



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

DEBATES
and
PROCEEDINGS

33 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

| Name | Constituency | Party |
|--------------------------------------|--------------------|-------|
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| ANSTETT, Hon. Andy | Springfield | NDP |
| ASHTON, Steve | Thompson | NDP |
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| BROWN, Arnold | Rhineland | PC |
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LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 14 May, 1984.

Time — 8:00 p.m.

SUPPLY - MUNICIPAL AFFAIRS

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, P. EYLER: Committee come to order.
The Honourable Member for Burrows.

MR. C. SANTOS: Mr. Chairman, in the section of the Committee of Supply, sitting in Room 255 today, on Monday, May 14, 1984, deliberating on the Estimates of the Department of Highways and Transportation, Mr. Orchard moved a motion that the Minister's Salary, at the Budget item, line 1.(a) be reduced to \$5.95 plus tax.

A voice vote was taken and the motion was defeated. Subsequently members requested that a formal vote be taken on the motion.

The time being 5:30 the vote was deferred until this evening's sitting before the entire Committee of Supply.

MOTION presented and defeated.

MR. H. ENNS: Yeas and Nays, Mr. Chairman.

MR. CHAIRMAN: Call in the members.

A COUNTED VOTE was taken, the result being as follows:

Yeas, 12; Nays, 22.

MR. CHAIRMAN: Order please, order please.

I declare the motion lost.

The Honourable Attorney-General on a point of order.

HON. R. PENNER: On a point of order, Mr. Chairperson.

I would like the record to be clear as to whether or not that was the levy or a sales tax, because there is no sales tax on salary, it must have been the levy. I want the record to show that the opposition demonstrated their support for the levy.

MR. D. ORCHARD: Mr. Chairman, on a point of order.

MR. CHAIRMAN: Order please. There is no point of order.

Is there leave for the committee to complete the Estimates of the Department of Highways and Transportation here in the House without further debate? (Agreed)

Item 1.(a), Minister's Salary—pass.

Resolution No. 95: Resolved that there be granted to Her Majesty a sum not exceeding \$2,850,300 for Highways and Transportation, Administration and Finance for the fiscal year ending 31st day of March, 1985—pass.

The committee will now be splitting again. Education will be here; Municipal Affairs in the committee room.

MR. CHAIRMAN, C. Santos: Committee, please come to order. This section of the Committee of Supply will now be dealing with Estimates of the Department of Municipal Affairs. We shall begin with a statement from the Honourable Minister responsible.

HON. A. ANSTETT: Mr. Chairman, members of the committee, I would like to present the Estimates for the Department of Municipal Affairs for the coming fiscal year, 1984-85. This is my first opportunity to appear before a Committee of Supply, and I welcome this opportunity to discuss the Estimates of my department with members on both sides of the House.

I have tabled a package of supplementary material which provides detailed information about this year's Estimates, as well as historical information. To my knowledge, this is the first time this material has been supplied with respect to Municipal Affairs, and I hope it will be of assistance to all members.

It's traditional and certainly appropriate for Ministers of Municipal Affairs to initially recognize the contribution made by members of Manitoba's municipal community, the elected local officials who continue to serve our local government in this province. Unfortunately, their contribution is often minimized because of the vast areas served by so many people in so many different jurisdictions. I'm certain members would join with me in expressing our appreciation for the contributions made by municipal councillors, mayors, reeves, their support staff in continuing the high standard of public service in Manitoba. We wish them well in their current term of office.

I think it's also appropriate to recognize the support given to local government and also the leadership given to the Department of Municipal Affairs by my Deputy Minister, Gerry Forrest, and the directors and staff of the Department of Municipal Affairs. I think some members will note with interest that this is Gerry's 25th year in municipal service in the Province of Manitoba. He doesn't look that old, but apparently this fall's Union of Manitoba Municipalities Conference, their annual convention in November of this year, will represent the 25th consecutive UMM Conference that Gerry Forrest has attended. So certainly we have come to recognize him as being a diligent public servant in the area of local municipal government.

I would like to pay particular attention to two directors of the Department of Municipal Affairs who will be retiring during the period of these Estimates, and I would also like to take a moment to thank them for their contributions to municipal government. Mr. Roy Fulscher served as Secretary-Treasurer for over 25 years in West St. Paul before joining the Municipal Services Branch in 1974. His leadership and expertise was shared with municipalities throughout the province, and he has earned our thanks for a job well done, often under very trying conditions. Roy has a calm and quiet manner, and brought an objective attitude to assist in

the resolution of various difficulties at the local government level.

The same quiet manner and dedication and leadership was brought to a somewhat more difficult and noisier arena by Jake Reimer, who will be retiring as Provincial Municipal Assessor this year. During his extended period of service, Jake always displayed qualities of professionalism and integrity in an area of responsibility which each of us knows is one of great contention and difficulty. At times it's important to recognize the progress made in past years without necessarily dwelling on the challenges ahead. I'm pleased to take this opportunity to recognize the public service of these two individuals while they are still in the ranks of our Civil Service and I hope honourable members will join with me in commending them for their extensive and honourable service.

Moving to the Estimates proper, which you see in front of you, both in the Estimates Book and in the Supplementary Information; Municipal Affairs shows an overall increase of 3.56 percent for '84-85. Various branches of Municipal Affairs are marginally up or down and the explanation for these shifts shows up in the detailed supplement.

There are no dramatic increases, except the transfer of police grant funding from the Attorney-General's Department to our Budget and Finance Branch.

Members will note a slight difference in the items displayed under the General Administration heading and the Research function is now displayed separately. The overall request in this area is down slightly as are several other branches.

Restraint measures have been applied to hold the line or trim wherever possible, to be consistent with delivery of existing services. Most decreases show up in the Other Expenditures line.

The Municipal Board decrease reflects a reduction of one stenographic position, which was not occupied, and hearing and travel costs are expected to remain in a stable position.

The Budget and Finance Branch shows an increase of 4.59 percent, attributable to the addition of the police grants, an increase of just over 3 percent in grants in lieu of taxes, a marginal increase in urban transit grants and a slight increase in centennial grants. Members will appreciate that the centennial grant figure varies with the anticipated municipal centennial celebrations which relate to settlement or incorporation dates.

I should point out that the percentage figures referred to are expressed as a percentage of the departmental total. The actual dollar comparisons are reflected in the left and right-hand columns as usual, reflecting here on the detailed information which was tabled in the House today.

The Main Street figure is increased to accommodate projects approved and commenced in one fiscal year to be completed in another. Specific historical information, with regard to the Main Street Program is shown in part three, the historical portion of the supplement.

The Municipal Assessment portion of our estimates will be of interest to members. A modest increase is shown, which requires some explanation in broader terms. Accordingly, I offer these questions on the whole question of assessment reform, which is certainly one of the highest priority areas in my department.

In April of 1982, my predecessor, the Honourable Pete Adam, Minister of Municipal Affairs, received the report of the Manitoba Assessment Review Committee, a report which most of us know as the Weir Report. The underlying theme of that report was that major identified inequities related in one way or another to both assessment values and assessment legislation being out of date. Out-of-date assessment values make it virtually impossible to establish the one piece of real property as assessed in its proper relationship to any other piece of property. Out-of-date legislation has resulted in the guidelines to the assessment process being confusing, inconsistent and, in some cases, simply unfair.

The Department of Municipal Affairs agrees with many of the findings of the Weir Committee; however, the department is not prepared to institute specific recommendations until firm evidence was on hand to show these theoretical solutions might actually work on the ground. Upon receipt of the M.A.R.C. Report, departmental staff were directed to evaluate the impact of implementing these recommendations province-wide. Some of this work has been completed; some is ongoing.

A second requirement of the assessment reform process recognized by the department was to allow the citizens of Manitoba a chance to react to the recommendations of the Weir Report. In order to provide a forum for these comments, a Standing Committee on Municipal Affairs was directed by the Legislature to conduct a series of public meetings across the province a year ago in January. The first phase of public involvement concluded with the June, 1983 report to the Legislature of the Municipal Affairs Committee.

That report included recommendations on those aspects of the Weir Report that the committee felt should be proceeded with as soon as possible in those areas where it seemed that additional information and research would be necessary before the impact could be evaluated. Although the review and research process is ongoing, the Department of Municipal Affairs is now moving in an orderly process of assessment reform. That reform recognizes many aspects of the Weir Committee recommendations, but it also takes into account the public feedback on those recommendations and the analysis of the impact of implementation.

Action has now been initiated in virtually all of the major areas touched upon in the Weir Report. The nature of these actions can be itemized as follows, under Classification and Portioning, the M.A.R.C. concept for the assessment of property in Manitoba was based on a three-phased approach consisting of the evaluation of property, the classification of property, and the determination of what portion of value by property class would be used for taxation purposes.

Last year, Bill 105, An Act to amend The Municipal Assessment Act, was passed and it represented the first step in this reform process. This amendment created authority within the assessment legislation whereby the Lieutenant-Governor-in-Council can establish property classes and define the portions of value for each that will be used for taxation purposes. The provisions of Bill 105 just referred to have yet to be proclaimed.

One of the most frequently mentioned concerns at the Municipal Affairs Committee hearings had to do

with ensuring that substantial shifts in taxation did not occur between property classes at this time. This was also one of the primary fears of the Manitoba Assessment Review Committee and one with which this government is in agreement.

To deal with this concern, it's essential that information be on hand which will allow detailed definition of each property class. Of particular significance then is the definition of "farm property." The problem in this regard has been that many farm residences and farm outbuildings which are exempt from taxation have not been assessed and placed on the current assessment rolls. Before property classes and portioning can be put in place, these properties must be dealt with. In accordance with the recommendations of the Municipal Affairs Committee of the Legislature, the Provincial Municipal Assessor has been directed to make the assessment of all such property a high priority within his branch. It's estimated that the assessment will be completed by the fall of 1985. The task of defining property classes and calculating, and testing portions can then be commenced in detail.

The second interim report of the Weir Committee stated that it's not physically or economically possible to provide a sufficient number of assessors to maintain assessment records manually, or to undertake physical reassessment on a cycle that is current enough to maintain understanding or equity. The single greatest cause of these inequities that occurs in the assessment system, both across the urban and rural areas of the province, is the simple fact that assessed values of property are out of date.

The essence of the assessment system is to provide that the amount at which property is assessed bears a fair and just relationship to the amount at which other properties in the same jurisdiction are assessed. With assessed value currently running from 10 to nearly 30 years out of date it's virtually impossible for property owners, and in many cases for the assessor himself, to determine whether this fair and just relationship exists.

If equity is ever to be achieved in the system it will be necessary to have a means by which assessed values can be kept current enough for all involved parties to understand. The government has recognized that computerization of the assessment process is critical to the resolution of current inequities. Computerization will neither be quick nor inexpensive but there's no substitute for its development. It's therefore particularly indicative of the government's commitment to assessment reform to announce tonight, that even in this time of restraint and spending cutbacks, four additional staff years are being established in the Department of Municipal Affairs, specifically to develop and maintain a computerized assessment program.

The needs analysis, system design, program implementation that will constitute the computerization schedule will be a time-consuming proposition. The M.A.R.C. Report schedule allowed two year or three years for this activity and emphasized the use of outside consulting firms to work on the design. The Department of Municipal Affairs has concluded, for reasons of ongoing maintenance and continuing development, that it would be more efficient and economical to develop this staff expertise in-House. Although the time required

to develop the in-House system might be a little bit longer it's anticipated that the benefits of developing the system internally will outweigh any initial disadvantage.

In the area of procedural uniformity, my department is also taking immediate action in accordance with the Weir and Legislative Committee recommendations to develop uniform assessment procedures for the City of Winnipeg and for the rest of Manitoba. The existence of province-wide levies based on real property value make it essential that all jurisdictions assess property through the use of identical procedures. I have therefore directed the provincial municipal assessor to develop uniform standards, and to prepare as necessary regulations in this regard to be established under The Municipal Assessment Act. Liaison with the Office of the City of Winnipeg Assessor has been established to assist in the development of these procedures, and the co-operation of city assessment staff in this matter is appreciated.

It's no secret that the assessment system in Manitoba is poorly understood by the general public. This is of course not a reflection on the public's ability to understand, but rather it is the fault of an antiquated system based on out-of-date legislation and assessment values that really bear no resemblance to current property values. People therefore have no means of relating the assessed value of their property to any commonly-understood value system.

Although there will be many changes in the assessment system over the next few years, the Department of Municipal Affairs is immediately commencing a public education program that will explain the basis of the assessment system and provide guidance on many of the more frequently encountered problems occurring with the existing legislation. Pamphlets dealing with these issues will be obtainable from all municipal assessment branch offices, as well as from individual municipalities. In many instances, they will also be mailed out with assessment notices received by individual ratepayers.

The department has also committed itself to a total revision of the current Municipal Assessment Act. The act has been an evolving piece of legislation since the early 1900s, and has had so many band-aid amendments that it is exceedingly difficult for anyone to follow. Patchwork solutions will be inadequate to correct the problems currently identified both by the Legislative Committee and in the Weir Report. The procedure will be to take each of the major parts of the act and rewrite it in total as the reform process continues. Those areas where decisions have been made on reform measures will be revised first, to be followed sequentially by rewrites of other sections.

Finally, the administrative structure of the Municipal Assessment Branch is being reorganized to place the department in a position to implement assessment reform measures. There have been few changes over the years within the structure of the branch to enable it to keep up with increasing volume and the complexity of its legislative duties. As Manitoba's population and real property assessment rolls have grown, a greater need has developed for specialization within the assessment field.

Changes are being made in the Assessment Branch to accommodate this situation by the designation and

the management structure of position specifically designed to concentrate on computerization, building assessment, land assessment and public education programs. These changes will not involve new staff positions, but reorganizing of existing positions.

I should also point out that the drafting functions in the Assessment and Planning Branches in Winnipeg have been integrated to achieve greater cohesion and effectiveness. Some reassignment has taken place and two positions have been identified as redundant. Our personnel staff will be working closely with the Civil Service Commission to place these two individuals in other positions within the government. This integration will not affect drafting personnel in any of the branch locations of the department.

In concluding my comments on assessment reform, I want to assure all members and the general public that throughout this process of reform it is my intention to encourage frequent consultation with all Manitobans who have an interest in the subject. I would hope that over that period of time all Manitobans who pay municipal property taxes, either directly or through their rent, will come to have a serious interest in assessment and try to understand a complex issue so that reforms are understood as they are implemented.

I firmly believe that assessment reform must be a continuing process rather than a terminal result. We must recognize that changes have to continue and reflect altered circumstances and situations. Responsible assessment reform requires ability and willingness to respond to a continuing need for change. Municipal Services Branch therefore reflects an increase to accommodate additional staff specifically assigned to computerization as it relates to assessment reform. Members will recall that that Services Branch provides the computer services for the Assessment Program.

The Municipal Planning Branch shows a reduction of 1 percent where three vacant positions were eliminated. Considerable amount of detailed information is included in the supplementary material relating to municipalities in planning districts, the number of development plans in place or in preparation, zoning by-law information, and various other types of information relating to planning activity in the province.

The Provincial Planning Branch shows a slight decrease in costs with no reduction in staff. The overall result reflects a tightened dollar budget with no program elimination. I would invite members to note the greater breakdowns shown in Part 1 and Part 2 of the supplement on each of the expenditure items.

The information of a historical nature in Part 3 relates to programs and services provided by my department. Certain information relates to areas of traditional interest which flows from the services delivered. The department is traditionally functioned as a service mechanism assisting municipalities to provide a high level of service at the local level. The 1984-85 Estimates continue that approach to co-operative efforts between the province and the various municipalities which my department serves.

Before we begin the detailed examination of the Estimates, I would appreciate an opportunity, Mr. Chairman, to introduce the staff of the department who are here this evening. For those members who may not have met them they'll be coming forward to the side table here. Perhaps, as they come forward, I can introduce them.

First of all, my Deputy Minister, Gerry Forrest, who I believe all of you know; Ken Cameron, the gentleman with the beard that's been going greyer every year - the last few years, Ken is the Director of Administration; immediately behind Ken, Reg Robson, Municipal Services Branch; beside him, Bob Arbuckle, Deputy Director of the Assessment Branch; beside him, John Whiting, Director of Municipal Planning; and on the other side of the room, the fellow who is rubbing his hands together is our Director of Research, Bob Brown; and I think everyone knows Jake Reimer, Provincial Municipal Assessor.

