking about putting an automobile parkway on the river access within the city itself and I think that concept really defeated itself in that you are trying to get greater access to the area. By going with an automom-

bile route instead of bicycle paths or just walking paths, because the area is really not that extensive anywhere especially within the city, that one would just be asking for more trouble rather than really creating a greater deal of access for the residents of the City of Winnipeg and visitors to the city to see these historic rivers which, unfortunately, due to the lack of foresight and early city planners and just builders in general have basically covered the rivers away from the public and have used the rivers as at one time a bit of a transportation network but basically as an area to build plants that were not really maintained or much upkeep given on them. So we're left with the city with the riverbanks that have been deteriorating constantly.

The Forks Project is something, I think, that we should be giving a very high priority to. Historic significance, there's hardly anything at all of Western Canada with the same significance as the fork's area, the junction of the Red and the Assiniboine. I know there are several different ideas towards it. The City of Winnipeg has given some indication that they'd like to put several thousand housing units in the area. I really question the viability of that economically and beyond the economic viability of going in with that kind of a high density when the city really isn't growing and we were trying to put money into the core in general for revitalizing housing, whether or not we should be using this area, in particular, as a major housing project, particularly since this is flood-prone property as well.

MR. KOSTYRA: Well, just some general comments. I think what the Member for Inkster has stated is true, that unfortunately the riverbanks of the city are mostly in private hands. I guess a lack of foresight on previous governments going back to the turn of the century have allowed that to happen, and I think what's being attempted under ARC Program is to reclaim some of that riverbank property to make the focus of human activity around the rivers, but I suppose it would be virtually impossible, given the limited resources that we have as a government, to ever reclaim all of the riverbank property in the city for public use again. I believe that the ARC Program is an innovative program that is going to bring the focus of human activity back to the riverbanks and specific locations, particularly in the centre of the city and further out, so that it is I think a good attempt at making the rivers the centre activity. Right now, the rivers basically serve to divide the city and that this is an attempt to bring activity down to the riverbanks and make them an attraction rather than just a barrier between sections of the City of Winnipeg.

MR. CHAIRMAN: 4.(a)—pass — the Member for St. Norbert.

MR. MERCIER: Just a short comment, Mr. Chairman. During consideration of these projects in the St. Norbert community last year, which is a very important historical area, and with these three projects I had asked the previous Minister of Economic Development and Tourism to consider seriously a tourism office in St. Norbert which might be combined with one of these projects. Pembina Highway and that

particular area is an important entrance to the city for tourists; there is a high-traffic flow into the city from that area. I think in the past there was a tourism office located on the University of Manitoba Campus which seemed to me to be quite inconvenient to tourists to travel off Pembina Highway down to the university.

I simply bring this to the Minister's attention. In his discussions with the Minister of Economic Development and Tourism, it might be possible to develop a tourism office at one of these ARC projects in the south end of the city where I think it would be much more convenient to tourists and where it might also provide a focus for describing the whole ARC Program and other items of interest to tourists.

MR. KOSTYRA: That idea was suggested to me, it seems years ago; but many months ago, I think last December, when I did get a very detailed presentation by the Heritage St. Norbert group. I understand that fairly recently they did meet with the Minister of Economic Development and Tourism and I will discuss that proposal with my colleague. I haven't to date, but I will to see whether or not there is a possibility of developing that kind of centre in the St. Norbert area.

MR. CHAIRMAN: 4.(a)—pass; 4.(b) Other Expenditures—pass; 4(c) Acquisition/Construction of Physical Assets—pass.

The Member for Inkster.

MR. SCOTT: Just one final question. I wonder if there's been any change to the initial plans towards the Netley Creek Interpretive Centre, like how far? We have very little money in that for this year and I'm just wondering where that project is going or when is the mainstream of that project going to take effect.

MR. KOSTYRA: The major expenditures for that project will be in subsequent years. The only project that we are looking at in the near future is to solicit consultant services to develop a detailed site plan. There has been, as I understand it, some conceptual ideas, but it is now at a stage that there should be proposals to develop a detailed site plan for approval.

MR. SCOTT: Are they still sticking with the initial idea towards a footbridge across the creek itself, do you know? Is that still tied in or are they talking of dropping that?

MR. KOSTYRA: No, it is not being contemplated at the present time.

MR. CHAIRMAN: That's 4.(c)—pass.

MR. KOSTYRA: Mr. Chairman, the three areas that are being contemplated to be worked on in that project are enhancing the public parking facilities that exist at the site, further archeological work on the site, and an interpretive centre or an interpretive facility.

MR. SCOTT: Is it my understanding that they are talking about moving the interpretive centre to, I guess it would be the south side of Netley Creek then?

MR. KOSTYRA: Yes, that's correct.

MR. SCOTT: Because if they do move it to the other side, I would suggest, and I'm not as familiar — I've only been in the area once or twice — I'm not as familiar as I would like to be with it, but I would suggest that from an interpretive and a naturalist perspective you are going to be harming the potential for the use of the information centre quite substantially. The environment on the other side is certainly more conducive towards and removed from the parking lot and the heavier use in the archeological digs probably as well. I would suggest that it should possibly be considered that a footbridge of some sort be constructed to let people get across to the marsh area.

The marsh area, when you try to attract people into a natural area and looking for naturalists and bird watchers and one thing and another to come into the area, you are going to be much better off when you can get them closer to the goals of the project, which is interpretive education.

MR. KOSTYRA: The project is being proposed for the south side. I note that the member is referring to a book. I think you may be looking at an outdated. That was the initial proposal. The approved master development plan is this document, which was approved after public consultation on the basis of that original proposal. So what is contained in here, as the member can see, is the centre being on the south side of Netley Creek.

MR. SCOTT: Do you know what the rationale for the movement was, because from my own attending of the seminars, I can't really recall that there was that much attention brought to move it to the south side from the north side?

MR. KOSTYRA: I guess the major problem that was anticipated with the bridge was the amount of boat traffic that goes up and down Netley Creek onto the Red River and then out beyond. The bridge would have impeded that traffic.

MR. SCOTT: It's just that perhaps the boat traffic is impeding an awful lot of people's ability to be able to enjoy an area as well, so there are two sides to the coin.

MR. CHAIRMAN: 4.(c)—pass.

Resolution No. 125 — Resolved that there be granted to Her Majesty a sum not exceeding \$1,697,000 for Urban Affairs, Agreement for Recreation and Conservation for the Red River Corridor for the fiscal year ending the 31st day of March, 1983.

This brings us to the Minister's Salary. The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, I think I have made my comments as we have gone through the Estimates and although they are highly deserving of repetition, I don't think I will put the committee through it at this particular hour.

I think the Minister obviously has our support on implementing the Core Area Initiatives and the ARC Agreement. I have indicated my concerns with respect to the administration and staffing of the department and the approach of the Minister to the City of Win-

nipeg and he hasn't been in a position to indicate a future course of action on that. I guess we will just have to leave that to Year 2 or Year 3.

MR. CHAIRMAN: That's 1.(a)—pass.

Resolution No. 122 — Resolved that there be granted to Her Majesty a sum not exceeding \$96,100 for Urban Affairs for the Executive Functions for the fiscal year ending the 31st day of March, 1983.

MR. CHAIRMAN: That concludes Urban Affairs.
Committee rise

SUPPLY — EDUCATION

MR. CHAIRMAN, Phil Eyles (River East): The Committee will come to order. We are considering the Estimates of the Department of Education, Section 3.(a) Financial Support - Public Schools, School Grants and Other Assistance.

3.(a) — Madam Minister.

HON. MAUREEN HEMPHILL (Logan): I hope that I recall exactly what the question was that the Member for Pembina was asking. I might reiterate what I think the question is. I think he was saying, in light of the fact that I have been saying that declining enrolment in small schools is a problem, why wasn't there something said more directly about it when I announced the Budget, that was the question.

Mr. Chairman, I think in all the discussions that I have had, whether they are in the House, out of the House, statements before the House, I have always talked about the combination of small schools' declining enrolment problem together and when I made the statement in the House on the Budget, I talked about the money that was set aside to deal with that issue. It is under the category of small schools, might more appropriately have been what I had always been talking about, small schools' declining enrolment. I also said at that time — I announced in general the program and I talked a great deal about the problems, small schools and declining enrolment and bilingual programs — that the details of the program would be announced at a later date and I want to say why we have taken that time, Mr. Chairman. We are doing a lot of talking with people in the field and that is both teachers, it is school trustees, it is superintendents and it is gathering information from the three very valuable Small Schools' workshops that were put on by my department in early February where teachers from all across the province came out in full number to attend those workshops and discuss the issues and the problems. What we're doing is making sure that the program that we are designing meets the problems that have been identified by people in the field and that the criteria, evaluation and components of the program are worked through with all of the various groups and organizations, so that it's taking a little bit of time. One would ordinarily, I think, develop these programs when you are developing the budget. In other words, you would identify money for programs, money in the budget, and you would develop your programs in the course of the year.

We are in the position of coming in to an already established budget that had taken the year previously

to develop that did not contain some of the elements or programs that we wanted to see. We were in the position of having to bring them in very short order and design them, sort of at the eleventh hour, and it is taking a bit of time. I think when the program comes out that it will show that it has the basis, both for criteria and evaluation, that is going to give us good information for the review that we are doing for support to schools in the year ahead in the Educational Finance Review.

MR. CHAIRMAN: The Member for Pembina.

MR. DONALD ORCHARD (Pembina): Mr. Chairman, I take it then from what the Ministers say that, I believe it is a sum — \$6 million of special support funding that is part of this line — \$2.5 million of that is earmarked specifically for Small Schools, that the Minister has made the suggestion I believe to St. Boniface, and she can correct me if I am wrong, that she would be able to provide from that \$2.5 million some \$250,000 of support to help alleviate their problem. Since there are only three divisions that are facing school closures and I believe there is \$2.5 million for this specifically identified problem, where does the Minister expect to spend the other 90 percent when the most vocal school division has got an offer of some \$250,000.00?

MRS. HEMPHILL: First of all, the school division didn't get an offer of 90 percent. The School Division of St. Boniface submitted what they considered to be there extra plant costs for the schools that were facing closure and my department reviewed those costs and confirmed them. In other words, we indicated that we had reviewed and were accepting the figures that they were giving us indicating increased plant costs. It is quite possible and, in fact, it is my understanding that St. Boniface does not expect or thinks there is a strong possibility that the \$98,000 that is allocated for the college will not be required. There are some negotiations going on presently, I think, between the school division and the college. It is possible that if the space is needed or required by the college, the lease arrangements will be terminated which means that dollar amount would not be necessary.

The increased plant costs vary from school to school and from division to division for the same reasons that the Honourable Member for Tuxedo discussed for the range in per pupil expenditures from division to division. It also applies to plant costs and in some cases, and I am trying to remember the exact figure, but the Ashdown School in Winnipeg, the plant costs for that school are only \$30,000.00. So that one cannot presume that because a school of a certain size with a certain cost have plant costs of a certain amount, that is going to be compounded and is going to be the case for every school that you are looking at; it is not.

I am not clear on the member's question about the additional 90 percent, but I assume he is talking about the total \$2.5 million. That program, the Small School Support Program, is not to stop school closures, Mr. Chairman. That is not the intention and it is not the purpose. It is to recognize that there are a large number of small schools educating children in our province and I think the Member for Tuxedo had

asked me previously — we were talking about 251 schools, I think — 177 of them are the same schools that were in operation a decade ago.

We also know that because the Education Support Program, the new one and the old foundation program, were based on having bodies, based on having numbers of students that those who have less really are at a disadvantage in getting some resources, both materials, equipment and personnel because they simply do not have the bodies to qualify. So, therefore, they are often educating without access to some of the additional support and basic support that most other schools across the province would have.

The Small Schools Program recognizes that and, quite simply put, puts additional money into the small schools. For them to develop a program, they have to submit a proposal based on need, but where the school divisions can determine what the needs are of the schools. Now, I can tell you in some cases, they may decide to put the entire additional grant into libraries; in some cases, they may put it into contract work for special resource people to help with special-need children because they have them too. They just don't have them in large enough numbers to qualify for a clinician or a co-ordinator like the other ones do. So there is a wide variety of possibilities that they can utilize the money for and there will also be a built-in evaluation to the program so that we can tell how it is working, what is done with it and what they believe in the field, the effects or the benefits are of the program. So that is where the large amount of the money will be expected to go. There are, as I said before, not that many divisions facing closures this year within that many schools.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. ORCHARD: Mr. Chairman, is it fair to say though that the \$250,000 to St. Boniface is an effort by the Minister and her department to resolve the unique school closure problem in St. Boniface?

