



**Second Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**

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**DEBATES  
and  
PROCEEDINGS**

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31-32 Elizabeth II

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*Published under the  
authority of  
The Honourable D. James Walding  
Speaker*



MG-8048

**VOL. XXXI No. 56A - 2:00 p.m., THURSDAY, 28 APRIL, 1983.**

**MANITOBA LEGISLATIVE ASSEMBLY****Thirty-Second Legislature****Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, Hon. A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANSTETT, Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BANMAN, Robert (Bob)</b>	La Verendrye	PC
<b>BLAKE, David R. (Dave)</b>	Minnedosa	PC
<b>BROWN, Arnold</b>	Rhineland	PC
<b>BUCKLASCHUK, John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Brian</b>	Ellice	NDP
<b>COWAN, Hon. Jay</b>	Churchill	NDP
<b>DESJARDINS, Hon. Laurent</b>	St. Boniface	NDP
<b>DODICK, Doreen</b>	Riel	NDP
<b>DOERN, Russell</b>	Elmwood	NDP
<b>DOLIN, Mary Beth</b>	Kildonan	NDP
<b>DOWNEY, James E.</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>ENNS, Harry</b>	Lakeside	PC
<b>EVANS, Hon. Leonard S.</b>	Brandon East	NDP
<b>EYLER, Phil</b>	River East	NDP
<b>FILMON, Gary</b>	Tuxedo	PC
<b>FOX, Peter</b>	Concordia	NDP
<b>GOURLAY, D.M. (Doug)</b>	Swan River	PC
<b>GRAHAM, Harry</b>	Virten	PC
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry M.</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HEMPHILL, Hon. Maureen</b>	Logan	NDP
<b>HYDE, Lloyd</b>	Portage la Prairie	PC
<b>JOHNSTON, J. Frank</b>	Sturgeon Creek	PC
<b>KOSTYRA, Hon. Eugene</b>	Seven Oaks	NDP
<b>KOVNATS, Abe</b>	Niakwa	PC
<b>LECUYER, Gérard</b>	Radisson	NDP
<b>LYON, Q.C., Hon. Sterling</b>	Charleswood	PC
<b>MACKLING, Q.C., Hon. Al</b>	St. James	NDP
<b>MALINOWSKI, Donald M.</b>	St. Johns	NDP
<b>MANNES, Clayton</b>	Morris	PC
<b>McKENZIE, J. Wally</b>	Roblin-Russell	PC
<b>MERCIER, Q.C., G.W.J. (Gerry)</b>	St. Norbert	PC
<b>NORDMAN, Rurik (Ric)</b>	Assiniboia	PC
<b>OLESON, Charlotte</b>	Gladstone	PC
<b>ORCHARD, Donald</b>	Pembina	PC
<b>PAWLEY, Q.C., Hon. Howard R.</b>	Selkirk	NDP
<b>PARASIUK, Hon. Wilson</b>	Transcona	NDP
<b>PENNER, Q.C., Hon. Roland</b>	Fort Rouge	NDP
<b>PHILLIPS, Myrna A.</b>	Wolseley	NDP
<b>PLOHMAN, John</b>	Dauphin	NDP
<b>RANSOM, A. Brian</b>	Turtle Mountain	PC
<b>SANTOS, Conrad</b>	Burrows	NDP
<b>SCHROEDER, Hon. Vic</b>	Rossmere	NDP
<b>SCOTT, Don</b>	Inkster	NDP
<b>SHERMAN, L.R. (Bud)</b>	Fort Garry	PC
<b>SMITH, Hon. Muriel</b>	Osborne	NDP
<b>STEEN, Warren</b>	River Heights	PC
<b>STORIE, Jerry T.</b>	Flin Flon	NDP
<b>URUSKI, Hon. Bill</b>	Interlake	NDP
<b>USKIW, Hon. Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, Hon. D. James</b>	St. Vital	NDP

# LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 28 April, 1983.

Time — 2:00 p.m.

## OPENING PRAYER by Mr. Speaker.

**MR. SPEAKER, Hon. J. Walding:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .

## INTRODUCTION OF BILLS

**HON. R. PENNER** introduced Bill No. 64, An Act to amend The Marital Property Act; and Bill No. 65, An Act to amend The Family Maintenance Act.

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Before we reach Oral Questions, may I direct the attention of honourable members to the gallery where we have 19 students from the Fort Alexander High School. They are of grades 10 and 11, they are under the direction of Mrs. Eyolfson and Miss Swampy. They are from the constituency of the Honourable Minister of Highways.

There are 40 students visiting Winnipeg from Wellington Junior High in Nanaimo, B.C. and 40 Students of Grade 11 Standing from the Nelson McIntyre Collegiate. They are under the direction of Mrs. Gates, Mr. Bill Peckham, Mrs. Micheline Cawley and Mr. Peter Cawley. This school is in the constituency of the Honourable Minister of Health.

On behalf of all of the members I welcome you here this afternoon.

## ORAL QUESTIONS

### Manitoba Hydro - foreign borrowings

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Speaker, we were told in the Utilities Committee this morning by Manitoba Hydro that the accumulated loss to date on foreign borrowings for that corporation amounts to about \$85 million. I direct this question to the First Minister. The accumulated net loss to this point amounts to \$85 million, the possible loss on the books is \$320 million. In view of the foreign borrowing which the government is now undertaking as a consequence of the unprecedented deficit of the government which is this year projected to be \$578 million, what assurance can the First Minister give the House that the taxpayers of Manitoba will not be exposed to the same type of risk with the present foreign borrowings that are taking place?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, I'll ask the Minister of Hydro to deal with that question.

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** Mr. Speaker, the term foreign borrowing relates to borrowings offshore and borrowings from the United States and any people who have been doing any analysis indicate that we do have risk in foreign borrowings in terms of differences with respect to exchange rates. Those risks might, indeed, be greater in terms of our exchange rate differential with the United States than it might be with other currencies. The Government of Manitoba bases its borrowings on the technical advice of the staff of the Department of Finance and I've heard people on the other side of the House say that the technical staff of the Department of Finance provide excellent advice. They, indeed, followed that advice when they were in office. Mr. Speaker, we intend to follow the technical advice of people in the Department of Finance as to the best course of raising our financial requirements.

**MR. B. RANSOM:** Mr. Speaker, this year within the additional \$155 million of debt servicing costs which the government expects to incur, there is a figure of approximately \$68 million of non-recurring costs due to losses on foreign exchange, most of which occurs as a consequence of borrowing in Swiss francs. The question to the Minister of Hydro, or the First Minister, is, how great is the risk to which Manitobans are exposed by being forced into these markets to borrow because of the extremely high deficits which this government is incurring?

**HON. W. PARASIUK:** Mr. Speaker, the Member for Turtle Mountain has given us a rather mixed-up question. He is saying that we are incurring debts because of deficits, and then he complains about the Hydro debt and the fact that we've had exchange rate losses with respect to Hydro debt.

Hydro debt - there's no relationship, Mr. Speaker, to the deficits of the Province of Manitoba, in terms of departmental spending. I would have thought that the Member for Turtle Mountain would have been able to recognize those differences having been a Minister of Finance. What we are doing when we are undertaking Hydro debt, Mr. Speaker, is building up the assets of the Province of Manitoba. So although we run some risk, when we do that, of exchange rate fluctuations, let me assure the people of Manitoba that the assets that have been built through the Hydro system far exceed the amount of debt that we have incurred against the assets of the Hydro system, and far exceed any of the exchange rate losses that we may have suffered in building that asset which is so valuable, not only for today, Mr. Speaker, but for future generations, to Manitobans.

**MR. B. RANSOM:** Mr. Speaker, the Minister responsible for Hydro is indeed ill-informed about responsibilities within his own area; \$19 million of the \$68 million —

(Interjection) — Mr. Speaker, if the members opposite don't wish to hear a basis of facts, upon which the question is being based, the Minister of Hydro said that costs related to Hydro borrowing do not affect the debt of the province. I am simply pointing out to the Minister of Finance, to correct his erroneous statement, that \$19 million of the cost of this year's projected deficit relates to the borrowing of Manitoba Hydro.

**MR. SPEAKER:** Order please. The Honourable Government House Leader on a point of order.

**HON. R. PENNER:** The Member for Turtle Mountain says he's rising simply to point out something. That's a declaratory statement that has nothing to do with a question or question period. If he wants to make that kind of statement the opportunity is still afforded him in Public Utilities Committee, and if he wants to ask a question he can ask it with a supplementary, and a preamble that's appropriate to it, but not to get up and say, I'm simply rising to point out something, which he did. That is not in order.

**MR. SPEAKER:** The Honourable Member for Turtle Mountain, to the same point.

**MR. B. RANSOM:** Yes, Mr. Speaker. When the Minister of Hydro makes an erroneous statement, surely the Government House Leader does not intend to try and prevent members of the opposition from correcting those erroneous statements.

**A MEMBER:** Right on.

**HON. R. PENNER:** That's not what question period is about.

**MR. L. SHERMAN:** You can't leave that nonsense on the record; we have a right to reply to nonsense.

**MR. SPEAKER:** Order please, order please. Perhaps the Honourable Member for Turtle Mountain would care to rephrase his statement in the form of a question.

**MR. B. RANSOM:** Thank you, Mr. Speaker. In view of the fact that \$19 million of the deficit, of the \$578 million deficit which the government intends to incur this year, relates to foreign borrowing, to losses related to foreign borrowings by Hydro, and a further \$49 million to losses for general government debt; can the First Minister tell the people of Manitoba to how much risk he is exposing the taxpayers of this province by continuing these types of borrowings?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, the fact remains that insofar as borrowing by any and all jurisdictions, whether it be provincial jurisdictions, whether it be the federal jurisdiction itself; whether it be indeed from borrowings that took place by the previous administration as well in areas such as Japan; in areas such as Switzerland; they did their share of borrowings in those jurisdictions as well, Mr. Speaker; there is

obviously a risk factor and any and all recognize that there is a risk factor in regard to the fluctuation of exchange rates.

But, Mr. Speaker, to only identify the negative side and to ignore the fact that in Manitoba we are building the assets of the province; we are building our Hydro system; we are building our telephone system; we are building our hospital and personal care home facilities; we are building the wealth of the province, Mr. Speaker. Just as in any business operation, Mr. Speaker, in building assets there is risk, whether it be at the provincial level, whether it be at the municipal level, whether it be at the senior level of government.

**MR. B. RANSOM:** A further question to the First Minister. The last time that the government borrowed in Japan they announced that they had obtained an amount of money at a very favourable rate, and a short time later turned around and hedged that money at a higher interest rate in the United States. Is it the government's intention to hedge the present and the most recent loan taken out in Japan?

**HON. H. PAWLEY:** Mr. Speaker, the Minister of Finance follows the professional and technical advice of those that are indeed professional in this field. He will be following that advice and will be forwarding to the Treasury Bench the benefit of the advice that he receives from those that are technically skilled to deal with areas such as the area that the Member for Turtle Mountain has referred to. Once we've received that kind of technical advice, then we will make the kind of decision that is reasonable, based upon the technical advice received, and assuming responsibility politically for whatever decision is made at that time.

### **Manitoba Hydro borrowings re Chairman**

**MR. B. RANSOM:** A further question to the First Minister, Mr. Speaker. Can the First Minister advise the House whether or not his Minister of Finance has been taking any advice from Saul Cherniack, the present Chairman of Hydro and former NDP member of this Legislature, with respect to borrowings?

**HON. H. PAWLEY:** Mr. Speaker, I would assume and I would trust indeed that the Minister of Finance is one that is open to the acceptance of views and opinions from those with experience, those with ability, would turn to the Chairman of Manitoba Hydro just as he would turn to many other individuals with skill and with knowledge in this particular field.

Mr. Speaker, it is recognized that the Chairman of Hydro does have certain expertise in this field. Mr. Speaker, it would be folly, indeed, on the part of the Minister of Finance to ignore the kind of advice in weighing the arrival at recommendations, the kind of advice that could be received from the Chairman of Manitoba Hydro.

### **CL-215 water bombers**

**MR. SPEAKER:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Speaker, my question is to the Minister of Economic Development and Tourism. Earlier

this week I asked the First Minister if CAE would be receiving the contracts for the tail assembly and the wing assembly of the 215 water bomber from Canadair. Since that time, Sir, it's been reported by Mr. Roberts that spin-off work would come to Winnipeg, among other centres. Can the Minister inform us what spin-off work will be coming to Manitoba?

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. M. SMITH:** Mr. Speaker, I'll take that question as notice.

**MR. F. JOHNSTON:** Mr. Speaker, I would ask the Minister, because this was reported at the beginning of last week, if anybody in her department has been in contact with CAE, the General Manager, Mr. Woolley, regarding receiving this contract from Canadair so that the workers who were working on this project in Manitoba can be put back to work on this job.

**HON. M. SMITH:** Mr. Speaker, I would like to take that question as notice, as well, but it is my understanding CAE is terminating their work here in Winnipeg, and that this does not substantially alter this situation. However, I will pursue the issue from that perspective.

**MR. F. JOHNSTON:** Mr. Speaker, if CAE is terminating and do not intend to re-open to handle this contract, will the Minister be in touch with Ottawa, or people at Canadair, to see that this work that has been being done in Manitoba is done by somebody else, because the Federal Government could put the money here to set up the jigs which are here now; will the Minister, if CAE doesn't do it, be making representation to Canadair and the Federal Government to see that the work is done here?

**HON. M. SMITH:** Well, Mr. Speaker, I will pursue the question with all the ramifications suggested.

### Camp Shilo Report

**MR. SPEAKER:** The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Speaker. My question is to the Honourable Minister of Natural Resources. I wonder if he could inform the House and the people of my area what the situation is with the lease between the Department of National Defence and the province with regard to the property at Camp Shilo, Manitoba?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Mr. Speaker, I appreciate the honourable member having given me advance notice of the question. However, I can indicate to him that we've had negotiations over a lengthy period of time; as you'll recall, we have required an environmental study to confirm the effects of the leasing arrangements with the military on the area. We have studied that report, we have been in intensive negotiations with the

Department of National Defence and will be able to report fairly soon the results of those negotiations.

**MR. D. BLAKE:** A supplementary with regard to the government's concern with job creation, the Department of National Defence, I understand, is prepared to spend something like \$30 million in upgrading the buildings and other facilities at the base, as is, the German army are prepared to spend many millions of dollars there also on the training facilities. It would seem the sooner those negotiations are completed, the sooner there may be some work activity created in that area. Would the Minister give this his urgent attention and see that this can be completed as quickly as possible?

**HON. A. MACKLING:** Mr. Speaker, I had the opportunity to personally talk with Mr. Crowe of the Department of National Defence from Ottawa when he was in Manitoba negotiating with my staff, and I was pleased at the degree of co-operation that was exhibited in those negotiations, and I can indicate that I did express a concern in respect to all possible development at that location.

**MR. D. BLAKE:** Mr. Speaker, a final supplementary. Could the Minister confirm to the House that the environmental study that was done there on the range site, is not the reason for the holdup in the negotiations of the lease contract?

**HON. A. MACKLING:** Mr. Speaker, there has never been any particular holdup in the negotiations. For some reason or another, some people felt that time was of the essence in respect to these negotiations, the Department of National Defence in Ottawa did not feel that was the case. They agreed with our concerns about the sensitivity of the environment there because it is a unique environment in Manitoba, and they agreed that there are some environmental problems associated with the military use of the area. They have been understanding and co-operative, and I assume the agreement that will be confirmed to the House will meet with the satisfaction of all of the people of Manitoba.

### Cottage lot increases in Provincial Parks

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. R. BANMAN:** Thank you, Mr. Speaker. I direct my questions to the same Minister and would ask the Minister, in light of the fairly substantial and large increases in the lease fees that will be charged cottage owners in the Province of Manitoba, I wonder if the Minister could inform the House whether or not he gave a commitment to the Cottage Owners' Association that he would talk to them about any rate increases and discuss the matter with them before he made such an announcement.

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Mr. Speaker, I don't recall making any specific commitment in respect to rate increases.

I think it is necessary that we consult. Certainly there has been a very extensive consultation process in connection with the Whiteshell Master Plan and the Whiteshell cottage owners have had extensive opportunities to indicate their concerns respecting all manner of issues affecting them and that door is still open. I think that the cottage owners would be the first to admit that they have had ample access and opportunity to dialogue with both me and my department in respect to the issues that affect them.

**MR. R. BANMAN:** Thank you, Mr. Speaker. I gather from that answer that the Minister did not promise the Whiteshell and District Cottage Owners' Association that he would talk to them before he effected any rate increases. I understand that's what his answer is.

I would like to ask him a further question, whether or not the Manitoba Government, in the Parks Department, has set up a mechanism where people can appeal the assessments that have been filed on their cottage lots? In other words, has he set up a process such as the Court of Revision where people can send their grievances or appear before any tribunal to indicate that their assessment is either too high in relationship to what other lakes are maybe being charged or what other cottage owners are being charged?

**HON. A. MACKLING:** Mr. Speaker, I'm happy to confirm to the honourable member that I have shared the concern that has been brought to my attention in respect to the manner of assessment.

But I want to confirm to all members of the House that we don't assess the cottage, we assess the value of the land only, because it's only the land that we rent to the person who builds or otherwise has constructed a cabin or cottage on that Crown land. We have two types of lots; we have lakefront lots and second tier and third tier and so on. They're all, as I understand it, based on a fairly uniform basis of assessment. I've heard that there are some disparities in assessment and I intend to look into those. I'm concerned that there be a fair method of appeal of any assessment if an assessment is considered too high.

As a matter of fact, Mr. Speaker, I think there are a number of areas in government, certainly in my department, where it is indicated that the Minister makes the decision and I would like to see a mechanism where there can be an appeal mechanism for all of that kind of decision.

**MR. R. BANMAN:** Mr. Speaker, in light of the fact that these assessments have now gone out and there are some people that feel that the whole situation is such that the fees are much too high, and in light of the fact that there have also been some comparisons made and there seem to be some discrepancies as far as the type of the assessment that has been provided, will the Minister assure this House that some kind of committee or group will be set up which people can apply to, to try and have their grievances heard and that that will be done in the very near future?

**HON. A. MACKLING:** Mr. Speaker, I've indicated that I think that some formal mechanism for dealing with

appraisals and assessments should be looked at and I've indicated my concern to do that, but when the honourable member says that everyone has been subjected to a very substantial increase, I would like to set the record straight.

In accordance with this formula of going to 2 percent of the market value, we will be 50 percent less than what is charged in Saskatchewan; we will be one-third of the assessed fee in Ontario; we are 50 percent of the fees that are charged in Riding Mountain. But Mr. Speaker, in addition to that, because of the maximum being set at 2 percent, there are some cottage owners who are renting Crown land that will have a reduction in their rental this year, and they total some 35 units who will see a reduction from anywhere from \$1 to \$60 in their annual rent.

Another 91 cottage owners will have no change at all. Others of course will receive an increase anywhere from \$1 to \$60 per year and when they attain a rental of 2 percent of the market value, then that is the proposed ceiling.

**MR. R. BANMAN:** Mr. Speaker, I wonder if the Minister could inform the House what the anticipated increase in revenue will be by this move.

**HON. A. MACKLING:** Mr. Speaker, it is in the order of \$287,157 in 1983, and I want to say, in addition, during the course of the hearings on the Whiteshell Master Plan, and that is the area I guess of the most concern, there were submissions made that the prohibition of being able to rent a cottage in park areas be considered and that is one of the proposals that we are looking at, so that anyone that is in very difficult financial circumstances, if we adopt that policy, would be enabled to sublet his or her cottage and I don't think that the \$60 per year, under those circumstances, if that policy is implemented, would be that terribly affected.

**MR. R. BANMAN:** Thank you, Mr. Speaker. I have another question to the First Minister and would ask him, in light of the fact that the Minister of Education indicated the other day that she is setting up a Communications Branch within her department which is going to cost the taxpayers some \$300,000 and will have something like seven people disseminating information out; and in light of the fact that the Minister of Natural Resources and Parks has now indicated this new fee structure will bring in \$284,000, which is some \$16,000 less than this new group is going to cost the taxpayer and the Education Department; would the First Minister do away with that communication propaganda group within the Department of Education and then he would not have to increase the cottage lot fees?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, obviously, the honourable member hasn't listened carefully to the Minister of Education. The Minister of Education indicated that no additional monies would be spent, but indeed there was a centralizing of the communications functions within the department; not additional monies, but a centralizing of those functions

within the department that deal with communication to ensure that there is a better job of communicating with Manitobans than was the case under the pre-existing system that, really, Mr. Speaker, unfortunately did a less than adequate job of communicating in a proper way to Manitobans.