MR. CHAIRMAN: In accordance, with customary practice in this Committee of Supply, the Chair now calls upon the leading opposition critic to present his remarks if he so wishes.

The Member for Virden.

MR. H. GRAHAM: Thank you very much, Mr. Chairman.

I note the opening statement of the Minister refers first to the local government and the job that is well done by the locally-elected members of the various towns, villages, cities and the rural municipalities and the LGD's. In my opinion, they are the people that are closest to the taxpayers and the citizenry of our province, and they are the ones that probably have the best understanding of the public relations that are so necessary between government and the electorate.

It's in that light that I noted, with considerable alarm, the start off of this present Minister in his role as the Minister of Municipal Affairs. In my time in the Legislature, I cannot recall of any time in my 15 years in the Assembly where there has been a movement on the part of the local governments to express their discontent and their malaise with the operation of the Minister of Municipal Affairs. In fact, I dare say, that never in the history of this province has that occurred before, so, I have to say that the Minister certainly made an impression when he started his tenure as the Minister of Municipal Affairs.

It was something that I never expected to see, but it has happened in this province, and I'll just make passing note of it. It indicates to me that there is a growing unrest in this province in the field of municipal politics with the operation of this particular branch. I think most of it probably lies in the field of assessment. I think it's only fitting and proper that in this particular year, that we should spend probably most of our time in examining the estimates of this department, dealing mostly with the field of assessment, because, that's the field where people have expected reform to occur, and we see no sign of it at this present time.

The Minister announced that he is settling up another series of information meetings and he's going to put out a public affairs brochure and a salesman's job, providing information to people. It would appear to me that in doing so, all he's trying to do is divert attention away from the fact that he's doing nothing in the field of assessment.

We realize that changes have to occur in assessment. It was only tonight when I was watching the news on the CBC, that I heard remarks, in fact they featured a story that dealt with the problems of assessment in the urban area, and while I am a rural member and

realize the difficulties of assessment in rural Manitoba, I suggest to you, sir, that the problems in the city are 10 times what they are in the province as a whole.

It is a great deal of concern to all of us, that we see no evidence of quick action taking place. It would have been my hope that the Minister would have announced some concrete changes as a result of the Assessment Review Committee's work. A work, which I suggest, was very valuable to this province, and here we are some three years after the initial report and the interim report and two years after the final report, and we see no evidence yet of the government taking any concrete action. Instead, we're going to have a complete review of The Assessment Act, which is perfectly okay, but, at the same time, we would hope that we would see a little more than just the review of The Assessment Act.

I suggest, Mr. Chairman, that the Minister must act, and must act quickly in implementing a program that will deal quickly with changes in assessment.

It's somewhat ironical that this province, in another jurisdiction, in the field of Urban Affairs has entered into a deal with the Federal Government and the City of Winnipeg where they plan on spending millions of dollars in the downtown development area of the City of Winnipeg, an area that is in decay. I suggest, mainly, one of the major reasons for that decay is the fact that assessment and reassessment has not occurred in that area. Where you find properties that are 5, 10, 15, 20, even as high as 150 times higher in assessment than they are in other parts of the city. I don't think that that can go on much longer without some urgent action being taken.

I view with some dismay the position that the Minister has taken and the lack of action that appears to be prevalent in his opening remarks.

I hope, when we get into the detailed examination that the Minister can give us some concrete evidence of definite action and a timetable of when these changes that are so vital are going to take place, because until it does the problems that we have are going to continue to magnify as long as the freeze remains in effect and we don't get any attempt at redressing the inequities that presently exist.

MR. CHAIRMAN: At this point in time, the Chair invites the members of the departmental staff to please come forward and take their respective places.

As is customary, we are deferring the consideration of the Minister's Salary under Item 1.(a) and we shall immediately begin with Item 1.(b)(1) and 1.(b)(2) relating to Administration and Finance, Executive Support, Salaries and Other Expenditures.

We are under Item 1.(b)(1) and 1.(b)(2) together, Executive Support, Salaries and Other Expenditures - the Honourable Member for Virden.

MR. H. GRAHAM: Mr. Chairman, this afternoon in the Assembly the Minister tabled for the use of members a folder that contained a pamphlet, an illustration of Supplementary Information for Legislative Review. I look at the cover, it looks pretty classy. I presume that to present, or to have one of those things printed, it would take a fair bit of time to design it, so it was obvious quite some time ago that the Minister had some

intention of giving us additional information. Was it by sheer happenstance that we got it this afternoon, two or three hours before we started into his departmental Estimates?

HON. A. ANSTETT: No, Mr. Chairman. I regret that the information was not available sooner. Decisions were made to provide this information after the Estimates Review, some time in March. I asked staff to prepare it. About two weeks ago I received the first draft of the information. It didn't provide enough information for honourable members in some areas and I asked staff to go back and put more information in, in certain areas. That delayed getting it into the House.

It was ready I believe just last Friday, we got it from the print shop. I didn't have it in time to go into the House at 10:00 a.m. last Friday. I didn't expect Attorney-General, and Highways to be expedited as quickly through the Estimates process as they were, and I do appreciate the efforts of the Honourable Opposition House Leader in expediting the Estimates and I regret that honourable members opposite didn't have it sooner. They could have had it two weeks ago, but it would have had less information than what is in it now.

MR. H. GRAHAM: On Pages 1-7, dealing with the Administration and Salary distribution, he presents a pie there but some of the figures are very blurred. Perhaps he could read it out, so that we could write down what is almost impossible to decipher.

HON. A. ANSTETT: Okay. Yes, the member will notice the budget and finance pie underneath Municipal Board - I believe the figure is 8.5.

MR. H. GRAHAM: What is that for?

HON. A. ANSTETT: The other one on the other side that is hard to read is Municipal Planning, 28.7. The first one was budget and finance, it's not 8.5, it's 3.5, Mr. Chairman, I stand corrected.

MR. H. GRAHAM: Budget and Finance, 3.5?

HON. A. ANSTETT: Yes.

MR. H. GRAHAM: And 28 . . .

HON. A. ANSTETT: 28.7 for Municipal Planning.

MR. H. GRAHAM: Thank you. I have no questions on 1.(a) or 1.(b).

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

1.(c)(1) Research and Salaries; 1.(c)(2) Other Expenditures - the Member for Virden.

MR. H. GRAHAM: Mr. Chairman, in the Research section, what percentage of that would be spent, if any, on assessment?

HON. A. ANSTETT: Mr. Chairman, the vast bulk of the research capacity is being dedicated to assessment research on the assessment reform package. It is the

principal assignment that the branch has. They do spend some other time, particularly in relation to a new assignment they've been given with regard to the reform of the police grant system for which we assume responsibility April 1st, and some other projects as assigned and they are handling some other projects at the present time. But I would say that certainly the bulk of their time, well in excess of three-quarters, is spent on assessment reform. That branch was responsible, for example, with the development of the green book, Impact Analysis that the Standing Committee had a year ago in January, and they're continuing to provide update analysis information on implementation of the Weir Recommendations.

MR. H. GRAHAM: Would it be 80 percent, 85 percent on assessment? Would the Minister care to hazard a guess?

HON. A. ANSTETT: I think my original figure of 75 is perhaps most accurate. Certainly three-quarters-plus of their time.

MR. H. GRAHAM: In that research, would some of that also go into the information packages - would they be researching the information packages that the Minister is planning on distributing?

HON. A. ANSTETT: Yes.

MR. H. GRAHAM: That's fine.

HON. A. ANSTETT: For the benefit of the Member for Virden, I should point out that the work on the information packages is being done both in administration and in research. The communication specialist in the Administration Branch also has a role to play in the design and development of the brochures.

MR. CHAIRMAN: 1.(c)(1)—pass; 1.(c)(2)—pass; Research: 1.(c)(1) Salaries, 1.(c)(2) Other Expenditures—pass.
1.(d)(1) Financial and Administrative Services: Salaries, 1.(d)(2) Financial and Administrative Services: Other Expenditures - the Member for Virden.

MR. H. GRAHAM: Mr. Chairman, I believe there is no change in SMYs, is there?

HON. A. ANSTETT: No, there is no change in Finance and Administrative Services.

MR. H. GRAHAM: We are facing a slight decrease in Salaries?

HON. A. ANSTETT: Yes, there is a decrease of \$5,900.00.

MR. H. GRAHAM: \$5,900.00?

HON. A. ANSTETT: 126.9 less - oh, sorry, on the total - that's only on clerical. On the total, it is more like \$14,000.00.

MR. H. GRAHAM: That decrease, would there be some staff who have retired, and junior people have moved in?

HON. A. ANSTETT: I believe the major reason for the change is the 27th pay period being lost this year.

MR. CHAIRMAN: 1.(d)(1)—pass; 1.(d)(2) Other Expenditures—pass.

We are now proceeding to Item 2.(a), 2.(b) Municipal Board, Salaries and Other Expenditures - the Member for Virden.

MR. H. GRAHAM: Mr. Chairman, can the Minister provide us with some of the activities of the Municipal Board and the accounting of the number of cases that are still before the board, the number of cases that have been handled by the board and those that are still open?

HON. A. ANSTETT: Mr. Chairman, the board report was tabled in the House within the last month which contained all of that information. I'm sorry, I don't have a copy here this evening. I can get that information for the member, or get him an additional copy of the report if he's misplaced his, but that did comprise a complete synopsis of cases and by case type: those completed, those pending, those awaiting disposition in some other way.

MR. H. GRAHAM: Perhaps I have mislaid it then.

HON. A. ANSTETT: I would be happy to get the member another copy.

MR. CHAIRMAN: 2.(a) - does the Member for Swan River want to say anything on this item?

MR. D. GOURLAY: Mr. Chairman, I notice there is a reduction here of almost \$10,000.00. Does the Minister expect that there will be less hearings for the board this coming year, or why would this be shown as a reduction?

HON. A. ANSTETT: I think the member will note that the total reduction is reflected in the salary total, although the expense total changes are very marginal. The bulk of the \$10,000 is in the salary figure, and that again reflects the absence of the 27th pay period.

MR. CHAIRMAN: 2.(a)—pass, Municipal Board, Salaries; 2.(b) Municipal Board, Other Expenditures—pass.

Resolution 113: Resolved that there be granted to Her Majesty a sum not exceeding \$299,300 for Municipal Affairs, Municipal Board for the fiscal year ending the 31st day of March, 1985—pass.

Proceeding, Item No. 3.(a) Municipal Budget and Finance, Salaries; 3.(b) Other Expenditures; 3.(c) Grants to Municipalities in Lieu of Taxes; 3.(d) Urban Transit Grants; 3.(e) Centennial Grants; 3.(f) Police Services Grant - the Member for Virden.

MR. H. GRAHAM: Mr. Chairman, dealing with Grants to Municipalities in Lieu of Taxes, I notice there are two areas where there seems to be a significant reduction. One is in Keewatin Community College where we have a reduction from \$220,660 to \$195,825.00. Could the Minister explain the reason for that reduction?

HON. A. ANSTETT: Mr. Chairman, I would point out this is not a reduction in the grants for the current year, but was a reduction in the grant for Keewatin College to the Town of The Pas - did some of that go to the LGD? - all to the Town of The Pas for last year over the next preceding year. We don't have the '84-'85 figures, because all mill rates are not struck and all grants paid at this point. I understand that would be a reflection in that year of either assessment or mill rate changes which would possibly flow from a reassessment which would apply to the school division there and create a restructuring in the grant obligation.

MR. H. GRAHAM: Could the Minister then give the general education and school tax levy for The Pas for the years, '82-'83 and '83-'84?

HON. A. ANSTETT: Mr. Chairman, I don't have that information with me tonight, but I can provide that information, both the school and municipal mill rates for the Town of The Pas for those two years. I suspect, Mr. Chairman, that what the member will find, and I can verify this as well, is that the Minister of Education provided some, I believe it was, between \$14 million and \$16 million in additional funds for the Education Support Levy directed at school divisions with the lowest ability to raise taxes in terms of their assessment ratio per pupil.

I know the Kelsey School Division was in receipt, on a percentage basis, of more funds than many other school divisions in the province, and the receipt of those additional funds would probably have created an offset there. So I'll try and provide both comparative information for the special grants from the Education Support Levy as well as the mill rates for the last two years.

MR. H. GRAHAM: Well, Mr. Chairman, maybe I should be going into the other committee and asking those questions in there. It's rather unfortunate that education is sitting at the same time as we're dealing with this, but I hope the Minister will give us that information as soon as possible.

I would ask him then for the information also on the Gimli Industrial Park. Could he give me the reason for the reduction in grants in lieu of taxes on Gimli Industrial Park?

HON. A. ANSTETT: I believe that particular part of the province was reassessed during that same period. I suspect that that reassessment would be reflected in the Evergreen School Division levy, which then would show a reduced share for the R.M. of Gimli in the Evergreen School Division, which then reflects a lower grant in lieu requirement for the Gimli Industrial Park which is in that portion of the school division. I don't believe there would be much found assessment in the Gimli Industrial Park, so its relative position to the overall school division assessment would reflect a reduction.

MR. H. GRAHAM: Is the Minister prepared to provide us with detailed information on it?

HON. A. ANSTETT: Oh, certainly. Mr. Chairman, I'm happy to provide as well the mill rates for the the R.M.

of Gimli for 1982-83 and 1983-84, as well as a departmental explanation for the drop in the grant.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Chairman, reference was made in this section to the urban transit or transportation grants. Do they flow from this department? If so, can he indicate what this year's grant to the City of Winnipeg, City of Brandon, and is there another urban center that received assistance through this department?

HON. A. ANSTETT: Mr. Chairman, the grants from the Department of Municipal Affairs do not affect the City of Winnipeg - those grants are provided by the Department of Urban Affairs - but the grants to Brandon for 1984-85 will be \$508,835, up from \$424 in '83-'84; to Thompson \$81,692.00.

Mr. Chairman, if the member is writing perhaps I could refer him to Page 35, Section 3, Page 5, under the heading Urban Transit Grants of the supplement, which I believe he has in front of him. If the member doesn't have the supplement, I will provide him with an additional copy.

The grant for Flin Flon just for the record then is 68,673, up from \$65,000.00.

Those are the figures for this year with the historical comparison for the last two previous years.

MR. H. ENNS: Mr. Chairman, the policy that this government has pursued in extending this kind of assistance in transportation to the City of Winnipeg has always been accompanied with a direction as to where the city ought to buy their means of transportation; namely their buses.

Does the same apply in the assistance being forwarded to these municipal corporations? Does the Department of Municipal Affairs tell them where to buy their buses?

HON. A. ANSTETT: No, Mr. Chairman, we don't tell the municipalities where to buy their buses, but we do encourage them to provide economical mass transit for the citizens and their jurisdictions. We provide these grants to enable them to do so and as an encouragement to them to do so.

MR. H. ENNS: Mr. Chairman, it's against our rules to encourage divisiveness between Ministers.

I'm just trying to remember who the Minister responsible for Urban Affairs is. But the question that I have is that when the City of Winnipeg is seeking support from the Provincial Government for similar purposes, for transit purposes, the government I think - I could be corrected, maybe I'm not addressing my remarks to the right Minister - but usually a pretty hard condition is attached that they must indeed buy those purchases from the government-owned bus manufacturing company.

I'm wondering, Mr. Chairman, whether this particular Minister just takes a more liberal attitude towards where municipal corporation can buy their buses or whether this Minister simply decides to accord municipal corporation with a greater degree of confidence with

respect to how they should, in the best interests of providing that service to their citizens, why it would be that one department of government is prepared to make, and I would suggest to say similar if not even higher proportions grants relative to numbers of people served than when these grants are being made to the communities of Brandon, Thompson, Flin Flon? Why a policy of government of merely encouraging them to provide, as the Minister says, public transportation for its citizens, where a sister department in dealing with the same business, same item, buses, mass transportation, but will not provide that kind of assistance unless the receiving municipal corporation does as it is told by a wilful government?

HON. A. ANSTETT: Unfortunately, the member is operating on somewhat dated assumptions. I recall the concern he expressed being raised by him and some of his colleagues in the mid '70s.

The member would certainly be aware because he was a member of a government that got involved in a program called the Urban Transit Assistance Program, sponsored jointly by the provincial and federal governments, and part of the conditions of the UTAP Program from which these grants flowed in previous years, '82-83, and '83-84, was a requirement that the best tender be accepted. Certainly, the Province of Manitoba - and I'm sure that this government would be no different than the previous administration - encouraged local municipal governments, whether they be under the jurisdiction of my colleague, the Minister of Urban Affairs, the Member for Kildonan, or under myself, or my immediate predecessor, or the Member for Swan River, would have encouraged those municipalities to purchase buses from a local supplier, but certainly under the UTAP Program the kind of discriminatory preference to which the member alludes was not applied. I can certainly tell the member it will not be applied under the grants that flow this year under my department.