MRS. HEMPHILL: Mr. Chairman, I think what it is in recognition of is not an attempt to solve the unique problems in St. Boniface. It is an attempt to recognize that St. Boniface, out of all the school divisions in the province, is one of the ones that is being hardest hit by declining enrolment than most other divisions. While they are all being hit, some of them are being hit terribly, terribly hard and because they are, they are the ones that are in the difficult position of having to make decisions. What the attempt was, was to give some support and some recognition and help to those divisions who were in the most disadvantageous position or who were having the most difficulties because of declining enrolment, not designed to help St. Boniface with its unique problems, designed to help school divisions coping with declining enrolment problems.

MR. ORCHARD: So then would it be a fair question to pose to the Minister at this time that if a school division in rural Manitoba faced with declining enrolment in some of the smaller communities, that for a number of reasons have not maintained a level of growth equi-

valent to other communities in the school division and the board makes the decision to close that school, to bus the children, say, from Grades 1 to 6 to the next closest community which may be some 20 miles away and that decision is made and the parents, naturally, are going to object, would it be fair to assume that faced with those unique circumstances in a division in rural Manitoba that the Minister would have some funds in next year's budget with the planning lead time that she now has, and in next year's budget, to have those kinds of funds available so that school closings contemplated in other areas of rural Manitoba would receive a similar dollar funding in addition to the regular budget to avoid closures because of, say, a temporary decline in the graph of school-age children in that community?

MRS. HEMPHILL: Mr. Chairman, it is my intention and the government's intention and commitment to build in the declining enrolment factor in the Educational Review. I do not know presently what the criteria will be or how it will be done because that is something that is going to take us the next nine months to figure out. It's a one-year review. It is going to take time, but I do believe that although there was a factor built into the Educational Support Program and that is maintaining the basic operating unit at the same level, regardless of the reduction in enrolment — the Member for Tuxedo mentioned that, there was that one component — we, I think, can clearly see that in spite of that, the impact on many school divisions is to have a reduction in the increase they are getting in the neighbourhood of 5 or 6 or 7 percent from other divisions. I expect that impact will be less in the Educational Review, in the new system. We expect to build it in and to try and cushion a little bit more the impact of declining enrolment, so that we are continuing to help them through the next few tough years.

I want to make that point too, Mr. Chairman, because while it is true that we're in a difficult year this year because of declining enrolment, and while I believe the member for Pembina Valley in his school division is facing a decline in the order of 7.4 percent decrease, it is clear that we are bottoming out. The decline is now decreasing and within the next two or three years we will have a stable school population. So that what we are looking at doing is recognizing that we have actually hit the peak of the decline; we're being hit with the consequences of the last five or six year, this year and next year perhaps, but the pressure is going to reduce. There's not going to be as much pressure and what we want to do is give additional support during those next couple of critical years while we give the system a chance to go through the stable period that it's going to begin to have about '84-85.

MR. ORCHARD: Thank you. Then I take it that the Minister would hope to have this program review completed. She mentioned a figure of nine months from now; that should put us in once again reasonably close time to budget time next year for the school divisions. But it's definitely her intention to clearly identify areas of additional support so that school divisions when making their plans for what would be, I guess, the school year, '83-84, would have advanced

knowledge of some additional support so that they would not have to go through the route of making a decision to close and then finding themselves with a promise of additional assistance at that time and to hold off the decision. In other words, that kind of information is going to be hopefully available to them so that they don't have to make the decision to close and then reverse it with additional funding possibly?

MRS. HEMPHILL: First of all, we are hoping that the review will be completed in time for the next budget so that information can go out. The only thing that I know for sure takes nine months, have done four times and that is have four children, and I'm not sure that I can be as definite that the Budget Review is going to come in, in the same amount of time, but that is what we're aiming for. The commitment I think that we are making is that built into the program will be funds to offset the impact of declining enrolment so that boards will be getting some additional support to help them with this difficult problem which I assume will have an impact on decisions that they make about programming and schools, that it will be built into the program.

MR. CHAIRMAN: 3.(a) — the Member for Kirkfield Park.

MRS. GERRIE HAMMOND (Kirkfield Park): Yes, Mr. Chairman, when the Minister was indicating that the crunch for declining enrolment is over in the next couple of years, I am assuming she was referring only to elementary schools because in St. James-Assiniboia, they are looking at a serious decline in both junior high and senior high as high as 92 and 93. If that's the case that she's just planning for these two years, then there's going to be a serious error in judgment right from the beginning because in 1987-88 in the junior high schools, the enrolment will be dropping 7.9 percent. In 1992-93 in junior high, they are projecting 5.9 percent. In the senior high schools, they are projecting in Year 1989-90, 8.9 percent and there's a serious decline that's going to be going on for this decade and well into the next.

I am wondering, if she's just looking for the next couple of years, if maybe she'd better reconsider the planning because although the decline in the elementary schools may be over and our division has probably been hit the first and the hardest, as well as St. Boniface, that we're looking at a serious decline for another 10-15 years. I wonder if the Minister would comment on those questions.

MRS. HEMPHILL: Mr. Chairman, I'm quite aware that presently there are some school divisions that are being hit much harder than others and that there are some school divisions who will continue to be hit harder than others. When I was talking about it as a provincial issue, I was talking about the impact of declining enrolment provincially and the numbers of students across the province are going to stabilize in a few years. That does not mean some school divisions will not continue to have problems in their area beyond the time that things have settled down across the province. Our figures are reviewed yearly and we would expect to adjust them to meet the situation

that we have.

MRS. HAMMOND: Mr. Chairman, when the Minister was referring to the grants in the 2.5 million and mentioned things like libraries to small schools, I think that it has been found that the small schools were once large schools and library funding isn't a problem, that their needs are not in the areas of libraries; in most areas, it's staffing. A grant to help libraries when it's been a large school and it is now a large school, they've got lots of equipment, this isn't the spot they need. As far as clinicians and co-ordinators are concerned, very rarely are they right in the schools; they are usually with the divisions. The area that schools need help are for staffing, for resource in these areas and this is the sort of thing that is making them decide to consolidate.

This special grant that I feel was certainly probably well meant has not really addressed itself to any of these specific problems. I think it leaves itself open to a division certainly who is thinking of closing a school but may possibly not be. Certainly, if I was the superintendent, I would be looking at it to think that well, I won't close this school if I can get that grant money, and I may not have had any intention of closing it in the first place because they planned to keep it open using funds that they were going to put to the taxpayer to keep that open. But now that the money is sitting there with no criteria especially, I see no reason why a division wouldn't because every division — you may say there are only three that are declining but are looking at consolidating some of their schools because maybe the older part of the area is closing or opening and the newer part needs a few more and they are thinking of busing, but they should all be looking at that money and trying to decide where they can best use it.

I think that the Minister with this particular grant and the way it has been set out has left herself open to someone applying because we have schools, certainly in St. James-Assiniboia, that we're looking at all the time and we're keeping them open because possibly if they can hang on another couple of years, it helps the area. They may be stabilized at a certain spot but they're going to go down, but there is a school close by that they certainly could consolidate. So if any division could use those funds, it certainly is St. James-Assiniboia. When the Minister did indicate that they didn't need the money, certainly they could use the money to keep those plants because the plants in some cases — and we have one there that they are meeting about this very evening and it's St. Charles. It is a very old school and I don't know what they are recommending, but this is the school that we had been looking at for closure, will be down the line. Certainly, this money is sitting there and as far as I'm concerned, I think our division would be remiss not to go after the Minister for money to keep this plant open if that's the criteria.

I would like to know and have some answers about what will happen if the division should choose to ask the Minister for money to keep this particular school open.

MRS. HEMPHILL: I will try to respond to quite a number of points that the Member for Kirkfield Park

made. First of all, if local authorities believe that a school should close for valid reasons and I make no judgment — I am not saying what the reasons are or I make no judgment on what are valid reasons — the Small Schools Grant shouldn't preclude such a decision. The suggestion that school libraries, for instance, are not a problem because they started out being larger schools and they are now smaller schools, those aren't the schools that are small enough to get into the Small Schools Grant category. These are 251 schools across the province, some of whom were never large, will never be large and many of whom have never received funds to build up what would be a comparable or even considered adequate in most of our schools' library. I am not saying they need library books, I am saying that they will decide whether the money will go to library books, resources, equipment or personnel and that it will be based on the needs that are determined by the school and the division and they are in the best position to know that.

Where there are closures that were being described in the city, those schools are not the schools that are in the category of support to Small Schools. Their problem is not, as the member suggested, that they do not have equipment or resources. They may be lacking some but, comparatively, they are not badly off and the Small Schools Support Program, the purpose is not to keep those schools open. If a school division like St. James is considering closing a school, St. Charles School, and believe that some additional financial help this year to help offset the additional plant costs of keeping this school open would have an effect on their decision or that they would like to have some help, they simply need to ask and apply, but the decision that it is wanted or needed in the first place must come from the school division.

MR. CHAIRMAN: 3.(a) — the Member for Kirkfield Park.

MRS. HAMMOND: I was wanting to ask about the Special Needs funding for the multiple handicapped. I understand that there was no increase in the dollar allocation in that and I was just wondering if the Minister would indicate that is this not a priority then of this government, because without getting a dollar allocation, this particular program will be falling behind. I wonder if the Minister would comment on that.

MRS. HEMPHILL: Yes, I am pleased to make a comment on that. The previous government did put a significant amount of money into the Special Needs Program in the Education Support Program last year and that I have been quite pleased to recognize the benefits of the program and the recognition by everybody that was needed. They put \$34 million into the program. It has not increased this year, not because I do not or my government does not have the Special Needs Program as a high priority, we do. The fact of the matter is that when you put a large amount of money, like \$34 million, into a program in one year, it takes awhile: one, for it to be utilized because it requires school divisions to plan and develop programs, put them in place and hire people and that is not done overnight; and secondly, it requires a year of experience or some experience to find out how the

money is being used, where it is going and where the holes or the deficiencies are if indeed there are any and I assume that there are places that can be improved. Some school divisions are presently using their total allocation and others are not. In other words, there is money available for school divisions to apply for support for Special Needs Program where the money has not yet been taken up for one reason or another. One of them might be that it is taking them awhile to organize and to plan their programs.

What I want to say here is that we have identified the Special Needs Program as an area to continue giving a priority and that we are going to look at it very carefully. When we find where the money is going and where the needs are now, after that major infusion, we will make the changes necessary to the program.

MRS. HAMMOND: One of the programs, certainly, that was begun in St. James-Assiniboia was the Autistic Program. This program wasn't just started in the past year, but it falls under this funding I understand. Yet, this is a program that has been, I take it, ongoing for the past three years I would think anyway, maybe a bit longer, and it does fall in this category. Has the department not taken into consideration programs that were already started, were successful and would need the extra funds, so that they would not fall behind?

MRS. HEMPHILL: The formula under which school boards can apply — there are many advantages and disadvantages to an educational support program, and one of them is that the criteria that is developed sometimes gives you additional benefits and sometimes it doesn't give you as many benefits as you would like. It is something that we all wrestle with when we are trying to distribute resources across the province. Presently, school divisions can all apply on the same criteria, the same basis, the same formula, so that I suppose to that end, school divisions who had been developing programs earlier and had put them in place themselves may not qualify under the existing formula for all of the programs that they have in place.

We also recognize that the total program that they had in place, assuming that it was in place in 1980 and I believe that it was, would have been contained in the grant that they got, and would have become the base upon which they received additional money in subsequent years. So from that point of view, in terms of overall dollars that they get, there was an advantage to high spending divisions who had additional programs that other school divisions did not have because the funding, the level of expenditure that they had was accepted and built into the programs. So they would have an advantage and a recognition of the programs they had established there.

MRS. HAMMOND: Mr. Chairman, I understood about the built-in funding for the special needs, what I am talking about is the multiple handicapped, and I understand that there were two levels that they were funded on, and that there were no dollar allocations allowed for this particular need. What I was wondering is if a program had been there and was shown to be a good program, certainly I can't understand then

why they would need a year to look at this particular type of program and allow it to fall behind when it has shown that it is a successful program.

MRS. HEMPHILL: This is a very important area and a matter of considerable concern to a number of people. I'm wondering if it might be, we have two areas of Child Development Support Services, where the specific programs related to special needs come under, and I wonder if we might go into more details about the program when we get to that point.

MRS. HAMMOND: If the Minister would like to give me the information at a later time, that's fine.