### **MACC - crop insurance contracts**

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker, my question is to the Acting Minister of Agriculture, or the First Minister, in his absence. Can the First Minister or whomever confirm that the Manitoba Crop Insurance Corporation is requiring a personal guarantee from shareholders of corporate farms who are holders of crop insurance contracts for this year?

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

**HON. J. BUCKLASCHUK:** Mr. Speaker, I will take that question as notice on behalf of the Minister.

**MR. D. ORCHARD:** Whilst the Acting Minister is taking that question as notice, would he also attempt to provide information as to whether those shareholders in corporate farms, because of a perfect payment record with the Crop Insurance Corporation, declined to sign the personal guarantee as requested? Will the Minister endeavour to find out whether their crop insurance contracts will be cancelled this year or next year, and while he's at it would the Acting Minister of Agriculture find out if information that I requested some three weeks ago from the Minister of Agriculture on crop insurance contract payments of premiums is now available?

**HON. J. BUCKLASCHUK:** I will take those questions as notice.

### **MPIC - life insurance and pensions**

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, I direct a question to the First Minister or the Minister responsible for the Manitoba Public Insurance Corporation. Mr. Speaker, it's been some time since we have had the Throne Speech before us, but the Throne Speech indicated clearly the government's intention to expand the role of the Manitoba Public Insurance Corporation into general life insurance as well as some pension programs. My question to the First Minister, or the Minister responsible for the corporation, is it the intention of the government to introduce legislation of this kind during the life of this Session?

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

**HON. J. BUCKLASCHUK:** Yes, that question is presently under review.

**MR. H. ENNS:** Mr. Speaker, I'm sure honourable members opposite will concur that should such

legislation come forward it would surely be considered as major and very important legislation, the kind that the industry and the people of Manitoba should have ample time to review. My question is simply to the First Minister, can he not give some assurance to the private sector, who are actively involved in providing that service in Manitoba, whether or not they can expect to see the introduction of that legislation during the course of this Session?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** If I could just relate back for the benefit of the Member for Lakeside, the Throne Speech indicated that there would be a study as to the feasibility of the entry of the Manitoba Public Insurance Corporation into fields pertaining to life and pension management areas in order to more fully complement their existing portfolio.

Mr. Speaker, that study, that analysis, is taking place. There will be not be time for legislation this Session pertaining to that as the study, the analysis, will not be completed for a number of months.

**MR. H. ENNS:** Mr. Speaker, it really works that much easier in the House if we are just candid and honest with each other. I, for one, congratulate the government for recognizing that this is a major piece of legislation and people, Manitobans, and businesses require time to adjust to it. It would have been easier if the First Minister would have just given us that answer in the first instance. Thank you.

### **Hydrochloric acid spill - Waskada**

**MR. SPEAKER:** The Honourable Member for Tuxedo.

**MR. G. FILMON:** Thank you, Mr. Speaker, my question is to the Minister of the Environment. In view of the statements by the Deputy Mayor of Waskada that the only reason the town citizens were not endangered by the fumes from the spill of 12,000 litres of hydrochloric acid the other evening was that the wind was blowing away from the town, and in view of the fact that the provincial officials did not arrive at the site for more than eight hours, does he intend to take any precautions or actions to ensure that there will be better protection from such hazards in future?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**HON. J. COWAN:** Thank you, I think for the sake of clarification it must be noted that the Environmental Control Services did not arrive on the site because the officials that were on-site, which included local officials and others, indicated that there was not a need for them to arrive on the site until the next morning. They were enroute and, in fact, at that time it was determined that it was not necessary for them to come until the next morning, that the situation was under control. So that is, in fact, why they did not arrive for eight hours.

Of course, this type of issue goes beyond any one specific accident and certainly we have concerns about it. It's my understanding that the Emergency Measures

Organization is reviewing emergency planning with municipalities in regard to these sorts of incidents and the Minister responsible may want to make some comments on what has happened in specific regard to Waskada.

On the part of the Environmental Management Division, the government as a whole, we are concerned about this accident. We are concerned about the type of accident that occurred and how do we prevent major tragedies from occurring from these types of accidents in the future. What we are going to do in this particular instance in regard to these sorts of dangerous commodities being stored around schools, around public buildings, where there are individuals who may be sensitive to any exposures that are in one grouping, is to work with the Department of Education. I understand the Public Schools Finance Board or another body, perhaps the Minister, will be sending out a letter asking that school boards and principals review operations around their facilities to determine if they have concerns, and if they do in fact have concerns to forward those concerns to the Environmental Management Division, and we will respond with information and advice.

As well, the hazardous materials legislation and the Hazardous Materials and Special Waste Management Program, which is currently being developed, will in a large part enable us to provide enabling legislation to deal with these sorts of situations to prevent this sort of land-use conflict which can result in a tragic environmental accident from occurring in the future. Those are our plans for future situations.

Of course, we want to review where there are potential hazards now and to provide assistance and advice to groups which may be affected by those hazards; firstly, to remove them, if possible; and secondly, to ensure they know what to do in the event of an accident.

**MR. G. FILMON:** Mr. Speaker, it's my understanding that, even had they proceeded immediately, the provincial environmental officials, or EMO, could not have been there for a matter of at least several hours, probably four at minimum.

At the same time, Mr. Speaker, in view of the fact that this material, hydrochloric acid is in very considerable use because it is used in cleaning drilling rigs, and so it is available now throughout that oil patch area in southwestern Manitoba, and there are many towns and villages around that are in danger. What precautions and what actions will the Minister take now? We're not talking about future land use planning and all of that, the land use conflicts exist; what will the Minister's department be doing now to protect people against the danger?

**HON. J. COWAN:** I was in conversation with the Minister responsible for Energy and Mines, previous to the question period today, and indicated to him that we have exactly the type of concern that the member has just laid on the table; that is, that there are storage areas in that particular area of the province in some concentration. He has assured me that he will be checking with the Petroleum Branch to determine where those sites are, and to provide recommendations for the clarification of any potential problems, and to ensure

that proper procedures are in place to prevent or mitigate against these types of accidents in the future.

In specific regard to that area, that action has already been undertaken and I would expect that the Minister of Energy and Mines has already, or will very shortly, be giving direction to his department to do that sort of a survey. I think that, in large part, will identify the problem areas.

### Emergency Measures Organization Guidelines

**MR. SPEAKER:** The Honourable Minister of Government Services.

**HON. J. PLOHMAN:** Yes, Mr. Speaker, just to add to that information that was given, in terms of the role of Emergency Measures Organization. There has been a number of plans completed with various villages, and towns, and municipalities throughout the province, emergency plans that have been initiated by the Emergency Measures Organization. In this case the Village of Waskada had not indicated, although overtures had been made, they had not indicated an interest in an emergency plan up to this point. However, they have indicated now that they would like to discuss emergency planning in the future, and they have asked the representative, the Emergency Measures Organization person that is stationed out in the Brandon-Western region of the province, to attend a meeting on May 4th to discuss emergency plans for their village.

**MR. G. FILMON:** Well in view of that answer, Mr. Speaker, can the Minister of Government Services, responsible for EMO, tell the public then what other villages and towns have refused assistance and the advice of EMO in coming up with an emergency plan, so that the public will be alerted to the areas in which they are in danger because there has been no co-operation between EMO and the towns and villages involved.

**HON. J. PLOHMAN:** Yes, Mr. Speaker, I did not say they have refused to discuss, they just had not indicated an interest when they had been contacted by EMO officials. There are a total of 29 plans that have been completed, and another 26 that are currently in progress; there are a large number, of course, that have not completed those plans. I can give information on those that are completed, and those that are currently planning, and those that have indicated no interest to date, however, I don't know whether the House would want all of that information at this time.

I can tell you though that there are a large number that have undertaken these plans and are very pleased with the emergency plans that they have in place, and others, as the emergencies arise, certainly react in a positive way because they realize then that emergency planning is necessary and an important part of the local government function. I believe over the next while we will, of course, have more responses to the requests from EMO to develop emergency plans, and they will have more of them in place as we go along. I think this is a good program; it has just started over the last year or so, so therefore, it is an ongoing program.

## Legal Counsel opinion re Attorney-General

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, on Friday last the First Minister in response to a question from me indicated that he would table in this House a copy of the opinion from Legal Counsel which justified the action taken by the Provincial Government in having the taxpayers pay the cost of an action against the Attorney-General. I would ask the First Minister when he will be tabling that opinion?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, I'll call upon the Attorney-General to deal with that question as it was taken in his absence.

**HON. R. PENNER:** It can be tabled at any time, in fact, I offered that document when I spoke in this House the other day. That document, which is required under The Financial Administration Act, indeed, I thought was attached to the Order-in-Council, but if it's not there I'll table it in the House.

## Workers Compensation Board - offices, vehicles

**MR. G. MERCIER:** Mr. Speaker, I thank the Attorney-General then for that undertaking to table the opinion.

A supplementary question to the Minister responsible for the Workers Compensation Board, Mr. Speaker. Could he confirm reports that the two new members of the Workers Compensation Board which he appointed have been assigned offices to each individual, that those offices have been redecorated, painted and carpeted, and that those two new appointments have had assigned automobiles for their own use to them? Could he confirm that and could he advise us of the amount of the costs required or incurred as a result of those actions by the Board?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**HON. J. COWAN:** Well, I can advise the member that they have had cars assigned to them, yes. I cannot offer detailed advice on the offices; I'm not certain if that has been the case or not, but I would certainly be prepared to look into it and provide that information to the member.

The detailed information which he requests in respect to cost is something that I would have to find out and forward to him over a period of time. It may be best done, I'm told, by an Order for Return if that's the way in which the member would like to proceed.

## Garrison Diversion Project - deferral

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Yes, Mr. Speaker, a few days ago the Member for Lakeside asked me about the

reasons for a postponement of a meeting of officials in respect to the Garrison Diversion Development, and the information that I've been given is that the reason for the deferral of the meeting was that Thomas Niles Deputy Assistant Secretary for European Affairs, who was to head the American delegation, had been called to a meeting in Europe and would be unable to attend.

The American group suggested that while they would be prepared to proceed with the meeting, with the more junior member of the Department of State heading the delegation, they would prefer to postpone the meeting until Mr. Niles could attend. So that is the rationale on the part of the American group for wanting a deferral of the meeting.

I might advise the House that in respect to a meeting of any further delegation, in respect to Garrison in Washington, I have held discussions, there have been conversations with the Federal Government and with people in Washington, as to the timing, the composition of a delegation and I will be giving further information to the House in due course on that.

## Workers Compensation Board - offices, vehicles

**MR. SPEAKER:** The Honourable Minister of Government Services.

**HON. J. PLOHMAN:** Just, with permission, Mr. Speaker, in terms of the assignment of vehicles, a number of vehicles have been reassigned within departments. There is actually a reduction in government vehicles, overall, in the fleet this year; and in response to the question that the Minister responsible for the Compensation Board was referring to, many of the cars that have been assigned new have been redeployed or reassigned within the departments and, therefore, have not added to the total number of vehicles.

## Workers Compensation Board - assessment on workers

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, a question to the Minister responsible for the Workers Compensation Board. Can he confirm that the assessments on employers by the Workers Compensation Board will be increased very shortly?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**HON. J. COWAN:** If they have not already been increased, they will be increased, and when I confirm that I have to indicate, too, that the reason for them being increased at this time is that, over a period years, upon an analysis of the trend lines, it was found that, while assessments had been going down, costs had been going up, and that the previous Workers Compensation Boards did not take into account the future viability of the Fund in determining what those assessments would be. So we are now at a state where

we, in fact, have to raise the assessments; we don't like to do it, but it should have been done for the past number of years when it was not being done and so, that being the fact, yes, they are being increased and, if the member wants to review the board report which we just gave to him recently, I'm certain he'll find information showing how the assessment rates over a period of years, a large number of years, have been steadily decreasing.

**MR. SPEAKER:** Order please. Time for Oral Questions having expired, Orders of the Day.

## ORDERS OF THE DAY

### NON-POLITICAL STATEMENT

**MR. SPEAKER:** The Honourable Minister of Government Services.

**HON. J. PLOHMAN:** I'd like permission, Mr. Speaker, to make a non-political announcement if I could?

**MR. SPEAKER:** Does the honourable member have leave? (Agreed)

The Honourable Minister of Government Services.

**HON. J. PLOHMAN:** Earlier this month the Dauphin Regional Comprehensive School, a team for Reach For The Top, won the Reach For The Top competition for Manitoba and we, in the Dauphin area, are very proud of the excellence that these people have achieved.

Their team is made of Rob Damsgaard, Brad Day, David Lysack, John Orisko and coach, John Tkach. We are very proud of the excellence, as I said, that these people have achieved and I want to, as their MLA, and on behalf of the Legislature and the people of Manitoba, wish them every success in the national championships that they will be participating in in Toronto next month and to extend our congratulations.

**MR. SPEAKER:** Orders of the Day.

The Honourable Government House Leader.

**HON. R. PENNER:** Mr. Speaker, I move, seconded by the Minister of Community Services and Corrections that Mr. Speaker do now leave the Chair and that the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for the Department of Education; and the Honourable Member for Burrows in the Chair for the Department of Highways and Transportation.

## CONCURRENT COMMITTEES OF SUPPLY

### SUPPLY - HIGHWAYS AND TRANSPORTATION

**MR. CHAIRMAN, C. Santos:** Committee please come to order. We are now starting Item No. 4.(a) Highways

and Transportation, Operations - Highways and Airports, Mechanical Division.

The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, the Minister indicates 280 SMYs in the Mechanical Division. That seems like a fairly significant increase. Is there a sizable increase there and, if so, why?

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

**HON. S. USKIW:** Mr. Chairman, that's the same kind of an answer that I gave the other day on another item. We have 84 positions, but we actually were using 121. So, what we've done is converted them, I guess. We are showing it as it actually is; these are departmental staff.

**MR. D. ORCHARD:** I don't know if the Minister understood me. My SMY information last year indicates there were 244 SMYs in Mechanical Division; this year it shows 280.

**HON. S. USKIW:** There were 84 in departmentals, and we actually used 121 last year, so that gives you your increase. There is no change in numbers projected for this year, it's just that we're projecting the real numbers that were there.

**MR. D. ORCHARD:** Does that mean that some of the reduction in the construction for term SMYs ends up in Mechanical Division, is that fair?

**HON. S. USKIW:** These were there last year, but they weren't accounted for in this way.

**MR. D. ORCHARD:** Going back to '81-82, there were 244 SMYs. Are you saying that was the case in '81-82, as well?

**HON. S. USKIW:** I am advised that it was, yes.

**MR. D. ORCHARD:** That's interesting because I never was advised they were there.

**HON. S. USKIW:** Perhaps the member would want to recall that in the departmentals what we had was a global allocation of staff positions that we never reached at any time. There was a big reduction of that, on the surface, as presented in these Estimates this year. I believe our total departmental was something like 796 and we've reduced that by 340. That's in the construction end, but it's the same kind of thing. They were never really utilized, at least those full numbers were not, so we brought that area down to where we think it should be. I'm not talking about what the member may think, and that is full-time civil servants; we're talking about departmentals.

**MR. D. ORCHARD:** Okay, then out of the 280 SMYs that are in Mechanical Division, how many are permanent?

**HON. S. USKIW:** Of that number, 160 are permanent staff.

**MR. D. ORCHARD:** The status on the rest of them?

**HON. S. USKIW:** 120 are the departmentals.

**MR. D. ORCHARD:** That was the same staff that was there in fiscal '82-83?

**HON. S. USKIW:** We had approval for 160, we actually used 158.

**MR. D. ORCHARD:** In the departmental?

**HON. S. USKIW:** We had approval for 84, we used 121.

**MR. D. ORCHARD:** So you've added a number of approvals, but are you also saying that in fiscal '82-83 you in fact had those people working there without approval? Where was the staffing authority coming from under which those extra 36 people were working?

**HON. S. USKIW:** Mr. Chairman, the approval is in the global figure in this particular component. We were using more than what was always indicated for this component. The member might want to know that these are hourly employees.

**MR. D. ORCHARD:** Then that begs the question of where else within the department was that global approval from which additional staff was drawn and given to Mechanical Division?

**HON. S. USKIW:** Yes, we reduced the bodies in the construction area.

**MR. D. ORCHARD:** Well, then when the Minister indicated that wasn't what happened about three or four questions ago, that indeed is what has happened, because I asked that question whether that's where some of the departmentals came from is from construction. At first, the Minister indicated that wasn't the case; now, that is the case, that there are SMYs from the global approvals from construction that have been transferred to the Mechanical Division.

**HON. S. USKIW:** Mr. Chairman, again I want to tell the Member for Pembina that the global departmental figure was somewhere in the order of 890-some-odd which were never used at any time over the last decade and a half. So the transfers took place between that and other sectors and this is one of them.

**MR. D. ORCHARD:** Is the Minister saying of those 890-some global approvals that any of them were ever filled and salaries paid according to them?

**HON. S. USKIW:** Again, the member must understand what we're talking about. We're talking about hourly paid staff, so the approval for 1,000 persons may mean 2,000 persons for six months of the year, or may mean 500 persons that were actually utilized and 500 were not called upon. So it is just an estimate that has been used over the years, and it's a number that wasn't reduced till this year. We are reducing that number by 340 from 796 in the construction end, but the 796 were

never used. Our peak utilization there - I don't know if I have that here; we don't have it on this sheet - I think it was around 500. Of the 796, there were 280 that were never used. That 796 figure goes back many many years, back to '78-79, in fact, it's before that even, Mr. Chairman.

It might interest the Member for Pembina to know and he has probably forgotten, probably knew but has forgotten, that lump figure of staff years was put in, in order to accommodate what was up to that point in time a fairly significant overtime situation. So some years ago, during the '70s, the government decided to allow enough flexibility by allocating staff positions so that there wouldn't be the overtime, but we never utilized the full amount that was authorized.

**MR. D. ORCHARD:** Mr. Chairman, I am just trying to find my notes here. The increase in Salaries, we've got a situation here where accordingly SMYs have been seemingly allocated properly now. There is only an 18-percent increase in the print over print on Salaries. Is it fair to assume then that even though the SMYs were not necessarily allocated to the department that the salary costs were paid by the department, because it would seem that if you've added 36 people you should have a substantially higher salary complement than an 18-percent increase print over print?

**HON. S. USKIW:** The department advised that the dollars were there.

**MR. D. ORCHARD:** And paying for staff that was there but not according to past sheets assigned specifically to Mechanical Division?

**HON. S. USKIW:** That sums it up, Mr. Chairman.

**MR. D. ORCHARD:** Now, the Mechanical Division, over a couple of winters where we had no snow in a lot of the districts, were doing a first-class job of fixing up the equipment fleet. Instead of having the men do very little, they were doing a lot of equipment repair work; preventative maintenance maybe even accelerated preventative maintenance. In theory, that was an attempt to keep men occupied. Instead of having them sit around doing nothing, it was good use of money. It should have, I would have thought, reflected itself in lowered expenditures in the following years and that doesn't seem to have happened. Was there not any benefit to doing that accelerated preventative maintenance, if you will, for lack of a better term for it, that's what was going on, I guess, but yet we have our Other Expenditures related to vehicle and fleet maintenance still going up year by year? Was there no advantage to doing that two and three years ago?

**HON. S. USKIW:** Well, the member would note that the Other Expenditures increase amounts to \$403,000, and that's for the increase in the price of parts, depreciation and the cost of additional units.

**MR. D. ORCHARD:** I think the Minister indicated purchase of equipment. That properly would be under Warehouse Stores under Purchases, would it not? Where does the new equipment purchases come in?

**HON. S. USKIW:** Mr. Chairman, the department advises that the 400,000 is a very nominal increase. I really don't know what's at issue there.

**MR. D. ORCHARD:** I guess maybe this is part of the confusion that stems from what the Minister of Finance has derated me for attacking him on. The presentation of the Estimates changed fairly significantly this year, and under Mechanical Division this year, we simply have Salaries and Wages and Other Expenditures. Last year under Mechanical Division, we had Salaries, Wages, Other Expenditures, Equipment, Tools and Highways Buildings. Now are we assuming that Equipment and Tools and Highway Buildings and Storage Yards, which were separate items last year and are now rolled into the Other Expenditures?

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

**MR. D. ORCHARD:** Okay, then is it fair to assume that the Other Expenditures, which are the operating costs of the fleet, are adequate in view of, I understand, fuels and all your lubrication, everything of that nature in running the maintenance fleet, plus equipment, tools, buildings are all rolled into this section with a 3 percent increase? Does this mean that we're going to see a reduction in the level of maintenance, because obviously with a 3 percent increase global on the Other Expenditure budget, and having rolled in about \$170,000 of Other Expenditures to make that 3.23 percent increase, are we seeing a Mechanical Division that is going to prove to be doing actually less maintenance work in the Province of Manitoba because of the lead indicator that your Other Expenditures are down?