MR. CHAIRMAN: The Member for Virden.

MR. H. GRAHAM: Mr. Chairman, dealing with the Urban Transit Grants. I note that all grants are made by Order-in-Council. There doesn't seem to be any set criteria or is there a set criterion for measuring the amount of grant to be made?

HON. A. ANSTETT: Mr. Chairman, the Urban Transit Grants are geared to the operating deficit of the transit facility within the jurisdiction. There are only three jurisdictions outside the City of Winnipeg who operate public transit, mass transit systems. Those are the three listed in the appendix and we pay what we estimate to be 50 percent of the loss in their program. However, this year we have pegged the increase and they have been advised, and hopefully will adjust their operations with regard to transit appropriately; those increases have been pegged at 4 percent. That is the historical basis for establishing the level of grant, although this year it has been pegged to a specific percentage increase.

MR. H. GRAHAM: Mr. Chairman, I believe it's quite well known through the local media and other sources,

radio and that, that the City of Brandon has had rather significant losses in their transit program and have taken steps to try and minimize their losses in that field. Can the Minister tell me that the grant this year is still on a 50-50 basis or within 4 percent of a 50-50 basis?

HON. A. ANSTETT: No, Mr. Chairman, for the information of the Member for Virden, we have always encouraged municipalities to provide good mass transit. Certainly, cutbacks in service for the express purpose simply of reducing an operating loss which is a chronic problem with mass transit, particularly in smaller centres, is not something that we would encourage. Therefore, the grant pegged for this year has been one which may, if the city is successful in reducing its operating loss, be somewhat higher than the 50 percent margin.

I think members should also be aware though that since the UTAP Program has been discontinued and the joint federal-provincial subsidy for the purchase of new buses has been ended, the province has decided to continue a full 50 percent bus purchase grant. The member will note that the information on Page 3-4 indicates that not only will we continue that support, but will continue it without the federal assistance that was previously available. So, if anything, the province has increased its commitment to mass transit in the three centres that are listed.

MR. H. GRAHAM: Mr. Chairman, the grants then are based purely on purchase and not on the utilization factor, is that correct?

HON. A. ANSTETT: No, Mr. Chairman, there are two different types of grants. One is a Transit Bus Purchase Program which is a replacement for the UTAP Program which has now expired, and the province is making unilateral commitment to provide support for those bus purchases, and that is in addition to the normal transit grants which are a support grant based on 50 percent of operating losses.

MR. H. GRAHAM: So the combined grant by the City of Brandon this year will be \$508,835; could the Minister give a breakdown on how much is for purchase and how much is for operations?

HON. A. ANSTETT: Mr. Chairman, the grants are not combined. The Urban Transit Grant is the figure the member mentioned - \$508,835.00. That will be the subsidy.

The budget also provides \$150,000 for bus purchases which will be over and above the transit subsidy. It's, of course, up to the municipalities to make the decision whether or not they wish to take advantage of this incentive to renew their fleets.

I should point out to the honourable member that the grant to the City of Brandon received the same increase as the Cities of Thompson and Flin Flon on the assumption that the City of Brandon was anticipating an increase in their operating deficit because of expanded service and a schedule change to run on the half hour during the day. Now the member's information that some cutbacks have now taken place in this expanded service may well affect the deficit, but

the commitment to have this amount of grant available has been made and the city is aware of it.

MR. H. GRAHAM: I believe that the bus services that were cut out were subsequently reinstated after significant public protest; I believe it's back in. The \$150,000 comes over in the last item, I believe. Does that \$150,000 apply to all three centres or is it specifically for one?

HON. A. ANSTETT: Essentially it only applies to Brandon because Brandon would be the only centre renewing their fleets.

MR. CHAIRMAN: 3.(a) Municipal Budget and Finance, Salaries—pass; 3.(b) Other Expenditures—pass; 3.(c) Grants to Municipalities in Lieu of Taxes—pass; 3.(d) Urban Transit Grants—pass.

3.(e) Centennial Grants.

MR. H. GRAHAM: Hold it, Mr. Chairman, under the Centennial Grants, could the Minister provide - it may be in his summary here - oh yes, it does provide the rural municipalities that were served last year and this year. It would appear, without doing any count, that there are certainly as many rural municipalities, probably more, this year while there may be fewer towns and villages. I notice there's quite a significant drop in the total grants. Is that because of the size of the municipalities involved?

HON. A. ANSTETT: Mr. Chairman, actually it's the opposite. It's an increase in the grant from \$66,426 to an Estimate of \$100,000.00. The reason for that is that the grant is strictly based on \$2 per capita, and the population total for the municipalities celebrating this year is approximately 50,000 whereas last year it was about 33,000, and it's purely reflective of that. So that's an increase that we weren't able to hold across the board, strict guidelines on increases in the neighbourhood to 3 to 3.5 percent.

MR. H. GRAHAM: Well, then the figure that appears in the expenditure book, our Main Estimates, of \$140,000 is an error? Is that correct?

HON. A. ANSTETT: Mr. Chairman, I would draw the member's attention to Page 39 and the summary of expenditure information. Last year the department estimated \$140,000 for centennials, so the member is correct that last year's estimate of \$140,000 is higher than \$100,000.00. But the actual expenditure last year was only \$66,426.00. I can't explain but I could find out why last year's estimate was so far off.

Mr. Chairman, I have received a very reasonable explanation. We don't know necessarily when a municipality will choose to celebrate because they have the option of choosing to celebrate their centennial either on their settlement date or their incorporation date. As the honourable member knows, those two dates can be several years apart.

MR. H. GRAHAM: Well, Mr. Chairman, if I may be allowed to take a rather parochial view at this particular point in time, I do want to bring to the Honourable

Minister's attention that in the constituency of Virden, which I have the pleasure of representing at the present time, we do have the Rural Municipality of Strathclair, we do have the Rural Municipality of Wallace, the Rural Municipality of Birtle, the Rural Municipality of Shoal Lake, and possibly the Town of Birtle, as well as the Rural Municipality of Hamiota. They will all be celebrating their centennials this year and I invite all Members of the Assembly and all people of Manitoba to come and join in the centennial celebrations that are taking place in the constituency of Virden this year. I assure you that the hospitality will be excellent and you will be well received and we hope that everyone will enjoy the time they spend at those centennial celebrations.

At the same time, if I may impose on the Minister of Municipal Affairs, I know the requests that have been made of me as the sitting member for little pins and flags and things of that nature to help in these festivities far exceeds the ability of an MLA to supply them all, so if the Minister has anything hanging around in his office or in the back corner, I may be imposing on him for additional assistance.

HON. A. ANSTETT: Mr. Chairman, I appreciate that the costs of celebrating centennials, usually born by the magnificent groups of volunteer committees in the local communities, sometimes do run in excess of the allotment and through fund-raising projects, banquets, the community manages to, combined with the help the department provides, have one heck of a grand celebration of their centennial. If there are any communities in the honourable member's constituency that find that the cost of provincial souvenirs is going to be beyond their budget and they would appreciate receiving flags or pins from the Minister of Municipal Affairs, I would ask the honourable member to refer those requests to me and I would be happy, when I go out to visit, and present the centennial plaques and grant cheques to those municipalities to take along some of those mementoes as well.

MR. H. GRAHAM: Mr. Chairman, I appreciate the sentiments of the Minister, but I assure you that it takes a great deal of planning to put these affairs in place and I would hope that he would have the courtesy of sending the pins and the flags approximately two weeks before the affair is official, so they can do their necessary planning and have everything in place for the grand celebrations.

HON. A. ANSTETT: Mr. Chairman, I appreciate the injunction of the member on behalf of his constituents. If he'll refer the requests he receives, I'll see that they're taken care of well in advance of the event.

MR. CHAIRMAN: 3.(e) Centennial Grants—pass.
3.(f) Police Services Grant - the Member for Virden.

MR. H. GRAHAM: Mr. Chairman, I note that this has normally, I believe, fallen under the jurisdiction of the Attorney-General and we see it being transferred to Municipal Affairs this particular year. I would like to ask the Minister why that change has occurred?

HON. A. ANSTETT: Mr. Chairman, the primary reason for the change was that it seemed to make more sense

to have the department which deals with most of the grants direct to municipalities - grants in lieu of taxes, etc., and services grants - administer this program as well. It was also apparent that there were problems with the program and that it seemed more appropriate to have a ministry that was at arm's length from the RCMP deal with a review. I have set up an ad hoc committee consisting of representatives of the department and the Attorney-General's Department, where we'll have an ex officio representative to provide advice, and also representatives of the Union of Manitoba Municipalities and the Urban Association to do a review of the whole police grant formula.

For the time being, my department will continue to administer it until we come up with a better way, hopefully, of addressing what is a source of aggravation to some levels of local government because of the disparities in the current program.

MR. H. GRAHAM: Well, Mr. Chairman, I think maybe the Minister understated a point or two there, when he said that it may be a source of aggravation. I think that there's a genuine concern on the part of most municipalities, and particularly some of the towns and villages, about the whole contract with the RCMP and the provision of services. I would think that the Minister would be paying attention when you see items appearing in the various newspapers where, for instance, I believe it was just last week, the Town of Melita and that community of Melita was in the news once again concerning the whole area of policing. I would hope that there is probably greater concern expressed by this government with respect to the cost of policing.

It now appears that there are several municipalities who have used the RCMP in the past and are now taking a look at some alternative, mainly because the cost of the RCMP service is getting out of hand and beyond their ability to adequately finance. I would hope that the Minister would prevail on the Attorney-General to take a complete look at the policing services in the province, and the total cost that is becoming quite burdensome on some of the local councils.

HON. A. ANSTETT: I appreciate the sentiments expressed by the Member for Virden. I thought I expressed my deep concern by identifying the sentiments of local government as being those of serious aggravation. The member didn't think they were strong enough, and suggested that there was real, genuine concern out there. I won't quibble with him about whether or not serious aggravation is a stronger or weaker term than genuine concern. There is absolutely no question that there's a problem.

That problem has been brought to a head over the last three or four years by the police services agreement respecting the RCMP, on which negotiations were begun by his colleague, the present Member for St. Norbert, as Attorney-General, and which was one of the first official documents signed by my colleague, the present Attorney-General, the Member for Fort Rouge.

That document was not something we signed willingly. In fact, we stated that the withdrawal of fiscal support for police policing in Manitoba through the RCMP contract was something that we agreed to under duress. We appreciated the opposition's support at that time,

as we do now, for our position and for their position when they were government that this withdrawal of federal RCMP funding was certainly going to have a negative impact and shift an unfair burden onto local taxpayers.

I'm sure the member is aware that the shifting of this burden will continue in progressive increments over the next several years. It was primarily due to that continuing change and continuing increasing of the liability of local ratepayers that I asked that this special committee be formed. The honourable member would also be aware that the rural municipalities have indicated a willingness to look at the problem. They also are aware of it.

The Urban Association passed a resolution advocating a review at their last convention. The Rural Association essentially had a motion which would have requested the government to leave the formula the way it was, not make changes, and they tabled that resolution, recognizing that this was a problem that had to be addressed and might well mean that rural municipalities who have not so far assumed any of the responsibility for RCM Police costs in their areas might well have to carry some of that burden in the future.

So this is something that the Provincial Government and my department in co-operation with both municipal associations are going to review. We realize it's a serious problem situation, not only in Melita but in The Pas, Winnipeg Beach, the list goes on. There are a lot of small towns and centres who are increasingly facing burdens that for the local ratepayer represent a substantial portion of the municipal service mill rate. We are prepared to examine that situation to see if that policing financing load can be more equitably distributed.

MR. H. GRAHAM: Mr. Chairman, I raise the matter because I know the expressed intent of this government was to follow a course of co-operative federalism. In their negotiations which they conducted with their so-called Wish List a year ago, they have, in fact, made - what shall I say? - gloating remarks about their success. So if they're so successful in that field, I hope and I earnestly hope that they will have some success in the field of probably a better deal with the Federal Government with respect to police services.

At the same time, I would ask the Honourable Minister of Municipal Affairs to review the report of the Liquor Control Commission, and its report on traffic violations where we find that the amount of money that was accruing to the provincial coffers through traffic violations under The Liquor Act was 10 times greater in rural Manitoba than it was in the City of Winnipeg. Even though the majority of the population of the Province of Manitoba resides in the urban area of Winnipeg, we find that in the field of violations under The Liquor Act, the policing seems to be - should I say 10 times greater in rural Manitoba than it is in the city? This does not lead to a feeling of confidence in the police force of the province as a whole when you consider that there are some jurisdictions have their own police force such as the City of Winnipeg, the City of Brandon and some municipalities. It appears that the law is being unevenly applied in certain areas in the province.

HON. A. ANSTETT: Mr. Chairman, I have to with respect reject out-of-hand the suggestion that in any way the provisions of The Liquor Act are being unevenly applied. I can only suggest that there might be some logical explanations. I think that the place to ask those questions is during the Attorney-General's Estimates. Since they are already complete, I'm sure the member could make a private inquiry of the Attorney-General for an explanation.

I know that question has been asked during Estimates in the past. I think the explanation will remain the same, that persons in an urban area with access to other forms of transit, car pools, taxicabs, do not face the same obligations to get home from social occasions where they may be imbibing spirit alcohol. Mr. Chairman, I think what we're really looking at here is not an incidence of rural people drinking more or being caught more. I think what we're looking at is a fact of rural life in which travel on patrolled highways is required. I think, if anything, the report indicates a need for greater caution on the part of rural residents.

I'm certain that the honourable member is not suggesting by his comments, that there's too much policing in rural areas, because, if he is, the information I've received from many rural people is that the level of policing in many parts of the province is inadequate. Certainly, that's one of the complaints of Mayor Ken Carels, the Town of Melita, and one of the reasons they're examining the question of instituting their own police force. I think there are explanations other than the level of policing in rural areas or any suggestion that there is a greater level of enforcement of Liquor Control Act violations in rural areas. I don't think the member is suggesting that, but I wouldn't want it on the record that his remarks could be interpreted that way.

Mr. Chairman, with regard to the question of Co-operative Federalism. I have to remind the honourable member, that most of the negotiations, if not all of the negotiations, respecting the policing fiscal arrangements for the RCMP and the Government of Canada, were undertaken while members of the official opposition were in government, that those obligations for new physical arrangements were made with every government in Canada. Manitoba was no exception. Mr. Chairman, they were a sign of a national policy by the Federal Government with regard to the RCMP which was reflective of their desire to move away from conventional traffic Liquor Control Act, and other types of policing and to encourage local jurisdictions to either pay for that themselves, using the RCMP up to a very high percentage of the total cost, or get involved in policing on their own at their own expense.

Certainly, the experience of jurisdictions like Ontario and Quebec, where provincial police forces provide most of that type of policing, was a strong inducement on the Federal Government to shave some of their costs with regard to providing policing in other jurisdictions. My understanding is that on a comparative basis provinces outside of Quebec and Ontario which use the RCMP for provincial policing purposes still have a lower per capita policing cost as a result. That doesn't in any way allow us to shrink away from our obligation to deal with these increased costs, but, I point out to the member that from a spirit of co-operative federalism, it certainly is only fair that the Federal Government

provide the same level of service throughout the country. That's an essential component of co-operative federalism, something which operates in all income, transfer and equalization payments, whether it be Medicare or Police Services.

MR. H. GRAHAM: I believe the Honourable Minister probably wishes to take a slightly different twist to what I said about co-operative federalism. What he has said about the agreement that is presently in effect, was the very reason why I raised the issue of co-operative federalism, because I believe the agreement that was signed was not signed in a co-operative manner. In fact, I think every province expressed quite strongly their opposition, and it wasn't a co-operative agreement that was arrived at. I think it was probably, could more properly be called a unilateral agreement that was put forward, and that's why I stressed when this government so strongly believes in co-operative federalism, I would hope that maybe any further negotiation on the existing contract would be done in a co-operative manner rather than a unilateral manner.