The other thing that I would like to mention is that last year the total budget in St. James-Assiniboia, and I will use this just as an example, the funding from the province was 79 percent, 79.04 to be exact. This year the funding is now at a 75.3, it's close to 4 percent down, and during the election the NDP promised that there would be, let me get the wording, the burden of education costs which would be shifted away from property taxes. Well certainly under the previous administration we were trying to do this and we hit close to the 80 percent. In St. James, and I imagine every division is the same, they're falling back. I'm just wondering if this government is attempting to shift away from the idea of the support of the property owner, or is it back onto the property owner, and not going to be a priority with this government?

MRS. HAMMOND: Mr. Chairman, no I don't believe that it is a priority of this government. I think that's clearly reflected in the fact that we increased the percentage of direct provincial support from that given in last year's budget under the Conservatives at 53.3 to 54.4. As a result of our program that is a percentage increase in direct provincial support.

In terms of the questions related to St. James, the particular school division having 79 percent last year and 75.3 percent this year, they are one of the school divisions, as was mentioned, who has a significant impact of declining enrolment, a 4 percent drop in declining enrolment. So that the reduction that we were talking about, where they are being hit hard by the decline, is one of the major factors for the percentage reduction. It is the deficiencies in the Education Support Program related to the decline, and the amount of provincial dollars put into the program.

I might also indicate that St. James was one of the major beneficiaries of the supplementary program that I brought in to give help to low per pupil expenditure, and low assessment divisions, and that they received an additional \$750,000 that they would not have received had I not brought in the supplemental program.

I was just trying to get the figure on what the mill rate reduction, I think it will just take us a minute to look that up, but the mill rate reduction as a result of that direct infusion of money into St. James-Assiniboia, is an additional nearly 3 mills, 2.8 mills. The increase in operating expenditures for St. James per pupil is another factor that is impacting on the local taxpayer, local levy, and they have an increase of 20.5 percent.

So as I suggested before there are four factors, and

it is usually the combination of any of one, and often two or three of them, that are causing the effect on the local taxpayer in each division. In this case I believe that it is the drop in enrolment and per pupil expenditures that are having a significant effect, and that we offset that to the degree that we could with a supplemental grant of \$750,000 to them.

MRS. HAMMOND: Yes, Mr. Chairman. That may be all well and good but there was a certain commitment to the taxpayers that their property tax would not rise; in fact, I think the feeling was that they would go down and that is not going to be the case.

There are a couple of grants that I wanted to ask the Minister about and one was the \$5,000 to the Manitoba Association of Student Councils. I wonder if the Minister would tell us what that grant was for?

MRS. HEMPHILL: That grant comes specifically under (b), under Miscellaneous Grants, so perhaps we could discuss it when we get to the line.

MRS. HAMMOND: I had a question about the Outdoor Education Program in the Kildonan East School Division. Would that come under this area? It's not a grant per se.

MRS. HEMPHILL: There was some capital support provided to the school division for that program. It could rightly come up under this category. However, I want to indicate to the Member for Kirkfield Park that we do not have the specific information on that program here with us tonight, but if she can give us the question, we will be quite happy to get the details for her and bring them in tomorrow.

MRS. HAMMOND: Yes, in a press release the Minister announced that permission was given to River East allowing the Kildonan East Region School to operate an Outdoor Education Program, outside the school division, and the school hopes to build the outdoor education facility. It was pointed out that the entire project would be undertaken at no additional cost to the government. What I am wondering is, what is the facility and if the government isn't paying the cost, who is, and will there be future operating costs related to this and who will be picking those up?

MRS. HEMPHILL: I do recollect some of the questions that the member is raising, but not all of them. So, perhaps, the best thing would be that we will take it advisement and answer all of the questions tomorrow.

MR. CHAIRMAN: 3.(a) — the Member for Tuxedo.

MR. GARY FILMON (Tuxedo): Mr. Chairman, I wonder if the Minister can indicate to me whether or not she is familiar with the mechanics of the Greater Winnipeg Education Levy which used to exist prior to last year.

MR. CHAIRMAN: Madam Minister.

MRS. HEMPHILL: In general terms.

MR. FILMON: Does the Minister agree with the decision to remove the Greater Winnipeg Education Levy as part of the new program?

MRS. HEMPHILL: Perhaps, just a general response to a general question, Mr. Chairman. I would suggest that there was recognition that there were both benefits and deficiencies in the previous program and I suppose that the basis of that equalization program was the sharing of a tax base by all of the divisions. In terms of principle for sharing or equalization, I think the program that we have brought in addresses the deficiencies built into the program and attacks it from that end and not from the top end where you simply take money from everybody and spread it around. It identifies the problems first and then has the criteria to address particular problems of disparity and inequity.

So, in general, I would say that while there have been some problems with the old equalization program, that the principles of sharing and equalization are not ones that I am opposed to.

MR. FILMON: I can understand the Minister's reluctance to take a position on that matter, given the great disparity amongst the positions of the people of her Caucus. I would suggest that if the Minister were asked that question by her own constituents that she ought to be a little more positive about the negative effects of the Greater Winnipeg Equalization Levy for her constituents.

However, the Chairman sitting in his place as he is has reminded me of something and I have taken a piece of literature that was used in the November, 1981 campaign which is headed, "Lyon Tories School Tax Policy Costs Rossmere Residents \$100 a Year." I am sorry; it isn't attributable to the Chairman. It's attributable to the Minister of Finance who, I assume, is out preparing for the rather gruelling experience of introducing the first Budget of the new government. Amongst other things, it says, "Now, thanks to the Lyon Tories, our taxes are" — I'm sorry. If I didn't mention it, the heading was, "Lyon Tories School Tax Policy Costs Rossmere Residents \$100 a Year" based on a house assessed at \$7,000.00. Now, thanks to the Lyon Tories, our taxes are among the highest in the city. The Tories removed the Greater Winnipeg Tax Levy," which I assume means the Greater Winnipeg Education Levy, "which had ensured that education taxes were shared fairly throughout the city."

In view of the fact, according to the newspaper article that carried the story of the increases in education throughout Greater Winnipeg school divisions for this year, there is an indication that school taxes in Winnipeg for the average \$7,000 home will go up by about \$90, would the Minister think it reasonable that a brochure ought to be sent out to Logan constituency that says, "Pawley's New Democrat school tax policy costs Logan residents \$90 a year" based on a house assessed at \$7,000.00?"

MRS. HEMPHILL: Mr. Chairman, I think that one of the difficulties that all government have is communicating clearly to the public what they are doing and the effect of what they are doing. I am not at all sure that with a matter as complex and difficult as educa-

tion finance, one of the most complex financial systems that we operate in government, that the public realizes the program and the impact of it. Because I believe that we have done an excellent job this year as a government with the money we have put into the program and the way that we have used the money, the use that we have made for the program, that I am quite prepared to consider and am considering ways to improve the understanding and the communication, not just to the constituents of Logan, my constituents, where it is very important for them to recognize and fully appreciate and understand the importance of the special \$2 million grant that goes into Winnipeg, specifically for the purpose of providing additional support and help to Special Needs, the large number of Special Need students in the inner city, many of whom are in Logan, so that I think we should be doing as good and an improved job in getting our message across.

MR. CHAIRMAN: The Member for Tuxedo.

MR. FILMON: I think, Mr. Chairman, that it's going to take a great deal of skillful communications on the part of the Minister to explain to all of Manitoba that they are all facing an increase on average of 8.9 mills for farm and residential purposes for school taxes in this province this year in a new improved New Democratic program versus last year when only five or six of the 50 odd school divisions in the province experienced a net increase in mill rate for school tax purposes. I think that will take a great deal of communication skills by this Minister.

My question to the Minister is, who are the members of the committee that are now studying Education Finance in the province under this new scheme and this new review that she has instituted?

MRS. HEMPHILL: Mr. Chairman, the committee, as such, has not yet been named. I will be quite happy to announce it when the members have been named. That does not, however, mean that the work has not started, Mr. Chairman. Dr. Glen Nicholls, who I think is well recognized throughout the Province of Manitoba as Superintendent of Seven Oaks School Division, has been seconded by my department and has begun the process that I think is very important. Prior to naming the committee and getting on with the job and that is going out into the field and talking to organizations, groups and people to get some advice, support and information related to how we will go about doing this study. That will take place in the next few weeks and then the committee will be named and the terms of reference will be developed and I will be announcing them.

MR. FILMON: When did, Mr. Chairman, Dr. Nicholls join the Minister's department?

MRS. HEMPHILL: Mr. Chairman, within the last couple of weeks.

MR. FILMON: Mr. Chairman, the Minister gave the impression during the debate on the declining enrolment resolution that her department, or at least that the Committee on Education Finance Review, was

already working on it. She said that there was no point in striking a task force because this was already being dealt with by her committee and I'm surprised to find that Dr. Nicholls only joined her department within the last couple of weeks or few weeks. That resolution is over a month old, and she said at that time that the matter was well in hand.

MRS. HEMPHILL: Well, Mr. Chairman, I would have to look at the specific words that I used during the debate on the resolution in the House. I would hope that the words I used did not infer something that I did not intend to infer. I do not remember at this time specifically mentioning that the committee had been set up. I do remember suggesting that we were going to do a major review and in that review the issue of declining enrolment would be included as a matter of course. If it turns out that my words implied or suggested or indicated that it had already been set up, I will apologize to the House. I did not intend to say that and I'm hoping that the words I used did not infer that.

MR. FILMON: Perhaps it wasn't the Minister, maybe it was one of her exuberant backbenchers who also spoke on the resolution.

I wonder if the Minister could give me a list of the 1982 total school tax mill rates by division? I find amongst the many things that I requested that there doesn't appear to be that figure, I would need that for comparison purposes and I would think it's readily available.

MRS. HEMPHILL: Mr. Chairman, we certainly intended to provide the member opposite with all of the information that he asked for. It could be that with the number of things he identified there, we missed identifying that one as a request. We are quite prepared to give it to him and we'll have it in his hands tomorrow morning.

I have the information, Mr. Chairman, I'm not quite sure how to go about this, but I do have information for a previous question that I think I had suggested I would give this evening to the Member for Morris. Actually, Mr. Chairman, I'm quite pleased with the question because it is very difficult to explain and it isn't my intention to try and bring in and regurgitate a lot of figures and a lot of percentages in a way that is going to confuse or — I'm trying to think of the word I want — (Interjection) — no, "mislead" is not the word I want. No, I don't want to confuse the issue or to present it in a way that isn't as clearly understood as is possible, but it's difficult when you're talking about such a complex issue with so many parts to it. Talking about your school division will help, I believe, Mr. Chairman.

We talk about the Morris-MacDonald School Division and I will give you the components and the factors that are affecting the percentage increase and the impact on the mill rate for this particular school division. No. 1 — and we will have this typed up and give you all of the information tomorrow that will show you the various components — Morris-MacDonald School Division has a decrease in enrolment of 5.1 percent, a very large and a very significant decrease for a small school division like that, that is, 76.5 pupils. The operating expenditures for 1981 are \$4,177,425 and for

1982 are \$4,875,700 for an increase of 16.7 percent. Their per pupil operating expenditures go in 1981 to \$2,760 to 1982, \$3,395 for an increase per pupil operating increase of 23 percent, Mr. Chairman. So that gives you an indication of their increases; 16.7 percent in operating, 23 percent per pupil, with a decline of 5.1 percent.

We then go to the operating support that they get from us and this is what comes out of the program. Operating support in 1981 is \$2,638,697; in 1982, it's \$2,930,866 for an increase of 11.1 percent. Extra operating support, which is \$504,140 under 1981 and 1982 is \$512,737 for an increase of 1.7 percent. If you add up the total operating and extra operating support and the supplemental support which is not a large amount in this particular case, and I'll get to that in a minute, without the supplement first, without the supplemental program. I think it's better to put it that way just to show you what's coming out of the program, it is in total, extra operating for 1981 is \$3,142,837 and in 1982, it's \$3,443,603 for a total percentage of 9.6 per cent.

Now, this is very important, this figure, Mr. Chairman, because what this demonstrates is the tremendous impact of declining enrolment as one major factor on this particular school division. You have a built-in support of 12.5 percent CPI. On top of that, we gave an increase in print and nonprint of \$5 per pupil; we gave a transportation increase and we increased the basic operating support which is the component that the Member for Tuxedo continually refers to, quite rightly, as the component that builds in the support for declining enrolment factor because it does not change. The basic operating support does not change. So that if the students go down, that stays the same.