**HON. S. USKIW:** No, Mr. Chairman, the intent is not to reduce the level of maintenance whatever, although there is no doubt that we're trying to operate in a much tighter financial arrangement.

**MR. D. ORCHARD:** I realize that the Minister is saying the intent is not to reduce the level of maintenance, but I can't see how he can get around the actuality of that happening. I won't ask the question now, I'll wait till we get into Line 7, where we get into Maintenance Program, and I'll give the Minister notice of the question now so that when we get into the debate of that I would like to know what portion of that Budget was expended last year because, as I understand it, the Recovery section under 4.(a)(3) is primarily recovered under 7.(b) the Maintenance of the Primary Highways. Those recoveries from Mechanical Division are for the use of departmental equipment, primarily in maintaining the highways; snow clearing, gravelling, blading, salting, etc., etc.

I realize the Minister is making the case that it's not their intention to reduce the level of maintenance, but if last year's budget was fully expended - and I know the Minister knows what I'm going to arrive at - and this year's operating costs out of Mechanical Division are only up 3.25 percent where - fuel is just one factor, probably increasing year over year - and the Minister will have that figure - by probably 20 percent, that you are going to be running a Mechanical Division that's

going to only be able to provide fewer hours of actual operation and maintenance of the highway system.

So we'll get into that discussion, Mr. Chairman, more fully when we reach Item 7.(b) and I just give the Minister notice that will require some extensive discussion.

**MR. CHAIRMAN:** 4.(a)(1).

**MR. D. ORCHARD:** Unless the Minister has a comment . . .

**HON. S. USKIW:** Well, Mr. Chairman, the member's point is valid to some degree; however, he will have to recall that the increase in fuel prices is not going to be what was originally projected. Whatever increases there are, are marginal, by comparison, to what was projected to be, so we don't anticipate a problem in that area.

**MR. D. ORCHARD:** One final question, can the Minister give us now or later on this evening the book value of the fleet and a list of any additions of equipment that the department intends to purchase in terms of trucks, motor graders, front-end loaders, whatever, a list of equipment they wish to purchase this year? There's been a change in the accounting system. I recall that the department fought vigorously to prevent and lost but — (Interjection) — oh, yes, that's going back three years ago when that change was made. Could the Minister provide us with the information of new equipment purchases, etc., later on, or right now if he has it, and the book value of the fleet now?

**HON. S. USKIW:** Yes, the undepreciated value is now at \$8,921,897.00. The additional equipment purchases throughout the districts - does the member want me to recite all of the items?

**MR. D. ORCHARD:** Maybe a global figure, a total figure for the budget, if he would, please?

**HON. S. USKIW:** I'll have to do that by district then, Mr. Chairman. District 1 is \$54,000; District 2 is \$30,000; District 3 is \$40,000; the total is \$850,000.00.

**MR. D. ORCHARD:** Possibly the Minister could pull from the budget the value that's being spent in the Northern Highways Districts, the Interlake, is that No. 9, District 9?

**HON. S. USKIW:** District 10 is what we want. Did you want 11?

**MR. D. ORCHARD:** Yes.

**HON. S. USKIW:** It's \$87,000.00.

**MR. D. ORCHARD:** And District 10?

**HON. S. USKIW:** \$92,000.00.

**MR. D. ORCHARD:** Those items can pass, Mr. Chairman.

**MR. CHAIRMAN:** 4.(a)(1)—pass; 4.(a)(2)—pass; 4.(a)(3)—pass; 4.(b)(1)—pass; 4.(b)(2)—pass?

**MR. D. ORCHARD:** Mr. Chairman, the decrease in Other Expenditures, is that as a result of having that inventory management system in place?

**HON. S. USKIW:** Yes, it's the non-recurring expenses for designing to the computerized warehouse storage inventory system.

**MR. D. ORCHARD:** Now, in terms of the purchases, that's all your parts, etc., as I understand it, that you use. It was my understanding that one of the main features that inventory management control system was that you would be able to operate on a lower value of inventory. I realize that purchases are going to go up in price simply to maintain the inflationary price increase of the parts, but is the department able to maintain a lower value of inventory on the shelves at any particular time and achieve the kind of savings that were projected when that system was proposed some three or four years ago? Is the inventory of parts actually down because the system is working well?

**HON. S. USKIW:** The inventory reduction that has been effected as a result of that is in the amount of \$771,000.00. That's still a projection though. It says will occur over a period of years now as the stock is reduced, as it's being used up.

**MR. D. ORCHARD:** It said "over a period of years," you don't have a ballpark figure as to how long it is going to take - one year, two years, to accomplish that?

**HON. S. USKIW:** The indication is probably by the fifth year we should have reached that.

**MR. D. ORCHARD:** From this year. Well, that, Mr. Chairman, just in terms of interest alone, I suppose, would amount to more than that, pretty close to \$100,000 a year. I think that's pretty close to the kind of numbers that were being talked about in the system.

This is an area that I didn't pursue vigorously enough when I was in the department, but there's a good service out of Carman that offers filter washing complete with a guarantee, etc., etc. They offer a pickup service throughout all of Manitoba. I think they have, as one of their customers in The Pas, for instance, Manfor is on it for some of their equipment. The owner of this business in Carman made a number of approaches to the Mechanical Division to interest them in the service; it was always turned down and rejected for a number of reasons. As I say, I quite frankly didn't spend the time pursuing it actively enough to possibly even require a couple of district offices to try the service to see how it would work out.

There's 30-40 percent savings, and maybe higher, depending on the type of filter, the value of the filter, that could be achieved through this system. I know the businessman has some substantial accounts in the coal mining industry in southeast Saskatchewan. Their savings were quite significant. I wonder if the Minister - I don't expect an answer; well, maybe he has got an answer today - might make a note of that and see if that's been pursued lately and whether they could achieve some additional cost savings by pursuing that.

**HON. S. USKIW:** We've made a note of that, Mr. Chairman.

**MR. D. ORCHARD:** Thank you. I think we can pass Warehouse Stores, Mr. Chairman.

**MR. CHAIRMAN:** Warehouse Stores, 4.(b)(1)—pass; 4.(b)(2)—pass; 4.(b)(3)—pass; 4.(b)(4)—pass; 4.(c)(1)?

**MR. D. ORCHARD:** On Northern Airports, I note that it used to be called Airports and Roads and now it's simply Northern Airports. Has the road maintenance portion included in here been dropped and deferred to another line in the Estimates, Mr. Chairman?

**HON. S. USKIW:** I'm told that the minor roadworks in and around the airport settlements are still included, although it doesn't mention them by specific terms.

**MR. D. ORCHARD:** Mr. Chairman, the maintenance of Northern Airports, I know was always a very very touchy subject because there was time to time, when we received complaints in Winnipeg, that the level of maintenance wasn't good enough, that the condition of some of these Northern remote strips was not good. Of course, with air travel you only get two chances, one landing and one taking off, and people like to have reasonably good airstrips.

There is in here an increase in the Other Expenditures which I would assume would be the maintenance portion; it's only increasing by not even 3 percent. Is the Minister at all concerned that the level of maintenance is insufficient to keep those airstrips in the kind of shape to guarantee safe use?

**HON. S. USKIW:** Well, again, Mr. Chairman, I have to say that I admit that it's a nominal amount, but we are living in a tight financial situation and we are going to attempt to achieve those goals.

**MR. D. ORCHARD:** Well, I know that someone in the government is tallying all our requests for more expenditure but, Mr. Chairman, on this particular item I was always very very sensitive to legitimate complaints about the maintenance of our airfields. If they were falling back, I took that with a great deal of concern because one accident could be very very costly in terms of human lives. Also, some of these airstrips are used for medical evacuations, etc., which you can't pick and choose your time to land on them. So I offer no other comment than I hope that the level of the maintenance provided in this budget is sufficient for continued good operation of those Northern airstrips.

**HON. S. USKIW:** One point that should be noted and it wouldn't be shown in the Estimates, but there is one additional airport added, and that's the Lac du Bonnet Airport has been taken back by the province. The former Minister must probably now why.

**MR. D. ORCHARD:** Is the present Minister indicating that the former Minister pulled it off?

**HON. S. USKIW:** Well, I'm willing to share the credit if credit is due. I don't know whether that was under way at that time, but I have no problem with that.

**MR. D. ORCHARD:** Oh, no, I didn't mean that. I mean, Mr. Chairman, I don't need any accolades in rural

Manitoba; they call me the king of the road builders now compared to this Minister, so I don't really need any more credit, but I thank the Minister nevertheless.

**A MEMBER:** Only in Morden.

**MR. D. ORCHARD:** Mr. Chairman, I heard an interjection from the short-lived MLA from Springfield. He might want to take time out from his committee duties to go home and patch fences at home with his constituents for participation at the flag-burning rally because there are some upset citizens out there that are not too happy with their MLA and he wouldn't have to worry about me going down the road next election.

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

**MR. A. ANSTETT:** Point of order, Mr. Chairman. Mr. Chairman, the Member for Pembina alleges that I participated in a flag-burning rally. Now, Mr. Chairman, I would very much like him to clarify that remark and withdraw the suggestion that I, in any way, participated in flag burning, which is implied in the statement he makes. I was at a protest, but I was in no way involved with a flag burning, and any such suggestion implies that. I would ask him to choose his words a little more carefully in the future.

**A MEMBER:** Sloppy with your words, Don.

**MR. CHAIRMAN:** May I remind both members that speeches in the Committee of the Whole House should be strictly relevant to the item or clause under discussion.

The Member for Pembina.

**MR. D. ORCHARD:** Does that include that interjections should be relevant to the subject matter, as well, Mr. Chairman?

**MR. CHAIRMAN:** It depends on who's doing the interjection.

The Member for Springfield.

**MR. A. ANSTETT:** Mr. Chairman, if I can speak further to the point of order. Mr. Chairman, my interjection only related to the nature in which the member, who self-described, claimed he was king of the road builders. I suggested only that he was king of the road going down the road ever since November 17, 1981. That was an interjection very much directed and relevant to his claim to being king of the road. It was he who brought up the extraneous item which had nothing to do with roads or highways.

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

**MR. D. ORCHARD:** Mr. Chairman, are we going to get back to Estimates sometime this afternoon?

**MR. CHAIRMAN:** We're going to go back into the item right now.

**MR. D. ORCHARD:** Good, thank you. Mr. Chairman, we can pass Airports. We can get on to the Marine Services, if you wish.

**MR. CHAIRMAN:** 4.(c)(1)—pass; 4.(c)(2)—pass; 4.(d)(1).  
The Member for Swan River.

**MR. D. GOURLAY:** Mr. Chairman, under what do we discuss Airports, other than Northern Airports?

**HON. S. USKIW:** Oh, you can do it right now, as far as I am concerned.

**MR. CHAIRMAN:** The Minister said that it can be done right now.

**MR. D. GOURLAY:** Yes, I wanted to ask the Minister if he is currently developing a regional airport policy for Manitoba?

**HON. S. USKIW:** Let's say that the spirit is there, the funds are not.

**MR. D. GOURLAY:** I appreciate that comment. I am just wondering if the actual policy details are being worked on to be presented.

**HON. S. USKIW:** There has been work done by the department in that area, but we have not adopted a policy, as of this date; that's a matter that is yet to be dealt with. We have some ongoing problems because there is no policy but, in any event, we don't have any money for that kind of a program this year.

**MR. D. GOURLAY:** Well, Mr. Chairman, the situation, with respect to developing upgrading to the Swan River Airport, which was being brought in, in view of the serious forest fire hazard potential in that area, and at the same time a regional airport concept was being worked on. I understand that the Minister is proceeding with the upgrading at Swan River, but some difficulty because of the fact that there is no policy in place; is this correct?

**HON. S. USKIW:** We are having a total review done of where we are at, with respect to that airport, based on the fact that we really don't have a policy for what is, in fact, taking place there, yet. Now, there may be one, and I believe it desirable to develop a regional airport policy. I don't know how long it will take to have that developed. The Swan River one seems to be a bit of a hybrid situation, it doesn't fall into anything. We don't know just where to attach its responsibility.

**MR. D. GOURLAY:** Well, I can understand what the Minister is saying. I think though that he will also agree that there is some extenuating circumstances in that particular part of the province, and that it is important that the water bombers can land at the Swan River Airport, in order to service the forestry area there in case there is another emergency situation. However, having said that, this may create some problems in other parts of the province wanting some attention by the province to upgrade their particular airports, but I think there is sufficient extenuating circumstances in that area to support proceeding with some upgrading at this time, even though there may not be a regional policy established for the province as a whole.

**HON. S. USKIW:** I know what the member is alluding to, and we have money in these Estimates for continued

work there, but it seems to me that we're at loose ends at the moment as to what our role ought to be there. It has to be more clearly defined, and the nature of the airport that we would want to develop comes into question, as well. If we're going to put any kind of money into a regional airport, and I believe Swan River is a logical location for one, then I believe the standards will have to be looked at from the point of view of overall provincial benefit, as opposed to having a airport of some special status for municipal airport commission benefits. There is quite a different world between local airport needs and provincial airport needs, obviously, and we haven't defined that, quite frankly.

**MR. D. GOURLAY:** Can the Minister give some assurance that this will be attended to in the current year to establish some policy direction so that upgrading can proceed in an orderly fashion and eventually, perhaps, establishing provincial regional airport policy.

**HON. S. USKIW:** Mr. Chairman, I did indicate a few moments ago that we are looking at that question, (a) the development of a rationale for being that extensively involved in the Swan River Airport, and from that may flow other policy spinoffs, if you like, for a provincial regional airport program. At the moment there is nothing in place that we can link that airport development project to, so it's a matter of understanding where we're going with money spent on, large sums of money that is, on local airports. If it's local airports then we shouldn't be doing it; if it's provincial regional airports, then we need some clarification of where we're going with that, certainly more than Swan River is entitled to have some attention in that area. We're in that stage of trying to develop some opinion as to where we should be going.

**MR. CHAIRMAN:** Does the Member for Springfield wish to speak? The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, on the topic that my colleague, the MLA for Swan River, has just brought up with the Minister, we've already got a policy whereby we provide assistance grants to a lot of local airports, Swan River, indeed, being one of them, and we have additional monies that have been put into Leaf Rapids Airport in Northern Manitoba, and fairly substantial sums, similar to what was anticipated at Swan River. Leaf Rapids for the basis, it's got pretty unique circumstances, and that's why Swan River was being looked at and, I suppose, it takes a natural disaster to trigger government's awareness of a problem, and that's exactly what happened in the case of the Swan River Airport. We had a severe forest fire situation in the spring of 1980, and Swan River is unique in that it's quite a distance from The Pas, quite a distance from Dauphin, and also in the centre of some pretty productive forest preserves. We had to water bomb in the Porcupines out of Dauphin. Now everybody loves Dauphin, but it's just a little bit too far away from an airplane that moves at a 135 miles an hour, and that's why we announced the intent to proceed with development at the Swan River Airport, realizing, as the Minister says, and I recognize that it was a Ministerial decision, it was a government decision that exceeded,

possibly, known guidelines for that kind of funding, but we did it because of the circumstances of the Swan Valley and that airport.

The area is, indeed, unique and we have developed a fleet of three CL-215 water bombers. I think, we've got more provincial ownership of those water bombers than other province except Quebec, I believe, unless other provinces have since purchased quite a few of them; I don't think Ontario even has as many as we do. Those are the most effective ways to combat forest fires, there's no question, in terms of aircraft combat of forest fires, and the Swan River Airport just makes so much more effective use of them if we ever have a series of fires like we did in the spring of 1980. I know there were problems that we were running into, technical problems, in terms of the redevelopment there, and costs that were above what the department originally estimated and thought they would be, but I would hope that the Minister can proceed posthaste on that because the need is clearly justifiable there. Certainly the regional airport policy was one that we were looking at and trying to pick a major airport in, let's say, every second highways district, or something along that nature. There was none that I could see that had the most favourable number of requirements that Swan River had throughout the rest of the province. There was Russell, there was Morden, there was Deloraine, there was Steinbach, possibly, or Lac du Bonnet as major regional airports, and none of them had the unique set of circumstances that Swan River did. So I just offer those comments and hope the Minister can proceed with that policy development posthaste.

**HON. S. USKIW:** Well, Mr. Chairman, the whole question of relating that expenditure to the water bomber is, indeed, nothing else but a question. The information that I have is that we may never land a water bomber at Swan River.

**MR. D. ORCHARD:** Not the way it is now, that's right.

**HON. S. USKIW:** Well, even if we had a fully developed airstrip, in that the likelihood of the need is questionable, No. 1; No. 2, the installation of facilities to service a water bomber would be fairly expensive.

**A MEMBER:** At Swan River.

**HON. S. USKIW:** Yes. Anyway, we're not precluding it, I'm just highlighting some of the points that have been made. That doesn't mean that we don't want to look at Swan River as a very important area for a regional airport. It has a daily passenger service and, I think, that's worthwhile from the point of view of where Swan River is located. There are many reasons that compel a positive attitude toward the continued development of that airport.

I wouldn't want to link it just to the water bomber question because, I think, that would be the weakest link on which to expend \$1 million-plus which it's going to take, in order to build the kind of airport that would meet reasonable provincial expectations. We have to develop a rationale somewhat broader than the CL-215. Once we do that we also have to be satisfied that

there aren't any petty local restrictions that are imposed on that airport, and I'm sure the Member for Swan River knows what I speak of there. We're not going to spend \$1 million-plus and then end up with handicaps of operation because of some local problems that arise with respect to the use of that airport and the objections of one or two people in the area. We would be irresponsible to spend that kind of money and have some restriction placed on the airport's use because of lack of agreement locally.

All of those things have to be sorted out and, hopefully, they will be sorted out, and we have funds in this year's estimates to continue on with that airport's development; but we are not going to spend that money in advance of having some of the criterion laid down hard and fast and accepted by everyone, including the local people. That has to be dealt with, Mr. Chairman, but I want to, again, remind members that I believe that Swan River is a logical location for a good provincial airport. I see nothing wrong with that, given its location, distance from Winnipeg, and there are a number of other such locations throughout the province. It wouldn't bother me one bit to have that one as the pilot, but we must do it in a way that is rational and makes sense from a provincial perspective.

**MR. CHAIRMAN:** 4.(d)(1)

**MR. D. ORCHARD:** Oh, just hold it, we're in Marine Services now. How many ferries does the NDP Government have?

**MR. CHAIRMAN:** Is that under (d)?

**MR. D. ORCHARD:** Yes, that's under (d).

**MR. CHAIRMAN:** 4.(d)(2).

**MR. D. ORCHARD:** I'm waiting for an answer, Mr. Chairman, as to how many ferries there are in the government?

**MR. CHAIRMAN:** The Minister doesn't want to answer.

**HON. S. USKIW:** Yes, Mr. Chairman, I want to answer.

**MR. CHAIRMAN:** Oh, he wants to answer.

**HON. S. USKIW:** We have seven, Mr. Chairman.

**MR. D. ORCHARD:** Mr. Chairman, is that more ferries than you had back a year or two ago? Have you added some?

**HON. S. USKIW:** My understanding is we've mothballed one, Mr. Chairman, so there must be a reduction, is that correct?

**MR. D. ORCHARD:** How do you mothball a ferry?

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

**MR. S. ASHTON:** Yes, Mr. Chairman, if that line of questioning is finished I have a specific . . .

**MR. CHAIRMAN:** Oh, he isn't finished yet. Mr. Minister.

**HON. S. USKIW:** Yes, we built one cable ferry last year so that's an additional.

**MR. D. ORCHARD:** Where is that, at Cross Lake?

**HON. S. USKIW:** At Cross Lake, yes.

**MR. D. ORCHARD:** Was it the Charlie Sinclair that was taken out of service because of the bridge, and is that the one that's mothballed?

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

**MR. D. ORCHARD:** Okay, all the others ferries are deployed in the same locations they were before?

**HON. S. USKIW:** Yes.

**MR. D. ORCHARD:** Are they going to be running the same number of hours, etc., etc?

**HON. S. USKIW:** Mr. Chairman, I'm not so certain about that, there have been demands for extended service in a number of communities; we have also initiated a new policy, and that is, the abolishment of fees-for-service, in other words, there are no toll charges on any of them anymore, which means that any person has the option of using them as many times as they wish at no cost, no direct charge. In other words, Mr. Chairman, what we are saying is that the ferry service is no different than the use of a public highway because indeed they are the highway of those communities. When we build bridges over waterways, we don't build toll bridges in this province. Where we don't build bridges, we have ferry services, so we have decided to eliminate all of the fees which may change the utilization factor substantially, so we don't know what kind of enrichment will result, in terms of service, because of the no direct charge system that we now employ.