HON. A. ANSTETT: Mr. Chairman, I can't agree with the Member for Virten more. There's absolutely no question, and I said so in my response to his first question, the agreement was signed under duress by the present Attorney-General, the negotiations with his Attorney-General were under duress as they were with every other jurisdiction. I point out to the honourable member that part of the spirit of co-operative federalism is that the benefits of federal tax expenditures be shared reasonably equitably across the country. That certainly was a motivating factor in what the Federal Government did. I don't defend that decision, in fact I think it was wrong. I think the support for RCMP policing in terms of the financing arrangement we had previously was a superior arrangement. I only point out that the changes were made on a premise of equity by the Federal Government. That still doesn't make them right and I would in no way defend them, but, to use the words "co-operative federalism," I have to say that they certainly were in that spirit in terms of the principles of co-operative federalism as we espouse them.

MR. CHAIRMAN: 3.(f), Police Services Grant—pass.

Resolution 114: Resolved that there be granted to Her Majesty a sum not exceeding \$24,019,100 for Municipal Affairs, Municipal Budget and Finance, for the fiscal year ending the 31st day of March, 1985—pass.

Item No. 4.(a), Municipal Assessments, Salaries, along with 4.(b), Other Expenditures - the Member for Virten.

MR. H. GRAHAM: Mr. Chairman, I think this is the area where we will probably spend a fair degree of our time, and I think it's only fair and fitting and proper that it should be spent in this field, because it's the No. 1 that is facing municipal government in the Province of Manitoba. I would also think that it is probably a problem that isn't unique to Manitoba, that it's also a serious problem in other jurisdictions as well. However, we are dealing with the affairs of the Province of Manitoba, here, and I would hope that we could have a pretty fair discussion at this time on the assessment

practices of the province and I would hope that before we're finished the Minister would give us some indication of when we can expect the present freeze to be lifted.

I can assure the Minister there are literally thousands of people in the Province of Manitoba who are waiting, some with bated breath, some in sheer desperation and exasperation, to find out when the province is finally going to do something with assessment and the freeze that is presently in effect which, as years go on, rather than minimizing the problems, greatly magnify them. The longer the freeze stays on, the worse the problem is going to get.

So I would ask the Minister to make a few comments, if he can give us any indication of what direction he's going and how fast he's going to get there.

HON. A. ANSTETT: I couldn't agree with the Member for Virden more. I don't think there is any question that the longer the assessment freeze is on, the greater the distortions that are occasioned by an inequitable assessment will continue, in fact, and possibly greater distortions incurred because of the freeze. I don't think there is any question about that.

But I think the honourable member's colleague, the Member for Swan River, would also concur that there is another side to the coin. The reason for the freeze was not to freeze the rights of individual ratepayers to go to Court of Revision, which they continue to do, to straighten out local inequities with regard to their own particular assessment. The reason for the freeze was not to prevent reassessment from taking place, which has continued to take place. The member will see in the schedule - I'm trying to find the exact place - but the lists of proposed reassessments, Exhibit 14, Page 3-23 for 1984, '85, '86. All of those things are proceeding apace.

So some equity in terms of updating the rolls and reducing the time period, the time lapse between reassessments is occurring. I think that's positive. That takes place in the context of the freeze. So although we have frozen values at a particular time, we are updating all values to that point. So I think that's valuable.

In the same context, and the member didn't ask this but I think it's relevant, the Supreme Court decision last December 13th, I believe, with regard to Morguard Properties in the City of Winnipeg is also reflective of a similar decision. That now allows Board of Revision activities to proceed apace in the City of Winnipeg, and they're doing that. The recent decision with regard to the Hotel Fort Garry from the Board of Revision is reflective of that.

We are throughout the province bringing up to date on the most current possible basis with manual techniques assessment values to 1980 values. With the City of Winnipeg, we've initiated contacts to hopefully standardize procedures there so the same thing can happen with the City of Winnipeg Assessment Office.

So I'm not sure that I would describe the freeze as in itself creating greater inequities. In fact, it is allowing in some ways some breathing time. I'm not sure that breathing time will go on much longer and to that, I agree with the member. Since it won't go on that much longer, we have to address how long the freeze can

be in place. Certainly the freeze must come off as soon as we're ready to implement assessment reform. There is absolutely no question about that.

I would hope, since a major component in the freeze is the City of Winnipeg assessment, that we could see the City of Winnipeg assessment brought up to date. I think that's an important component. As well, I would hope that computerization for the province and we're moving and taking a great leap forward, I trust, this year with the addition of four new staff members which is a major commitment on the part of the department to computerize for the balance of the province. Hopefully, those in combination will bring us to the point where we can address the inequities in equalization, both within the non-urban part of the province between various school divisions and municipalities within school divisions. This has been exacerbated by the Education Support Program which was based upon those inequities. I don't fault the previous government for having introduced it. I think it was an attempt to address an education finance problem, but certainly it was compounded by the inequities in equalization. I think that is one of the things that has to be addressed.

To implement full assessment reform, we have to address some of the recommendations made by the Weir Committee. One of the most significant and perhaps, I hope shared by all members of this committee, important recommendations was that there should be no shift between classes. If we are to assure that shift does not take place, then we need to know exactly what the impact of bringing on previously exempt classes of property onto the rolls will be.

I would not be prepared to take a recommendation to the Legislative Assembly for changes in the legislation or to Cabinet for proclamation of Bill 105 of last year with regard to classification and portioning until we know what the impact of bringing this new assessment onto the rolls will be. To ensure that, when farm residences are brought on the roll, that the credit for the payment into the farm category goes into the agricultural or farm category before those residences are moved into the residential category for tax purposes.

So there is a great deal of research and analysis yet to be done, both in bringing everything up to date and dealing with the equalization problem, and in addressing the question of currently exempt dwellings and outbuildings, and exemptions in other categories.

As I have said to many people who have asked me publicly and on public platforms since I assumed responsibility for assessment reform, I don't intend to jump into that water until I know how deep it is, and I don't intend to go over my head and I don't think the Member for Virden wants to jump in with me. I don't think either of us could swim in that water if we weren't prepared to find out first how deep it was. I think that's the real danger of assessment reform if we move too quickly and don't know where we are going. I think the honourable members would be the first to say to me, well, you've brought in this legislation. You have introduced these reforms. You've proclaimed Bill 105 from last year. What's the impact going to be on the tax bills next year? If you didn't ask me that this year, you would be asking me that during Estimates next year.

Hopefully, after the fall of 1985, I will be able to share with all honourable members and with the public the

specific analyses showing what the impact of implementation will be. I don't expect the freeze to come off until we're able to do that and to be able to implement those reforms, particularly as they relate to equalization. That's an important component, because it is the disparity that currently exists between the City of Winnipeg and the balance of the province.

That's a long and complex answer to a simple question, when's the freeze coming off, but I hope the honourable member appreciates that it is a very complex question.

MR. CHAIRMAN: The Member for Swan River.

MR. D. GOURLAY: Thank you, Mr. Chairman. Carrying on in this same area with respect to the implementation of the new assessment system as recommended by the Weir Commission, the Weir Commission outlined two alternatives that might be followed, either Alternative 1 or Alternative 2. I'm just wondering with respect to the Minister's comments just now, I'm not sure just which alternative that he is following, or is he following either one of these as outlined by Mr. Weir?

HON. A. ANSTETT: Just to clarify the Honourable Member for Swan River's question, are you referring to the time frame comments for implementation?

MR. D. GOURLAY: Yes.

HON. A. ANSTETT: Mr. Chairman, obviously neither time frame is being followed in the current context, because the report proposed that legislation be introduced at the Session in which the report was tabled. The timetable that was proposed by Mr. Weir and his colleagues on the committee required legislation in the spring of 1982. We're now in the spring of 1984, so we're two years behind the implementation schedule proposed in the M.A.R.C. Report under either alternative.

It is my proposal, and I have asked staff to move ahead with the computerization which is an essential component of that implementation, as quickly as possible, and that is being done. Extra staff resources have been dedicated to computerization, as I mentioned, and were dedicated last year by my predecessor, the Minister of Government Services, to enrolling farm residences and farm out buildings. So, that work is being done and that is being expedited.

It would be my hope, but I wouldn't predict, that we may recover some of the lost time over the last two years in terms of doing the analyses and updating that wasn't particularly anticipated. The honourable member will recall that there was some concern expressed during the hearings that the portions proposed by the M.A.R.C. Report, 16, 15 and 8, for other residential and farm respectively, may not necessarily have been accurate, and it's since been determined that they probably aren't, but we won't know that until we have full information.

I don't think the honourable member would want us to adhere to a schedule which prevented us from setting the portions so that no shifts took place. I don't have that information, my department doesn't have it, and I don't expect it for probably the best part of a year-and-a-half. Hopefully, we'll have the computer systems

in place to the point where we can do that analysis fairly quickly when all the information is available.

MR. D. GOURLAY: Apart from the time factors in these alternatives that were suggested, would the Minister care to indicate whether one or the other alternative has been followed, even though the time frames as suggested here are sort of obsolete at this point?

HON. A. ANSTETT: Mr. Chairman, basically I'd say we're closer to alternative 1, and the principal reason we are is that alternative 2 proposed a factoring up - I refer to the honourable member to Page 255 of the M.A.R.C. Report. That factoring up under the reports analyses suggested that there would be inequities if that were done, but they suggested those inequities would not be any greater than those that exist in the current system.

Our review and analysis after receipt of the report indicated that those inequities might well be just as great or compound the problem and we felt that a more accurate assessment of the impact and of the necessary information we required to implement the changes should be had, and that the credibility of assessment reform would suffer, and that we would have difficulty implementing assessment reform therefor if we compounded the errors.

I don't fault, in any way, the committee for making that recommendation, that it was possible to go that route because they didn't have access to the information which told them that there may be greater inequities flow from, I guess what you might call an elementary factoring pending receipt of the more accurate roll information. We feel it's more important to go with the accurate roll information and basically get it right the first time. On that basis, we are a little closer to alternative 1.

MR. D. GOURLAY: Thank you, Mr. Chairman, did I understand you correctly or hear you correctly, Mr. Minister, that you feel it'll be another year-and-a-half before sufficient information is gathered to proceed with the various factoring percentages?

HON. A. ANSTETT: Yes, Mr. Chairman. I should point out that, in terms of the two alternatives, one point I forgot to mention, is that both alternatives require full computerization, so the actual time difference would not be that great in terms of final implementation. I think that's an important point to make, that in the scenario in which we're moving on assessment reform now, the time difference at the end of the two alternatives would be marginal.

With regard to farm building assessment I would refer the honourable member to Table 329 in the supplement which indicates those areas which have all exempt buildings assessed, both residence and outbuildings, exempt farm residences only assessed, and no exempt farm buildings assessed at all. It gives an indication that we've made a great deal of progress in the last two years and, I think, staff are to be complimented for that.

It also shows that those areas where we would expect a large number of exempt buildings to be located are still yet to be done and the estimated date of completion

is September, 1985. So, that's approximately a year-and-a-half.

MR. D. GOURLAY: Just for clarification on the Supplement 3-23, it lists the Reassessment Program for 1984, and includes the Swan River area, RM of Minitonas, RM of Swan River, LGD of Mountain. The RM of Minitonas and the RM of Swan River were reassessed in the last three years, but you have them shown here as being reassessed again in 1984?

HON. A. ANSTETT: Yes, Mr. Chairman, thank you. I point out to the honourable member that those three Swan Rivers, the only thing that's being assessed in the Reassessment Program for this year is exempt farm buildings and/or dwellings. So, if the member refers to the map 329, he will see that the RM of Minitonas, the LGD of Mountain are in the exempt farm residences only assessed, so I would assume, on that basis, and I can confirm that with staff, that what will take place in those two RM's is assessment of currently exempt farm outbuildings.

MR. CHAIRMAN: The Honourable Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Chairman. The Minister indicated that in the Computerization Program there's going to be four additional staff brought on to, I believe in his words, to implement the computer program. Would it be necessary after the computerization has taken place to keep an additional four on staff in the Computer Program, would that be continuous?

HON. A. ANSTETT: Mr. Chairman, yes it would. The program initially is Systems Development, but then there would be continued development of the system and operation of the system. In fact, I would think we will need more people on that side eventually but, I think, we will be able to run, at that point, a completely up-to-date annual assessment program. So, what we will have is a much superior assessment system with probably the same number, or perhaps if everything clicks, perhaps fewer assessors in the field and more people at the computer end. Now I can't predict that for three or four years down the road, but that's a reasonable assumption, that we would not need to be doing as many constant reassessment programs, may need a program of spot checks on the ground, that sort of thing; but the current staff of assessors should then be able to keep very up-to-date with what's happening with that computer support facility.

MR. CHAIRMAN: 4.(a) - the Member for Virden.

MR. H. GRAHAM: Mr. Chairman, what time frame does the Minister anticipate until he has full implementation of the computerization, or is he going to hold up and wait for the city assessments?

HON. A. ANSTETT: Mr. Chairman, I think I mentioned in my opening remarks that we were looking in the neighbourhood of three years for the establishment of the system. Certainly it would not be our intent to retard the development of a computerized up-to-date

assessment program for those areas outside the city, but we have established liaison with the City of Winnipeg. We see no reason whatsoever why we should anticipate that we can't work hand in hand in the development of an up-to-date system.

I should point out to the honourable member that a large number of our assessors are currently involved in maintenance of the existing rolls rather than the reassessment program, and with computerization we estimate that we could move up to 30 of our assessors into the reassessment program rather than just straight maintenance. So that's another component of the structure of assessment that will change when we get full computerization.

MR. H. GRAHAM: Mr. Chairman, maybe I am a bit naive, but would it be easier to implement an update of the assessment and a reassessment of, say the City of Winnipeg, if the present rolls were computerized now rather than do it before you computerize it?

HON. A. ANSTETT: Mr. Chairman, I'm not completely clear on the question.

MR. H. GRAHAM: Or is it going to take three years to computerize what is presently on the assessment rolls?

HON. A. ANSTETT: Mr. Chairman, it's not just roll entry that takes three years - that's actually not the largest chore, although that's certainly a large clerical chore - it's the system's development programming that takes the time and testing; that's the time-consuming job. In fact that's why, because we wanted experienced people in-House, who would continue with us to work on that, that we decided not to go with the outside consultants which was one of the recommendations contained in the neighbourhood of Page 250 in the Weir Report.

I should point out to the honourable member that the bulk of the work then isn't the roll entry and that the City of Winnipeg, for all intents and purposes, was somewhere in the neighbourhood of 75 percent or 80 percent complete on a reassessment when the Weir Committee was appointed and the conversion of that information, assuming compatibility between systems, would be a question of roll entry, not a question of extended time for system development. We'll know more when the Provincial Assessor, Mr. Reimer, has completed his work in liaising with the City of Winnipeg staff about compatibility and uniform standards and hopefully dovetailing of computer systems in the longer term, but I can't tell the honourable member how fast the city can bring themselves up-to-date.

I have to say, without being overly unkind, that - well let's be frank - that the city used the appointment of the Weir Committee by the previous government as a reason for not doing some things that they should have done over the last five years. Some things basically started marking time in 1979-1980 and I don't think that everyone at the city would want to admit that marking time is a fair description and I won't quibble about words, but clearly there's an obligation on our largest local government to maintain its assessment system on an up-to-date basis.

Certainly the Supreme Court decision, which requires that city to allow Boards of Revision to continue, as was always intended outside the City of Winnipeg - and members know Courts of Revision have continued throughout the period of the freeze introduced by the Member for Swan River - and I have no qualms about that.

So I think it's important to understand that those systems can be dovetailed. I don't see the time frame as offering any serious constraints on that. There is an obligation on the City of Winnipeg to bring itself up-to-date and to ensure that its system is no longer 30 years behind the yardstick that's used for much of the rest of the province. I think the city is aware of that. I've made those same comments to the Mayor and Councillor Yanofsky at a meeting in January when we discussed this issue with them.

MR. H. GRAHAM: Mr. Chairman, I can't say that I would particularly fault the City of Winnipeg for moving slowly. I think the recommendations of the Weir Commission gave them a feeling that probably it would be an integrated system. I know the constraints the city was operating under, and if they could push some work onto the province in that field, I can't really fault them. But I do realize that we have to move as quickly as possible, and the Weir Commission recommended that you use outside assistance and I think the province should use that, even though they are adding staff of their own. You're into a pretty heavy program and I would hope that they use every source available to them to implement changes as quickly as possible, because we are certainly getting ourselves into deeper water every day that we wait.