I'm sorry, I was talking about the increases. When we gave increases inside the program, the major increase went to the basic operating support unit, \$10,200 on every basic operating unit. So what I am saying there is that you had built it into the program and when we gave increases inside the program, recognizing that was a help for declining enrolment, the major amount of the increase was put onto that component. In spite of that, Mr. Chairman, and in spite of the fact that they got an additional \$25,000 through the supplement and I recognize that is not a large amount and the reason it isn't is because Morris-MacDonald is the fourth highest in balanced assessment per pupil. They are up to \$23,600 per pupil and the equalization program was to hit those divisions who went below 22,000.00.

There is one other factor that affects Morris-MacDonald in a unique way and that is that the division is including \$47,875 additional in the special levy to cover the deficit from previous years, which on balanced assessment is approximately 1.4 mills for all taxpayers in the division. So if we can sum up a rather complex point here, I think that the amount they are getting — their increase is fairly significant, 23 percent on per pupil operating — their support that they get is much lower than that which was built into the program and what we would expect them to get. It is because of the tremendous impact of the declining enrolment on the eligible expenditure base in this budget. I will make those details available.

MR. CHAIRMAN: The Member for Tuxedo.

MR. FILMON: May I begin by saying, if I haven't said it earlier during the Estimates debate to the Minister, that I think the things she and her department have done right are the things that she pointed out rightly during that brief explanation just past. The fact that she raised the basic operating unit from 8,500 to 9,600, I believe, is an important factor and the fact that she has raised transportation grants as well, I think, is an important factor.

I am intrigued by that explanation that she has just given because all the way along, the Minister has indicated to us that one of the prime purposes of her additional supports, the two mechanisms that she has built in; one, the eligible expenditures supplement; and two, the equalization supplement, is to help divisions who have a severe problem with declining enrolment. She has just used as an example Morris-MacDonald which had a decline of 5.1 percent this year over last year and it gets virtually no help out of either of her supplement programs. So, I suggest to the Minister that those supplement programs do not have a very strong basis in logic if their intent was primarily to help divisions with declining enrolments.

MRS. HEMPHILL: No, it's not, Mr. Chairman, and while I know that while we are talking about the impact of declining enrolment a great deal and the fact that the Educational Support Program does not really meet the problems of declining enrolment, the supplemental program was not brought in and it was never suggested that it was brought in to address declining enrolment. It was brought in to address two major deficiencies; one was low assessment base, and the other was low per-pupil expenditure. That is not related to declining enrolment, except to the point that those who are in a decline may not have been spending as much and may not have had their money increased on that basis.

Morris-MacDonald has a serious decline but it does not have a serious problem either in the assessment base, or in the per-pupil expenditures. So that two deficiencies for a large number of divisions, it has a high assessment base, the fourth highest in the province, and it has the fourth highest operating expenditures in the province. Those were the two criteria for the supplemental program and it meant that although Morris-MacDonald had a serious decline the deficiencies on that basis were not present to give them the additional money.

MR. CHAIRMAN: The Honourable Member of Tuxedo.

MR. FILMON: So the Minister is now telling us that, except perhaps by accident, her two supplements will not help divisions that have declining enrolment problems.

MRS. HEMPHILL: They will help what they were already always intended to help and that is, those divisions who either get the least or can raise the least amount of money to help them deliver a fair quality of educational services during the period that they are coping with declining enrolment.

MR. FILMON: But they will not help divisions who have a serious problem with declining enrolment except by coincidence?

MRS. HEMPHILL: They will help 30 divisions across the province and four districts to a very large degree, to cope with whatever their problems are in their school divisions, declining enrolment and other problems, and those are the divisions that were the most disadvantaged in terms of dealing with any problems or issues that they had.

Just one last sentence. I think we have always suggested that the declining enrolment issue was going to be built into the Educational Support Program in the coming year.

MR. FILMON: It was by virtue of the aspect that we've already discussed in terms of having the basic operating units remain fixed. I wonder if the Minister could now finally get around to explaining, for the edification of members on this side, just exactly how the two supplemental programs work, how they're calculated, and on what formula they're based?

MRS. HEMPHILL: The two supplemental programs, the one based on balanced assessment gives to divisions — if the member will allow me a minute — I wrote down some of this information just previously and I have to try and find out which piece of paper I have it on. Too many pieces of paper, Mr. Chairman. The two programs are per-pupil expenditure to address the problems of low per-pupil expenditure divisions, and what we took there was the dollar increase per pupil of the highest spending division which was Winnipeg School Division, at \$650, and we applied that on an inverse basis to all divisions who were below the Winnipeg School Division's \$650 increase.

In the supplemental program we did the same thing. We took the assessment base of \$22,000 and it was designed to support divisions with a balanced assessment per pupil of less than \$22,000.00. We also did that, if I can summarize the information here, inversely the same as we did with the per-pupil expenditure. So there was a criteria, both assessment base and per-pupil expenditure, below which all divisions received the supplement in both areas depending upon their personal situation. There were eight school divisions who had higher per-pupil expenditures than the base and I think the assumption there was that they had an ability to raise additional money and would not require the supplement.

MR. FILMON: I think the Minister must have meant that there are divisions that had a higher balanced assessment per pupil than the base, not that they had higher per-pupil expenditures than the base. — (Interjection)— Okay. So the figure of \$650 was the increase in per-pupil cost of the City of Winnipeg School Division No. 1, which was the highest increase or the highest spending on a per-pupil basis division in the province.

MRS. HEMPHILL: The highest increase.

MR. FILMON: Is it also the highest spending on a

per-pupil basis division in the province?

MRS. HEMPHILL: Yes it is, with the exception of Frontier which is a special situation.

MR. FILMON: How does one calculate this inverse proportional equalization factor that divisions are to get under this adjustment, Mr. Chairman?

MRS. HEMPHILL: Mr. Chairman, I can read out the details of the regulation if the member wishes. It's fairly complex and I wonder if we could supply him with the information, and if he has any questions arising out of it we could answer them, or I can read it out now if he wishes.

MR. FILMON: It doesn't appear to be too long, Mr. Chairman, so I wonder if the Minister could read it and we'll judge whether or not it's too much for us by the reaction of my colleagues.

MRS. HEMPHILL: I will read the Manitoba Regulation 67-82:

"Adjusted Eligible Expenditure:

"The adjusted eligible expenditure of each school division shall be 80 percent of its eligible expenditure in 1982 plus an amount calculated by multiplying \$650 by the eligible enrolment of the division.

"Eligible Expenditure Increment:

"The eligible expenditure increment of each division whose eligible expenditure exceeds, either

- a) its adjusted eligible expenditure, or
- b) its net operating expenditure shall be deemed to be zero and the eligible expenditure increment of each other school division shall be calculated as the lesser of (1) 90 percent of the difference between its adjusted eligible expenditure and its eligible expenditure and (2) 90 percent of the difference between its net operating expenditure and its eligible expenditure.

"Equalization Factor:

The equalization factor for each school division having a balanced assessment-per-pupil of 22,000 or more shall be deemed to be zero and for each other division shall be . . ."

MR. FILMON: Mr. Chairman, I'm sorry. Can I interrupt the Minister? There are two different equalizations at play here and I wonder if, so that we can understand how they are calculated, we could go at one at a time. That would be a little easier.

MRS. HEMPHILL: I have completed reading on the eligible expenditure increment.

MR. FILMON: We are adjusting for the divisions that are low per-pupil spenders, as I understand it. What is the significance of taking 80 percent of the eligible expenditure in 1982?

MRS. HEMPHILL: Mr. Chairman, it equates to the 1980 base that we started from, so it takes everybody back to that position.

MR. FILMON: So we're saying that inflation between 1980 and 1982 is approximately 20 percent and therefore to get it back to that base, we take 80 percent of the 1982 Adjusted Eligible Expenditures.

MRS. HEMPHILL: That's correct, Mr. Chairman.

MR. FILMON: So, then we gross-up that amount by multiplying \$650 which is the largest increase in per-pupil expenditure of any divisions, times the number of students in the division?

MRS. HEMPHILL: That's correct.

MR. FILMON: That gives us the adjusted eligible expenditure. From that, we have to calculate the eligible expenditure increment. Is the increment the amount that they get as an adjustment ultimately?

MRS. HEMPHILL: Mr. Chairman, as you can imagine from the length of the delay from the time the question was placed, this is quite complicated and it is fairly complicated to explain, but we have a chart and I wonder if the member would allow us to write out the details related to that criteria and give it to him tonight.

MR. FILMON: If I say to the Minister that I am not really playing games with her, but I have the regulation in front of me. I've read it a half-dozen times; I've discussed it with people familiar with education finance, and we're still at a loss to understand what is the rationale behind it.

Now, I'll give you a for instance. You have as part of the formula, taken the 80 percent of the adjusted eligible expenditures - sorry - 80 percent of the eligible expenditures presumably to take you back to 1980, two years, from 1982 to 1980 so that you're back at a base figure. But then, you take the \$650 which is the per-pupil cost increase for only one year to give you that gross-up that you need as a factor from which to calculate your eligible expenditure increment. Why wouldn't you take a two-year increment of the increase in per-pupil cost of the most costly spending or the most extravagant school division on a per-pupil basis. Why wouldn't you have the formula be parallel in both cases? You get back to the 1980 base. Why wouldn't you use the two-year increment as the basis upon which to make your gross-up calculation?

MRS. HEMPHILL: \$650 is the two-year.

MR. FILMON: Okay. Now, I understand. First time around, I think you said one year, but okay.

So, now we've grossed up the amount starting with the first 1980 base and we've grossed it up by a two-year increment of the most lavishly spending school division on a per pupil basis of \$650.00. We multiply that times the eligible enrolment of the division and that gives us an amount with which we compare the new 1982 actual expenditure, is that right?

MRS. HEMPHILL: Mr. Chairman, it doesn't compare to the actual expenditure, it compares to the eligible expenditure.

MR. FILMON: Okay. So, we compare it to the eligible expenditure and the amount that we've gotten through that rather complex formula of the 80 percent plus 650 times enrolment gives us our adjusted eligible expenditure. We compare the two and then that gives us the basis upon which to calculate the eligible expenditure increment and that is 90 percent of the difference, the lesser of 90 percent of the difference between those two amounts that we've just talked about, or 90 percent of the difference between its net operating expenditure and its eligible expenditure. So, is that net operating expenditure its actual expenditure rather than its eligible expenditure, or what's the definition - oh, sorry, there is a definition here. You don't have to answer that. The definition is six lines long, Madam Minister.

MRS. HEMPHILL: The net operating is actual.

MR. FILMON: It takes the regulation one, two, three, four, five, six, seven-and-a-half lines to say that, but that's what I thought it said. Why is it 90 percent of the difference between these amounts, Madam Minister?

MRS. HEMPHILL: It equates back to the 90 percent of the extra operating support.

MR. FILMON: All right. Can the Minister amplify what 90 percent of the extra operating support?

MRS. HEMPHILL: Mr. Chairman, the extra operating is equal to 90 percent of the eligible expenditure. —(Interjection)— No, okay. I take that back. Mr. Chairman, 90 percent of the eligible expenditures, less operating support, times 60 percent gives you the extra operating support.

MR. FILMON: Mr. Chairman, which extra operating support?

MRS. HEMPHILL: The extra operating support provided under the program. You asked what it was related to, we said the 90 percent was related to the extra operating support and I'm now giving the explanation of the relationship between those two.

MR. FILMON: Hold it. Does 90 percent times 60 percent give you approximately 54 percent which is that figure that we're talking about of the relationship between the provincial share and the overall expenditures, because I'm still lost?

MRS. HEMPHILL: There is no relationship to the points that the member made.

MR. FILMON: Then what's that extra operating support we're talking about? Is that something to do with the current Education Support Program or is this the new additional amount or what is it?

MRS. HEMPHILL: Built into the program are two components - operating and extra operating. There is a formula to determine the extra operating support that is based on the operating support and it's the details of that that I was giving you, the details of determining the extra operating support.

Let me repeat that again. 90 percent of the eligible expenditure, less operating support - which is one of the components in the program - times 60 percent gives you your extra operating support and all school divisions receive support under those two components, operating support and extra operating support.

MR. FILMON: So, in the case of the example that she gave of the Morris-MacDonald School Division, the 504,140 in 1981 and the 512,737 in 1982 was the extra operating support?

MRS. HEMPHILL: That is correct.