**MR. D. ORCHARD:** When was that decision to drop the user fee established?

**HON. S. USKIW:** Well, it's effective for this fiscal year, the current year.

**MR. D. ORCHARD:** What's the reduction in income?

**HON. S. USKIW:** The fees that we're giving up are somewhere in the order of \$50,000.00. There will be additional costs as well, so it's an added expense of probably \$70,000 or \$80,000.00.

**MR. D. ORCHARD:** Then how is it that there is a \$55,000 reduction in your Other Expenditures? How are you going to operate ferries, presumably with more scheduling, with \$55,000 less?

**HON. S. USKIW:** That \$55,000 represents the savings realized by replacing a motorized ferry with the cable ferry, the Charlie Sinclair.

**MR. D. ORCHARD:** That's very interesting that you're going to achieve that kind of savings. What the Minister is saying then is that - I take it you haven't set a schedule for this year to know whether your operating hours are extended or any of the other requests for service that from time to time have been made in the ferry operation - you're going to be able to accomplish all this with a drop in revenues and an increase in expenditures because you're going to be running more schedules presumably?

**HON. S. USKIW:** Mr. Chairman, it wouldn't surprise me if this item has red ink at the end of the year.

**MR. D. ORCHARD:** Then if it doesn't surprise you, you must have an idea of how much it's underestimated.

**HON. S. USKIW:** Mr. Chairman, given the fact that it will be the first time in our history that we are going to have service without toll charges, it is difficult to estimate the extended use that may be made of that system and the resulting extra costs, so we have to look at this first year as a bit of a pilot year. Next year, we'll be much wiser.

**MR. D. ORCHARD:** The Treesbank ferry, is there a user charge on it?

**HON. S. USKIW:** Mr. Chairman, that's operated by the local government.

**MR. D. ORCHARD:** Since then taxpayers in southern Manitoba are going to be paying for the operation of the Treesbank ferry, and now that the Minister has removed the user charge for ferries in Northern Manitoba with the analogy that he gave us, is he going to compensate the municipality involved in the Treesbank ferry for the operation of that ferry as a result of his new policy in Northern Manitoba, and he'll be providing that policy universally across the province?

**HON. S. USKIW:** Mr. Chairman, the particular ferry that the member wants to deal with has been and continues to be funded by the Provincial Government, by this department, and by grant to the local government.

**MR. D. ORCHARD:** And that grant has always been sufficient to cover 100 percent of the operating costs?

**HON. S. USKIW:** As far as we're aware, it has, Mr. Chairman.

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

**MR. S. ASHTON:** Mr. Chairman, last year a constituent of mine started operation of a ferry service from Thompson to South Indian Lake and there was some contact from myself and the constituent with the Department of Highways and Transportation, and the Department of Northern Affairs in regard to the specific operation, and also the more general question as to whether a government ferry system would be established in that area. I'm just wondering if there's been any update in this particular matter and whether

the department is looking, at sometime in the near future, of instituting a ferry service to that community from the City of Thompson.

**HON. S. USKIW:** Mr. Chairman, that's an area that we haven't concluded. It's my understanding that the Minister of Northern Affairs - and I have yet to further discuss that question.

**MR. S. ASHTON:** I would certainly indicate my own support for such a ferry service. The set up last year from the private individual, although somewhat uneconomical in some ways, was certainly an excellent service and was used quite extensively by a number of people in the community of South Indian Lake since they do not have access to Thompson via highways during the summer, so there's certainly something they need out there. I think what is really needed is a combined operation with the Department of Northern Affairs, and the Department of Highways and Transportation in terms of perhaps determining what the need exactly is and the best ways of servicing that community.

**HON. S. USKIW:** Mr. Chairman, again, I want to tell the Member for Thompson that we probably concur with his sentiments, but I'm not just sure that I can recall where we are at with respect to the development of that service. I know there's some material on file on it, material that I don't have here, but I know some work has been done in that area but I can't give him a commitment as to when something might happen.

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

**MR. D. BLAKE:** I think most of the questions I wanted to ask have been answered, Mr. Chairman, the fees being eliminated in the North.

There was a ferry service between Cross Lake and Norway House and the hours were a problem a couple of years ago and I wondered if new scheduling had been set. The ferry ceased operations at one time at, say, 10 o'clock in the evening and if you arrived at the landing later than that you had to sit there until the next morning until the ferry started, and I wondered if that problem had been eliminated. With the removal of the crew, if that's the area where you now have cable ferry service, I don't suppose that problem would exist.

**HON. S. USKIW:** Mr. Chairman, I'm advised that problem still is with us because of the fact that we can't operate without lighting on either side, and that is not yet in place.

**MR. D. BLAKE:** That's fine then, Mr. Chairman, thanks.

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

**MR. A. ANSTETT:** Mr. Chairman, I'm interested in the question asked by the Member for Thompson, and I would just like some clarification from the Minister as to what's being proposed in his negotiations with the Minister of Northern Affairs, or discussions with that Minister, because from what I take from the comments of the Member for Thompson what we're really looking

at here is river transportation as opposed to an across-the-river ferry which is the case in most of the ferry operations, is that correct?

**HON. S. USKIW:** Not as far as I understand it, Mr. Chairman. I don't have the details to be more explicit.

**MR. A. ANSTETT:** Mr. Chairman, I'm wondering if the Minister can tell me how you get from Thompson to South Indian Lake by crossing one body of water. That involves a substantial amount of river travel, negotiating the Missi Falls Control Structure into the Churchill River system or Rat River system from Burntwood and then into South Indian Lake. It appears to me that that is a proposal which calls for the institution of river transportation as opposed to a ferry.

**HON. S. USKIW:** Mr. Chairman, I don't believe anything of that nature is entertained at the moment.

**MR. A. ANSTETT:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** 4.(d)(1)—pass; 4.(d)(2)—pass.

Resolution 99. Resolve that there be granted to Her Majesty a sum not exceeding \$4,853,600 for Highways and Transportation for the fiscal year ending the 31 March, 1984—pass.

5.(a). the Member for Springfield.

**MR. A. ANSTETT:** Yes, Mr. Chairman, on the Government Air Division question, I have a question I'd like to ask on the behalf of the Member for Swan River as well as in my own interest.

When the Standing Committee on Agriculture travelled to Swan River for its hearings on the Western Transportation Initiative and arrangements were made to travel to that town, we were advised that a DC-3 could not land at the Swan River Airport that certain improvements were in the process of being made to upgrade that airport and yet when we travelled by chartered planes at some substantial expense over the cost of a DC-3, we had to take two planes instead of the one that would have been able to fly in otherwise. I was advised by some of the people involved in providing that transportation that DC-3s land at Swan River Airport regularly and I'm wondering if the Minister can explain why the Government Air Division chose the more expensive proposal to transport the Legislative Committee than using the DC-3s in that instance.

**HON. S. USKIW:** Well, Mr. Chairman, I really can't give that answer. I'd have to take that question as notice.

**MR. CHAIRMAN:** 5.(a) - the Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, the extra seven staff, is that for water bomber crew? The extra seven staff, is that for the additional water bomber?

**HON. S. USKIW:** Mr. Chairman, yes, the member is correct. In the Estimates last year there were 70 but then when we brought the water bomber in we had Supplementary Estimates for both the water bomber and the staffing of seven people, which brought it up to 77. So the level is not increasing this year over last excepting it was not in the Main Estimates last year.

**MR. D. ORCHARD:** How many aircraft are in the Government Air Division now?

**HON. S. USKIW:** We operated a total of 16 of which one was leased.

**MR. D. ORCHARD:** Can the Minister list the aircraft complement?

**HON. S. USKIW:** We have three CL-215s, the member is aware; one Piper Aztec, 5-passenger; one 4-passenger Cessna; Sky Master, one 7-passenger; Citation. We still have the MU-2 which is not operational. We leased an additional 5-passenger Piper Aztec; five Turbo Beaver; one DHC-2 Beaver, one DHC-3 Otter and I mentioned the Citation.

**MR. A. ANSTETT:** Have you ordered any planes from Canadair?

**HON. S. USKIW:** Well, we might get a bargain right now. Yes there is a bargain on CL-215s. Well, there's a Piper Chieftain that we purchased. We terminated an Aztec lease when the Piper Chieftain was purchased and the price of the Chieftain was \$270,000 in Canadian funds.

**MR. D. ORCHARD:** What's the Chieftain being used for?

**HON. S. USKIW:** Essentially it's a 9-passenger aircraft and it does carry court parties, personnel and so on. One of the problems we had with the Aztec Pryor was that it was never large enough to accommodate a full contingent.

**MR. D. ORCHARD:** Is the Minister contemplating any other aircraft purchases?

**HON. S. USKIW:** Well, Mr. Chairman, there is some thrust on the part of Natural Resources to look at the Canadair offer on CL-215s. I don't know whether something will happen there or not or who is going to fund whatever does happen. I believe if we buy one we get one supplied by the Federal Government, so it's a lease arrangement. There is a substantial inducement there and it maybe that it may be taken up. Apart from that we have no idea of any other need for aircraft. The Chieftain, by the way, is also used as a patient air transport plane in Northern Manitoba.

**MR. D. ORCHARD:** Now, can the Minister indicate the approximate purchase price of the CL-215 now?

**HON. S. USKIW:** Well, Mr. Chairman, I only have indirect knowledge of the new policy at the federal level of making them available to jurisdictions across Canada on somewhat of an inducement basis. Whether the Department of Natural Resources will take them up, I don't know, I can't be any more specific than that.

**MR. D. ORCHARD:** It would be interesting for the Minister to find out, since air division is the one that must buy, staff and maintain the 215s, it would be interesting for the committee to have the Minister get

a little more detail on that program so we could possibly discuss it later on tonight.

The purchase price of the last two CL-215s, I think, was around the \$4 million mark, but that was two or three years ago now.

The biggest cost of that is in maintaining your pilot crews. It might be one of those offers from the Federal Government that, on the surface, appears too good to refuse, but if the Province of Manitoba must maintain those crews, and you pretty well have to maintain them year around, the standby costs of having that extra two water bombers will be fairly significant to the province. I don't know whether a fleet of five water bombers of that capability isn't more than what the province really requires, because we certainly had pretty good success with two of them and we thought, at one time, that the three would quite adequately provide forest fire protection, as good as could be reasonably expected from the province. You could go first-class and have a fleet of 100 of them and put out any fire in a couple of hours, but then that's beyond any province's budget.

I would - and I know the Minister will do this - very cautiously view that offer from the Federal Government. The upfront capital isn't often what kills you, as is often the case with so many government expenditures, the initial capital investment is often the smallest part, it's the staffing, maintenance and operational upkeep of an aircraft like that that can be really a drain on your provincial budget and they are used only for forest fire fighting. We attempted to strike up some kind of a deal with Australia in the off season so that we had six months of use down under when their forest fire season was on in their summer and our winter, and that didn't really work out. I suspect that if the Federal Government is quite generous with the provinces, right now, no doubt they've got quite a sales effort worldwide, and probably any effort of a southern hemisphere exchange on those water bombers might have probably disappeared. They are a dead-weight cost all winter, they sit out there for seven months and our crews on staff, etc., as the Minister well knows. I'd hope he very carefully does the numbers on it.

The MU-2 is not operational; it's been fixed, it's airworthy. Is the department planning on flying it, again, or are they planning on selling it, or what's the plans for the MU-2?

**HON. S. USKIW:** Mr. Chairman, the member is right; it's been restored to its air worthiness, no doubt. The market for aircraft is not a good market at the present time; hasn't been for a long, long time. It is an aircraft that's for sale, so it's not being utilized and we do not plan to put it back into service.

**MR. D. ORCHARD:** I take it we're continuing to make payments on that aircraft as it sits on the ground?

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

**MR. D. ORCHARD:** What's the yearly payment on that one; on the MU-2?

**HON. S. USKIW:** About \$90,000, Mr. Chairman.

**MR. D. ORCHARD:** There has been reports in the newspapers that certain people in the medical

profession have concerns about the use of the Citation for medical evacuation. No doubt, you are going to be faced with the request to have a specifically designed medical aircraft put into service and I think the costs on those are quite high. Does the Minister anticipate making that kind of an expenditure for a specifically designed medical air ambulance?

**HON. S. USKIW:** Well, Mr. Chairman, the people that have commented and, in particular, the professionals in the health field, have commented on the fact that we don't have an adequate air ambulance service. Really there should be a correction to that, and that is, that we don't have an air ambulance service and never had one. What we have is a Patient Air Transport Service which is quite different.

If the Department of Health decides to enrich their program, which indeed would provide for air ambulance services, then, of course, that decision will be made in that department. We will merely be the delivery department of that service, and so we have no way of pondering what the policy will be in that area.

With respect to the CL-215, the price of those aircraft are now \$5.8 million, which is almost a \$2 million increase, or a 50 percent increase over what they were a couple of years ago. The operating costs are about \$350,000 per year; that's the crew costs. It is, indeed, a substantial commitment if we decide to pursue that national effort. Again, I leave that in the hands of the other department as to whether or not that's a worthy offer for our consideration or not.

**MR. D. ORCHARD:** Well I was involved with the purchase of both of those most recently acquired 215s; one of them on an emergency basis, and the second one on a commitment. Now, when we bought the second one, we were very insistent on bringing some of the contract work to Winnipeg; CAE Industries had a contract for airflaps, it was a component of the water bomber and they made, I forget how many sets of them, for either 15 or 30 aircraft, and that was part of the deal that we struck with Canadair to purchase another water bomber. Is the Minister anticipating that, in entering this agreement, a similar - even though CAE is no longer in business, there are other aerospace firms in Winnipeg - is the Minister contemplating a tie-in, once again, so that Economic Development negotiates an offset contract if we were to enter into that deal?

**HON. S. USKIW:** Well, Mr. Chairman, this is something that has to be taken up by whoever makes that decision, I suppose. If we do the bargaining we'll certainly keep that in mind. It's very hypothetical at this point because we are dealing with the question of another department. I'm not sure how productive it is to belabour the point in this department at the present time.

**MR. CHAIRMAN:** 5.(a) - the Member for Pembina.

**MR. D. ORCHARD:** Can the Minister provide a sheet - I know Air Division used to turn them out on a regular basis - of the hours flown for each aircraft, water bombers included. I don't want it today, but if he could just table that information for me so we can peruse it at a later date.

**HON. S. USKIW:** I just wanted to concur in that, Mr. Chairman.

**MR. D. ORCHARD:** Thank you, Mr. Chairman, could the Minister also provide, as well as the hours for aircraft, the hours flown per department? That's a figure that the department draws up to show the departmental use of aircraft.

As well, Mr. Chairman, could the Minister indicate whether he has any intention on moving, for instance, the air ambulance or the air patient evacuation plane up to Thompson?

**HON. M. HEMPHILL:** Mr. Chairman, we've had discussion of that although, as I recall it, the consensus of opinion was that nothing would be gained by doing that. I'm not sure of the arguments that still prevail to move it up to Thompson. Mr. Chairman, the member I presume is aware, but I might refresh his memory, the Chieftain that we have purchased provides a shuttle service between remote airstrips, remote communities and Thompson. The Citation, of course, provides service between Thompson and Winnipeg per se, so you have a dual effort there on the part of two crews and two aircraft.

At the moment there is no service capacity for the Citation at Thompson, whether or not that's something that could be arranged for, I don't know. But in any event the logistics of transporting patients from Northern Manitoba to Winnipeg are that, other than those that are domiciled in Thompson itself, the Chieftain, while it's on its way to pick up the patient, the Citation is on its way to meet it at Thompson and so on. That's the arrangement.

**MR. S. ASHTON:** Mr. Chairman, the twofold questions here which we're looking at, in terms of patient transportation, in general, and also the station of the aircraft, I'd like to indicate that I have received a fair amount of feedback from my constituents on both these particular aspects. Perhaps I can indicate that feedback when we return after a supper break tonight.

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

**MR. D. ORCHARD:** I would pass this item right now and the Member for Thompson could direct his remarks in Minister's Salary.

**MR. CHAIRMAN:** What is the Minister's pleasure?

**HON. S. USKIW:** Mr. Chairman, I have no problem in either holding this item or allowing the member an opportunity to pursue this question even though we have passed it, if that is agreeable to the committee. They can either hold it or pass it but allow the member to make a few comments at 8 o'clock.

**MR. D. ORCHARD:** Well, we might just as well hold it then, Mr. Chairman.

**HON. S. USKIW:** Okay.

**MR. CHAIRMAN:** The hour being 4:30, we are interrupting the proceedings of the committee for Private Members' Hour.

## SUPPLY - EDUCATION

**MR. CHAIRMAN, P. EYLER:** Committee come to order. We're considering the Estimates of the Department of Education, Item 3.(a), School Grants and Other Assistance.

The Member for Tuxedo.

**MR. G. FILMON:** Thank you, Mr. Chairman. I hope that today we can enter into some rather comprehensive analysis of the overall funding as has been determined for this year for the public education system in Manitoba, zeroing in on the level of support and the nature of the grants that are being given this year.

Can the Minister confirm the numbers that I seem to have put together in analyzing the material that her department has kindly provided for me that seems to indicate that the overall increase in expected spending by public school boards in the province is in the range of about \$60 million over last year, and that her department's input out of General Revenues is up about, I think, the figure is \$31 million, which means that about \$29 million will be added to the property tax rolls in the province this year?

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

**HON. M. HEMPHILL:** Mr. Chairman, I wonder if we could have just a moment. The Member for Tuxedo has given us quite a few figures that he has got in a different form and it's just going to take us a minute to confirm the points that he's raised.

Mr. Chairman, I think that, while they're working out one of the other final questions that the member raised, I'll say a few things in general about the level of support given by the province last year. As the Member for Tuxedo might be aware, the support given by the Province of Manitoba was one of the most generous in the country to the education system and school boards. I'll just give you some of the percentages to show the comparisons.

Saskatchewan gave a 7.3 percent increase; Alberta 5 percent; Ontario 5.73 percent and Manitoba's increases was 9.3 percent to school divisions. On top of that, Mr. Chairman, we completely offset the impact of the 1.5 special . . . Could you hold on just a minute, Mr. Chairman? I'm having trouble hearing myself talk. We gave a 9.3 percent increase to school divisions; we offset the impact of the 1.5 Health and Education Levy. We also maintained the inflation factor that was in the Educational Support Program, giving them an increase in their grants of 10.4 percent.

We put an additional \$25 million into the Educational Support Program; \$2.5 million into Transportation; \$5 million into Special Needs; and went up to \$19 million in the Supplemental Program. We had a number of goals in mind when we gave the level of support we did to school divisions and we achieved all three of those goals, I believe.

The first one was to give to school divisions enough money to allow them to maintain their programs and their services; and the second was to put enough money, from the province, to offset the impact on the property taxpayer, to the degree that we could; and the third

was to take the money that we had and redistribute and reallocate it to special high needs divisions, schools and students. I think when we go through the information that we have that will show the impact of the Supplemental Program; the impact of the Small Schools Program, and the percentage increase that went in from the government, that we will be able to demonstrate that the Province of Manitoba did more to maintain the education system in their province during a difficult year than has most any other province.

**MR. G. FILMON:** Mr. Chairman, comments like, "more than others," and "making comparisons, utilizing the statistics," such as the Minister has, of 7. something in one province versus 9.3 in this province and so on, I think the Minister will agree that those kinds of figure are oftentimes misleading and one can't necessarily go on the actual figures in a relative sense. I prefer to use the same kind of relative comparison when I look at education, which this Minister and this government have said is a very high priority with them, and I have some of the epistles that the Minister's party, in running for election, put together, with comments by her Leader as to their commitments to education, not the least of which was to ease the property tax burden in this province. We have seen, in two successive years, that there has not been an easing of the property tax burden as a result of the actions of her administration.

When we use the figure of 9.3 percent, that includes the offset of the 1.5 percent payroll tax, so if you want to take that, then the actual is somewhat less; it may be in the range of 8 percent. I say to her that it's dependent as well on the actions of the school divisions, in other words, how much their spending plans increased this year versus other years. I remind her that this is an election year for school boards and if she looks at school board budgets in general this year, they're leaner than they are in many other years. Why? Because school boards have to come up for re-elections so school trustees are a little less likely to try and put through large increases in budget, knowing that the province is only giving them a certain amount that they have set and that amount is, say, the 9.3 percent which also includes their contribution towards the payroll tax, and given that set of circumstances, I say that they have reduced their own expectations in terms of whether or not they want to do this, that or the other thing in their division.