HON. A. ANSTETT: Mr. Chairman, I think it's important to point out that the City of Winnipeg has historically accepted responsibility and had responsibility for assessment at the local level, and they have had their problems as well and I think it would be unfair to say that the city is, in any way, totally responsible for the situation at the local level. I think, as the Weir Committee points out, this is a hand-in-hand problem and that it's developed together and certainly the province has a role to play. But in my earlier remarks, I wanted to emphasize that we expect co-operation with the city in dovetailing assessment reform with computerization. So I don't want to be unkind to the city assessors and city administration, I think they have just as difficult a job to do, but they also have a responsibility to try to get their system up-to-date and dovetailed.

Now with regard to the question of consultants versus in-House and the experience available in other jurisdictions, I don't want the honourable member to leave the committee tonight without knowing that we are benefiting from the experience of other jurisdictions.

The Deputy Minister was in Montreal in March of this year and had an opportunity to view a very sophisticated system that is used by the Government of the Province of Quebec, and by local jurisdictions in that province.

I, myself, was in Toronto early in April, and had a chance to meet with officials of the Department of Revenue, formerly Intergovernmental Affairs, who run the Assessment Program in that province. Our Provincial Assessor will be there a week from now to

continue those discussions as it relates to computerization in those jurisdictions.

I think it's important as well that following the Weir Committee Report examination of computer systems in use in other jurisdictions has also taken place and will continue to take place by the team we're putting together to develop the computerized assessment system here. That's different, of course, than being held captive by the designs or systems of a private computer outfit that would be tied into some particular consulting firm's reports and recommendations. We want the flexibility, and we want to have the in-House staffing and expertise developed so that we can run a competent, continuously developing system for computerized assessment in Manitoba.

That doesn't at all mean that we won't learn from the expertise in other jurisdictions or from the consultants that are available. But it does mean that we're not prepared to go out and buy from a consulting firm or a computer company, all the expertise and just impose it on our system. We think we have the expertise within Manitoba to develop a system that will suit our special needs.

For example, we looked at the Montreal system. My Deputy Minister reported on it - very sophisticated, would do all kinds of wonderful things both for assessment and for planning, produces magnificent multicoloured maps for zoning and planning as well as assessment data. But the cost of the system is, first of all, very expensive, and with municipalities carrying 75 percent of the cost of assessment in this province we have to consider the imposition of such costs on their local ratepayers.

Secondly, it's privately-owned. The Government of the Province of Quebec doesn't own the system. So if we bought it we'd be paying a cost in excess of what it would cost us to develop it in-House, and then we would have the ongoing maintenance and development costs to continue to pay to someone else who owned the system over which we really had no control, and which would not be specifically designed for our needs.

So I think there's a real advantage in doing it the way we're proposing to do it, and I've agreed with staff recommendations to that effect, and that's the way we intend to proceed.

MR. CHAIRMAN: 4.(a) Municipal Assessments, Salaries—pass.

4.(b) Municipal Assessments, Other Expenditures.

MR. H. GRAHAM: Mr. Chairman, before we differentiate between Salaries and Other Expenditures, can the Minister indicate in all the assessments that were carried on, or reassessments carried out last year, how many appeals there were against the assessments that were dealt with? I'm not talking about the appeals to the Municipal Board but to the Court of Revision.

HON. A. ANSTETT: Like the Member for Virden, I forgot to bring with me the Annual Report of the Provincial Municipal Assessment Branch 1983, which was tabled in the House earlier in this Session. I would refer him, for the record, to Exhibit 9 of the Provincial Assessor's Report, Appeals and Complaints against Assessment in 1983. The total is 2,580, and those are

appeals by the real property owner, and did not include assessor's appeals. Of those 2,580, 60 went on to the Municipal Board and 12 to the Court of Queen's Bench.

MR. H. GRAHAM: Could the Minister indicate, that was in 1983?

HON. A. ANSTETT: Yes.

MR. H. GRAHAM: How many in 1982 and 1981 as well?

HON. A. ANSTETT: I'll ask staff if they have copies of the 1982 and 1981 Provincial Assessor's Reports handy. If they do we can provide that information. If not - it appears we don't have them. We'll provide that information to the honourable member.

MR. H. GRAHAM: Mr. Chairman, in those appeals to the Court of Revision was there a general field in which the appeal fell? For instance, would it be in the field of assessment of farm dwellings, or would it be on valuation of land, or improper classification of land? In what general field did most of the appeals fall?

HON. A. ANSTETT: The first thing I should mention to the honourable member is that I've asked staff and as they recollect the reports of the Provincial Assessor from 1981 and 1982 show approximately the same number of appeals against assessments. There hasn't been a dramatic increase or a dramatic decrease. As in the past, in all those years, the vast majority - in the neighborhood of two-thirds of appeals - relate to requests for exemptions from taxation of farm dwellings. As the honourable members appreciate and I certainly appreciate their concurrence in the past in the recommendation this problem will, of course, disappear and the number of appeals drop probably by a factor of two or three when that change is implemented and those exemptions are removed as recommended in the Weir Report.

MR. H. GRAHAM: Could the Minister attempt to obtain for us percentage factors for the previous years? Would it be approximately the same percentage dealing with farm dwelling? Has that been the No. 1 problem for the last 10 years or 15 years, or is this now just a factor that is starting to creep in?

HON. A. ANSTETT: Mr. Chairman, I am advised that it has increased by a fairly substantial margin in the last half-dozen years or so, that is wasn't a full two-thirds of the appeals, let's say, 10 years ago. It would have been a smaller number.

MR. H. GRAHAM: Mr. Chairman, dealing with that particular subject, in the last few months - I don't know, I haven't had a chance to talk with previous critics. But I have had quite a number of phone calls and concerns expressed to me on that very issue, the assessment of farm buildings. I think I had three phone calls from various people who were concerned because they had been farmers for 30 and 40 years, and the only factor that placed them in a position where their farm dwelling was now taxable, for tax purposes, was

the fact that they were receiving the Old Age Pension. I don't know if that has been a concern in previous years or not, but I've had three cases come to my attention in the past year.

HON. A. ANSTETT: For the benefit of the Member for Virden, I can recount my first experience with Court of Revision, in the R.M. of Springfield, I believe in 1977, when I attended that Court of Revision. One of the most painful sights I have ever seen in local government was the sight of a pensioner who had farmed for probably 40 years, as the member recounts, break into tears at the thought that he couldn't afford to keep his farm, because he and his wife had both turned 65 and it was suddenly becoming taxable.

He was losing his exemption, even though he had managed to raise a family on that farm, even though he had managed to eke out a marginal living, but had had a sole source of income from that farm. The looks on the faces of a half-dozen councillors and a reeve and a secretary treasurer and a municipal assessor as this elderly gentleman broke into tears was not something I like to recall.

But certainly this has been a perennial problem. It goes back for many years. It has been part of the income formula as far back, I'm sure, as staff here can remember. The fact of the matter is that the only way that can be dealt with is to, eventually in the longer term, follow the Weir recommendation to move away from those exemptions.

As I said earlier, I appreciate the support of honourable members opposite for that particular recommendation, because it's going to be a difficult one. I think the only way we can explain it to the public is to point out that, as all of those exempt properties are added to the roll, that will reduce the assessment burden and the resulting mill rate taxation burden on all ratepayers, that bringing that exempt taxation onto the roll will go some way, because of the new found assessment, to reducing the mill rate overall.

I'm not prepared at this time to say definitively that that particular recommendation will be implemented or will be implemented in any particular year. Obviously, the examination of the impact of all the recommendations has to be done so that we know how those particular recommendations when they're implemented can be cushioned so as to ensure that no one is hard done by in a radical way, and so that the burden that's imposed on any individual ratepayers is not way out of line. I think there are several ways that can be accomplished, but I'm not sure that now without full information is the time to speculate on them.

I think the member points out one of the things that I raised with staff soon after assuming responsibility for assessment reform, and that is the need for a much better communication of the rules. I think that the public information that will be available in the form of a series of pamphlets on such topics as farm land assessment, farm buildings and outbuildings assessment, farm residences, residential classification, a pamphlet on the Weir Report and its recommendations, a pamphlet on Court of Revision, the rights of the ratepayer, the mechanisms for following through on that, the whole idea of giving this information to people so they'll understand the system, and then as a basis for that,

begin to understand the reforms will stand all members of the Legislature in good stead in dealing with our constituents on what is a very serious problem. Both the lack of understanding of a very sophisticated system which, to be quite honest, I'm not sure many of us completely understand because of its sophistication and complexity, and certainly the need for reform, although clear, has got to be understood out there.

So I sympathize entirely with the honourable member. He puts his finger on a chronic problem that I am committed to addressing in the assessment reform process. But I can't tell him today that I've got the answer. I think the answer is better information initially so that when the reforms come, people understand it, and it has public support. I thank honourable members for having offered their support during the hearings last year on that particular recommendation, because it's going to be one of the tough ones.

MR. H. GRAHAM: Mr. Chairman, we have the information that farm dwellings have been an increasing cause of appeals to the Court of Revision. We know that the agricultural community is being severely pushed by economic factors that in many cases are beyond their control. We do know that the previous New Democratic Government felt that they had an answer to that when they thought they should purchase farm land and rent it back. We realized that was not the answer.

The ownership of land is probably the greatest work incentive that there is. We also know that agriculture is still the No. 1 industry in the Province of Manitoba. It generates the largest source of revenue for the province. If there is a problem in that field, I think we should be addressing that problem even if it means bringing in stopgap legislation until the Minister has had time to bring forward his changes in assessment.

We know that a young farmer today starting out in agriculture hasn't a hope of making a go of it unless he has another source of income. We find young fellows in order to make a successful farm operation are taking secondary jobs to keep the farm going.

Now, I would suggest that we should address those problems immediately, because the immediate forecast for this coming year in agriculture is one of declining prices. We know that the Wheat Board has lowered the price of wheat, we don't know what the weather will be this year, but a farmer today has to have a bumper crop just to break even. Yet, in the field of assessment we say to a young fellow, if you want to keep on farming, you have to go and get another job, and the minute we do it, we tax his residence. It seems that there is a field open for a short-term, stopgap measure and I know there's a section in the act which deals with exemption of farm buildings. I think there's another subparagraph - and I'm just quoting from memory - in The Municipal Assessment Act, I think if you remove sub Clause B or something, in that particular act - perhaps I should get The Municipal Assessment Act and take a look at it and identify the clause. I think it's 30(b) or something like that . . .

A MEMBER: 30(2)

MR. H. GRAHAM: . . . Sub 2, and I believe if you remove that, that automatically exempts all farm

residences from assessment. I would think that it might be a good move at this particular time to do that, if we have any compassion at all for the agricultural industry, and we show any desire to try and assist them. This is one way we can do it, but in doing so, we explain to them, it's only a stopgap measure until we've had time to completely review the assessment and put a new assessment act in.

I would urge the Minister to think very seriously about exempting all farm buildings. I think it's 30(3), if you remove that section where farm dwellings are taxed - if that section was removed, it would automatically exempt all farm dwellings from assessment. I'm sure that the agricultural community would applaud the Minister for doing it, if it was on a one-year or two-year or three-year basis, until the complete review of assessment is carried out, but it would show some move to try and assist the farmers who, by themselves, are making every effort. They are going out and taking second jobs, getting outside income to try and keep the farm going. I think that when a farmer makes that kind of commitment, I think he should be applauded by government rather than penalized by government.

I make that suggestion to the Minister now. I don't know if he has even considered it but I think it would be a very positive move that would be well received even by municipal councils. I would like the Minister to give me an indication of whether or not he has even considered it.

HON. A. ANSTETT: Although I usually am impressed with the logic and rationality of the Member for Virten, I have to say that although he asks me if I've thought about this proposal, I have to say, yes, I've thought about it. I wonder if the honourable member thought about it before making the proposal here tonight.

Let's be frank. What the honourable member is attempting to do is define a farmer. He's trying to do what former Premier of this Province, Walter Weir, said that for all intents and purposes couldn't be done. He's going to define a farmer as anyone with four acres of contiguous land on which he is defined as a farmer under the act. It means he raises stock, grows nursery stock, market gardening. Market gardening. It would probably also include beekeepers. Now, this isn't such a bad idea.

No, seriously, Mr. Chairman, derives income, here's the key phrase: ". . . from the sale or disposal of grain, farm stock, nursery stock or market produce, raised, kept or grown on the land . . ." the exemption is obtained. Four contiguous acres. We have suddenly defined every person in the province who sells anything off four contiguous acres or more, as a farmer, and we've exempted their primary residence from taxation.

Mr. Chairman, I have some difficulty. I'm sure the honourable member can't be serious. Is he going to define anyone who receives any income from those items as a farmer in the Province of Manitoba for purposes of municipal taxation? How is he now going to differentiate between the rural residential land owner of five or 10 acres who has a strawberry patch and his kids sell a few boxes of strawberries as a 4-H project, which is now taken into family income, from the legitimate farmer who views farming as his main source of livelihood even if it may not be the principle source

in any one year. Former Premier Weir said he had a great deal of difficulty with that subject, with that whole question and definition. Is the member serious about such a simplistic definition when the only alternative the M.A.R.C. Report could come to was that they had to end the exemption or the inequities would continue? I don't believe the member is serious.

Mr. Chairman, if he is, if the member will tell me that he is serious and is willing to put his name to the proposal, I'll take him at his word and I'll go to the Advisory Committee of the UMM and MAUM and make that proposal, but with his name on it, not mine - if the honourable member is serious. For the benefit of the honourable member, I'll give him a piece of advice which is worth what he's paying for it. I wouldn't put my name on it if I were him. I'd be the laughingstock of the UMM and MAUM. I would be proposing to shift the burden of all those residences, particularly in municipalities, which are close to and subjected to urban development pressures onto farm land. I would exempt all the urban commuters around Brandon and Dauphin and Winnipeg and Selkirk from taxation.

Every one of my assessors would be on five acres or more, or four acres or more - well, they'd buy five, they'd want one to spare just in case we jacked it one acre later on - and they would make sure that they sold, according to the latest Supreme Court decision in Dauphin - at least 10 bales of hay or a bag of potatoes.

If the honourable member is serious, we'll here, on the record, put his name to that proposal, I will convey it to the associations. But, Mr. Chairman, I ask the honourable member to consider what taking all those residences off the tax roll will mean and who will pick up the needed revenue to continue to provide the same level of services to those residences, the same educational opportunities to their children? Who will pick that up? The farmland. That's where that assessment will be derived, because the other category in most of those municipalities is very small. There's only one category that can pick it up. Mr. Chairman, that will wreak a further hardship on legitimate farmers because they're the ones who own the larger parcels. I don't need a computer analysis to calculate that and I think the honourable member will find that the M.A.R.C. Report concurs 100 percent with my suggestions of what the results would be. But, again, contrary to my advice to the honourable member, if he wishes to make that recommendation, I will accept it and convey it to the Advisory Committee and ask for their response, and if they respond favourably I'll certainly come back and withdraw my chagrin at the honourable member's suggestion and carry it forward, but I don't think that has a snowball's chance in last summer's sun.

MR. H. GRAHAM: Mr. Chairman, it's obvious the Minister hasn't been talking to municipal councillors because I have talked to municipal councillors and there has been a suggestion that perhaps it should apply to a quarter section of land rather than four acres. I would leave that up to the Minister if he wants to make that kind of change.

But the No. 1 concern and, again, I said it was only a stopgap measure until the reassessment comes in,

there is another way of doing it, and that is to use a fair degree of compassion in Court of Revision where the income off the farm is greater than the farm net income. There's also been suggestions that it be the gross farm income rather than the net farm income, but I can tell the Honourable Minister that many councillors are talking right today that something has to be done. The Minister has indicated that it's going to be two or three years or maybe even more before some of the recommendations of the Weir Commission, and some of his own recommendations, are implemented in a change in The Assessment Act and the assessment practices in this province, but there are many young people out there, and old people, too, who can't wait for that to happen.

How many more farmers do we want to see go down the tube because of the straw that broke the camel's back? If there's any compassion and any concern at all in this Minister or in this government for the concerns of farmers and the problems they face today, I would suggest that he get his thinking cap on pretty quick and try and do something, even a stopgap measure that would help those. It may be that he wants to change it from a 50-50 to a 75-25 figure, I don't know, but something should be done now. We can't wait for another year for that to happen.

I just made one suggestion to him; I'll give him half a dozen suggestions if he wants, but I think there has to be something done because, at the present time, what is happening is the young fellow who is putting that extra effort to derive some additional income to keep his farm going is being penalized and I don't think we can allow that to happen, whether or not we're ready to move on a new assessment act. I think we have to act now to provide some interim relief to help them when they are showing every effort to try and help themselves.