MR. FILMON: Well, I think we've made it through the explanation of the first one, the eligible expenditure increment. I'd like to ask the Minister at this point, is she still totally convinced that this is a fair and equitable response to the inequities that she thought were in the program initially?

MRS. HEMPHILL: Mr. Chairman, I might suggest that the basic components of the Educational Support Program and the criteria and the regulations were in place and were designed by the members opposite. When we brought in our program, the Supplemental Program, it had to apply to the very complex regulations and criteria that they had established and that were presently in place in the program.

MR. FILMON: If it'll help the Minister any, I can assure that exactly the same discussion went on last year as the members on this side asked the then Minister to explain how those components were calculated. I'm not sure and I won't make comment because I don't want to be critical, but it seemed to me that there was less difficulty in the translation of the information last time around as this time around, but maybe it's because we're on this side and she's on that side this time but I'll accept whatever her explanation is. Let's plough ahead on it and see how we make out on the second equalization factor which is the Eligible Expenditure Supplement.

MRS. HEMPHILL: No. 5 of Manitoba Regulation 6782:

"Equalization Factor:

The equalization factor for each school division having a balanced assessment per pupil of \$22,000 or more shall be deemed to be zero and for each other division shall be 100 percent, reduced by the percentage which the balanced assessment per pupil of the division is \$22,000.00.

"Eligible Special Levy Requirement:

The Eligible Special Levy Requirement of each school division shall be the lesser of;

"(a) its adjusted eligible expenditure or

"(b) its net operating expenditure

"which amount (a) or (b) is reduced by the total of,

(1) its operating support and its extra operating support as determined under Manitoba Regulation 16681,

(2) its eligible expenditure supplement as determined under Section 4 of this Regulation and

(3) such other revenues of the division as may be

required by the Minister to be taken into consideration as a reduction in the Eligible Special Levy Requirement of the division."

MR. FILMON: Can the Minister indicate if the term she has used under 6(a) adjusted eligible expenditure is the same adjusted eligible expenditure that she referred to in the earlier segment on the other adjustment? Well, that's based on an adjustment factor that is arrived at by grossing up the expenditures with a per-pupil factor. How does that account for a balanced assessment per-pupil problem?

MRS. HEMPHILL: I am almost afraid to say, Mr. Chairman, that the explanation of the relationship to the assessment per pupil is in the first paragraph of the regulation that I read which is, "The equalization factor for each school division having a balanced assessment per pupil of \$22,000 or more shall be deemed to be zero and for each other division shall be 100 percent, reduced by the percentage which the balanced assessment per pupil of the division is \$22,000.00."

MR. FILMON: In that regulation the Minister is referring to — and there are a number of references there and we are going to get mired in the quagmire when we go into one, two, and three and all the references — but that regulation in two places under No. 4 and under No. 7 says, "The Minister of Finance on the requisition of the Minister shall pay to each division for each year an eligible expenditure supplement." Then in the other one it says the same thing, "For each year, an equalization supplement."

My understanding from the Minister was that this temporary adjustment was only supposed to be for this year until she could do her one-year review of education finance and come up with a better system. There seems to be an inference there that this will carry on.

MRS. HEMPHILL: It is for each year that the program is in operation, but we have indicated that we are reviewing the entire Educational Support Program in this next year.

MR. FILMON: Therefore the Minister isn't confident that she is going to have a new program for next year?

MRS. HEMPHILL: It is our intention, Mr. Chairman, to do everything we can to bring the new program into place for the next budget year.

MR. FILMON: There's just a few comments that I wanted to make on this, Mr. Chairman. It seems to me that by going to such a complex, convoluted scheme to achieve some extra equalization which doesn't seem to address all the problems that the Minister has indicated that need addressing in the overall education finance scheme — the foremost of which is the declining enrolment problem — the ghost of the Greater Winnipeg Education Levy has returned to us except it has been reimposed without legislation this time around.

We have a very very complex scheme that has been designed to achieve some improvement for particular

divisions, although there is no question that in the manner in which it is structured, it will have a spin-off effect that sees minor adjustments, such as the .7 mill adjustment in Morris-MacDonald and others throughout.

The other conclusion I have is that there are as many divisions who would have been better off with the 4.2 mill increase on the ESL not having been imposed as those who have been helped by this particular formula.

I wonder if the Minister could indicate what effect Section 190 of The Public Schools Act has on this whole process that she has now described to us and if she needs some edification, that is the subsidy section of The Public Schools Act that was to take care of certain large increases within Winnipeg Division schools as a result of the new program phasing out or eliminating the Greater Winnipeg Education Levy.

MRS. HEMPHILL: Mr. Chairman, I can read out the amounts that have been received by school divisions. St. James-Assiniboia is \$48,543; Assiniboine South, \$220,761; St. Boniface \$41,402; St. Vital \$213,087; River East \$255,795; Seven Oaks \$395,121; Transcona-Springfield \$287,026; and Seine River \$42,097.00.

I'd like to address a couple of the points that the member opposite made in his comments. We did not say that we were addressing the declining enrolment problem in this budget year. I was under the impression that the members opposite had said that they had done it in the Educational Support Program that they brought into place.

We said there were major deficiencies in the existing program to deal with the declining enrolment issue and we brought in the supplemental program to give support to boards that were in the most disadvantaged position. Mr. Chairman, it is easy I'm sure, for the members opposite to realize that with a legislated Education Support Program of \$469 million, that our ability to allocate about \$18 million of that \$469 million, severely limited our ability to redress the major deficiencies in the program. But to the degree that we could reduce them, I think we did a great deal.

MR. FILMON: Mr. Chairman, I'm interested to hear the Minister talk about the effects of declining enrolment because earlier during the Estimates debate she has acknowledged that there is a factor within the program to partially deal with the declining enrolment, yet in her speech on the Private Members' Resolution regarding declining enrolments on the 22nd of March, 1982, she said there was nothing in the program to deal with declining enrolment. So it's obvious that she has learned something since that date, or has been made aware of the factor through our discussion and debate here in the Estimates review.

The amounts of the subsidies that she said — I believe she read amounts that were given division by division throughout the City of Winnipeg under Section 190, I believe that's what she was giving me was that information — how would those have been affected, or are they in any way affected by the supplements that she has brought in, the Eligible Expenditure Supplement, and the Eligible Equalization factor for balanced assessment per pupil?

MRS. HEMPHILL: It has no effect, Mr. Chairman.

MR. FILMON: So one doesn't reduce the other in any way.

MRS. HEMPHILL: No.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. CLAYTON MANNESS (Morris): Thank you, Mr. Chairman. I wanted to thank the Minister for giving me the details as she has on the Morris-MacDonald School Division. I would like to ask one specific question though as to what was the total levy under the Education Support Levy? What was taken out from the School Division and what was returned in the various operating support grants and even the extra operating support and whatever other provincial monies that were returned?

MRS. HEMPHILL: The Education Support Levy requirement was \$1,637,362, and the money from the supplemental program that I indicated earlier for Morris-MacDonald was \$25,000.00. Were those the two figures that you asked for?

MR. MANNESS: Excuse me, no. That plus what was returned under the provincial, what is it, the operating support which is the major portion?

MRS. HEMPHILL: The operating support I had given previously, the total is \$3,443,603.00. That is the combined operating and extra operating support, plus \$25,000 through the supplemental.

MR. MANNESS: Well, I found this discussion this evening, Mr. Chairman, very intriguing. I've been listening to my colleague and the Minister attempting to, I guess, reach the same plane of understanding, or the same plateau, and I'm wondering if it hits the Minister like it does me, this whole situation where I would make the estimate that roughly maybe four or five people in her department are really the only people in the whole province that understand education financing?

I'm wondering if she also then can begin to share in some of the concern that obviously must be evolving in all school boards, people who do not have the understanding but who want local autonomy and who must be almost at their wits end trying to decide how to run the financial operations of a school jurisdiction or a district.

I've seen this in other parts of government also where it seems only a very few at the very top understand the very basis for operating financially, a department. What soon happens is you give up you don't really understand, so you go to your daily chores almost, and your daily chores being of looking after school routes and some of the more minor things, and you give up on the big problem which is attempting to understand education financing. I challenge the Minister to tell me how, if she were sitting on school board, how she would attempt to grapple with preparing a budget whereby so many of the unknowns are not really evident until some time into the future, with correspondingly or different government poli-

cies, that may come down by way of regulation or whatsoever, I'm wondering then if this is part of the reason why in the area that I come from, the municipalities and the towns are organizing because they are attempting to have a better understanding of where this whole education process and the financing part of it is going because it looks like it is totally out of control. They are asking school trustees if they understand the financing and where it's headed and I honestly don't think they do. And yet, again, you want local autonomy but if you don't understand how to keep it, in a financial sense, you are not going to have it very long. So, I am wondering if the Minister would attempt to comment on that.

MRS. HEMPHILL: Yes, Mr. Chairman, I would like to comment on a number of points made by the member opposite. First of all, I think we have to recognize - and I will give recognition to one of the major benefits of the Educational Support Program that your government brought into place - and well recognized as one of its benefits was that it was a three-year program and that the money coming to school divisions could be predetermined. In fact, they could figure it out almost to the last dollar and I can assure you that they usually do. School divisions, because the CPI was built in and automatic and it was the first time because all of the other components had specific criteria that could be applied to the numbers of students they had, they are able to work out through this program exactly the amount of money that they are expected to get.

I am quite sympathetic and quite in agreement with the points he makes about the complexity and the difficulty of understanding it. The Educational Support Program and the previous Foundation Program to some degree, although I don't think it was quite as complex, are probably two of the most complex financial programs that have been brought into being and the former government brought in the Educational Support Program with its 18 to 20 different components and categories.

I think that two things need to be said here. One is that School Division Secretary Treasurers and Superintendents do understand. The Superintendents' main job is the education program and the Secretary Treasurer's job is to understand the financing and to work out the budget and the money that is coming to them. We will give support and help in the way of workshops or direct help and do, on a continuing basis, to any Secretary Treasurer who is having, either difficulties understanding or who needs support and help. I think it is important to point out that presently all school divisions operate on their own budget. They develop their own budget and their own budget categories and this makes it very difficult for the Department of Education to either compare costs or to give information and help out to school divisions when they each design their own financial structure, their own system.

We have a pilot project under way where five divisions in the province are designing, in co-operation with the Department of Education, a basic category that they are implementing and the hope is that eventually, and very soon down the road, that will be instituted in all school divisions so that they are all prepar-

ing their budgets on the same basis and in the same categories so that the information can be clearly compiled and explained.

I will say that when we are looking at the program I think that we should make as much attempt as possible to simplify the components and simplify the factors so that they are understood.

MR. CHAIRMAN: 3.(a) — the Member for Tuxedo.

MR. FILMON: Mr. Chairman, I wonder if the Minister could indicate, among the grants last year - I believe it's somewhere within the Item 3 - was a special grant to the St. Boniface School Division to utilize space for part of the public school system at St. Boniface College. If the reorganization that is planned would see the use of that portion of St. Boniface College eliminated for use by the St. Boniface School Division, if that reorganization goes through, is it the intent that that would still be paid to St. Boniface College?

MRS. HEMPHILL: Presently the negotiations are under way between the school board and the College and we are awaiting the results of that negotiation to see if there will be any increased costs or the costs will continue if the school division decides to move the students out of the College. However, in terms of the money available, it is only available on request should the school division decide that it wants some help to offset the increased plant costs.

MR. FILMON: If the amount is not spent then the grant is not made, is that correct?

MRS. HEMPHILL: That is correct.

MR. FILMON: The other area that I wanted to ask about on the Regulation 67/82, the term is used, "The Minister of Finance on the recommendation of the Minister," which I assume is the Minister of Education although I don't see it defined in this Regulation. It says, "The Minister of Finance on the requisition of the Minister shall pay to each division, etc. etc." and then again, in No. 7 it says, "The Minister of Finance on the requisition of the Minister shall pay to each division, etc. etc." The other parts of the Education Support Program say that the Finance Board shall pay. Why the difference?

MRS. HEMPHILL: It is not part of the Education Support Program.

MR. FILMON: Then, am I correct in assuming that "on the requisition of the Minister" refers to this Minister.

MRS. HEMPHILL: Yes, Mr. Chairman.

MR. FILMON: This makes this different and the difference that is to be emphasized is that it is not part of the Education Support Program, these are grants that are supplemental for the purposes of achieving redress to some inequities that this Minister has wanted.