The Minister alluded to the fact that in certain divisions where cutbacks have taken place, she's not happy with it because she felt they were jeopardizing their programming but that was a local government decision and the Minister alluded to that the last time we were speaking on this particular topic. So I say to the Minister that we have to examine the overall picture. So what I see in the overall picture is that last year the overall difference in requirement for divisions, the overall requirement was about \$30 million more that they had to take out of the property taxpayer - in fact I think it was greater than that last year - this year it's about \$29 million and that adds to mill rates throughout this province.

Part of it is added through the Education Support Levy, part of it will be added through Special Levies and I say that the Minister is not carrying through her

commitment to reduce the dependency on property tax in this province. In fact, she is not doing anything about that particular commitment.

Moreso than that, I say to the Minister that the overall increase in spending of this government in its Estimates this year is in excess of 19 percent greater than last year. Education got 9.3 percent. How is that a priority in her eyes or in anybody's eyes? For her to get an increase that is less than half of the average increase given, in spending across the board for this provincial government, it hardly seems to me to be a priority item.

**HON. M. HEMPHILL:** Mr. Chairman, I think that the Member for Tuxedo has raised a number of points. These are very complex questions and points that are being made and probably take a little while for us to discuss them and kind of go back and forth on them. I want to clear up one inaccuracy that was mentioned in his remarks where he suggested that the 9.2 percent increase was inclusive. In other words, the 1.5 offset was included in the 9.2 percent and that is not so. The percentage increase is 9.2 percent and school divisions will be given a compensatory grant that will completely offset the impact of the 1.5, that is totally above the 9.2 percent increase that they received.

I want to talk for a minute about his point about dependence on property tax. What he is suggesting is how concerned his members of the opposition are about the continued dependence and there are a couple of points that I would like to make on that matter.

First of all, I suppose it is fair to say that the Education Support Levy that was brought in three years ago that was a three-year program, didn't touch this issue. It did to a very small degree and as always, I want to give the members opposite their fair due for changes they've made that did have some impact. There was a slight change. That change was that they increased their reliance on the Education Support Levy and in doing so decreased it on the Special Levy.

Now what that does is it takes some of the pressure off some of the most disadvantaged boards and it does get the revenue from a broader base instead of the local school division base, so by changing the mix there they did do something to alleviate some of the pressures in some of the school divisions for property tax increase, but that's all they did. I mean, they did not deal with the basic issue of property tax reliance for the education system. The basis for raising money continued and the elements continued to be exactly the same as they had been under the Foundation Program, except for the minor change that I just mentioned.

I'd like also to comment on the number of factors that affect the mill rate at the school division level - and we know what they are - and certainly the amount of money that the province puts in is one of the major factors, no question about that. We also know that their level of board expenditures is another major factor as is the disparity in assessment base which ranges in this province from about 7,800-7,900 to 23,000 or 24,000, a tremendous range and inequity in ability to raise money.

But let's just look at the record of the governments over the previous years in terms of their level of direct provincial support and percentage of net expenditure put in by the province. In 1977 it was 47.4 percent; in

1978 it was 46.6 percent; in 1979 it was 44.6 percent; and in 1980 it was 43.7 percent. In 1981 it was 51.2 percent; in 1982, 54.3 percent and this year 54.4 percent. So, I must say that there are a number of things that we have to look at that tell the story. That's only one of them, but that is a very important piece of the story where we are able to say that the percentage of direct support from the Provincial Government, which has a direct effect on the amount of special levy and the size of the mill rate has been higher this year, this difficult year, than it was in previous years and that we not only maintained what we did last year, but we even managed to give a slight increase.

I think that the other major effort made by this government to maintain programs and provide equity across the province and at the same time to reduce the inequity and the ability to raise money, which we recognize is one of the major deficiencies of the Educational Support Program, it's a Supplemental Program, and I can tell you, Mr. Chairman that when you look at the supplements - what we did was we took \$19 million I believe it was. Give me some nods to tell me if I'm getting the right figures; \$16 million not including Winnipeg, \$16.8 million this year and allocated it to school divisions on the basis of need.

For that need there were two criteria. One was assessment base, the disparity imbalanced in assessment; the other was the per pupil expenditures. I want to give you, first of all, a general summary of what that program did.

That program saved half of the divisions in Manitoba from being in either serious or very serious financial difficulty. That information has come from the boards themselves where we know that the impact of the mill rate increases in those divisions had we not had the program in place, would have been serious indeed.

I am going to just touch on the mill rate reductions in the school divisions. First of all, I think I said that the average of the mill rate increase, and if I haven't said this before, I want to put this figure on record. The average mill rate increase across the province, using both Education Support Levy and the special levy is 2.4. The Supplemental Program offset totally that 2.4 in 44 school divisions, and in many cases much more than offset. I am just going to name a few of them so we can see the impact of the Supplemental Program.

Where St. James-Assiniboia got over a 4 mill, the impact was 4 mills, in St. Boniface it was 9.1 mills, Transcona Springfield it was 10.7, Seine River 13 mills, Hanover 5 mills, Turtle River 18 mills; Garden Valley 9 mills, Birdtail River 5.6 mills, Turtle Mountain 14 mills, Kelsey 14 and Flin Flon 15 mills. We can give you the list. The range goes from .1 up to, I think the maximum, the highest one not including districts which are a special situation, goes up to nearly 19 mills. That is actually an offset and a reduction in what the mill rates would have been in each of those divisions had we not brought the Supplemental Program in.

So, that we have totally offset for 44 divisions, the total impact of a very small average 2.4 percent mill rate increase as a result of the program, and in many divisions have given them money that had they not had it, their programs would have been cut seriously. What would have happened if the Supplemental Program hadn't been brought in last year and this year? It is

clear. School boards would have been seriously seriously cutting programs or staff, or the mill rate increases would have been phenomenal and unbearable for their taxpayers.

It is only because of the total increase that went to school divisions and the allocation of that money, and bringing in the special programs that helped in the major areas of deficiencies, small schools supplemental program, that they have managed and been able to both maintain programs and services and keep the taxes down. If we go for minute and just look at the farm and residential comparison of total school tax mill rate based on balanced assessment, it helps to tell the story about the impact of the Supplemental Program and the level of funding. Where we have places like Agassiz with .7; Lord Selkirk with a decrease of 1.6; Seven Oaks with a decrease of 1; Boundary with a decrease of 18.6; Red River 3.7; Rhineland .8; Morris-Macdonald 1; Whitehorse Plain 3.9; Pembina Valley .7; Tiger Hill 2; Dauphin-Ochre with a reduction of 2.4; Swan Valley with a reduction of 1.1; Kelsey with a reduction of 2.4; Flin Flon a reduction of 1.2; Turtle Mountain 2.

These figures, and we have them for all the school divisions in the province, these figures clearly show that the increase in mills on the local taxpayer are in many cases offset, in some cases reduced completely, and in most cases what could be considered quite reasonably modest mill rate increases that they expect to have or deal with in any year.

I think that those are probably some of the areas that the Member for Tuxedo might want to go into a bit more. I think that we'll probably leave it at that.

**MR. G. FILMON:** Just so that we're operating from the same set of figures, was the increase in the Education Support Levy last year 4.2 mills? Am I recalling correctly?

**HON. M. HEMPHILL:** Yes, the increase is 4.2 mills, 2.5 this year.

**MR. G. FILMON:** That's what I thought. So, we're talking about 6.7 mills having been added to the Education Support Levy in the past two years.

If the Minister wants to make the case that because of her method of funding, this year's special grants ought to be compared only to the increase of 2.5 mills, I say to her it has to be compared to the total increase of the last two years in the Education Support Levy. In fact, it's two years of increases that you're having to offset by the special levy. Not just one year, but two years because you already offset last year's once, but still is additive, it's cumulative. It adds to the base, and so therefore you have to compare what the difference would have been had you not added 4.2 mills last year and 2.5 mills this year.

I have gone through that calculation and more than half the divisions are worse off because of that increase of 4.2 and 2.5, 6.7 mills. Your special grants don't offset that amount this year for more than half your divisions, that's No. 1. No. 2, there was absolutely no onus or necessity on the part of the Provincial Government to raise part of its funds by adding to the Education Support Levy. That was not contemplated and that was

not mandated by the program; that was your decision and you have to take the responsibility for it. Therefore, you have added, out of your wisdom and out of your desire to fund in a particular way, 6.7 mills in the last two years. Now, that is just on the Education Support Levy.

You also have to acknowledge that in two years you've added a total of \$37.4 last year and \$29 million this year, for a total of \$66.4 million to the real property taxes of this province by what I consider to be under funding and not following the integrity of the Education Support Program as it was contemplated. That, Mr. Chairman, has resulted in real property taxes increasing in excess of 25 percent on average for school purposes in this province in the last two years. That's the cumulative increase of the combination between the special levies and the Education Support Levy which you have placed on.

I say, Mr. Chairman, that is the problem, and that despite all of the other fancy figures that the Minister wants to use does not indicate to me any commitment or desire to lessen the impact on the property tax rolls of this province. In fact, this year on average the \$29 million increase that comes out of property taxes is going to result on average in nine mills being added across the board in this province. Last year was something like 12 mills. So the cumulative increase between what you have added through the Education Support Levy and what is going to be added through special levies this year is going to be about nine mills.

Last year it was about 12; you've added 21 mills across the board on average across the province for education taxation, education support. I say that is a problem and one that you're going to have to live with because that compares to our four years in government. It's been said before, the Member for St. Norbert came up with a figure as it relates to Winnipeg No. 1, where the increase in your very first year of government was double, the total increase in four years of our government on the average house in Winnipeg School Division No. 1. That's a problem you're going to have to live with and no amount of trying to selectively use statistics is going to convince people that they're not paying as much in property taxes when they all know that they're paying a great deal more as a result of the manner in which you're handling education financing in this province.

There is not only a continued dependence on the property tax, but there is an increasing dependence on the property tax. The special grants are interesting in that they don't seem to bear any particular logic to them. They're made in response to a fire that comes up. You're putting out brush fires every time one division seems to go up inordinately, bang, on goes another special grant. I'm only too happy as a representative of part of the area covered by Winnipeg School Division No. 1 to see their taxes this year alleviated to a certain extent because of the grants you've given.

I'd like to know a number of things: Where is the \$5 million that's been announced? It doesn't appear to be in the Estimates and, if not, where is it? Is the \$2 million in these Estimates? I believe it to be; I just want confirmation of that. That was a problem we had last year. Your \$2 million grant didn't show up in the Estimates, and we're trying to figure out where it is.

The other thing is where is the amount for the alleviation of the 1.5 percent payroll tax that you say

isn't in the 9.2 percent increase, so where is that in the Estimates? I'd like us all to be working from the same set of figures if we can.

**HON. M. HEMPHILL:** Mr. Chairman, we have a question to ask. First of all, I'll give the answer to the \$2 million. The Winnipeg School Division \$2 million is in there; it was in last year, too. It's under Other Support, as it was last year. The \$5 million, we're not sure which \$5 million you're talking about. You asked about where is the \$5 million, but we don't know what the question is related to. Could the Member for Tuxedo provide us with that information?

**MR. G. FILMON:** I'll have to check my files. Can you tell me about the 1.5 percent payroll tax at this point in time?

**MR. DEPUTY CHAIRMAN, D. Scott:** The Honourable Minister.

**HON. M. HEMPHILL:** Yes, Mr. Chairman, the payroll tax is being handled in Resolution 144 which is not under my Estimates. It is also not in the 9.2 percent increase, so that this is being handled outside of my department. There is a line for it under Local Government General Support, Item No. 144.

I wonder if I could make a correction because I think the Member for Tuxedo is searching for something that he will not find. The \$2 million last year came through Supplementary; it would have been in Other Support had it been in that budget. It came through Supplementary Supply, and it is this year where the Special Grants are under Other Support.

**MR. G. FILMON:** May I ask, Mr. Chairman, is there anything else other than what is shown under Other Support in the information I have been given for Winnipeg No. 1?

**HON. M. HEMPHILL:** Is there anything else for Winnipeg No. 1 other than the \$2 million grant?

**MR. G. FILMON:** Right.

**HON. M. HEMPHILL:** Sacre-Coeur has always been a Winnipeg School Division, but not other than that. There's no special funding.

**MR. G. FILMON:** Perhaps the \$5 million was looking at then was in the Special Needs Program category. Is that for Winnipeg No. 1, or is that spread out amongst various divisions?

**HON. M. HEMPHILL:** No, Mr. Chairman, it's not for Winnipeg No. 1. It is the increase I think from the \$31 million Special Needs money that goes to divisions across the province based on a criteria. It's the increase in that provincial category.

**MR. G. FILMON:** Okay. Well, Mr. Chairman, I rest my case on the position that I took that said the 9 mills that are going to be added to the property rolls, on average, across the province, and the approximately 12 mills that were added last year, are evidence of the

continued dependency, and increasing dependency, on property taxes throughout the province. That is the area that, I believe, the Minister is not adequately grappling with and, I believe, that all of the special grants, and all of the kinds of puts and takes that are taking place do not, in all cases, in fact do not in most cases, make up for the continued additions that are taking place to the Education Support Levy.

This year's special grants do not, in most cases, make up for the cumulative total of 6.7 mills that has been added in the last two years, and that's what has to be compared, not this year's grants compared to just this year's increase, since it's been two years of additives to the Education Support Program and, therefore, it's two years of grants, that is, this year's grant has to take care of both of those additives and that's where I think her, varying from the intent and the integrity of the program, is causing problems with respect to the property taxpayer in Manitoba.

**HON. M. HEMPHILL:** Well, Mr. Chairman, I think the Member for Tuxedo and I both share some of the same concerns about making the changes. I wish I hadn't had to do them, to tell you the truth, I wish that they had been incorporated in the program when it was designed. I wish that, when I took office, I didn't find a program that had a serious major deficiency that was going to jeopardize the ability of half the school divisions in the province to continue to provide funding. These grants are not special grants that go to individual school divisions, they are programs that have been brought in and designed to meet the major deficiencies of the Education Support Program, and they are grants that are based on need. There is a criteria and they go to all school divisions in the province, based on need, and those divisions that are in the greatest disparity or inequitable position are the divisions that get the most.

When we took office, I think, last year the mill rate increase from the program was 8.9, and the supplemental relief was just 3.8; but this year the increase in mills in '83 is 2.4, and the relief from the supplemental program is 5.2. In other words, we have made a major and a Herculean effort, I think, this year to provide enough money to maintain programs and to use the supplemental programs to offset the problems in most of the school divisions.

I do want to talk about the choice of inside-outside because the Member for Tuxedo is quite right when he says we didn't have to do this and we could have maintained, what he calls, the integrity of the program and just taken the money that was there, and unallocated for each year, and applied it in a general way to the existing grants across the program. Well, first of all, if we had done that those divisions with the poor balanced assessment and the low per pupil expenditure are the ones that would have been in serious serious trouble; but the other point to that is that the program was restricted by legislation.

If the Member for Tuxedo will remember it was a legislated program that had a dollar amount in it, and a maximum, like the dollar amount of the program was set. If we had put the money inside the program the level and the amount of money that the government put in for education would have been restricted because

we could not have raised the program, or increased the program, unless we had changed the legislation. We would have had to brought in a piece of legislation that allowed us to put more money into education than the legislated program designated, because it spelled out the dollar amount.

Now, by putting it outside we did two things. First of all, we had to put it outside because the program that met the deficiencies didn't exist inside the program, you had nothing in there for equity for the disadvantaged and low-assessment divisions, so that was the first reason that we did it. Secondly, it allowed us, if we put in an additional \$21.5 million, because it went in under Other which is outside of the program, which we were allowed to do, so that there would have been less money that went in overall if we had done what you suggested, was maintain the integrity of the program, because the dollars were limited. The total amount of the program was limited - he's shaking his head - will somebody confirm, just till I make sure I'm not off the right track, confirm what I have just said.

The size of the program, the dollar amount was legislated, and we put the programs in outside under Other (1) so that we could increase the money that was being spent on education; and (2) so that we could direct the money to meet the major deficiencies of the Educational Support Program. I think it's important when we talk about the impact, overall, of what the government did interfering with the integrity of the program. I can tell you that I don't think you can talk to a school division, or a school board, or anybody in any organization or institution in education that doesn't recognize the very generous level of funding given by the government, and recognize the importance of allocating it the way we did. When you have people like Vera Derenchuk from Transcona-Springfield saying that they have a very low assessment; if it was not for the additional assistance from the Minister of Education we would have been 11 more mills over. They are already one of the highest because they are a poor division, but they would have had an additional 11 mills had it not been for the Supplemental Program, that would have been a horrendous burden for the property taxpayers there.

In St. James, where they say that the money that was given in increases in provincial grants, which this year came to \$34.9 million, or 76.2 percent of spending, not only kept taxes down but allowed for more than a \$600,000 in expansion; that's what St. James School Division said, that the level of funding that they got helped them there.

In Brandon they wrote to express their thanks and they say, to a very large degree, the amount of financial support provided under the Educational Support Program, supplemental grants, the new local government general support grant, and other sundry provincial grants, has enabled the Brandon School Division to strike a 1983 budget that reflects a .3 mill decrease in special tax requirement. In these times of restraint your efforts in providing financial support to school divisions reflect your concern for the educational system and your recognition of the difficulties faced by school boards in keeping cost increases at a reasonable and responsible level.

We had numerous, I have to say we had numerous, letters from school divisions who both commented on

the overall levels of support, and the impact of the allocation and the special support that really did allow them to maintain programs and services.

**MR. CHAIRMAN, P. EYLER:** The Member for Tuxedo.

**MR. G. FILMON:** Mr. Chairman, I am not arguing against the government having added supplemental grants to the Education Support Program, I said to the Minister, in some of my opening remarks, that any program from the year after it is implemented based on a certain set of assumptions, based on a certain base year is going to have to be adjusted in order to take care of whatever inequities show up.

What I am saying is - and the Minister mentioned St. James-Assiniboia as an example - I am saying that if the Minister had not seen fit to add 6.7 mills over the last two years in Education Support Levy in that division, they would have paid in property taxes, \$1,810,000 less this year. Her additives added from those two special grants, the low assessment one and the - the Minister will have to bear with me - the Eligible Expenditure Supplement and the Equalization Supplement. If those two grants were added to St. James-Assiniboia - and they amount to according to my calculations or according to the information I guess given to me by the Minister - \$1,153,000 for this year. I'm saying that the mere removal of the 6.7 mills would have saved them \$1,810,000, so they were about \$650,000 ahead of the game had you not added the 6.7 mills to the Education Support Levy. So how are they being helped?

**HON. M. HEMPHILL:** We have some information on St. James-Assiniboia which, as I mentioned before, you almost have to look at each individual school division to see what the situation is, whether it's declining enrolment, what their Board expenditures are and what level of support they receive.

But I do want to make a point first about the suggestion from the Member for Tuxedo that the special programs that I brought in were an additional burden on the Education Support Levy and that is not so because the education support program is funded through the Education Support Levy, but other grants are funded 100 percent from provincial revenue. That means, that the equalization support, the eligible expenditure support, Winnipeg special Small Schools, all of those special grants that he's talking about did not add to the property taxpayers' burden by increasing the Education Support Levy. We paid for that directly out of provincial coffers. Had we put it inside the program, it would have added an additional increase to the Education Support Levy. He's quite right on that point.

**MR. G. FILMON:** I didn't say that the special supplements added to the burden on the property taxes, I'm saying the addition of 6.7 mills by increasing the Education Support Levy added to the property tax burden right across this province.

**HON. M. HEMPHILL:** Okay, Mr. Chairman, I think it might be useful to look at St. James, to look at a few particular cases. Let's see, if we do St. James and St. Boniface. I haven't got St. Boniface's here.

If we look at St. James, St. James' operating expenditures increased from \$2,913 per pupil in '82 to \$3,260 per pupil, an increase of 11.9 percent. I might say to the point that the Member for Tuxedo made that school boards do control expenditures and it is true that they did reduce budgets and expenditures because they recognized that there was less money available for everybody this year and I think they did that very successfully. The combination of their reductions in expenditures and the level of funding that they got from us in almost every case in most school divisions, has allowed them fully to maintain programs and staff which is something they didn't think they would be able to do before they heard the level of funding.

If the Member for Tuxedo can remember just prior to my making the announcement about the level of funding, we were having threats of staff cuts and program cuts all across the province based on their perception of a much lower level of funding that they thought they were going to get. When the word came out, I can't tell you how relieved they were and how pleased they were at the level of funding that they received and the ability that they had then to maintain programs.