HON. A. ANSTETT: Mr. Chairman, I'm very sympathetic to the concerns the Honourable Member for Virden has raised. I don't think there is any question at all that the current difficulties in which many farm families find themselves, and certainly the farm economy is not what all of us would wish it would be, but to shift the burden of taxation off farm residences where the honourable member - and I certainly concur - feels that it is being unfairly placed in some instances today, particularly on those who have to work off farm, usually those are the individuals in the most need, onto land which is the place where it would be shifted, might well just compound the inequity.

I don't have an answer. If the honourable member has a stopgap answer, I ask him to table it with this committee. If he's suggesting that four acres isn't the recommendation that he wants me to take to the Advisory Committee but, instead, a quarter section is, I ask him how that sits with all the livestock intensive operations on small acreages who are under the same kind of pressures that many others are; I ask him how it sits with farmers on less than a full quarter section who may be in other kinds of farming operations - market gardening, etc.

I have a real problem in defining a farmer, much as the Weir Report had a problem defining a farmer. I think the only answer, in the long run, will flow from

the Weir Report recommendations on that question, but if the member has half a dozen serious suggestions to put on the record I'm willing to take them and examine them closely and report back to the honourable member. But, Mr. Chairman, I'm not willing to take them under my own name, I'll be quite honest, because I don't consider any of them acceptable.

We have examined all of the options, as did the Weir Committee, and I have to be frank. The only real answer is to take the bull by the horns and deal with the issue and that cannot be done, except as a component of a thorough going assessment reform package. We have a patchwork quilt and the problems to which the member refers have developed from this patchwork quilt of assessment reform and I refuse to be party to putting more patches on the patches. I think that's wrong and I think it just compounds the problem and I really don't think the member is asking me to do that. I certainly hope not.

MR. H. GRAHAM: Well, Mr. Chairman, I can understand the reluctance of the Minister to go to municipal officials with proposals that would provide relief. He might find a sympathetic ear, which would be a first for him in that field, so I can appreciate his reluctance to do that. But in the meantime, the farmers of Manitoba, the young fellows, the old people, who are receiving outside assistance to enable them to carry on are the ones that are being penalized and the Minister is the man in charge. If he wants someone else to take over, fine, let him step down, and let the whole government step down, we'll gladly take over and we will do something to help.

MR. CHAIRMAN: The Member for Swan River.

MR. D. GOURLAY: Thank you, Mr. Chairman, with respect to the Minister's comments earlier about providing brochures, the pamphlets explaining the assessment process to property owners, I think this is a good move. But I'm wondering if the Minister has given any thought to holding assessment days where the assessor would explain to people in the municipality that reassessment is coming up and explaining the process that takes place under reassessment, and I believe in listening to the comments of the MLA for Virden and the answers given by the Minister, I recall that many people that are reassessed in municipalities are perturbed at the fact that they get their buildings assessed while their neighbour doesn't, and it seems to be on a hit-and-miss situation.

I'm wondering whether some of these problems could be avoided by the assessors spending more time explaining to people in the municipality, the reassessment process and why buildings are taxable and why some are not taxable. I believe that people like to be treated fairly and they don't like paying taxes on their farm residences when they know their neighbour across the way is not being taxed and maybe should be. I'm wondering what process is available at this time to interview property owners to get the necessary information directly from those property owners.

In many instances, the property owners have indicated that they never saw the assessor, they don't

know how they arrived at the fact that their residences were being taxable. I'm just thinking of an assessment day where the assessor could explain to people in the municipality how this whole process works.

HON. A. ANSTETT: I think the most important development with regard to public information that our department will be making over the next few months will be the distribution of informational material through brochures on the assessment process. I don't think there's any question about that and I appreciate the honourable member's positive comments about that.

It's my hope that we will have drafts of those brochures within the month and I would appreciate it, if the honourable member is interested, in having him review those and make any comments he has on them. I think those comments can be beneficial. He's had experience in this area and knows what some of the problems are that people have in the field in terms of understanding assessment.

As the honourable member knows, I believe, we do have what staff affectionately call, "Mad days, Meet your assessor day", in which areas where reassessment is going to take place, public meetings, informational meetings are held to meet the assessor and get explanations. One of the reasons we're going with the brochures is because not everybody shows up. In fact, not by a long shot does everybody show up. The brochures will have contact information, both with regard to the assessor and the district assessment office, phone numbers, name of the district assessor if there are problems. So it will be in attempt to extend that reaching out and contact to the local ratepayer, so they not only understand the system, but know where they can go to get answers to questions.

With regard to the determination of income and whether or not a larger portion of the income comes from off-farm or on-farm sources, that determination is almost always done after some contact with the individual or some information with regard to income source from the individual ratepayer. However, there will be situations where that contact wasn't possible and certain assumptions have had to be made. Now where those assumptions are in any way wrong in the ratepayer's mind, that information is contained with the assessment notice as to the proper avenue to appeal to Court of Appeal. Certainly, I don't believe the onus is on the assessor to provide information for the municipality that certain individuals are exempt.

In effect, an individual is asking for an exemption. The act was never drafted that certain people would be taxable. The act is drafted on the basis that everyone is taxable and that certain people can become exempt. So there is an assumption of taxable status for all ratepayers, but in certain broad categories, and certainly larger farm operations where the likelihood of off-farm income being greater than on-farm income just isn't there, certain assumptions are generally made; but where they're borderline, I can't quarrel with the assessor's determination to ask that individual to apply for the exemption through Court of Revision.

Now, that's only done as a last resort though, there are several steps intervening. As honourable members are aware in those areas where we've faced in recent months the question of royalties from petroleum

sources, and notices have gone out to all the ratepayers who had income from that off-farm source. The purpose of those notices is to advise members of the public what their rights are, how they can apply for the exemption, what categories of expenses and income fall on which side of the line in terms of definition of farm and otherwise. So there are several steps in the process before an individual even has to go to Court of Revision. There's several opportunities to provide information to the assessor.

So I think it would be a fairly rare occasion where an individual had no contact, no letter, no opportunity to provide information to the assessor and then got an assessment notice which indicated that the individual's residence was taxable whereas they previously had an exemption. I think those would be the exception, and usually they would be based upon contact difficulties.

MR. CHAIRMAN: 4.(b) - The Member for Swan River.

MR. D. GOURLAY: The Minister indicated that "mad days" or so-called "meet-your-assessor days" have been already established. What kind of response have you received from these meetings, have they been well attended?

HON. A. ANSTETT: Mr. Chairman. The "mad days" or "meet-your-assessor days" have been in use throughout the province for approximately 10 years; they were introduced in the mid '70s. I understand that the response varies dramatically from area to area. I wouldn't be the least bit surprised if the response is higher if there was a reassessment in the neighbouring municipality last year and people heard a lot of flack about it, whereas if there hasn't been a reassessment in the area and there isn't a great deal of interest, the attendance would probably be fairly minimal.

MR. D. GOURLAY: I'm surprised that these meetings have been in effect for that length of time. However, I guess because of the time factor in reassessing, as you indicate, people may forget from one reassessment period to the next the problems that do come up.

As I recall, it's not so much the people that get notices that their residences are going to be taxable - I guess that's bad enough - but it's the fact that those people that get missed is what creates the problem. The one that gets taxed feels he's being unfairly treated. I think that there should be more of an effort when a municipality comes up for reassessment, that property owners are contacted regarding their reassessment, so that the necessary information can be obtained, because a hit-and-miss situation is what's causing the problem as I see it.

HON. A. ANSTETT: I appreciate the comment of the Member for Swan River. Obviously, anytime the ratepayers feel that they're paying more than their fair share and that somebody else is getting a free ride - although the member didn't use that term - clearly, if two people living near each other in the country, both have similar income circumstances and one is assessed and taxed on his or her residence and the other is left exempt because it just wasn't picked up, that's fair

comment. Those kinds of things should not happen, and I'm certain in a province this large that they do on occasion, and the perception of inequity is there.

I think that's something that ratepayers have on occasion brought to the attention of their local council. I know they've also brought it to the attention of their local MLA on occasion. When I was not Minister of Municipal Affairs, I heard these complaints and I sometimes get the complaints as Minister of Municipal Affairs. Some people are quite willing to provide detailed information, more information than we thought anyone would know about their neighbour and their neighbour's financial circumstances, to attest to the fact that that person had at least as much right to be fully taxed on their farm residence as the individual complaining.

If the member is saying that the reassessment program, the number of assessors we have is inadequate, that we need more public information, to put it crudely, advertising out there about the program so people are aware of it, I can't agree more. We have limited resources, and hopefully this problem in the longer term will be addressed through assessment reform.

I think it's fair comment. I don't have the answer for ensuring that everyone is contacted and all reassessments are done in such a way as to be absolutely uniform in every single municipal area. That will only come with a modern, up-to-date system which minimizes exemptions, and, therefore, minimizes the possibility of disparities like that - but fair comment.

MR. H. GRAHAM: Well, Mr. Chairman, I note that it's about 11 o'clock now and there are many questions still to be asked on this. I wonder if there's any inclination on the part of the Committee to rise?

MR. CHAIRMAN: Can we finish this item or are there more questions to come?

MR. H. GRAHAM: Oh no, it'll take several hours yet.

MR. CHAIRMAN: What is the pleasure of the Committee?

Mr. Minister.

HON. A. ANSTETT: Mr. Chairman, if there's an indication that there's going to be several hours yet, I'm certainly willing to rise and continue consideration tomorrow. I thought that we had fairly well covered the assessment area. If there are further questions, perhaps members opposite can give me some advice as to any particular information they desire for follow-up tomorrow, so that we can have any specialized information members require available.

Mr. Chairman, is there any particular information members wish tomorrow for continuing examination on assessment?

MR. H. GRAHAM: I asked the Minister for some information on '81-'82 and I received it on '83. I hope that we'll have it for tomorrow.

HON. A. ANSTETT: We should be able to have that information for tomorrow, Mr. Chairman. Committee rise.

MR. CHAIRMAN: Committee rise.

INTRODUCTION OF GUESTS

MR. CHAIRMAN, P. EYLER: Order please. Before proceeding, I would like to draw the attention of members to the galleries, where we have 20 guides from the 117th Girl Guide Company. They are under the direction of Mrs. Erika Ulch, and they are from the constituency of the Honourable Member for Inkster.

On behalf of all members, I would like to welcome you here tonight.

SUPPLY - EDUCATION

MR. CHAIRMAN, P. EYLER: We are now considering the Estimates of the Department of Education, Item 1.(g) Communications - the Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman. I would ask the Minister if she okays all the press releases, or are they sent to the Premier's Office?

MR. CHAIRMAN: Madam Minister.

HON. M. HEMPHILL: I okay all press releases.

MR. C. MANNES: I'm sorry, I didn't hear.

HON. M. HEMPHILL: I okay all press releases.

MR. C. MANNES: Mr. Chairman, I would like to ask a final couple of questions regarding the involvement, or the alleged involvement - and maybe the Minister could help me with this - of the Director of the Communication Branch in an incident here about, oh I believe, sometime last fall, and I am working from memory. It was alleged in a newspaper clipping that the director had called the President of the Provincial Home and School Association regarding the activities of one Grant Russell as far as he was involved in a language dispute at the time. I'm wondering, did this occur?

HON. M. HEMPHILL: Mr. Chairman, I think that it's important to note a couple of things related to this issue. One is that in order to make sure that there wasn't any misunderstanding, I wrote a letter to the President of the Home and School, and clearly outlined my position on this matter; and that prior to sending the letter I had talked to her by telephone, and had received a letter from her. What she had said in both the telephone conversation and in the letter was, that at no time through any discussions with her did she feel that there was any pressure being put, or any strong suggestions about what the organization should or should not do, related to people on their board.

As I said, I have got a letter from her saying there was no intimidation or threat in connection with either the association's grant or in terms of influencing my decision with respect to Mr. Grant Russell's position in the federation. So I think that the President of the Home and School has made it clear, although there were some questions raised about whether or not there was any interference, she has made it clear in both

letters and conversation that in her opinion there was not.

Just to make sure there could be no confusion at all about the issue, I indicated my position clearly in a letter to her, that it is up to the associations themselves to determine who their membership will be, and that we will work with any group or individual or organization interested in working on educational issues and we do not take any, either judgmental or editorial, positions on individual members or membership of associations.

MR. C. MANNES: Mr. Chairman, I thank the Minister for that clear, concise statement now. Secondly, I thought that she exhibited quick and swift action regarding the incident. I suppose, though, my question hasn't been totally answered. Did the Director of the Communications Branch have occasion to call the President of the Home and School, and was the subject of the language issue discussed at all during that conversation?

HON. M. HEMPHILL: It is my understanding that the Director of Communications had some discussions, and what he considered to be very informal discussions, not formal or related to his role in the department, discussions with the President of the Home and School Federation.

MR. C. MANNES: Mr. Chairman, not related to his role in the department, does that mean it was a private conversation? I wish the Minister would be a little bit more definitive on that comment.

HON. M. HEMPHILL: Yes, I think it was a private conversation.

MR. C. MANNES: Mr. Speaker, was the Minister concerned at all about that type of activity? Did she see a cause to call in that director and speak to him about that type of situation where it might appear, at least to third parties and to the public in general, that there might be a desire to cast some influence over the Home and School Association?

HON. M. HEMPHILL: Mr. Chairman, yes, I would have to say that, even though the director believed that he was having a private conversation, in a direct conversation with me I made it clear what my position was and, that is that, when you are a director in that position in the Department of Education, you cannot have private conversations that relate to educational issues that will not be attributed, or have the potential for being attributed to you in your official capacity; so they're not appropriate.

MR. C. MANNES: I understand the wisdom of what the Minister says, and I applaud her for her action. I would only comment that she possibly then should talk to the Minister of Natural Resources and convince him that maybe his actions at a demonstration, as such, were also probably not in keeping with the proper action of a Minister of the Crown.

MR. CHAIRMAN: 1.(g)(1)—pass; 1.(g)(2)—pass; 1.(h)(1) Administrative Services - the Member for Morris.

MR. C. MANNES: I'm wondering, Mr. Chairman, if the Minister could indicate whether we can use this area to discuss some of the changes in legislation that were brought forward in the last Session. I ask for that because, as I look in the Annual Report, it seems to me that it was under this heading that some of those legislative changes are included, so I will defer to her answer.

HON. M. HEMPHILL: It could be, Mr. Chairman, if he wishes.

MR. C. MANNES: Is there a better area?

HON. M. HEMPHILL: I'm not sure of what it would be. Quite frankly, I hadn't thought of specific discussions on legislation coming up, but it could come up.

MR. C. MANNES: Mr. Chairman, I only wanted to bring it forward at this time because I was under the understanding, at least in looking in the Annual Report, that it fell under the broad heading of Administrative Services.

Mr. Chairman, I would like to, first of all, try and have the Minister recollect for us - I believe it was Bill 87 in the last Session - I'm wondering whether that dealt specifically with The Workplace, Safety and Health Act and required - and I may have the wrong bill and I may have the wrong Session, I'm a little vague on this - but my main concern is the impact that some of the changes in that bill brought to school divisions requiring the building of committees, I'm led to believe, from various professionals within the school divisions, not only of course educators and teachers, but also bus drivers. It has set up committees, I believe, which will take the people that are sitting thereon, and will take them - I think on a couple of occasions a year - as a day off, and they will I suppose travel, not only through the local school, but maybe through the local divisions in some cases, and look at situations that possibly may lead to some unsafe conditions, or whatever. I'm wondering if this committee is absolutely necessary.

I've had a couple of calls from, I would say rural trustees in particular, who have found as many as 12 people on these committees and, in the space of a school year, having to take two days off. In other words, 24 professional days - if you look at bus drivers and you look at teachers and you look at administrators and, I suppose, maintenance staff - to begin to try and get a feel for the safety of students and people that are working within the school area. I'm wondering if the Minister can tell me whether these changes, brought forward by the legislation, are more encompassing than have been expected; and secondly, whether she can say that she still feels they're absolutely necessary.

HON. M. HEMPHILL: Yes, Mr. Chairman, first of all, I can indicate to the member that this piece of legislation does apply to schools where there are 20 employees or more, the workplace safety legislation applies and the committees must be set up. I would like to say, initially, that I believe they should be, although I'm willing to look at any information from school divisions that indicate some concern with how they're being set up or how they're being used.