MRS. HEMPHILL: Mr. Chairman, this is money that is provided outside of the Educational Support Pro-

gram, as the Member for Tuxedo suggested or indicated, and it is a program that is funded totally by direct provincial dollars. I want to take just a minute or two, Mr. Chairman, to explain that when we took office and first looked at the budget, it is quite true that the amount of money and where the money was raised was at the discretion of the government. I think the Member for Tuxedo has mentioned that before.

What we did, Mr. Chairman, was that we maintained the Educational Support Program intact, we didn't touch it. We maintained the existing and traditional 65-35 split and we increased the amount of provincial support. The one decision that any government would have had to have made is how to apply the additional unallocated money, Mr. Chairman, and we had to look at that and the former government would have also had to have made that decision.

At first, we tried to put the money inside the program. In other words, we tried to take the money and put some of that additional direct provincial support inside the program. I can tell you that we examined something in the neighborhood of 18 or 19 options, which sounds quite staggering and I have to tell you that it was, and I believe anybody looking at it would have had the same problem.

The problem was twofold. The Educational Support Program is so complex, it has these 18 major components and every time you put money in and you alter some of them you have an effect on some of the other components. We had difficulty finding an option that would put the money inside the program and share it and spread it in a reasonable way and would not have intolerable negative impact on the mill rate at the other end. We found it was doing two things when we put it inside. It was not doing the job; it was not doing what we wanted it to do in the way that it was applied and it was also frequently having a very unacceptable impact on the differential or the disparity of the mill rate effect on school divisions so that we found after much trial and error that the best way to apply the money for meeting both of those needs was to apply it outside of the program, but that was not our original intention.

MR. FILMON: Well, very simply, one of the easiest ways that the Minister could have avoided additional burdens on the property taxpayers was not to impose the 4.2 mill levy on the Education Support Levy throughout the province and secondly, the original run through of Estimates, which the department was looking at without looking at special circumstances as I recall, involved additional money out of the provincial coffers in the range of 47 million and that was without looking at special circumstances. So, whatever decisions the Minister made were purely her decisions and whatever adjustment she has made, she'll have to take the responsibility for. As I say, the fact that the average increase in mill rate for property tax purposes, for school purposes across the province is 8.9 mills is, again, her responsibility and we can look at all of these reallocations and adjustments and so on, but the fact of the matter is that education financing and funding is within her control and it's up to her to argue its priority needs within her Cabinet and caucus.

MR. CHAIRMAN: 3.(a) — the Leader of the Opposition.

HON. STERLING LYON (Charleswood): Mr. Chairman, I wonder if I might ask the Minister, in this grant, the amount that is set forth for private schools this year; and secondly, whether or not that represents an increase, and if so, is it an increase based upon pupil count or is it an increase based upon the percentage increase and the general expenditures for the department this year?

MR. CHAIRMAN: Madam Minister.

MRS. HEMPHILL: Mr. Chairman, I had with me previously, a fairly detailed information on aid to private schools and I don't have it here, although my staff may have some of it. The basic aid to private schools is as it was in the previous program, \$435 per pupil. I think there was about a 225-pupil increase in the numbers of pupils that were receiving the money and my recollection is that the percentage increase in dollars over last year was about an 11-percent increase. There are two areas inside the program where private schools get additional support; one is the print-nonprint category where they receive the same support and increase in support, as do the public school system; another category is transportation, where those pupils who are eligible under the existing transportation criteria received the same increase in the transportation grant as did students in the public school system.

There was one other area that I had communicated a change of, perhaps either policy, Mr. Chairman, or interpretation of an existing regulation that had a significant effect on the association for independent schools since they had made the case to us and that was the funding of the Hebrew Schools where a previous fairly rigid interpretation of the existing regulation meant that they did not receive the whole \$435 allotted per pupil because we did not accept that a fair amount of their program that was taught in their language was covered as a basic part of their program. We have since reviewed that regulation and we have agreed with them that it was a narrow interpretation and didn't conform with the way we were treating with a fair degree of flexibility, the public school's ability to provide programs and we have since indicated that they are now entitled to the full funding, the \$435 for all of their students.

MR. LYON: Mr. Chairman, I'm happy to hear the Minister's comment upon the Hebrew Schools because that was the topic that was being dealt with by the previous administration and we had given undertakings that we would review the regulation in question and give it, without doing violence to the word, a more liberal interpretation than perhaps had been the case previously. So I understand from what she is saying then that the Hebrew Schools, who were formerly receiving a lesser per-capita grant, are now to be receiving the equivalent per-capita grant that all of the private schools, that is necessarily qualify, will be receiving for their students.

MRS. HEMPHILL: That is correct, Mr. Chairman.

MR. LYON: To go in gross figures, taking into account the increase in enrolment which would of course result in some increase in the gross figure for the grant. Can the Minister indicate whether the average — and I realize that averages are always figures that can be disputed — can the Minister indicate that the average per capita grant for students for private schools will be increased, will be the same, or what in the current fiscal year?

MRS. HEMPHILL: Apart from the two areas that I indicated, Mr. Chairman, the increase in transportation and print, it will remain about the same.

MR. LYON: Mr. Chairman, could the Minister indicate to the Committee whether it is the intention of the government of which she is a member to maintain the status quo, or would she rather favour the rather more enlightened view — I think it was taken by the previous administration — that the grants per capita for private schools should escalate on a per capita basis, on the same basis as the general grants for the public school system?

MRS. HEMPHILL: Mr. Chairman, I did indicate before that the question of the amount of aid going to private schools would be reviewed in the total education finance review and the point that he makes of maintaining the increase per capita on the same basis as the public schools is something that will certainly be given consideration.

MR. LYON: Mr. Chairman, we are delighted that it is going to be given consideration, but we are now voting on a certain amount and we don't want it to be given consideration, we want it to be passed.

Can the Minister give us her undertaking that she and her government will abide by the almost unwritten undertaking that this would be the course that would be followed, having regard to the fact that during the past four years this question which is of great historic interest to the people of Manitoba was finally resolved as a result of work that was done by, not only the previous government but the Schreyer government before that, the Roblin government before that and so on, to bring the public understanding of this vexed problem to a situation where it finally could be resolved after a period of almost 100 years?

Surely we are not going to backtrack on that kind of a fundamental resolution of an historic problem in Manitoba which all of us have wished to see an end to and to bring Manitoba into the full mainstream of modern day understanding of the fundamental role that private schools, be they religiously oriented or whatever, play in the education of our children in this country.

MRS. HEMPHILL: Mr. Chairman, I am not sure I am clear on what the question is, but I think I should be responding to what I believe is the question related to this budget and these Estimates that are presently before this House. I can indicate it would never occur to me and there would never be any intention to alter the existing support that is presently in place in the legislative program, that we will follow through with those commitments this year.

MR. CHAIRMAN: 3.(a) — the Leader of the Opposition.

MR. LYON: I suppose, Mr. Chairman, to put it into rather gross terms that can be more easily grasped by everyone, assuming as we understand it to be the case, that the total Estimates for the Education Support Program this year would be increased by 12.5 percent or whatever the figure may turn out to be, can we assume that the support per capita given to the private school program will be 12.5 percent or roughly the equivalent thereof?

MRS. HEMPHILL: No, Mr. Chairman, I do not believe that the member opposite can make that assumption. The aid to private schools is outside of the Educational Support Program, as established by them and does not come under the automatic CPI increase that is maintained within the program, nor did they build it in to the dollar amount that was allotted in the Estimates budget. The CPI was not put outside of the program and put onto the budget amount for aid to private schools, but the dollar increase over last year's increase, which does not totally relate to increased students, is in the neighbourhood of 11 percent.

MR. LYON: Mr. Chairman, so there will be no misunderstanding, let me apprise the Minister as perhaps only I can do, that it was the intention of the previous government regardless of what the bureaucrats prepared, to have the increase accord to approximately the increase that was given to the public school program, that was implicit.

After the statutory barrier had been overcome some two or three years ago which had been a bar to all of us for some 90 years to make sure that on a general, fair, equitable basis that that kind of support on a per capita basis would be accorded to the private school system. Keeping in mind that kind of a benchmark, can the Minister tell us whether or not she finds anything objectionable to that, what I would describe as fair, equitable and reasonable approach to this problem?

MRS. HEMPHILL: Mr. Chairman, I want to indicate again our intention to honour the \$435 that is presently available per student. The CPI increase did not apply to other support including — and one of the categories was the aid to private schools.

To the point that was prepared by the bureaucrats, I recognize that at certain stages the administration and the people in the bureaucracy do prepare budgets, but I also believe at some point there would be direction and input from the political arm to communicate to them what, in fact, should be put in place and what they want to see in the budget is, particularly in areas where there is a matter of principle or philosophy.

What I do believe is, that we are giving some increased support, recognition and help to them although it might not be in the form of the 12.5 percent increase that he suggests that in all fairness we apply overall. It is in several ways.

It is by supporting increased shared-service agreements between school divisions and private schools, by increasing the textbook and the transportation grants and by increasing to the tune of \$130,000

the money that is going to help the Hebrew schools with the numbers of children that they are looking after. So that I think the combination of those three changes translates into an increase of 11 percent, very close to the one that he wants to apply except perhaps on a different basis.

MR. LYON: Mr. Chairman, it's not my intention to try to play around with figures. I'm talking about principles, more than figures and I'm asking the Minister very simply, I guess it's this: if in principle, she and her colleagues support the general concept no matter how it is made up of ensuring that now that the legislative barrier after 90 years has been overcome, that there should be a fair and equitable increase per annum on a per-capita basis for students in the private school system in Manitoba who — and I need not use this argument, I'm sure, with the Minister — if the private school system did not exist would be thrown into the public school system and would thereby represent a much greater charge upon the public taxpayer than they do at the present time. Having regard to the fact, as the Minister will be well aware, that in the 70s the — I wouldn't say phenomenal — but the certainly historically accountable fact occurred that the public school system as it was then operated by her predecessors in government fell into disrepute in this province to the point where the lineups for the private school system increased in some cases, two, three, four, five, tenfold to take account of the fact that the public school system as then operated prior to 1977 was not fulfilling the requirements that parents saw for the proper education of their children in the Province of Manitoba.

That being the case and the fact being as it is now, that the private school system by and large is still faced — notwithstanding the fact that there was four years of enlightenment in government — the private school system is still faced with the fact that they have waiting lists for people to get in. I'm sure that the Minister will acknowledge immediately not only the desirability but the equitability of ensuring that not only the statutory requirement that was passed by this Legislature with a majority, although not necessarily from this side of the House when her party sat on this side of the House, even though the then leader, Mr. Schreyer, and now the Governor-General of Canada supported that proposition, the necessity and desirability of that principle now being not forestalled, but being advanced to the point where we accept the fact in this province as it is accepted in all other provinces in Canada that the private school system is an integral part of the education system of this province and is worthy of the modicum of public support that is accorded to it under the legislative provisions that were made some three to four years ago.

MRS. HEMPHILL: Mr. Chairman, I think I would simply say two things in response to the Leader of the Opposition, the points that were made by him. One is that they brought into play a three-year program that had \$435 grant in the 1980 year and although the program was designed for three years, there was no increase built into the grant for 1981. There could easily have been in one of two ways, either increasing the dollar amount of the grant or indicating that the

CPI increase inside the program would apply to that category outside of the program.

I would further suggest that I am quite prepared to agree and to recognize the options and alternatives and values and benefits gained by students and the alternatives available to parents and students of the private schools.

Finally, I'd just suggest that the changes that are going to take place in this budget year I have described and I think they are reasonable and fair and indicate recognition of support and that any additional changes will be reviewed in the entire educational review that we're undertaking.

MR. LYON: Mr. Chairman, so as to save the Minister from the repetitive argument that she seems to be addicted to with respect to the Estimates that she inherited, let me tell her once and finally that it was the intention of the previous government to ensure that the grants per capita for private school students would rise on approximately the same basis as the public education grants for the public school system. I don't have to plead any evidence in support of that except my word as the Leader of that Government. I think that should be sufficient for the Minister if not for some of her colleagues in the backbench whose voices we hear occasionally.

—(Interjection)— the honourable member says, "Where is the evidence?" Where is the evidence that any party that he ever supported tried to resolve this question? So all I can say without listening to the penny benches is this, that what we are looking for in this vote in due equity and in fulfillment of the implied undertaking given by the legislative change that was made solemnly by this Legislature some two to three years ago is that the Minister will fulfill that solemn legislative undertaking, which was not only a legislative undertaking, but which was an undertaking given with respect to a long knowledge that many of us had of the history of this province.