I admit there are a few exceptions and I'm willing to discuss them on an individual basis because in some cases like Pembina Valley, they've had an extraordinary situation where they've had the loss of 120 Native children being pulled out of their school division — (Interjection) — In Pelly Trail I mean, I meant Pelly Trail. So there are a number of special cases in situations that are unique but could not have been corrected. As the member suggests, you can't correct all the problems and all the deficiencies in every school division with a provincial funding base anyway.

So St. James has - I think I'll go through it - so their operating expenditures increased 11.9 percent. Their total operating support has increased to 13.8 percent and it compares to the provincial increase of 12 percent. So we gave a provincial increase in total operating support to school divisions in the province of about 12 percent and St. James was one that received a little bit above that, at 13.8 percent.

In 1982 the operating support provided 72.8 percent of the operating expenditures; in '83 the operating support made up 74.2 percent of operating expenditures, so for the level of funding we paid a higher proportion of their operating expenditures this year than we even did last year. They have a 3.7 percent decline in enrolment. They are one of the school divisions that is still being hit by enrolment. They don't have very many small schools, so this is not one of the ones that benefits greatly - they received just \$10,000 from their Small Schools Program - and the eligible expenditure and equalization supplement gave them a mill rate reduction of 4.3 mills on balanced assessment.

They have a surplus of approximately, it looks like \$1,389,417 and of this surplus they plan to utilize \$568,000.00. I think what this shows is that in terms of their expenditure levels and the level of support that they're getting from the province in both operating and supplemental is that they did both manage to bring in and maintain their programs. With the level of support that they got, without having to increase tremendously, they have a 4.1 mill increase in their total farm and

residential school tax mill rate on balanced assessment. It would have been another 4.3 mills higher in St. James had it not been for the Supplemental Program.

**MR. G. FILMON:** It would have been another 2.4 mills or 2.3 mills less had it not been for the addition of the 6.7 mills on Education Support Levy over the last two years. That's precisely it, the benefit to St. James-Assiniboia of the additive supplements is \$1.153 million, and the amount they lose as a result of having to pay the additional 6.7 mills in property taxes that have been added on in the two years of this government is \$1.81 million, so they're behind again by \$650,000.00. The Minister can keep repeating the same material to me over and over again, I'm saying to her that she didn't have to add on to the Education Support Levy, that she could have added more money out of the General Revenues of the province and offset that, and many more divisions would have been ahead of the game as a result of it. That's her choice and she will have to take responsibility for it.

The Minister says that all the divisions were relieved when they found out that they were going to get more money in special supplements out of this government, how much it was and how much it would cover. Sure, I say that about any program. That's what you do when you set up a program with all sorts of special supplements based on different criteria, and I say with all due respect that the criteria are set up so that everybody gets at least a little out of the special supplements.

Last year I think that may not have been the case; it may have been that one division got none, but everybody gets at least a little and some get even more than that and they're based on some criteria that the Minister's prepared to defend. That's okay. Over and above that, the one division that doesn't get very much out of the special supplements, Winnipeg No. 1, who gets only \$72,725, as compared to \$1.137 million for Transcona-Springfield, gets a \$2 million special supplement based on some special criteria and special considerations. That's okay, but what you're doing is you're putting the Minister in a position of being able to go out and dole - and it's a great trick by any government. The Liberals in Ottawa have used it for years and you have everybody beholden to you because you come up with a little cheque for this reason to these people, another little cheque to these people for this reason, another to this, another to that, and it's the greatest gimmick in the world.

I say that it may be good politics but I'm saying to you that when the people compare their property taxes again this year over last year, most of them are going to find that they have to shell out even more and that there's a continued, increasing dependency as a result of this government's actions. It has nothing to do with the Education Support Program in this case because it's your choice to add 2.5 mills to the Education Support Levy as it was your choice last year to add 4.2 mills. That all comes out of the property taxpayers. Over and above that, they have average increases across the province of so many mills that brings it up to almost 9 mills cumulative this year, 12 mills cumulative last year and it's going on and on and on.

We can talk about specifics and try and change the figures but that's the way it's going to work out. If you

look at it on a gross overall basis across the province, that's the way it's working out. I rest my case on it because the Minister still hasn't talked in the same terms as I have about the fact that last year \$37.4 million more had to be added onto the property tax rolls of this province; this year \$29 million more, which, as I say, translates into about 12 and 9 mills and there we have it.

**HON. M. HEMPHILL:** I suppose that this is one of those cases where people each continue to present their arguments and in the end they agree to disagree. I'd just like to point out a couple of things in relationship to his points about increases.

The Education Support increased over a two-year period by 6.7 mills. In 1983, our supplements provided 5.3 mills of relief, so it was an increase of 1.4 mills over a two-year period. The changes that were made - I do feel I have to say again were not based on whim but were based on major deficiencies and inequities recognized by everybody. Having a range in balanced assessment between \$7,000 and \$24,000 doesn't take a financial genius to know that you've got a serious problem there in terms of ability to raise money. The per-pupil expenditure we've also all recognized and agreed. I think there's general agreement that the establishment of 1980 as the base year for those low-spending, per-pupil expenditure divisions put them in a very disadvantaged position where the increases that were given, regardless of what they were, were based on a low per-pupil expenditure in some cases, much lower than other divisions. When he talks about St. James, I wonder what kind of a response he would get if he talked to these poor divisions, if he talked to Turtle River who got 18.9 mill relief, if he talked to Turtle Mountain with 14.7, if he talked to Seine with 13.1, Transcona-Springfield with 10.7, how they feel about the deficiencies of the program. I rest my case.

**MR. G. FILMON:** We are not disagreeing on supplementing the program and so, if you were to tell the people that it's an either/or situation, that they either have to take the 6.7 mills increase in the Education Support Levy or get the special grants, that's one thing. But if you tell them that they don't have to take the 6.7 mill increase and there still may be a special system of grants to recognize certain inequities or inequalities, then you may get a different answer. I would choose to talk to them on that basis, so I would suggest that they might not be upset with what I have to say to them.

The Minister talks about the low per-pupil expenditure as being a problem, that divisions got caught with this. Well, I know that some divisions were very proud of their low per-pupil expenditure until they found out that it was a detriment to their getting funds out of their program, so all of a sudden their view is changed. Well, that's fine; you have to deal with those things and that's the position that the Minister has found herself in is that she has to deal with that now and she's dealing with it. But my view of how well she's dealing with it and her view don't necessarily coincide, so we can leave it at that.

Mr. Chairman, I guess I should have asked a long time ago if the Minister can explain to me what I see

as a discrepancy in the figures that are here under Item 3, versus the figures that we voted last year. Why is the figure, shown under (a), \$322,782,200 when we voted \$333,968,700 last year?

**HON. M. HEMPHILL:** Yes, Mr. Chairman, there were some changes. I can outline them as follows. On March 31st, 1983, the vote for 16.(3)(a) was 333,968,700.00. We added Supplementary Estimates of \$2 million which takes it up to 335,968,700.00. Capital this year has been transferred to 16.(8)(b)(2). And that accounts for \$15,478,661 which comes to a total of \$320,490,039.00. We have made three other changes that are related to - I am not sure if the description would be consolidating or putting the money, consolidating money into the areas — (Interjection) — listen carefully . . . consolidating the money into areas where it belongs. In other words there were some changes in school divisions, in boundaries and in responsibilities and those have been reflected in these changes. I will describe what they are.

The salaries transferred from 16.(1)(b)(2) is 52,500 and that is the salary of the official trustee of Frontier School Division and that salary was previously . . . that has just been changed from one appropriation to another under the same category. Hillridge was transferred from 16.(3)(c) which was \$670,800.00. Hillridge is a school that now is under the administration and responsibility of Frontier School Division so that it was outside of the division before, now it is part of the responsibility, it has been moved into Frontier. The budget that goes along with it has been moved to the Frontier budget.

The one other category is the institutional programs that were previously under Child Development Services. They've been transferred from 16.(3), and that's a \$1,568,900.00. I think that it's more appropriate to have the institutional programs where we are providing educational services to children in institutions handled under 16.(3), instead of being handled under a departmental appropriation. Those are the reasons for the changes.

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

**MR. C. MANNES:** Thank you, Mr. Chairman. I would like to ask a question specific to the Morris-McDonald School Division. As this Minister is well aware there was a number of representations made specifically to that division and I haven't done a proper job of preparing myself but it seems to me that last year the main problem was decreasing enrolment associated with a large balanced assessment and something that anyways ended in a 25 percent increase across the board in total education tax; 43 percent increase in a special levy and some, I believe it was 15 or 18 percent in Education and Support Levy.

Can the Minister give me some idea as to what changes have been made, as to the revenues coming from the department or the grants coming from the department this year. I know that there was a sizable small schools grant, but maybe she could give me the total listing.

**HON. M. HEMPHILL:** Mr. Chairman, I have some of the information that I will begin to discuss while the

staff is preparing some additional information. To give an overview, first of all I remember quite clearly that Morris-McDonald did have a problem last year. I think it was related to a disparity in balanced assessment, declining enrolment and a deficit. I believed they had had a deficit from the - I am going from memory - but I believe they had about three factors. One was a deficit from the previous year . . .

**MR. C. MANNES:** That was minor.

**HON. M. HEMPHILL:** . . . of declining enrolment. There was a unique disparity between balanced and actual assessment that caused an additional mill rate increase. It did cause some problems last year and we got some complaints and had a number of concerns raised to us. We haven't had any complaints, or we haven't had the same kind of contact or communication from Morris McDonald this year. That doesn't mean that there might not be some problems that we haven't been made aware of. But I will give you the overview.

The operating expenditures of Morris McDonald increased from \$3,394 per pupil in '82 to 3,609 per pupil in 1983, an increase of 6.3 percent. Total operating expenditures increased by 9.4 percent while the provincial average was 11 percent so their total operating expenditures were a little low of the provincial average. The total operating support from the province per pupil has increased from 2,415 to 2,678, an increase of 10.9 percent. The provincial increase is 12 percent so that they are a little lower in percentage increases per pupil operating support increase in the provincial support.

However, total operating support which is for the entire budget, increased by 14.1 percent last year while the provincial average increase was 11.3 percent over last year. It increased by 14.1 percent in '83, while the provincial average was 11.3. So they're up. They're down in the per pupil, they're up in the overall support. I am just trying to think - have we got a declining enrolment here? - a decrease of 2.9 percent in enrolment. Yes, I'm sorry they've an increase of 2.9 percent of their students.

In 1982 the operating support from us gave them 71.2 percent of operating expenditures. In 1983 the operating support gave them 74.2 percent so that there was an increase there. The combination of the eligible expenditure and the equalization supplement gave them 98.4 percent increase, \$24,511.00. Now the provincial average is 5.2 mills and Morris McDonald only got 1.4 mills. Are you saying that's enough? I am almost finished, but I want to make the point there that Morris McDonald is not one of the ones that is helped a great deal by the Supplemental Program because their balanced assessments, and I can't remember it but it's one of the highest, I think it's about \$23,000 or \$24,000; they have one of the highest balanced assessments, so they will not sort of benefit from there. The school division also has a surplus of \$456,435, their Small Schools Grant went from \$52,000 up to \$60,000, and their total Farm and Residential School Tax mill rate, on balanced assessment, has decreased one mill, so that actually, when you look at that overall, they've done quite well, in terms of their level of provincial support, their mill rate impact, the impact on the

property taxpayer, and they don't seem to be, from what I can see in this sheet, too badly off.

**MR. C. MANNES:** Mr. Chairman, with some hesitancy I'd like to build upon that point because I can tell you, yes, that the trustees that I've talked to felt quite relieved when it was finally determined as to the total support and, like the Minister indicates, it was some 14 percent, as a division, compared to 11.3 percent for the provincial average. I'm going to be very cautious when I go through some of my reasoning here. I suppose I wouldn't want to appear like I'm not in support of the extra funding that appears to have come out by some method and, of course, by some of the programs, some of the supplemental grants.

My first point is that I was closely in tune, certainly not involved, but in tune with the school division while they were trying to go through their own budgetary process, and what I saw, and it's probably not an isolated case, but what I saw was a school division, it was one of the dozen or so that was tied into a two-year collective agreement with teachers, who through that budgetary process was prepared to make some very hard decisions; they were, of course, virtually forced to the point of having to make some hard decisions because the experience over the last number of years, where special levies were increasing so rapidly and through 1982 increased some 43 percent. As the Minister is aware, there was tremendous local pressure in that area from ratepayers of all descriptions, on the local school board. So it is with that type of background that, when division was attempting to go through the process of preparing a budget, that they were prepared to make some very difficult decisions.

I think they were towards the end of that when the news, or the preliminary news, came down from the department as to what they could expect from the province, and it was with great relief, and almost joy in some quarters, that they realized that they'd be receiving more than they had previously, and as a percent, in real terms, they would be receiving more.

Now, certainly those people that had put in some effort to lobby or to make representation to the Minister through the year had felt that maybe they were receiving some fruits for their efforts. The point I'm leading to Ms. Minister is simply this, that I wonder where that board and, indeed, I don't know if it's typical of most boards, where their planning function is going continuing to lead; what opportunity do they have to come down and make their own decisions when these grants and these supports seem to be coming out in a fashion - and I won't use in an ad hoc way - but they are coming out after some hard decisions have to be met.

What disturbed me the most, and it's the broader issue, was the message that was left with the trustees that, indeed, you're not going to have to increase Special Levy, that the province has found the money and, indeed, times aren't as tough as otherwise you believe. Of course, I sit here in this larger House, over a larger area, and I know that that money has been borrowed and, indeed, that they're just adding to a greater provincial deficit. I don't know what the moral obligation is of the Minister, indeed, of the government, when they're sending forth grants in such large degree,

firstly; and secondly, in a method which is sort of far away from specific formulas. I understand the history of why the department can't follow, to the letter, the Educational Support Program, I understand that, but I'm wondering how we can expect our local boards to go through some of the difficult decisions that have to be made on one hand, seem to be prepared to begin to make them, and then, all of a sudden, extra funding somewhere appears to be found, and yet, as taxpayers as a whole, have to be met somewhere in the future.

I'm not trying to chastise the Minister but, I think, it's just about time that, indeed, all citizens, and particularly in this particular issue, school board officials and trustees realize that when this extra funding is coming down, which relieves them for the moment of having to make some difficult decisions, that that money really isn't coming from the wealth produced in the province.

I would then take that argument a step further because, as the Minister is probably well aware, that farmers with a 640 acre farm are paying 10 times the education taxes as a dweller, let's say, in the Town of Carman owning an 1,150 square foot home. I know that Dr. Nichols has taken his commission, or his inquiry, through the province and is working toward a new system. I'm terribly concerned when I, first of all, see school boards who are, not knowing the sources, not knowing what commitment has to be made in the future to pay back what is being received today; secondly, when you have rural ratepayers, particularly farm owners who are paying 10 times more than others, and then when we have a Minister of Municipal Affairs who is not prepared, apparently, to deal with the whole question of assessment review. I'm asking the Minister whether she's waiting for that Minister to take the lead in this whole area, or whether, indeed, the Department of Education realizes that it has a very significant role and possibly it, itself, should take the leads, because obviously the Minister for Municipal Affairs did not appear to want to.

That's been a wide-ranging viewpoint from southern Manitoba and the Minister may choose to respond to it.

**HON. M. HEMPHILL:** I'll try, Mr. Chairman, he's quite right that it's far-ranging and if I can find my little chicken scratches around here, on each of the points, I'll try and touch on them without going into great detail.

I think, first of all, to the planning point, which I think is important for school divisions, it was one of the strengths of the Educational Support Program recognized, that for at least three years they could plan. That was the reason why in November I did send out a special letter to school divisions telling them that when I knew they were in the stages of their budgeting, that the education support program would be maintained including the inflation factor, including supplemental and small schools.

In other words, I let them know as quickly as I could even before the final details were all made that it was our intention to maintain those. I can tell you that they are very capable. They were able with that information to figure out almost to the last dollar the amount of money that they were going to get because they knew the inflation factor on grants was going to be

maintained. They knew the supplemental program would at least be maintained at what they got last year. They did not know the level of increase, but they did know the bottom line. They knew the program was going to be maintained intact and the supplemental and small schools program would be maintained. What happened was that we ended increasing them and that was information that they didn't have till a little later on, so we did make every effort to not leave them hanging in terms of the decisions they had to make in their budgeting.

When you talk about them being caught in a two-year agreement and the difficult choices that they had to make, we must remember that the two-year agreement was negotiated by them. There isn't any board that was caught in a two-year agreement that was not by their own design or agreement.

I'm a little confused about the messages I'm getting I guess, because on the one hand I have a feeling that I'm being told that education didn't get its share of the dollars this year and we didn't put enough money in; and actually you're suggesting that we gave them too much, that we should have given them less so that they had to make the tough decisions about program cuts and staffing cuts. That is a reflection of the priority of this government to try and maintain funding to school divisions to maintain programs and to try and provide a level of direct support to reduce the effect of a property taxpayer.

I must take issue with one of the points that was made by the Member for Morris because he said that I had been talking with people from his school division and that they had lobbied me, and they thought that there was a possibility that their lobby effort and their discussions with me had meant that they were receiving some fruits for their efforts. That is absolute and utter nonsense.

**A MEMBER:** Glad to hear that.

**HON. M. HEMPHILL:** Absolute utter nonsense. There is nobody that received \$1 through the supplemental program, in either case through the small schools program. As a result of lobbying, they were all based on criteria. You were saying we didn't have time to develop criteria? We developed criteria. There's criteria for every program and the dollar allocations in each division were based on the criteria which was based on need.

**MR. C. MANNES:** When were the criteria developed?

**HON. M. HEMPHILL:** The criteria were developed? They were developed when we developed the program. They were developed but they were developed based on need. Is anybody on the other side going to suggest that a disparity in balanced assessment between 7,000 and 24,000 isn't a disparity and isn't a criteria that is worth developing a program to address? I mean, that is not based on lobbying, or fruits from lobbying, that's based on real need and real disparity and real inequity.

**MR. C. MANNES:** Well then you address the other inequity too, the 10 times 1. Address that inequity.

**HON. M. HEMPHILL:** School Boards have actually — (Interjection) — the percentage increase in school board

budgets is low this year. They're 10.9 percent. In 1980 they were 12.1 percent. So I think they're making a serious effort to reduce expenditures and to hold the line which is their responsibility to determine.

I have a bit of trouble when the suggestion seems to be that I am interfering with boards' ability to make decisions about programs and staffing because of the level of funding that I am giving - I really do have trouble with that - that because we are providing a decent level of funding to school divisions, that I am interfering with their ability to make tough decisions about program and staffing cuts and of course, that is not the case. Those decisions will be made by them.

I suggest to the member if he really believes that they should have been taking some of the tough decisions then that it's his board he should be talking to if he feels the level of service in programs and staffing are at a higher level than they should be. I don't know if I missed anything.

**MR. C. MANNES:** Well, Mr. Chairman, no the Minister has rebutted most of my statements except one. She used the word "inequities." I brought up of course the main rural inequity consideration, and that is of course the education tax on farm property. She may like to make comment upon that because I think it's safe to say that rural Manitoba isn't going to wait some five or six years, or for however long it may take, for the present Minister of Municipal Affairs to bring in a new type of taxation system.

Specifically to the hard decision I guess my problem is, that when the Province of Manitoba - and this is the criticism of course of the whole government in all its grant areas when it offers these - it never ever puts along the qualifier that indeed this money, through a large part, is being borrowed, or is contributing to a major deficit and has to be paid for some time in the future. That's the only point I was trying to make in that regard.

Of course if I'm sitting on a school board, or if I'm sitting on any type of an organization and somebody is prepared to make it easier for me with the gift of money, I'll take it.

**HON. M. HEMPHILL:** I did think after that I hadn't touched on the inequities, the assessment and the effect on farmers. I can only say that it has been a long-standing problem. It didn't just come this year. One that we've all recognized for some time has been a major problem — (Interjection) — and that in the education finance review we have identified the disparity and assessment basis one of the major deficiencies that we have to look at in any of our formulas. So I'm expecting that some recommendations and information in that area will be part of the education finance review.

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

**MRS. C. OLESON:** Thank you, Mr. Chairman. I'm wondering where in these Estimates I could ask a question about school libraries?

**HON. M. HEMPHILL:** If it's in money that goes to libraries in school divisions it would be in this area. If it's library services from the Department of Education

it would be under Program Development Support Services.

**MRS. C. OLESON:** My question is on the use of libraries. My question is to the Minister concerning some remarks that she made at a meeting. I believe it was in Brandon; I haven't got the clipping in front of me. At that meeting she made some remarks about incorporating use of public libraries and school libraries. I just wondered if she would elaborate on that and give us just what she meant by those remarks.