First of all, there are two areas that are very very important that we look at workplace and safety. One would be where there are machines, industrial arts vocational programs, where there are very sophisticated pieces of machinery and equipment, no less dangerous than these same pieces of equipment are in the workplace.

The other major area would be in chemicals with science programs and, although I see the member frowning, I can assure him that there have been cases where there have been found to be, on the location of school divisions or in school rooms, chemicals that were very hazardous or inflammable or located next to a place or a position where they could be a hazard, without the teachers perhaps even knowing because, you know, people don't always know enough about chemicals perhaps as they should.

So I think what this is intended to do is to apply the legislation that was originally designed for the workplace and safety for employees in the workplace and find out how it applies, and deal with it in the public school system. Now, by saying that, I mean that we don't intend to have a strict application of the laws that are designed for the workplace strictly apply to the schools if they're not applicable. So what we are asking for is that the school committees and the education system, the Department of Education, is looking at how they should apply and how we can deal with them in the education system, so if there are conditions and requirements that are logical there that aren't logical for us, we don't have to meet them just because they apply to the workplace.

However, I think we'd be making a mistake to ignore what we know to be the case, and that is that there is hazard and danger in facilities with equipment and with chemicals and we should take no less precautions with both the teachers and the children that are handling them and exposed to them than they should in the workplace.

MR. C. MANNES: Mr. Chairman, the Minister is spouting motherhood again. I can't argue with anything she has just said. I mean, how can I? But my question was more specific to the size of the committee. Of course, the teacher involved has to be fully cognizant of the potential for danger when dealing with chemicals or some of the power machinery, and I dare say the individual who is involved in the maintenance, involved in caretaking within that particular school or area of the school where these potential health problems exist, I have little or no argument with that.

My concern, and it's the concern that's relayed to me from some trustees, is that of course the large committee as a whole is taken through all these safety considerations, so that bus drivers, for instance, are introduced into these potential safety problem areas. The divisions now are finding that they're having to replace or substitute teachers and all the other professionals when the committee goes out and views these areas. That's the concern that's been related to me and I relay it to the Minister and I ask her whether it's of any significance to her.

HON. M. HEMPHILL: As far as I know, there isn't any requirement for a certain number of people. In other

words, I don't think that they are instructed as to how many individuals and what kind of individuals need to sit on the committee, so therefore if they have committees of 20 and they're concerned about the number of people that are dealing with that issue that are away from the school system, they should give consideration to reducing the committee themselves. I think that was your major question. The size of the committee is up to the school divisions.

MR. C. MANNES: Mr. Chairman, I won't belabour that point, I just want to register some of the concerns that have been expressed to me. Maybe if the Minister was totally open, maybe she would tell us that they have been disclosed to her also, or maybe they haven't.

Mr. Chairman, I'd like to move on to the proclamation of Section 92, Sub. 6 of Bill 77. I guess I could refer to a number of items that have come to the Minister, and I dare say the Premier, over the period of the last month-and-a-half, once the announcement that that particular section would be proclaimed May 1st. However, I won't read too many of those concerns into the record, although I think it would be right that the record showed for instance, that the Flin Flon School Division was very upset with that particular proclamation as was indeed the Boundary School Division - and I have letters to support this and I know the Minister does also - as is the Brandon School Division No. 40. I might quote from this particular letter to the Minister, Mr. Chairman.

It says, "Your decision on this issue is incomprehensible to this board." A little further down, "Firstly, there appears to be a growing concern across the province with the departments intent to acquiesce to many of the demands made by the Manitoba Teachers Society. This board regards the decision to proclaim Section 92(6) as another example of direct "sell-out" by your department to the wishes of the society. The opposition to this regulation has been widespread.

I only read that final sentence, of course, to let those people who may be reading Hansard sometime in the future. Indeed, there has been a major outcry from school boards, also from I would say parents groups, and individuals.

I also have another letter from the Whitehorse Plains School Division No. 20, also protesting that same proclamation. Of course, the major organizations of MAST, and MAST obviously have gone on the record on numerous occasion as to their opposition to this new law.

The question I pose for the Minister is one that has been posed many times. I don't want to belabour something that's law but, again, I will ask her - and I've asked her this question in the House once, how the quality of education at all will be enhanced with the passing of this particular portability of tenure?

HON. M. HEMPHILL: I suppose that we could get into a game of tabling letters since we all receive letters indicating different positions on bills like this. For every three or four that he can come up with, with negative statements, you know, we could come up and read into Hansard letters that say exactly the opposite, and support and commend for the position.

I do have a bit of trouble, I must say, and I want to put this on record, with what I find to be a contradictory message and position being put forward by the Superintendents where they have taken the position, as an association, that they have some concerns and reservations about due process for teachers, when I have in my office, and I could table it, too, if you like, a letter and a resolution from their association asking for the same rights for themselves.

So I find it a little bit difficult to deal with that contradictory position. What they ask for and state as a reasonable right, and argue the reasons for themselves, they are not willing to support for others. I have said in a letter to them that I find the contradictions in their position to be very difficult to understand. I've outlined, and I know we disagree on this but, nevertheless, my position stays the same, that there are major benefits to the education system with due process.

They're in three areas. They are the rights of the individual worker, and I continue to believe that there is, not only nothing wrong with, but it's a move we should be going towards for all working people, is that if they're going to be let go they should be told why, and I think have a right to some sort of an outside hearing. Now with teachers it's important to remember that they don't get this for awhile and when people talk about periods of probation, when they say you've got probationary periods. Well the probationary period for a teacher is a year, it's a year and a day. That's a much longer period than is for most other workers where in a lot of contracts it would be 3 months, 6 months - I don't know how many would have a year, not too many I don't think - that within that year they can be fired at anytime for no reason. They can also be fired for declining enrolment, or if their position is no longer there. They don't have to give a reason, they can simply let them go and say, your position or the course of the program that you were teaching isn't being taught anymore and they don't have to follow the due process for that. The only time they have to, or the due process clause comes into play, is after they have taught a full year and a day.

Now it brings me to my second point about the value to the education system for due process, and I think this is the major one, and it is evaluation. I believe, and I've said this before, that all teachers should be evaluated every year. There has been a tendency to focus on evaluating the new teachers, 500 out of 12,000, and to sort of concentrate on the length of time and the amount of attention you need to pay to evaluating new teachers. I say, that's not good enough.

I say that all teachers should be evaluated and, if they're incompetent, they should be let go. If they're doing a mediocre job, they should have their deficiencies identified. They should be given support to improve them, and a reasonable period of time to do so, and if they don't do so to a satisfactory level, they should also be let go. But where they are good and they are doing a good job, we should also know that, because we should be identifying our very good teachers.

I have told school divisions that they don't have to evaluate within a year. There is no reason why they think they have to. If they say that one year isn't long enough to evaluate, and sometimes they say that, I say take as long as you want. If you need two years, take

two years to evaluate. In fact, if one year isn't long enough, on what basis are you going to fire? You haven't had adequate time to evaluate, so take as long as you want. But when you've done it, you have to be prepared to have your decision stand the light of day and if they've gone through an adequate evaluation process, I believe it will.

Now evaluation has been one of our weak areas, and all of the organizations have been saying this for the last five or six years. I am willing to say that I think we've improved. I think everybody's making an effort. Superintendents and school trustees and principals are recognizing that this is one of their major jobs, not just the hiring of teachers but the evaluation of teachers so we know that they are doing a good job.

I believe that the due process clause is going to require them to upgrade and improve their evaluation procedures because in order to make the decision to fire, they're going to have to have the reasons and have documented them. I don't think that's detrimental to the school system; I think it's beneficial; because I want to know where the good teachers are. Those are the main reasons.

The other one is mobility of teachers, and I can go into that in some detail if the member wishes.

MR. C. MANNES: Mr. Chairman, this is probably the best time to maybe spend a few minutes trying to get a feel for this whole area of evaluation. I know I've heard the Minister on many occasions make reference to that particular process, and I can't argue with trying to come forward with better systems of evaluating teachers. I have no difficulty with that.

But it seems to me, with all the Minister's grave concerns that first of all it's the school division's responsibility to set up the evaluation system and then after that receive some type of, I would say, endorsement probably from the teachers, of the process or the system of evaluation that would have to be acceptable to them is putting tremendous pressure and really asking too much almost of the school divisions.

I'm wondering if she doesn't feel the department has a role to play in helping - and I would therefore say that all the players within the educational area have a role to play in trying to find this illusive system that can do properly, evaluation. There seems to be so many areas that hinge upon it yet I see nobody doing anything about it. I see the Minister saying, well that's up to the school divisions and the school boards and the trustees to do something about.

The Minister has been a trustee, and I would question her what thoughts she has in her mind to let us do these sorts of things. It seems to me as I remember as a student, as I was growing up, the inspector came into my classroom, had us all go to the board and would ask us some basic math problems. If a good majority of us got that correct, I think he would pass the judgment on whether that teacher was teaching or not. I don't believe that happens anymore . . .

HON. M. HEMPHILL: Thank God.

MR. C. MANNES: Well, the Minister says, thank God. From her bias, I can see why she would say that. I have no axe to grind with anybody, Mr. Chairman, but the

point is to say that we need evaluation on one hand, but secondly, as the foremost professional educator if you will in the province, the Minister has some responsibility and the government has some responsibility to begin to work to a process or a system of evaluation. I think just to say that it's the responsibility of the school divisions and the school trustees, I really think is a shirking of one's responsibility. Maybe the Minister will want to comment on this.

HON. M. HEMPHILL: A few points, I suppose first of all to the point that do we take some responsibility, I would have to say, yes, there isn't any question. I think that we would tend to - and everybody's working on this area, I don't want to suggest that they're not - the school divisions are, the trustees are, the Department of Education is and our role probably is in the way of professional development. In other words, principals, I think, are one of the key factors in good evaluation, because they are the ones that are on-site in the schools that work with the teachers on a daily basis.

The farther you get removed from being in that classroom and on that school site, the less able you are to do an adequate evaluation. If the member opposite was happy to believe, in his mind, that somebody could come in from outside and watch his class for half-an-hour and watch him put . . .

A MEMBER: Careful, careful.

HON. M. HEMPHILL: . . . Okay, I won't make too many assumptions.

When I said thank God that we don't have that anymore, it's for two reasons. One is that we have 12,000 teachers in the province, and any suggestion that the 23 field inspectors were actually going out into the field and doing an adequate evaluation of 12,000 teachers was pretence and sheer nonsense of the highest order. They did a little bit of evaluation of some people in some schools, but they couldn't possibly pretend even to do it all.

So I think there was a suggestion or a feeling, and maybe sometimes we like to have something that gives us a good feeling, a feeling because we had inspectors from the central department that went out, that we actually had an adequate evaluation process from the department. We did not. And that is not to underestimate some good work and some helpful things that were done by individual inspectors going into schools, particularly where they didn't have adequate staff themselves.

The second reason, is that things have changed a lot in school divisions, and the staffing capacity and professional level of staff has changed a tremendous amount. Whereas 10 or 15 years ago, they would not have had people with the training or in the positions that they have today, that are trained and have skills and knowledge to deal with things like evaluation, hiring and evaluation of teachers, so that more of the role had to be taken by the department.

I think we are best when we say and admit what can best be done by people in school divisions, professional staff. I have to tell you that I believe that the principals and the administration in the school division, on site, dealing with their teachers on a day-to-day basis are

in the best position to evaluate their teachers and help them.

MR. C. MANNES: Mr. Chairman, theoretically, I can't argue with the answer. I certainly can't. As a matter of fact, I have to accept it. But maybe the Minister can tell us - obviously the Planning and Research Department, and I'm sure there are other statistical areas to which she can reach for the answer to the question - but she must have some idea how many teachers over the last five years have been evaluated by principals who then gave advice to the board not to hire for a second year because of incompetence, because of not being able to do the job, does the Minister have access to that? Because obviously she has to if she's going to say that that system can work well.

If she is saying the principals are the people that are there on a daily basis and know exactly what's going on, then obviously she has a base of statistics that can tell me how many occasions it's happened over the last five years, each year, as to how many recommendations have come from principals to board that, in fact, that new teacher after one year should not be allowed to stay within that school.

HON. M. HEMPHILL: Mr. Chairman, no, I don't have specific statistics that indicate that, because that information doesn't come to me. School divisions, as a matter of fact, what I do know is that most cases are solved without any problem at the school division level, that a decision on whether or not to keep a teacher, and in fact, they don't even have to have a good reason in the first year to let them go. They don't even have to have a good reason, so they can just decide to let them go for what is good reason or for what is reasons of their own. We do not get information about those that are handled - I don't know if you would call it successfully - but without requiring outside involvement such as a conciliation or arbitration board. Those are the numbers that we get.

MR. C. MANNES: Well, Mr. Chairman, I find it hard to believe that the Manitoba Teachers' Society would not have presented those types of statistics to the Minister in support of their argument, that the two-year probation period leading to tenure, be reduced to one. I can't believe for one moment that the Teachers' Society, first of all, doesn't know that; and secondly, hasn't shared that information with the Minister. I'm not talking about the number of teachers that may have been pushed away from the division because of arbitration hearings and conclusions. I'm talking about those teachers that have taught for one year and then were asked to leave or were not offered an extension of contract. I find it hard to believe that the Teachers' Society would not know that.

HON. M. HEMPHILL: Mr. Chairman, they may know, to my recollection and I'm getting the same sort of response from my staff, but we do not remember that information having been shared with us.

MR. C. MANNES: Well, Mr. Chairman, that even begs a further question, then. How come we passed a law

last year, Bill 77, which reduced the time for waiting for tenure from two years to one? On what was the basis? Obviously it was philosophical and I suppose if that's the answer, I can accept that. The Minister has indicated that's why other areas - and we have a White Paper before us in other labour areas - which I suppose brings the due process. If this government brings it forward in legislation, we'll see due process in many other areas in the labour area.

But I am more concerned again as to what is actively being done today to develop systems of evaluation that will allow those principals, who are in that school every day according to the Minister and which obviously is true, who are sitting in on the classes and who are talking to other teachers and who are talking to students, what development is in the works to allow those principals to, at times, pull away from their staff, on not only a day-to-day basis, but in many cases a social basis, which will allow them to make sound and proper judgment after the first year?

HON. M. HEMPHILL: Well, Mr. Chairman, I can only say that if they can't - and I realize it's a very difficult job, I don't pretend that it isn't - and judging humans, the judging of somebody else is probably one thing that people realize is important that they have to do it and have some reservations about it because you would hate to misjudge unfairly.

Nevertheless I say to you that if our principals can't do it we're in real trouble, because they are usually put into those jobs and one of the sad things is that they're often some of the best teachers that we have are promoted into administrative positions. But on the other hand there are benefits of that, if they are good teachers, they recognize good teaching and are clearly in a key position to make that judgment.

I do want to say that the purpose of evaluation should be done to help teachers, I mean its basic thing shouldn't be to find people and fire them and get rid of them. We want to get rid of incompetent people, but we want to identify things that can be done to improve the quality of the teaching force that we have because it's foolish to do otherwise.

I would say that all of the organizations that's in the Department of Education - MAST, MASS, the Principals' Association - have probably identified evaluation as one of the top priorities in the coming year and there will be workshops and activities undertaken at all those levels. Obviously there has to be, at each school division, some professional development and policy development with their own individual staff.

MR. C. MANNES: Well, just a couple more questions in this area, Mr. Chairman. Maybe the Minister can share with me her philosophical views as to whether or not the part of a potentially new evaluation system, whether part should be dependent at all on measurement of students' abilities, by way of some common test or exam - and again I'm not talking now about standardized exams, department exams - I'm talking about a system of evaluation that is somewhat dependent upon a grade of students. Can the Minister, in her mind, see any part of evaluation based upon this at all?

HON. M. HEMPHILL: Mr. Chairman, I see evaluation taking place at two levels and I see the department

carrying a responsibility to measure and evaluate the students that they are teaching in their system and their competency. I see the Department of Education evaluating the curriculum and having information that we gain through provincial testing, that tells us how we are doing on a province-wide basis and whether or not there are any deficiencies in our curriculum.

I might say, just in case he thinks that is a useless exercise, that we have - and I'm trying to remember the case - but we have identified a major deficiency in a curriculum and it doesn't just come to mind right now which it was, where we made changes in the curriculum based on information that came to us from the provincial testing results that showed we had a problem in terms of the content of that curriculum.