I realize that the Minister is a distinguished citizen of this province who came here, rather more recently than some of us from the west coast, but let me assure her as I have assured her on another point, that this is a very, very important point in the history of our province and we would not want to see her limited tenure in the office of Minister of Education besmirched in any way by a record which would indicate that she was any less forthcoming with respect to the legislative achievement that the Legislature made some two or three years ago than her predecessors.

MRS. HEMPHILL: Just a final point. I'm quite prepared to accept the words and the indication of the Leader of the Opposition on what their intention was to undertake in this area, and that I can assure him that we will meet the legislative requirement, as I indicated before, and that when the review is undertaken that nothing that is important and significant, and this is, will be taken lightly or reviewed lightly; it will receive full and serious consideration.

MR. LYON: Mr. Chairman, I must say that I'm much encouraged by that comment by the Minister, given the fact that the majority of her present colleagues, who were members of the previous legislature, saw fit

to vote against the resolution of this problem when it was placed before them in the final statutory form, although I hasten to add that the more enlightened, including the former Leader of the New Democratic Party, Mr. Schreyer, voted in favour of the resolution of this problem.

Now we've heard some yelping from the backbench from one of the members of your party, Madam Minister, perhaps we could have some indication from him as to where he stands on this problem because he seems to want to talk from his seat. Let him stand on his two legs and tell us where he stands with respect to Aid to Private Schools in Manitoba. The Member for Radisson, Mr. Chairman, is the person to whom I'm referring, I think.

MR. CHAIRMAN: 3.(a)—pass.
Leader of the Opposition.

MR. LYON: Mr. Chairman, silence is golden so we know where the Member for Radisson stands from, at least we've had some indication from the Minister that she understands the problem even if he doesn't.

MR. FILMON: Mr. Chairman, I assume that in the breakdown of the grants and assistance to the schools, there is the amount for the English as a Second Language Program. I believe there was an amount of \$1 million in last year's Estimates for Winnipeg No. 1 Division, and assume that they are still in this breakdown, or has there been any increase, or what has the Minister done with that particular appropriation this year?

MRS. HEMPHILL: Mr. Chairman, it's not clear to us whether the question that the member Opposite is asking is related to the Immigrant Support Program which is inside the program, or the English as a Second Language which is outside and under Other which we come to just as soon as he passes (a).

MR. FILMON: The Minister is saying that that should be addressed under (b), Miscellaneous Grants?

MRS. HEMPHILL: No, I think it can be addressed now. I was just asking for clarification of the question which he wanted to talk about.

MR. FILMON: E.S.L.

MRS. HEMPHILL: E.S.L. Mr. Chairman, we do not have all the details of this program with us here but I can give him the information that we have under Other Support 16(3)(a), which indicates that English as a Second Language text book category has gone from 22,000 last year to 35,000; and English as a Second Language category has gone from \$413,856 to \$576,445.00. If the member would like any additional breakdown of that program we will get that information for him tomorrow.

MR. FILMON: Yes, Mr. Chairman, is that amount being principally spent within the City of Winnipeg, School Division No. 1?

MRS. HEMPHILL: Mr. Chairman, the exact distribution of that grant, we do not have the exact breakdown

of the grant to school divisions. We can get the information specifically if he wants it. What I can indicate to him is that I believe that the Winnipeg School Division would receive a large proportion of the grant since they do have a large consolidation, as we all know, of children that would be requiring this particular program. But we also are all aware, Mr. Chairman, that there is a tremendous increase in these Special Needs areas or programs in all school divisions, in other words, where it used to be delivered mainly through the Winnipeg School Division, a large number of urban school divisions particularly, now have students for whom they have to have English as a Second Language Programs. So the bulk of it would go to Winnipeg and other school divisions are also now participating.

MR. FILMON: Do these Estimates include an amount for additional buses to be purchased, or am I in the right Section for asking that question?

MRS. HEMPHILL: Yes, you're in the right section.

MR. FILMON: Then do these Estimates contain an amount for additional new buses to be purchased this year?

MRS. HEMPHILL: They do, Mr. Chairman.

MR. FILMON: How much is the amount, and how many buses will be purchased?

MRS. HEMPHILL: Under Capital School Buses, 1982 Estimate, Mr. Chairman, we are expecting to purchase 29 new buses and replace 190 buses for a total of 219 buses. Most of the buses that the bussing requirements are for the replacement of existing buses in the school division fleets. The 29 would indicate some expansion of transportation programs within school divisions and the dollar in the Estimates was for 1981, \$4,604,100; and 1982, \$5,334,500.00. It's my understanding that there is a normal turnover of school buses and the requirements for replacement each year, and that they automatically order the bulk of them based on the past history of what they believe the requirements are going to be each year and then school divisions apply based on their ability to meet the criteria for replacement. In that way the department is able to meet the requests quickly and not delay the requests coming in on an ad hoc individual basis.

MR. FILMON: Are these buses equipped with seat belts for the passengers?

MRS. HEMPHILL: Mr. Chairman, they are not equipped with seat belts and when this order came up for new buses, it was one of the first questions that I asked, should there be seat belts and should that be one of the requirements for the safety of the school children travelling in the buses? We looked into it very extensively and there are public safety standard requirements for school bus requirements, and I can't remember offhand where they come under, but we could get them for you if you like.

There is also a fair body of information that indi-

cates that the main problem for safety for children is not lack of seat belts, but it is the design of the seats themselves and the national requirements for safety for seat design are met and they are met through our requirements, that it is not only not necessary but is a disadvantage to include seat belts. The body of opinion to date is that seat belts are, in school buses, more of a hindrance than a help.

MR. FILMON: I wonder if the Minister could indicate whether or not the experimental arrangement with the Lakeshore School Division regarding transportation grants is being continued this year?

MRS. HEMPHILL: Yes, Mr. Speaker, I expect that the Lakeshore Transportation pilot project is still continuing this year. It is in its second year of a three-year program and it will be continuing.

MR. FILMON: Are any new divisions being considered for inclusion in the program or have they been included in these Estimates?

MRS. HEMPHILL: No, there has been no increase in terms of divisions either applying for or participating in this project. This was a special pilot project that was designed to get information and Lakeshore School Division was the school division that was selected to carry out the pilot project. So I would not expect that we would add or expand the same program to other school divisions prior to receiving the information that we expect to get out of the pilot project, that will help us have a better understanding of direct transportation costs.

MR. FILMON: How much money has been allocated to other capital and how does that compare with last year?

MRS. HEMPHILL: Mr. Chairman, the figure for other capital is the same as it was in last year's budget. It was a \$5 million allocation last year and is the same dollar allocation this year.

MR. FILMON: What purposes would this money be intended to be used for?

MRS. HEMPHILL: This category is designed for what I would describe as minor renovations or changes to school facilities that is less than — it is not an addition, it is not a renovation — in some cases the changes will be made as a result of fire regulations or what we would call minor facility improvements. The asbestos, I believe that there was some support given to school divisions faced with problems of asbestos in their schools through that category.

MR. FILMON: Is the special grant to Duck Mountain School Division being continued and if so, how much?

MRS. HEMPHILL: Mr. Chairman, when I took office, within a very short period of time of taking office, I received a delegation from Duck Mountain and they were concerned about a promise, I believe, that had been made and I think that it was for an \$80,000

special grant to Duck Mountain recognizing the unique factors of very low assessment base and ability to raise money that they have.

They had received in previous years a special grant. I reviewed that and agreed to carry out with the commitment made by the previous government and we made available a special grant of \$80,000.00. In previous years I think the adjustment was in the range of about \$20,000 and in addition to giving the special grant of \$80,000 which were committed for last year, we also agreed to write off an existing deficit of \$22,000 faced by Duck Mountain, so they got additional support for that last budget year of \$102,000.00. Through the supplemental program in this budget, they will be receiving an additional \$118,621.00.

MR. FILMON: What is the amount of the special grant to the Frontier School Division contained in these Estimates? I wonder if the Minister could review just what has happened to the enrolments in the Frontier School Division; the enrolment at Cranberry Portage in particular as the numbers of schools that are operating under Frontier School Division. Perhaps the Minister could conclude by giving me her thoughts as to whether or not this division ought to be given some local authority, such as an elected board of trustees.

MRS. HEMPHILL: Mr. Chairman, the support for Frontier School Division as in this Estimate is \$4,560,675.00. I can indicate to the member that in terms of moving towards local autonomy for the Frontier School Division that we are both supportive and encouraging the people of the communities to increase their participation, their active involvement in decisions that are being made. We presently have an advisory committee that is made up of representatives of the communities that are served by the Frontier School Division and we are increasing the role and the function of, and the participation in, decisions that are being made related to Frontier School Division all the time, Mr. Chairman.

I would suggest that I believe that we are in the middle of a transition and that we are moving fairly quickly to the degree that these significant changes can be made to having local control and authority over the school division. We are working that out and the process for reaching that method with the residents and the communities and the Bands themselves.

MR. CHAIRMAN: The Member for Lakeside.

MR. HARRY ENNS (Lakeside): Thank you, Mr. Chairman. I was just about prompted to get into a heated debate on the issue of support to private schools by the remarks of the Honourable Member for Radisson who labeled them as being hogwash, but that really wasn't the purpose that I wanted to address today, so I'll resist that temptation.

Mr. Chairman, listening to the debate on education matters this evening and not attempting to be an expert on this complex subject, but I am sure the Honourable Minister is well aware that part of the reason why it is as complex as it is, is in the effort to bring about equitable education opportunities to Manitoba students wherever they are and having to deal with very unequitable, uneven assessment bases

in terms of the revenue from which the support for the public school system has to draw.

I represent an area in the Province of Manitoba, the Interlake area, that is less fortunate than, for instance, the area that my colleague, the Honourable Member for Morris, represents where the land is of the best in the province, intensely farmed, so that our problems in the Interlake are more acute. I know that the Minister is aware of that. They are acute as a region; they are acute within divisions; Whitehorse School Division is being one perhaps prime example where a portion of a division is highly productive, first-rate agricultural land, a good portion of the rest of the division in the northern section being marginal pasture land and yet, in many instances, covering greater distances, greater bussing, greater transportation costs, fewer students, etc., etc.

Mr. Chairman, my purpose in rising just briefly tonight is to solicit the Minister's support and, if not her active support, at least her acknowledgement of how important any improvement to the assessment base can be to a school division such as the one that I represent, the Interlake division, and what it would mean to have added to its assessment rolls, a \$700-\$800 million business activity such as being hoped for that could happen if the Aluminum Company of Canada should come to the Interlake.

Mr. Chairman, the petition that was presented to various colleagues of hers, including the Premier, signed by over 3,000 residents within that school division, deeply reflect that concern. The Aluminum Company of Canada, unlike some previous efforts at industrialization in rural Manitoba, has never asked for any special exemption of any of its tax obligations either from the municipalities involved or from the Provincial Government. The arrangements, although not concluded unfortunately, never talked about anything other than the Aluminum Company of Canada paying its full fair share of the taxes of which a large amount would accrue to the school division of the Interlake.

Mr. Chairman, I am speaking somewhat parochially as the Member for Lakeside within whose boundaries the proposed aluminum plant would be located. Of course, the implications for the entire province are there. The fact that many hundreds, indeed, up to a thousand well-paid industrial jobs would be created and the spinoff effects to the economy of Manitoba would surely make her job somewhat easier in maintaining the standard, the quality of education that all of us in this Chamber expect and want for our children.

Mr. Chairman, I wish only to ask the Minister of Education who has her special responsibilities and they are major responsibilities as being the second-largest spender of the departments in governments, to have an appreciation of that fact and to allow her voice to be heard in the councils of her Cabinet and not to allow that pragmatic assessment taxation factor to escape her in urging her colleagues to do everything possible to see that kind of development take place.

Mr. Chairman, the residents of the Interlake School Division, both from the municipal tax property owners, from the school taxpayers point of view intuitively recognize that. We have to work at it a little harder. In

fact, we have to come to equalization programs a little more heavily to the Provincial Government for the kind of monies that will ensure a standard of education that will be close to or near the equivalent of the provincial norm.

Mr. Chairman, the opportunities of a major source of new tax dollars, both to the municipality, to the school division and to the province are the kind of hard-nosed decisions that I would expect a Minister of Education to be concerned about, as well as the Minister of Energy and the Minister of Finance.