**HON. M. HEMPHILL:** I am not sure about the words appropriating public and school libraries; I don't know what that means. What I did say - and it was at the Public Involvement and Education Workshop - and I was talking about both the participation and involvement of people in the education and decisions in the education of their schools, and talking a little bit about schools being public facilities and how often they are the only institution or facility in a small community. I was suggesting that I see sort of use of resources and things that we have in education and other fields being shared or being made available where there are no other resources. I indicated that I was preparing to put my action where my mouth is - I suppose would be a way of describing it - by recognizing that the Department of Education has probably one of the best library and resource facilities in the province in that we have capabilities and things that nobody else has, either in school divisions or in the public.

I have had a number of people say to me, gee, I would love to be able to go to the department and take out a film or get a book or use a video tape that you have available for use in the community or something. I don't see any problem with that. In fact, I think that the more use we have, heaven knows, when resources are declining and you can't have anything you want, it's hard to justify not getting top use out of what you do have. So I am suggesting that I am prepared to have members of the public call on and be able to take out a book or a video tape and use it and not just a school or a school division; you know, the narrow sort of school

I think I'm probably suggesting that in areas like Winnipeg where you have in a lot of the urban centres and communities library services and a very large library downtown, the public has a lot of access to libraries and resource materials. In small communities that's not so. I suppose I suggested that it wouldn't be out of the question, I think, to consider that if there is a library and good library materials and they're the only ones in town, that maybe people might consider making them available or allowing the public some access to them. That's a decision that will be made of course by school divisions. I made my decision about the resources of my department.

**MRS. C. OLESON:** Thank you. My reason for raising this was I thought at last maybe there is some magic wand going to be waved and maybe we could settle a problem that has plagued us for a long time. Having been involved in both school and public libraries personally over the years, this has been expressed often that we should pool our resources, but there is never

any practical way of doing what in theory is a wonderful idea.

In the school I worked in, for instance, there is a public library in the same town and there was co-operation. We exchanged resources not on a daily basis but quite often. I think under those circumstances that works great, but the public is often loathe to go into a school to use the library facilities even if there is no other library. So I was hoping that maybe the Minister had come up with something that was really going to solve this problem, but I am afraid she hasn't; but I think she should perhaps pursue it. She would have to, of course, work with the Minister of Cultural Affairs who is in charge of public libraries. Perhaps, over the years some solution could be found to this problem because a duplication of resources is enormous.

**HON. M. HEMPHILL:** I must say, I suppose what she said, that I hadn't come up with a solution, it's the kind of thing that's difficult to mandate and to say to people in communities where they have jurisdiction over other areas that this is what you will do even when you and I think it's a great idea. But you can raise the issue in the public mind and talk about it as being a sensible, reasonable thing to do and act by example; say, you know, I believe in this; we're going to do it in the department.

I think that sometimes these things don't occur to people. It's as simple as that. They are so used to operating in the traditional way where books and resources are available for kids in the classroom and nobody raises a suggestion that they might go beyond and open up, that they might start talking with the library people and saying: What are you ordering this year? Have you got this; have you got that? I think we could do a much better job of seeing that a small community has resources by having that kind of discussion. I know there's some concern in some areas about the amount of the library grant, or the question of have we sort of moved away from giving some importance to libraries, because there isn't sort of a specified library grant that there used to be. There is, I think it's \$30 per pupil, print and non-print.

There are two things I want to say about that, is that school boards - we can't have it both ways - they can't say we want block funding and then when you roll everything into block funding and 76 percent of their budget comes to them in a block grant that is non-categorical that they can do what they want. Then they don't do some things and they tell you there are deficiencies in there because they are not putting money into certain areas because that's a judgment they make, and then suggesting you should be giving more specific money into specific areas, I have a problem; it's really a little hard to do both.

One of the things that we found through the Small Schools Program, and you know we increased it this year, the minimum, from \$1,500 to \$4,000.00. We let them do what they wanted with it. I can tell you that quite a number of the schools put it into - there were a number of areas that seemed to be deficient or lacking - libraries was one of the places that they chose to take some of their money and they had that option.

One of the things I did with the Supplemental Program and the Small Schools Program, while the Member for

Tuxedo talks about sort of specific special grants, in fact, that money went directly into school divisions and they were totally free to make decisions on where their needs were greatest and where to put the money. They could have put it into people and they could have put it into libraries. They could have put it into books or into equipment like computers, which many of them did.

**MRS. C. OLESON:** I think that was a real fear with the block funding. I have heard it expressed many times by school library officials that perhaps the sports department would get more than the library department. I think most principals in the province are fair-minded people and probably in the long run it will work out, but I know that was a great fear expressed that some people would be interested in one particular item and that would be where all the funding would go. Of course, everyone has to lobby for their own interest so, no doubt, the school libraries will keep up their lobbying and get their fair share.

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

**MR. G. FILMON:** A number of times during the discussion, in fact twice, when outlining specific support to two school divisions, St. James-Assiniboia and Morris-McDonald, the Minister mentioned the figure of the enrolment decrease this year in each division. What effect did this have on their basic operating units and, therefore, their support under the Education and Support Program?

**HON. M. HEMPHILL:** No effect.

**MR. G. FILMON:** Of course that's the answer that I knew it would be, Mr. Chairman, because that's one of the principles of the program that attempts to guard against an adverse effect from declining enrolments. I just felt that the Minister was implying that they were getting that support, even though they'd had declining enrolments because of some special provisions, but that's in the program.

Another question I have is, besides the 2 million we've already talked about, besides the 1.5 payroll tax supplement, is there any other money in the Education Estimates that will cover any of these grants to schools that we're currently talking about. Is everything in the support of public schools in this 3.(a) area or is there some other supplements somewhere along the way?

**HON. M. HEMPHILL:** Mr. Chairman, we're just thinking while we're preparing the answer, to make sure that we're covering it. I think that it is in the Supplemental and the Other Programs and the Educational Support Program is the area where there is money to school divisions and the only one that has occurred to us where they do get some money that would not be in one of those two categories is the professional development money in the Department of Education where we agree and we put on a number of workshops, like the Small Schools Workshop and some Professional Development Programs, that are made available to all of the school divisions or teachers in the province.

He's just indicated to me, Driver Education from Highways and in-service grants from Curriculum.

**MR. G. FILMON:** Is the agreement with the St. Boniface School Division No. 4 regarding the grants for the operation of the high school in College St. Boniface still in force? And what about the agreement with the Winnipeg School Division regarding Sacre-Coeur? Are they still in force, both of them, as they have been in the past?

**HON. M. HEMPHILL:** Mr. Chairman, both of those are still in force. In fact, both of those are being funded in this budget. I understand that Winnipeg School Division is looking at Sacre-Coeur but there are no changes being made there until we hear from the school division. St. Boniface is finished.

**MR. G. FILMON:** What adjustments had to be made in the Education Support Program in consideration of the fact that the Master Tuition Agreement with the Department of Indian and Northern Affairs was terminated in 1982? That's with respect to children from Indian Bands attending public schools.

**HON. M. HEMPHILL:** Mr. Chairman, just in brief summary, what happens is that we take them out of the eligible enrolment and they have a tuition agreement between the Band and the school division.

**MR. G. FILMON:** Are the special arrangements for the grants to Duck Mountain School Division and Lakeshore School Division regarding, I think it was an experimental program in transportation, still in effect?

**HON. M. HEMPHILL:** That project finished last year, Mr. Chairman.

**MR. G. FILMON:** How many of the divisions had to use some of their reserve funds or surpluses to reduce the impending property tax increases this year?

**MR. CHAIRMAN:** Order please. The hour is 4:30, time for Private Members' Hour. The Committee will reconvene at 8 p.m. tonight.

## IN SESSION

### PRIVATE MEMBERS' HOUR

**MR. SPEAKER, Hon. J. Walding:** Order please. The time being 4:30, Private Members' Hour. The first item on the agenda for Thursday is the adjourned debate on Second Reading, Bill No. 36, on the proposed motion of the Honourable Member for The Pas, standing in the name of the Honourable Member for Pembina.

The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Mr. Speaker, the information I have is that the member was going to stand that bill.

**MR. SPEAKER:** Stand. On the proposed motion of the Honourable Member for St. Norbert, Bill No. 41, standing in the name of the Honourable Member for Wolseley.

**MS. M. PHILLIPS:** Stand, Mr. Speaker.

**MR. SPEAKER:** Stand. On the proposed motion of the Honourable Member for Turtle Mountain, Bill No.

44, standing in the name of the Honourable Member for The Pas.

**HON. R. PENNER:** My information is that is to stand, Mr. Speaker.

**MR. SPEAKER:** Stand. On the proposed motion of the Honourable Member for Brandon West, Bill No. 56, standing in the name of the Honourable Member for Arthur.

**MR. D. GOURLAY:** Stand.

## SECOND READING - PRIVATE BILLS

### BILL NO. 40 - AN ACT TO INCORPORATE PORTAGE AVENUE BAPTIST CHURCH

**MR. L. SHERMAN** presented Bill No. 40, An Act to amend An Act to incorporate Portage Avenue Baptist Church for second reading.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Member for Fort Garry.

**MR. L. SHERMAN:** Mr. Speaker, the purpose of Bill 40 is to establish a newly-created, newly-united and newly-named Baptist Church and congregation in southwest Winnipeg incorporated under a Private Act of this Legislature and legally empowered thus to function as a corporate entity under the name of the Waverley Fellowship Baptist Church. The new congregation is an outgrowth of an existing congregation heretofore known as the Portage Avenue Baptist Church and an amalgam of that established congregation with another newer congregation known as the Richmond West Baptist Church.

As is obvious from the legislation, Mr. Speaker, the Portage Avenue Baptist Church on Portage Avenue in Winnipeg has been in existence for some substantial amount of time and is incorporated under a Private Act of the Manitoba Legislature. As a matter of fact it was originally incorporated in 1943 as the Bethany Regular Baptist Church and its name was changed to Portage Avenue by an amendment in 1974.

What Bill 40 proposes is another amendment changing its name to Waverley Fellowship and a further amendment that provides for this congregation's merger with the Richmond West Baptist Church under the new Waverley Fellowship name.

The background of the name change and the step uniting the two congregations is briefly as follows, Mr. Speaker. The grounds and properties owned by the Portage Avenue congregation on Portage Avenue were limited and restrictive insofar as any growth or expansion of the church was concerned and as a consequence Portage Avenue Baptist sold its properties on Portage Avenue and bought some new property at the corner of Waverley Road and Cadboro Road in southwest Winnipeg. There is a sign up on the property at the present time that identifies it as the future home of the Waverley Fellowship Baptist Church. At the same time, Sir, a new congregation the Richmond West

Baptist Church had been holding services in the southwest area of Winnipeg, did not have a building and was looking for a site on which to establish a church of its own. That congregation had bought some property on Lee Boulevard. The two congregations decided to amalgamate and to build a new church, as I say, at the corner of Waverley and Cadboro under the name of the Waverley Fellowship Baptist Church.

The existing Portage Avenue Baptist Church, being incorporated under a Private Act of the Legislature, appeared as an attractive partner, Sir, to the Richmond West Baptist Church simply because of that incorporation. Richmond West was unincorporated and defined as a religious society and as a consequence had to undertake its dealings with respect to land under legislation known as The Religious Societies Lands Act, which is very restrictive in terms of acquisition and disposition and ownership of property. Incorporation, as members of the Legislature know, permits much greater flexibility and opportunity with respect to the ownership divestment and acquisition of properties. So it became attractive to the Richmond West congregation to unite with the Portage Avenue congregation because the latter was incorporated and the problems relative to the acquisition and ownership of property could be much more easily addressed.

Sir, the choice of the name, Waverley Fellowship Baptist Church, reflects the geographic area and the congregational area from which the church will draw its adherents and to whom it will preach and bring its mission. The proposed legislation simply recognizes and formalizes what it is that the two congregations are already doing, they're already operating by the name identified in this legislation; that is, Sir, they are already calling themselves the Waverley Fellowship Baptist Church and they intend to proceed with construction of their new church on Waverley and Cadboro Road sometime this summer.

I commend the proposed legislation to members of the House and ask for their support in seeing its speedy passage, Sir.

**MR. SPEAKER:** Are you ready for the question. The Honourable Member for St. Johns.

**MR. D. MALINOWSKI:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Burrows, that debate be adjourned.

**MOTION presented and carried.**

**MR. SPEAKER:** Bill No. 53, the Honourable Member for La Verendrye. (Stand)

Proposed resolutions - Resolution No. 10.

### RES. NO. 10 - RECOGNITION OF MACKENZIE-PAPINEAU BATTALION VETERANS

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

**MR. D. SCOTT:** Thank you very much, Mr. Speaker. I move, seconded by the Member for Concordia that WHEREAS the Mackenzie-Papineau Battalion of the 15th International Brigade were the first

Canadian Forces to recognize the horror of fascism as it spread across Europe in the early '30s and fought in the Spanish Civil War from 1937 to 1939; and

WHEREAS the Mac-Paps were comprised of approximately 1,265 volunteer Canadians dedicated to the protection of democracy and willing to lay down their lives in defense of democracy in the face of fascists led by the Spanish military; and,

WHEREAS over 630 Canadians died in Spain and many more were wounded for life; and

WHEREAS approximately one-third of the Mackenzie-Papineau Battalion was comprised of Manitobans; and

WHEREAS approximately 150 Mac-Pap veterans are still living in Canada with 12 in Manitoba; and

WHEREAS the cities of Winnipeg, Toronto, North York, Ottawa, Vancouver, Thunder Bay and Calgary have all passed resolutions urging the Government of Canada to recognize these Canadians for their contribution and that they be accorded the same rights and privileges as veterans of the Canadian Armed Services; and WHEREAS from 1976 to 1978 the Spanish Government erased any trace of discrimination against veterans of the pro-democratic Spanish Republican Forces in regard to veterans' and widows' pensions;

THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba request the Government of Canada to afford the veterans of the MacKenzie-Papineau Battalion of the 15th International Brigade who fought in the Spanish Civil War during 1937 to 1939 the same rights and privileges as veterans of the Canadian Armed Forces and that the Clerk of the Legislative Assembly of Manitoba forward a copy of this resolution to the Government of Canada.

**MOTION presented.**

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

**MR. D. SCOTT:** Thank you very much, Mr. Speaker. It is indeed an honour to stand today in this Legislature to introduce this resolution requesting the Government of Canada to finally recognize those veterans of the Spanish Civil War as Canadian veterans of the Spanish Civil War, who were the first Canadians, Mr. Speaker, to stand up and fight against creeping fascism.

Today, we have but 12 people left in Manitoba who are veterans of the Civil War. We have with us today seven of those members and they are: Ed Komodowski, Marvin Penn, Fred Kostyk, Jerry Glow, Walter Woodman, Max Evaschuk and Bill Kardash.

Also surviving in the City of Winnipeg are: Joe Schoen who had intended to come here, but had a weak spell this morning and was thus unable to attend, John Yaskiw, Peter Kostaniuk and Andy Haas.

Mr. Speaker, of these 12 men, we had four of them who served active duty with the Canadian Armed Forces in the Second World War. All of the rest had applied for duty but, primarily due to injuries suffered in the

Spanish Civil War, they were rejected. These men stood as men had never stood in this country before to try and attempt to stop a world evil, a growing evil, a system of government that had no respect for human rights, no respect for the individual, a movement called fascism which had already been entrenched in Italy, which had already been entrenched in Germany and was expanding to the Americas in Brazil.

I would like to give a brief rundown on what motivated, what caused the Spanish Civil War and what motivated these men to give as they did of themselves to attempt to stop the advance of fascism into Spain.

The whole world was in a depression in 1931. Spain was not unaffected by that depression. It had had years and years of history, basically an extension of the medieval ages in feudalism. The country was still ruled by a monarch, King Alfonso XIII and by a regent of dukes and other royal family members and people privileged by the royal family.

In 1931, after elections, municipal elections were held in the country which showed that in the countryside, where the elections were anything but free, the monarchy was sustained, but in the cities, in the largest areas of the population of the country, the monarchy was overwhelmingly rejected. Because of the forced nature of the vote, the undemocratic nature of the vote in the countryside where the feudal lords still reigned supreme, the King felt it was best to leave and he left.

The government was then a procession of a few governments in the next few years as democracy was attempting to root itself, to get those first roots in towards developing a democratic state in Spain.

In 1933-35 a rightest forces called CEDA, under the leadership of one, Gil Robles, had gained the upper hand in their Cortes. In the two short years they had taken some 30,000 political prisoners. They would intervene in mining strikes of some 40,000 miners and at the end of their intervention some 3,000 were dead, a further 7,000 wounded and that was not just the miners, that was their wives and children as well.

Due to the increasing unpopularity of that government and the collapse of the government, an election was called in 1936 with the leftist Popular Front gaining over 4,800,000 votes under the leadership of the earliest leadership, once democracy started in 1931, of a chap by the name of Azana.

The central Centrist parties gained approximately 450,000 votes in a national front, while the right-winged parties under Gil Robles received just slightly under 4 million votes. This gave the leftist Popular Front an overwhelming victory in the Cortes. That did not sit well, and that was on February 16th of 1936. The military was, to say the least, unhappy with the situation and they took it into their hands very quickly to try and overthrow the government.

On the 17th of July, scarcely five months after the election of a democratically elected leftist government, the army revolted. The navy and the air force stayed loyal, but they were very small. Soon, rising to power was General Franco, who had been a general in Morocco, and because the Moroccans had always hated the Spaniards more than anything, when they saw another Spaniard fighting Spaniards, they joined. So, the bulk of his forces were Moors and yet using non-Christian men, using men of almost barbarians as his troops, he claimed to be the saviour of Christianity.

On the very day of the army revolt of July 17th, Italian aid was already coming into the country. German and Italian fascists were looking very closely and working alongside the fascist which left Gil Robles in the democratic aspects of the National Front and fled to what they thought would be their saviour - fascism.

By the mid summer of 1937, Mussolini had 50,000 troops, 763 planes, 1,900 cannons, 10,000 machine guns, 24,000 smaller guns and 7,600 vehicles in Spain.

Just after the outbreak of the Civil War, Britain and France led the formation of what was called the Non-Intervention Pact. Also members of it were Czechoslovakia, Sweden, Russia and Belgium. Two noteworthy members were also Italy and Germany. They pledged not to interfere in the internal affairs of Spain. While they were pledging not to interfere in Spain, Germany and Italy were obviously rolling in troops, rolling in every bit of armaments which were available in that day, and starting to use, Mr. Speaker, Spain as a testing ground for the advance of fascism throughout Europe. They used it as a testing ground for new munitions. They used it as a testing ground for something that had been unprecedented in history before and which stays with us today so graphically in the Picasso's painting of Guernica of Nat's bombing cities terrorizing the populous. It was a fascist tactic to go to burn cities, to bomb cities; not a war fought on battlefields, a war fought by trying to demoralize the citizenship.

In Canada, having just received the Statute of Westminster in 1931 and jurisdiction over all our external affairs, we were not to upset the apple cart of Great Britain or any of the other nations in the western world at the time. We would not assist. As a matter of fact, in 1937 in the Parliament of Canada, an Act was passed to stop and to make it illegal for people to volunteer to go overseas and assist the Loyalist Republican forces in Spain. In 1937, that Act was called The Foreign Enlistment Act.

So we have a fascist revolt in Spain, led by Franco at this stage. The first victory was, of course, in Morocco. Then they moved into Spain itself and the first victory on the main country of Spain was in Badajoz. Here not only the people who fought them died, they rounded up the survivors and they rounded up the wounded into a bull ring and machine-gunned them to death. The west was aware of this. The west ignored this.

Franco's pledges and decrees were known by everybody. He pledged to abolish the democratic republic and replace it with totalitarianism. Agrarian reform started by the democratic government was revoked. Trade unionism would be outlawed. Strikers would share the same fate as the miners of Barrio-Real, in other words, firing squads. State rights would be abolished and the semi-autonomous states of Catalonia and Euzkadi would lose their status.

The west knew well of what Hitler and Mussolini were doing. They knew well of what Franco's intentions would be as well and yet, they stood by, shaking in their boots, fearful that they too could be drawn into the conflict, hiding their head in the sand.

The first Canadians to go overseas were people who many of us have heard of and read an awful lot about. Henning Sorenson was a Danish immigrant and in September of 1936, he went over to inspect the medical needs of the Spanish Government forces. Norman

Bethune followed shortly thereafter. They became the first two volunteers from Canada actively involved in a defense of democracy in Spain. Soon, 1,200 Canadians were to be in Spain. It was the largest contribution per capita by any country in the world of sending volunteers to Spain, Mr. Speaker. The International Brigades came from every corner of the earth and they had one motive common amongst them all and that was the horror of fascism.

Spain was, in many ways, the overture to World War II, a laboratory for perfecting German and Italian war machines. The evidence of this is quite obvious when one recognizes today that a mere five months after the end of the Spanish War, Hitler and German troops rolled into Poland.

The first Canadian volunteers teamed up with a fairly sizable American contingent, approximately 3,300 Americans, who went against their government's wishes as well to fight in Spain to defend democracy. They formed the Abraham Lincoln Battalion and the Washington Battalions. The Canadians generally left by New York, went to Paris - and Paris, it was illegal to go there, so most people feigned that they were going over to the Great Exposition in Paris of that year trying to cover their true intentions because, after the Act of 1937, it was clearly illegal for Canadians to go and to voluntarily enlist in a foreign army. From Paris, the trains and roads took them to Perpignan where they then hiked, usually under cover of night, into Spain where they were welcomed with open arms by the Loyalist Government troops. Some tried to go by ship, but that became too perilous for the Italians were patrolling the coast of Spain. Within one mile of the shore just outside Barcelona, a ship with some 250 volunteers was torpedoed by an Italian sub.

The first major battle fought alongside as the No. 1 battalion alongside the American forces was in the Jarama River Valley. It lasted for four months. The reason of the essence of that was that the fascist forces were moving in to take Madrid. They had taken the southern cities on the western side of Spain, but still there was almost a diagonal line running across Spain from near the Spanish border on the Atlantic with France, running across to Barcelona. South of that line was controlled by the fascist forces. North of that line, the government still maintained control.

On October 10th, Franco moved into Madrid. They felt they could take Madrid in a couple of days. They couldn't. It took two years, two years of incredible resistance by the citizens of Madrid, by the volunteers of the International Brigades who came to help the people of Madrid to maintain the barricades and to build barricades to withstand and to hold back the forces of fascism. To try and break Madrid, they tried to come around the back. So they then felt they had to break through and recognized they had to break through the Jarama River Valley.

Mr. Speaker, the battles that the men who are here today, the battles that they fought throughout the Spanish War, many of them did last the whole war. A great many more were injured and missed much of the action, or were not able to serve duty in their various battalions.

We have people who served in tanks, in very rudimentary tanks, trying to keep back, using very inferior equipment, equipment that was gathered and

volunteered to them from around the world where it could be smuggled into the country. The American Battalion at one stage, and the Mac-Paps as well, were having to use some 12 different types of ammunition for similar sized guns. The chances and the logistics of trying to organize and to be able to put up any kind of a battle at all when one was fighting against a very well-oiled and a very well-trained, I might add, because the Germans and the Italians were training and working alongside of Franco's forces throughout the war.

Battles that came to be well-known and well-remembered by the veterans here today go by names of Brunete, Quinto, Belchite, Teruel, the Retreats, and the Ebro River.

The actual formation of the Mackenzie-Papineau Battalion came from the request of men overseas who were fighting primarily with the American forces of the time to be recognized as Canadians, to stand up and be recognized as Canadians, and to fight as Canadians and to give the name of Canada a name of defending against fascism. It actually came into being on July 1st of 1937, when the various recruits from Canada came together to form their own battalion.

Previously, in Jarama, they had campaigned as a No. 1 company under the Washington Battalion. In Canada, sprung up almost automatically alongside of this were the friends of the Mackenzie-Papineau Battalion. They raised funds, they did some recruiting, and they worked to try and assist the men when they finally got a chance to come back after the war.

But even getting into Canada after the war was no easy feat, Mr. Speaker, no easy feat whatsoever. You had a government in Canada who these men were no longer citizens, or at least they tried to declare them they were no longer citizens, and they had to be repatriated to come back into the country. You had people guaranteeing their passage and yet the Government of Canada was trying to slow down their passage. They tried and resisted the people coming back into the country. Once they got back into the country, there was certain harassment, even though those members returned almost immediately to volunteer, those who were able, to go overseas and fight fascism once again in the Second World War. We had wounded men who were rejected for service in the second war, but that did not keep them from trying. It did not keep them from attempting to volunteer and to go back in.

Mr. Speaker, I'd like to close with a quote by Gregory Clark of his reaction when he saw these men coming back into Canada. I'm sure a great many of us here are fully familiar with the writings of Greg Clark. He said, "I don't recollect ever seeing soldiers who inspired in me so strange a mingling of reverence and humiliation and embarrassment at meeting their gaze."

Mr. Speaker, these men did a great deal of pride to Canada. They stood up when few others were willing to. They recognized the horrors of fascism; they knew what was coming down the road. I would ask all in this House to join me in unanimous consent of this resolution to forward to the Government of Canada.

Thank you very much, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Roblin-Russell.

**MR. W. McKENZIE:** Thank you, Mr. Speaker. Mr. Speaker, this is a very interesting resolution, and as the honourable member said, I'm sure that most members, if not all the MLAs in the Legislature, will likely make a contribution to it before the debate is completed.

Mr. Speaker, I was wondering if I should rise in my place today, after the blistering attack the Member for Inkster gave us last night. He called us racists because we were basically trying to do what he's asking us to do today, which is change a federal statute or have a federal statute amended. Yesterday in this Chamber, Mr. Speaker, we were asking the Federal Government to make certain changes and amendments to The Natural Resources Transfer Act, which is a federal Act and we adjourned at five-thirty. The blister that came across from the Honourable Member for Inkster - he called us racists and everything else - it's still ringing in my ears as I stand here this afternoon to debate this matter, Mr. Speaker.

Mr. Speaker, this is a very interesting resolution that we're dealing with this afternoon, and I suspect that it came as a result of a resolution that was brought forth at a national convention of the New Democratic Party some few years ago and gained the approval of that convention.

I'm not certain as I stand here this afternoon, Mr. Speaker, if it has received the approval of any of the Provincial Legislatures across our great country. I have no record, nor was I able to find as I stand here, if in fact it had even been debated in some of the Provincial Houses. But there are certainly records of it having been exposed to municipal councils, municipal governments, and there's a wide list of them, including Toronto and our fair city. Our capital city, Winnipeg, saw fit to debate and pass a similar resolution. I believe it was in April of 1980.

To date, Mr. Speaker, the Government of Canada, through the Department of Justice and the Department of Veterans Affairs, has not approved the required amendments that are being asked under The Canadian Enlistment Act. I'm not sure, as I stand here, to the reason or reasons why they have steadfastly avoided dealing with that; unless it is possible because of the fact that these mercenaries went to Spain without the blessings of the Government of Canada. I wonder, Mr. Speaker, now if in case today, supposing citizens in this country leave Canada and go and fight in Israel in the war that's going on - or Lebanon, or Iraq, or Iran. I don't know if that's the reason or not, as I stand here. Is that the reason why the Government of Canada, by this legislation, has failed to recognize these Mac-Paps that are in our gallery today, and the others?

The other one that I'm not certain about, Mr. Speaker, and I have never had a chance to debate it, is the Royal Canadian Legion, as I understand it to date, have not obtained support for this type of resolution. But nevertheless, that's no reason why we should not proceed and continue to try and pursue it. I was going through some records, and our friend Dan MacKenzie, one of the Federal members from the city here, has done extensive work on behalf of the — (Interjection) — I'm sorry?

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

**MR. R. DOERN:** Mr. Speaker, I want to ask the member whether he would submit to a question; namely, does he know the difference between a volunteer and a mercenary?

**MR. W. MCKENZIE:** Mr. Speaker, the member Dan MacKenzie in the Federal House, as I had mentioned - I had access to several of his records - who has carried out extensive research and work over the past three years especially on behalf of the Mackenzie-Papineau Battalion of Canada. I also saw, Mr. Speaker, where the Honourable Gilles Lamontagne, a Veterans Affairs Minister, in following the work and the footsteps of the former Veterans Affairs Minister, the late Daniel McDonald in response to requests from a Mr. Russell who heads the eastern division - or the eastern chairman, I guess I should say - of the Mackenzie-Papineau Battalion. He advised Mr. Russell, I think, as late as 1980 that the Government of Canada as of that day would not undertake any prosecutions of the members of the Mackenzie-Papineau Battalion under The Foreign Enlistment Act. Of course, I didn't know until I checked that today. There certainly were some concerns amongst the group at that time, in fact, that those charges maybe were still hanging over their heads. It appears from what I could gather in my research today that that was a concern. And, of course, Mr. Speaker, the question of recognition of the survivors of the Mackenzie-Papineau Battalion. They were told that under the veterans charter that this is what Lamontagne said. Under the veterans charter of the country he was forced to maintain the government's policy, the Government of Canada's policy and unfortunately gave little or no hope for the designation of the former members of the battalion under the Canada war veterans within the act.

I suppose, Mr. Speaker, while I don't have the Hansards of those debates, the reasons again hinge around the right of any Canadian citizen to join another country in a conflict such as the Spanish war of 1937 and 1939 without the government of that country's sanction.

It's an interesting story though, Mr. Speaker, the Mac-Paps and how they got their name. They were named after William Lyon Mackenzie and of course Louis Gilson Papineau who were well-known people in our country in the early days of our history and that's where, of course, they inherited the name of the Mac-Paps, and of course their slogan was "fascism shall be destroyed."

Of course, as I understand it, Mr. Speaker, when the volunteers returned to Canada in 1939 there was some opposition to their return by certain elements in our country. Apparently that influence was overcome by some international committee that was established on behalf of the Mac-Paps and it's interesting to note that some of the noted people, the friends of the Mac-Paps Battalion of those days were Albert Einstein, Eugene Forsey who was certainly a well-known Canadian constitutional expert, Ernest Hemingway, Upton Sinclair and H.G. Wells.

The records says that apparently the official records were destroyed in Spain of the battalion but apparently - and I was hoping I could have had a chance to contact Mr. Forsey - there was some final report, I think, of the friends, this group that got together, that was issued

in the spring of, I'm told 1939, suggesting and giving the historical background of this group. As I understand it, that report, I have not been able to get access to it. Now it's possibly around and may be with some of the honourable gentlemen who's in our gallery today, we will get access to a copy of that report.

I also, Mr. Speaker, had a chance to get ahold of a copy of the petition by the veterans, the Mackenzie-Papineau Battalion, which was made to the Government of Canada on May 20, 1980. That is an interesting petition that was presented to the Government of Canada through the Minister of Veterans Affairs at the time who, of course, is now the late Daniel McDonald. They spelled out a lot of the things that are in the honourable member's resolution this afternoon.

The fact that there were relatively small, dedicated anti-fascists, their heroism displayed in the war I think is beyond question and their historical feats; the fact that they went in there to meet this fascist drive and if they could have been successful, it's reported that quite possibly the Second World War may never have happened. Or if it did happen it wouldn't likely have happened in the form that it did if they had been more successful in Spain.

Of course as the petition says, they are few in numbers today. I wonder, and I'm not certain as I stand here, those of the Mac-Paps that joined the Canadian forces in the Second World War, if they were denied veteran status because of their service, or as a result of their service in the Canadian Forces. Now I'm not sure on that, Mr. Speaker.

Of course, Mr. Speaker, the other thing is - and we were discussing the resolution at noon today - is where Hitler and Mussolini and the forces those days, that's where we first saw the 88 millimeter guns being brought out and were tried out on the forces of the Mac-Paps and others that were in Spain at that time.

Of course, Mr. Speaker, these Mac-Paps, no doubt they certainly were the first soldiers from our country to fight against European fascism and that of course is in the petition and they believed that they were entitled to the same recognition as other forces.

Another interesting little excerpt in the petition is a Dr. Norman Bethune who the honourable member who introduced the resolution mentioned. He has been recognized widely today for his development and the innovative method he found of giving blood transfusions to the soldiers at that time and that method was developed in Spain. It was a method which, of course, was widely used during the Second World War. If my memory serves me correctly, Dr. Bethune became national. I think a shrine was established at his home by the Canadian Government not so terribly long ago.

So, Mr. Speaker, the Mac-Paps certainly have done a remarkable job. They carried out the intent of going over to Spain and taking part in that Spanish Civil War from 1936-39. It's an interesting struggle that was taking place at that time, Mr. Speaker, between the nationalists who were the fascist group from General Franco against the Spanish and the Republican army or government of the time and they were, of course, called the Loyalists. I think the government side was known as the Loyalists.

The Nationalists, as I understand it, they were the ones that were supported by the aristocracy, the church, and the bulk of the people in Spain. Hitler, no doubt, is certainly another factor. Hitler of Germany, Mussolini

of Italy supplied, as I mentioned earlier, large amounts of arms and manpower and in particular the 88s, the artillery, the tanks and the aircraft in the struggle. Franco's troops, of course, as the honourable member mentioned there, the Moors and the Spanish Foreign Legion units were ferried across the Mediterranean in German and Italian ships in the course of the struggle. The Loyalist Government, of course Mr. Speaker, they had no standing army at the time and they mobilized the militia to put down the revolution. The Communist International, as I understand it, recruited all around the world and they came up with some, I think, 20,000 men which became, as I mentioned earlier, known as the International Brigade.

At the time, Mr. Speaker, Britain had signed a non-intervention policy with Franco. And Britain, and Canada, and other League of Nation members had agreed to sort of a neutrality policy as I understand it of non-intervention in this particular conflict. As a result I think the history records tell us and show, Mr. Speaker, that the then Prime Minister of Britain who was Neville Chamberlain, he made a suggestion to the Government of Canada under who, at the time, was Mackenzie King, that King enact a bill to prevent Canadians from fighting in the armed forces of foreign countries. I think that was the way, as I understand it, it came about. So The Foreign Enlistment Act was passed by the Parliament of Canada in 1937 and, as is mentioned in the resolution, it is still in force today and is one of the problems that we are dealing with for these honourable gentlemen who are in our gallery today and the others that are across Canada.

Generally speaking, the Act provides a penalty on any Canadian national who leaves this country to engage in the armed forces, or however it's put, of any state at war with any friendly foreign state. I think that's the general context of the Act. So therefore, under those terms, the Mac-Paps and the Mac-Pap battalions, they had no status as soldiers and couldn't be recognized as one of Canada's groups because of the neutrality policy of non-intervention that had already been signed by Franco, Britain and Canada and other League of Nations members at the time of the conflict. Of course, that's the one that has created the problems and I suspect, Mr. Speaker, whereby the Mac-Paps were caught in this grinder and lost their rights as citizens travelling abroad, got caught right in the middle and couldn't expect protection from their government as they had violated the conditions of their apparent passports, as I understand it.

Survivors today, as I understand it, Mr. Speaker, who we have in the gallery today and across this country are certainly in their 70s and older, because I'm 69 and I just barely remember the details of the Spanish War. But these surviving members of the Mac-Paps have formed this organization and it has certainly done a lot of excellent work, Mr. Speaker. They are known as the Veterans of the International Brigades, the Mackenzie-Papineau Battalions of Canada. They have certainly combed this country well. They've made representations to many public groups, municipal governments and others and have gained a lot of support as a result of their lobbying to have their organization recognized by the Federal Government and, therefore, received the same rights and privileges as enjoyed by other veterans of the First and Second

World Wars. Of course, that's likely through their efforts and this international group and the honourable member that we are dealing with it here today.

The group's rationale for the request in this resolution is that they firmly believe, Mr. Speaker, that the Spanish War was a prelude to the Second World War and because it was against the Nazis and against the fascists, that in reality was the start, as I said earlier, of World War II. I think that is a fair statement and one that deserves a lot of debate and consideration. These Mac-Paps, as I understand it, Mr. Speaker, believe that they went to the war in Spain as anti-fascists and, since they fought against the Nazis and the fascists, that they should be accorded the same benefits as World War II veterans or as World War I vets who also fought against the Nazis and the fascists. That is a very convincing argument, Mr. Speaker, a most convincing one.

Mr. Speaker, in going through the literature that I have been able to gather, the Toronto City Council endorsed a similar resolution in January, I believe it was, of 1980 requesting an appeal to the Federal Government to be treated, asking the Mac-Paps to be treated in the same manner as the Second World War vets. The Board of Control in the City of Ottawa has passed a similar resolution. As I have mentioned earlier in my remarks, the City of Winnipeg has passed - and members of all the federal parties, I'm sure, have been lobbied as we are being lobbied here today with this resolution, as well as the Legion for support . . .

**MR. SPEAKER:** Order please, order please. The honourable member's time has expired.

The Honourable Attorney-General.

**HON. R. PENNER:** Thank you, Mr. Speaker. I deem it an honour, Sir, to be able to rise here in my place today to support this resolution. I am thankful that I have the few minutes left that I have today to, at least, begin my remarks while the veterans of the Mac-Paps who are with us today are in the gallery. I deem it a personal privilege in that sense, because I have many personal recollections.

I'm somewhat older than the Member for Inkster, somewhat younger than the Member for Roblin-Russell, but it was a very important part of my growing up in Winnipeg to participate as a young boy, in fact, in some of the rallies and support for the Mac-Paps; to listen to Dr. Bethune and to come to know all of the members of the Mac-Paps who are sitting in the gallery today, some of them more closely than others. They, all of them, in one way or another, bear the wounds of that war. Let me just mention - and that is not to single out one person, but I think you'll recognize in a moment the importance of doing so in this House.

Mr. Bill Kardash, who lost a leg in Spain as a lieutenant in a tank brigade, one of the early wounded. He went as a young man from Saskatchewan to join the Mac-Paps and ultimately returned to Winnipeg where, in the general election of 1941, he was elected as a member to this House and he was re-elected in 1945, 1949 and 1953. So he served not only, I would say, his country and the cause of democracy and peace in Spain, but he served this province as a very, very distinguished member of this House.

I want to commend the Member for Inkster for introducing this resolution and commend the Member for Roblin-Russell for having done the excellent research that he has done. It is only in recent years that the record has begun to be completed of what, in fact, was contributed by those who recognized that, in Spain, the first battle of the Second World War was being fought. It is through the war in Spain that we first came to recognize the terrible face of fascism - the Honourable Member for Inkster has referred, for example, to the mass bombing of civilians in Guernica as one example of that - came to realize that if democracy was to survive in the world against that kind of brutality, that kind of cruelty, that there would have to be the greatest amount of unity on the part of all people from wherever they may come, whatever their primary beliefs might be, to recognize the face of fascism, the brutality of fascism, the threat of fascism, and to meet it wherever possible.

I know that the Member for Roblin-Russell used the word "mercenaries." I'm sure that was inadvertent and the Member for Elmwood pointed out, quite correctly, that indeed these people were volunteers. They went not at all for money, they went for a cause, and as it turned out, that was the cause of all of us.

What indeed was being faced there, in addition to the first battle of the Second World War, was the results of that terrible policy of appeasement, which in fact was led, among others, by Neville Chamberlain, and it's not surprising that Neville Chamberlain lent his name and leadership to the disastrous policy of non-intervention.

I think the Member for Roblin-Russell was right, when he pointed out that it may well have been the case. We can only guess at this, that had there been that kind of resolve in fighting fascism in Spain at that time, that later resulted in the coalition that won the Second World War, the Second World War itself might never have taken place. We can only guess.

I would like to, before I say something of a more personal nature, which I'll leave until next week, or whenever this resolution reappears on the Order Paper, point out that - and it was mentioned by the Member for Roblin-Russell, that among the other contributions which were made towards the cause of democracy,

because of defeating fascism, was the contribution of Dr. Norman Bethune, in the development of mobile blood transfusion units, and indeed it's estimated - one can only estimate - that that alone saved hundreds of thousands of lives in the Second World War.

As I say, it was a growing up period for me when the Spanish Civil War first broke upon our consciousness in 1936. It was something that I will never forget, participating, as I say, as a young person, at the age then of approximately 12 years, going around with handbills, calling people to meetings, at which people like Dr. Norman Bethune spoke.

I see my time is up this afternoon. I'm sorry that it is so soon. Let me just close today and I'll resume, when it comes up again, in paying the greatest tribute that I can to the members of the Mac-Paps who are here today, who represent all that was good in Canada in those days, as it recognized the face of fascism and moved out to try and defeat it at that time.

**MR. SPEAKER:** Order please. The time being 5:30 p.m., when this resolution next comes before the House, the Honourable Minister will have 14 minutes remaining. The Chair will accept a motion to adjourn.

The Honourable Attorney-General.

**HON. R. PENNER:** Mr. Speaker, I move, seconded by the Minister of Government Services, that the House do now adjourn.

**MR. SPEAKER:** It is moved by the Honourable Attorney-General and seconded by the Honourable Minister of Government Services, that subject to the members . . .

**HON. R. PENNER:** Yes, Mr. Speaker, the House is in Committee on Estimates and the committees will be resuming this evening.

**MR. SPEAKER:** When the members return at 8 o'clock, there will be committees.

**MOTION presented and carried** and the House adjourned and stands adjourned until 10:00 a.m. (Friday).