The other evening, Mr. Chairman, my colleague, the Member for Turtle Mountain, solicited in a similar way the recognition at least from the Minister of Finance that the Province of Manitoba may well be facing some pretty difficult times in the coming years in terms of finding the necessary dollars to maintain the level of services that Manitobans have been accustomed to. So, Mr. Chairman, when we have an opportunity of receiving from an outside source, \$600, \$800 millions — up-front money — to help us get along with one of the major projects; the resumption of the Hydro construction at the Limestone plant, then in addition, putting in place their own \$700, \$800 million to build a plant; capital expenditures in excess of a \$1 billion, Mr. Chairman, and remembering that of every one of those dollars, revenues accrue to the province — no, not a third — but \$560 million I believe it is or somewhere in that range, the Minister of Education requires to operate the school systems in Manitoba.

So I take this opportunity, it's not inappropriate when we're discussing the problems of the have and the have-not school divisions, how we can create an equalized system both in terms of paying for the system and in the product that the system delivers as fairly and as equitably to all students in Manitoba that somewhere, these dollars have to come from. Unless Ministers like the Minister of Education who are not directly charged with that responsibility but happen to sit around that same Cabinet table where those decisions ought to be made, I would genuinely solicit her support that she take the longer-term view of how public education financing is going to be supplied in the future and at least acknowledge the petitions that are being forwarded to her government by representatives, by residents of the area. One petition alone just received last week — over 3,400 names I believe on the petition — from the immediate area involving the Rockwood municipality, primarily residents of the Interlake School Division.

Mr. Chairman, I think it's just imperative on all of us that we do everything we can to assure that the kind of services — in this case we are dealing with education — can be maintained without imposing overly onerous and overly burdensome taxation measures on our citizens, which in themselves become self-defeating, I believe. I was part of a government that recognized that to do that it was important for Manitoba to develop its full share of resources and resource-related industries.

For some reason or other it was all too easy in the heat of an election campaign to cast them aside; to talk loosely and freely about who needs megaprojects. Why are we doing this for the Aluminum Com-

pany of Canada? It was never intended to be done for the Aluminum Company of Canada. It was for the benefits that we were seeking to sustain our health system; our education system; our road system; our whole infrastructure of services that a modern government is called upon to supply to its citizens. Perhaps we didn't do as good a job as we could have in bringing about that message. But that certainly was what drove and what motivated the previous administration in attempting to bring these projects to a successful conclusion. I'm disappointed at the vacillation that seems to be taking place by the present government.

Mr. Chairman, I don't give a tinker's damn whether it's the Aluminum Company of Canada or Reynolds or Keyzers, it's just that there is an opportunity today to bring to a successful conclusion that kind of economic development to an area that particularly needed it; the Interlake. Ask any school division, if I asked any member if they could add a \$500, \$700 million of business assessment to their tax rates they could afford to pay their teachers a little bit more. They could afford to provide a few extra services. We could afford to join from the Interlake, the have school division without the onerous burdens of taxation. That's the reason why the aluminum plant is so important to my area of the province.

I solicit the Minister to keep that in mind when she sits around the Cabinet table in making these decisions.

MR. CHAIRMAN: 3. (a) — the Leader of the Opposition.

MR. LYON: Mr. Chairman, if this is not the appropriate time for some discussion on curriculum and related topics perhaps the Minister can indicate the area in which she would care to discuss that. It might be useful if I gave her notice of a few questions that would arise under that topic. It comes under the general ambit of grants in any event and I can assure her that if I ask the questions now I shant repeat them when we come to whatever other item they might appear under.

When we came into office in 1977, Mr. Chairman, we found a Department of Education that in many respects had been leaderless and rudderless for some considerable period of time. School children in the Province of Manitoba to some extent — without exaggerating it — had become sort of laboratory rats for experimentation that was being tried on them by people who were brought in from God knows where, into this province because they apparently were ideologically sound. They were attempting here and there to apply some of their ideological experiments to children here that have been found to be useless and detrimental to the educational system in the United States and other parts of the world. We became a bit of a laboratory for socialist experimentation here in the education system which angered a great number of our citizens in Manitoba and caused in some cases, certainly evidences of stunted education that might not have taken place had this kind of ill-starred experimentation not been countenanced and perhaps even encouraged by — as I say — a leaderless and rather rudderless Department of Education.

In amongst this clap trap — this flotsam and jetsam — that we came upon in 1977 was one particular experiment that was being carried on by the Department of Education wherein they were presuming to give some educational advantage to the youngsters of Manitoba by teaching them all about the co-operative system. Great amounts of public money were expended on turning out books and booklets and matters of that nature to try to instill I suppose, in those school divisions that saw fit to accept that rather exotic program, some ideas of the — shall we call it the Orlikow version or whatever — of what good propagandized education departments should be providing to a modern socialist state.

Without gilding the lily any further and without saying in any way that I've been exaggerating, because what I say really is only a small example of what I could say, I would like to have the Minister's firm assurance here, tonight, before we leave this large vote that she, being a person practised in educational administration — she was a Chairman of the Assiniboine South School Division; she certainly knows something about the needs and the requirements of a proper and a balanced core curriculum in the province which we attempted to restore after the rather chaotic system that we inherited — can she give us and, more particularly, the students and the professionals in the teaching profession and the parents, tonight, her firm assurance that none of that kind of ill-starred, foolish experimentation will be carried on in the Department of Education while she is the Minister of that department?

MRS. HEMPHILL: Mr. Chairman, I think that I can give the Leader of the Opposition a very firm commitment that, under my tenure as Minister of Education and this government, there will be no foolish experimentation with the children of Manitoba.

In terms of the particular question, if the Leader of the Opposition would like to get into the detail, I think the Curriculum Development Area does come up a little farther down the line and we could discuss it in detail there. In general, I would say to him tonight that the curriculum development work that is presently being undertaken by the Committees that have been established and have been working and that make up, are made up of teachers in the field and members of the association, is a valuable, good method of developing curriculum, one that I am going to continue to support and do not intend to bring in major curriculum changes over or around the basic structure that we have established for developing curriculum change. I think that, probably, is a general answer and specifics we could deal with under curriculum.

MR. LYON: Well, Mr. Chairman, I'm sure that, not only the members on this side of the House but the people of Manitoba are much encouraged by that positive response by the Minister to indicate that the very much desired and needed changes in the curriculum that were undertaken by her predecessor and by the department after October 24, 1977, are going to be continued with no major changes by her.

I'm sure that she realizes, as well as any parent or any taxpayer or any concerned citizen in Manitoba, that we all must learn from our mistakes from the past,

all of us collectively, and that the mistakes that were made in that period, '69 to '77, while certainly not unique to this province — God knows, they were made in other jurisdictions as well — are a chapter that we can best leave behind us in terms of the proper education of our children.

That's why I'm happy to hear her subscription tonight to the principle that she will not be toying with the educational lives of our children as was done by some of her rather more undistinguished predecessors prior to 1977. In that regard, just one minor point, this great program on propagandization that the previous Schreyer administration was enforcing relative to the teaching their alleged version of the teaching of the co-operative system, we managed to sell off to the Province of Saskatchewan. — (Interjection) — Did they not take it? We offered it to the Province of Saskatchewan. I would just like one minor reassurance tonight from the Minister that, under no circumstances, would she consider buying back that particular piece of claptrap that we managed to get out of the province which, while a heritage of the Party that she now represents, is something that the public interest in the province doesn't require any further.

MR. CHAIRMAN: 3.(a)—The Honourable Leader of the Opposition.

MR. LYON: Can I have that assurance from the Minister, Mr. Chairman?

MRS. HEMPHILL: I can indicate to the Leader of the Opposition that there is presently no consideration being given to that particular area of curriculum development and, if it does come up for consideration, it will be done through the existing process of Curriculum Committees in the Department of Education.

MR. LYON: Mr. Chairman, we're happy to have that assurance from the Minister, given some of the statements by her colleague, the Minister of Economic Development, who is wont from time to time to luxuriate in such ideological statements as, capitalism being in its late stages and that there are more disadvantages in the capitalist system than there are advantages, and so on. We're happy, may I say in note for the record tonight, Mr. Chairman, that the Minister of Education doesn't share these rather Jonathan Livingstone Seagull views of the world.

MR. CHAIRMAN: 3.(a)—the Member for Tuxedo.

MR. FILMON: Mr. Chairman, I think that we're winding down to the end of the consideration of this item and before I allow the passage of it I'd like to suggest to the Minister that I've had time to review Hansard in the course of some deliberations that have taken place during the past little while and I mentioned to the Minister earlier on that I felt that the Minister was now giving statements that were in contradiction to some earlier statements she had made and, although the particular item that I refer to is not one of them, I want to refer to her speech on Page 702 of Hansard, which is the debate which occurred on the Private Members' Resolution with respect to the declining

enrolment problem in schools and, in only one paragraph, I note three areas in which, during the course of this Estimate's review, the Minister has now giving us a different view than she gave at that time.

The first one, and it's in the first paragraph of that page, the Minister said, and I quote, "First of all, the Educational Support Program that was brought in for a three-year period during the time when we knew the declining enrolment issue was going to be critical in this year, there was nothing in it to give help to Boards." Now, the Minister has recently acknowledged that, indeed, there was that provision that maintained at least the number of basic operating support units in the program as a partial cushion; we've all acknowledged that it doesn't totally cushion against the effects of declining enrolment. So, that's one statement that she has since corrected and I thank her for that correction because we, on this side, we're aware of the provision and I think brought it to her attention shortly thereafter.

The second, in the same paragraph, and I quote, "Mr. Speaker, we took this initial budget year; we gave supplemental grants to disadvantaged schools so that it will help them with problems like this and the problems like this are referenced earlier in the sentence to declining enrolment." So the Minister at that time went on record that her special supplemental grants were to assist disadvantaged schools to help them with problems of declining enrolments. We've since learned today that the supplemental grants do not help school divisions with declining enrolments with the specific example of Morris-MacDonald and others, there is no help within those two supplemental grants for declining enrolment other than by coincidence or by accident. But they are not through their calculation or by virtue of their application, going to help with declining enrolments although the Minister told us on Monday, March 22nd that they were intended to do that.

The continuation of that same sentence in the first paragraph of her speech: ". . . and we have further communicated that we are giving financial support to small schools and that information will be coming out in our Estimates process . . ." Now, we have learned in our Estimates process that there is \$2.5 million for support to small schools and/or to prevent school closures, but there is no information available as of these Estimates as to what regulations exist, what are the guidelines for the application of these funds, who can apply, how, where, why, or anything. They are not defined and the Minister took umbrage with my statement that they were an ad-hoc response to a current volatile problem, and she said they are not ad hoc there is a purpose and a place for them and they will be well defined but she's still, through this Estimates process, not able to tell us how they may be applied for, and what are the guidelines, and what are the criteria, and what are the specific details about this program.

So, again, the Minister is being corrected by the experience of a couple of months in office and I suggest that for her own credibility that she ought not to go forward and make these statements. I know they sound very good when they are made, but all of us read Hansard and later on the Minister has to make good on the promises and the statements that she

makes. It's all too easy for us in retrospect to find out that, indeed, the things are not exactly as the Minister indicated that they might be or should be. I suggest that the Minister, for her own sake in future in dealing with these problems, ought to be very, very cautious when she criticizes other programs and suggests that her programs will solve all of the problems because the people out there, the taxpayers, will make judgment all too soon and all too well.

MRS. HEMPHILL: I appreciate the advice given by the member opposite to be concerned about the phrases and words and what is said in the House and I must say that I do attempt to indicate clearly what I intend to say and, perhaps, like all people do not always manage to do it as clearly as I believe I am doing it.

I'm glad that the point about the basic operating support has come up because I think in my mind I was thinking that there wasn't anything extra in the educational support program for the declining enrolment issue, but I should have been clearer in communicating and I have tried in every case that was possible, to point out the positive features of the program and that maintaining the basic operating unit was an attempt to offset the declining enrolment factor although there was no extra built-in factor for declining enrolment and I think that is what I was thinking in my mind.

The supplemental grants, I still say were not designed - I don't know if I'm splitting hairs here when I explain what I mean I'll try to do it quickly - specifically for declining enrolment but will give help and aid to school divisions by giving extra money for whatever their problem is, and in many cases, the problem they're dealing with is declining enrolment and they will have extra money to do that.

The Small Schools Program I might indicate, that we are not through Estimates unless the member opposite is prepared to do a very quick number in the next ten or fifteen minutes tonight. I think we have some time ahead of us and there are going to guidelines and criteria and evaluation for the Small Schools Program, which is taking a little longer than we thought because of the amount of consultation and work that we are doing in the field. It is in the final stages and I hope to be able to give them to him in the very near future and, hopefully, before the Estimates process is over.

MR. CHAIRMAN: 3.(a)—pass. Committee rise