It is very difficult to look at the range of students and the range of programs and the fact is, it was much easier 10 or 15 years ago, because 50 or 60 percent of the kids weren't in school and the reason they had a simpler system and they could measure it and say how well they were doing, is they were only accommodating what you might call the elite of the system.

I can give you some of the statistics for instances, that in the 1950's when I graduated - I graduated in 1958 - only 11 percent of those going to school graduated from high school and in the 1960's it was about 33 percent and in the 1970's it was about 70 percent. We're now up I think to about 75 or 80 percent. I simply used those statistics to say that we are accommodating all kinds of kids in the school system, that both have special needs and are in the wide variety of different programs that we're offering, and it's very difficult to bring in a measuring system that evaluates those kids accurately and fairly.

MR. C. MANNES: Well, Mr. Chairman, I don't argue that it would't be difficult. I guess what I'm saying, is the Minister at all prepared to even accept a system that will try to do it on an objective basis? As I summarize her remarks, the Minister seems to be saying, well if the quality isn't there as defined by provincial testing, that then is a measure of the strength through the weakness - obviously the weakness of the curriculum - and let's forever and a day separate the teachers' abilities from the results of the students as they may be writing a provincial test, for instance. That's what it appears to me at least what the Minister seems to be saying. If I'm wrong, fine, she'll correct me later, but I just thought it was wise and this was an opportune time to enter into this discussion to see where the Minister stood specifically in this area.

My final question regarding the proclamation of Bill 77 is maybe the Minister can tell my why the government consulted the school trustees by agreeing to, first of all, hearing an emergency meeting on April 16th giving them the feeling that there was some chance that maybe in the 11th hour that they could talk the government into changing their mind? Yet, at the same time, the department had passed, and I have it, an Order-in-Council, I believe it is No. 317, dated March 21st. I really wonder if this isn't an extremely shabby way to treat duly elected public officials by consenting to their request to meet, and already having had passed an Order-in-Council which really would make their meeting very redundant.

HON. H. HEMPHILL: No, Mr. Chairman, it isn't a shabby way to treat them because it didn't happen exactly, although the timing of the O.C. is quite accurate. The suggestion is that we didn't indicate what we were doing, agreed to a meeting with them, let them come and make presentation thinking that they could influence, and then actually proceeded to proclaim.

What happened was that the O.C. did go through, as you suggested, and I communicated to school divisions in a letter April 9th that we were proclaiming so that they had received from me specific information that it was going to be proclaimed. The only thing I did not say was the exact date of proclamation because, at the time my letter went out, I was not exactly clear on how much time they would need to finish the preparation that would be required. So that when they asked for the meeting, they asked for the meeting knowing that I had said it was going to be proclaimed. On that basis, with their request for an emergency meeting, we agreed to meet with them. So that I do not think there was any misunderstanding by the people that were at the meeting what had happened.

The government had communicated, or the Minister of Education had said we are proclaiming, they said we're concerned about it we want to meet with you, and during that meeting we both shared information and positions. I don't think that was a waste of time. I've had some feedback from some of the people, from some of the major organization, that they had a better understanding of our position and why we were doing it and they communicated that back to their members. We, on the other hand, listened to them and explored an option that, I believe, dealt with most of their major concerns which were related to the lengthy time and cost of the arbitration process, and the involvement of the court system in the process, and offered for beginning a discussion a mediation process that I thought would deal with some of those issues.

So, even though there wasn't a change in the decision to proceed with proclamation, the meeting was not held under any false pretences and I don't think the meeting was a waste of time.

MR. C. MANNES: Well, I thank the Minister for that clarification, Mr. Chairman.

Moving on to possible legislation in the future. Is the government at all considering bringing forward during this Session a professional act for teachers?

HON. M. HEMPHILL: Mr. Chairman, I suppose this will be a general answer since the final decisions on the legislative package are being made and are not up to me to present here tonight. But I can say, in general, that we are looking at minor legislative change in the education system in this Session.

MR. C. MANNES: Well, that's quite an answer, Mr. Chairman, I'll take it it's not coming forward then.

I would then ask whether, in this minor legislation that's coming forward, whether it might be dealing with one of the recommendations, and I could be wrong, but I believe it was included in Dr. Nicholls' report specifying that Secretary Treasurers possibly become Chief Executive Officers of school divisions.

I'm wondering if the Minister could tell me whether that might be in the minor legislation, and also whether

this minor change in legislation also might grant, or guarantee, tenure to teachers who have entered public life for a period of years? Specifically, I suppose, teachers who have found their way into politics and then who, after a period of time, for one reason or another, may no longer be eligible to come to this great Chamber.

HON. M. HEMPHILL: First of all, I believe that the recommendation in the Nicholls Report was not that Secretary Treasurers become Chief Executive Officers, but the Superintendents . . .

MR. C. MANNESS: Oh, you're right. Thank you.

HON. M. HEMPHILL: . . . become Chief Executive Officers.

I think that I announced, when I announced the Education Support Program for this year, that we were going to maintain the program as it existed with some very minor changes for this year while we finalized and finished the review procedure which involved public hearings and presentations from what I believe was about 100 people from across the province. So that I think I said that we were making decisions on funding this year based on some of the recommendations; that we were dealing with what we believed were the major deficiencies in the Educational Support Program - highest need areas, and those that we were moving in a significant way like computer programming; that we would be making minor legislative change that was required to maintain the program while we finished the education finance review process.

MR. C. MANNESS: Thank you, Mr. Chairman.
I'll move into . . .

MR. CHAIRMAN: The Honourable Member of Kirkfield Park.

MRS. G. HAMMOND: Yes, Mr. Chairman. I just have a couple of questions or comments on Section 6 of Bill 77. I'm afraid I'm not going to be quite as kind as the Member for Morris was because I think that when the divisions, or MAST met with the Premier and the Minister that, after they had received the letter, they really thought they had a chance to change your mind and, of course, that wasn't the case at all.

I think with Section 6, there was an article in the Free Press and it dealt with comments made by the President of MAST, and also of the Minister. They just bring up some of the points in this particular piece of legislation. It said, I think the Minister indicated that by giving teachers portable tenure it would compel divisions to improve their evaluation procedures.

I've listened to the conversation through the Chairman, between the Minister and the Member for Morris, but I really feel that it might have been better had the Minister left that piece of legislation for even two or three years, to give the divisions then a chance to get these evaluations in place that she seems to feel that they can improve their procedures.

This is like putting the cart before the horse. It's backwards, totally. I think that if you're going to make this move then the divisions should have had a chance

to improve their evaluation procedures, and not the other way around, put it in and then say now improve. That doesn't help anything because the errors will be in place and, unfortunately, it's causing a lot of hardships.

The Minister mentioned about believing that incompetent teachers should be fired, and inadequate teachers should not be tolerated. Right now, if evaluation procedures are not in place that are correct that's totally unrealistic. I think you're asking too much of boards.

But my concern mainly in this issue here, because I think that the Minister is taking too lightly things that the boards have said, that they will hire new or out-of-province teachers. For the Minister to say that "she's absolutely horrified", this is a quote in this, "to hear trustees suggest that they'll look to other provinces." Well the fact is they want to have a chance to evaluate. It's not that they want to do that because they don't.

From St. James-Assiniboia what has gone out is the instructions are that you go after the best applicant. But if there's any "buts", one but, two butts. Then they say hire probationary applicants and that means new - or is it over three years, I'm not sure - or out of province? How does this help the teacher in Manitoba in this issue? I know I'm covering the waterfront on this but I feel that it's very important.

The other section is if a Grade 2 teacher, which was indicated from a board, is laid off and applies for a junior high position, who is going to hire that teacher when they've never been in that situation? You don't get a chance to evaluate.

I think this is creating a lot of hardships for teachers in a time when jobs are hard to come by. I don't know why this process would be put in. Decreasing to the one year and maybe keeping at one year, I think, would have been sufficient. Even to have given six months, might have been a bit of a help to a school division and at least give them that cushion on portable tenure. I really do feel that the Minister has put teachers in a position that they don't need today when jobs are hard to come by. I don't think that this will help the teacher who has been laid off, in spite of the Teachers Society thinking it will. It's not going to be.

Until teachers get more, until divisions have their evaluation procedures down or feel that other divisions have got them down pat, teachers moving from rural areas and who want to come back to the city - and I know one teacher that's going to be in that position - are going to have a harder time because some of the divisions will think that possibly the type of teaching that she's used to won't stand up to the city pressures. I think that the teachers may find that what has happened here is not a help, and I'm sorry that the Minister didn't feel that she could have left this sitting there for two or three years and given the divisions the chance to get their evaluation procedures in place.

HON. M. HEMPHILL: Yes, I'm not sure I can remember - because she did cover the waterfront, as she said, and I know she's interested in the issue. I'll try and touch on the major points that she made.

First of all, I think that when I said I was horrified, I really was. But I want to go on record as saying that I don't believe they're going to do it. I really don't. I

cannot believe that the superintendents and the trustees of the province would actively discriminate against the 11,500 experienced teachers that we have in the province.

When it comes to the crunch, I really do believe that they will be looking for the best teacher they can find and I think they will take that teacher even if - although I would prefer to have thought that they would have been looking to hire Manitoba students trained in Manitoba education system, experienced in our Manitoba schools, that they would have preference. I don't want to close down our borders, Mr. Chairman, but I do suggest that I would expect and hope that we would be trying to fill our positions and give as many jobs to Manitoba people as possible.

If I had to take a choice between accepting an evaluation by people in another province that I didn't know, who had evaluation procedures that I had never seen, who taught in a system that may be quite different from ours, and the choice of hiring one that had been trained here, educated here, taught here, where the people doing the evaluation were my peers working on an organization with me, either the superintendents' or the trustees' organization, collectively making decisions on evaluation procedures and processes for the province, I sure as heck would rather rely on my system, my teachers and my peers for that evaluation.

You always have to make judgements when somebody is applying for a job. You always have to make decisions when somebody is applying for a job with the best information you have about their education and their experience. You have to do the best you can with the information you're given to make a decision on whether or not that can be applied to your system. If you think it can't, you don't hire them. You hire somebody who you think will fit the bill.

I don't think we should overemphasize the seriousness of this problem in terms of the numbers. We've got 12,000 teachers in the Province of Manitoba and they tell me that they are evaluating all these people, they are evaluated every year, we had - and I can't remember the number, it was either five or eight arbitrations in five years - let's say it was eight, let's take the top number. Eight arbitrations in five years, which means all other cases were hired without problem, with agreement or disagreement, but it didn't matter because they weren't required to continue to employ them.

Also, if their evaluation procedures are good, and we've been talking about this issue for years, I hate to talk about how long we've been around sometimes, and I mentioned this before, in my outgoing speech to MAST as the outgoing president in 1975, I identified evaluation as one of the critical key issues facing all people in education. I said declining enrolment didn't do anything about that. Until 1982 you didn't even build it into your education support program and evaluation as the second one. We've been working on this for quite a while, and if their procedures are as good as they think they are, they shouldn't have any concerns with having them stand the light of day of an outside hearing.

I think, probably not to your satisfaction, but I've tried to deal with the two or three points that you've made.

MR. C. MANNES: Mr. Chairman, I'd like to refer the Minister to Page 43, the Pupil Transportation section,

and this comes under the departmental administrative support services in the Annual Report. When I say "refer her to it" she doesn't have to look at it specifically, it's just I'd like it to ask a specific question regarding some of the policies in effect on school buses.

It has come to my understanding that there have now been brought forward some very strict policies regarding what can be carried on school buses. I understand it's to the point where within rural divisions and I'm sure all divisions, that today you really can't carry anything on that bus other than something that will fit neatly behind or under the seat ahead of you.

This is causing some real problems, particularly if school buses are being used like they have been up until now, for moving projects from one school to another. I now know that you cannot take on a school bus a project unless it folds up into a suitcase and you can put it under the seat in front of you. Similarly, on athletic tours and outings, you cannot carry on the bus something like a shot-put if you're going to an athletic event. If you're going on a ski trip you pretty well have to have ski racks mounted either outside or inside the bus to hold skis. If you're going as a touring band, there has to be another vehicle that will take the instruments from one location to the next.

I realize that safety is important, but I'm wondering what happens in departments where all of a sudden the goal becomes such that you turn your back against reality completely and you force divisions and ultimately students to suffer in some, and I say, no small way.

Maybe the Minister can share her thoughts with us on this particular area.

HON. M. HEMPHILL: First of all, Mr. Chairman, the changes that were brought about last year relative to school bus safety were fairly significant changes. I admit that. When I made them, I said that we were taking our responsibility for school bus safety as a very serious responsibility. We dealt with driver education, we dealt with safety standards for the building of new buses and we dealt with the maintenance requirements for the maintenance and the continued use of old buses and how long they could be used and under what conditions they could be used. I make no apologies for those regulations changes, because they were done not arbitrarily or not by sitting down in a back room in the Department of Education, but through meetings that were held with representatives of each school division who were responsible for school bus safety in their division.

Now that person would vary. If the school division was large enough, it could be a supervisor of the maintenance program; in a smaller area, it would be somebody else. But they held, I think it was a two-day seminar, and dealt with what were considered to be major safety issues and problems that came from the people that were responsible for carrying it out at the school division level, and the changes that were designed were their recommendations. In other words, they did not come from the department, they were done through a two-day seminar where they determined through consensus what the major problem areas were, and what the major changes should be. So that's sort of the first response.

It's hard to get to the point that you're saying, well, can't you put a little thing down by a bus unless it's

bigger than a suitcase of this size or something. I think that the principle behind it would be that there should not be, and they would prohibit the carrying of anything or the placement of anything that could be hazardous. Clearly things like skis, while they might be convenient and when they're going on a skiing trip . . .

A MEMBER: Pretty necessary, too.

HON. M. HEMPHILL: Yes, I agree, you have to have the skis with you, but the question is should they be allowed inside the bus loose, and clearly could be projectiles that could cause serious problems in case of an accident?

I'm not sure where the line is and, quite honestly, I couldn't tell you if somebody in the application of this has gone a little far in saying, if you've got a lunch box that's two feet by one-and-a-half feet, you can't bring it on board. I'm assuming that this is applied with some reasonable common sense.

MR. C. MANNES: My contention, Mr. Chairman, is that I'm led to believe that is not always the case. Certainly I have driven thousands of miles in a school bus and, yes, the odd time my lunch kit did fall off the top of the rack and it left me a nasty bump on my head. But my concern is, I see regulations coming along to such a degree that if they're all applied and, of course, in the first instance they usually are, that really what it means in a lot of cases is that extra-curricular activities are being impinged on to some degree. Because, in some cases, if it means another vehicle having to carry the equipment, well then the tour or the trip just is not taken.

All I ask the Minister to do is realize that one can't always accept the results of a two-day symposium in all the areas in which we could enhance safety because I'm sure, if we had another two-day symposium, we could spend two fruitful days and find a whole new list. I think that the Minister has to show some discretion, and obviously is the one ultimately responsible for making these decisions, and I think it's only fair to point out to her that she use some common-sense judgment in a lot of cases when the bureaucrats come forward to show her and ask her to pass certain regulations.

Moving on, Mr. Chairman, I had three or four small items that I thought might fall nicely within this area. There was a news release, and I have it somewhere and I can find it if need be, regarding school retrofit programs. It was a joint announcement, I believe, by the Minister of Energy plus the Minister of Education. I was led to believe that there were 20 schools in which this program would be attempted or tried. Could she now tell us which 20 schools those are?

MR. DEPUTY CHAIRMAN, S. Ashton: Madam Minister.

HON. M. HEMPHILL: If the Member for Morris doesn't mind, this comes under the auspices of the Public Schools Finance Board. It's a project with the Department of Energy, and I prefer to handle the details under capital.

MR. C. MANNES: Well then we'll move on to another little item. The Member for Roblin-Russell has had a

particular concern, and again I can find the detail if need be, there is a particular problem that the Federal Government was withholding grant in lieu of taxes to the local school division in the Parkland Region. I'm wondering if staff can recall specifically whether this case has been resolved to the satisfaction of the school division or not. If the Minister wishes to take this as notice, fine.

HON. M. HEMPHILL: I'll take it as notice.

MR. C. MANNES: Fine. One other small item, Mr. Chairman, the Frontier School Division, I understand that the department, or at least the government, owns many of the homes - I don't know whether to call them teacherages or not - of the teachers that are teaching within that division. I am led to believe that there was a phenomenal increase in the rental associated with these homes in this past year, far beyond the guidelines that have been put down by the Minister of Housing. Again, if the Minister wishes to take this as notice, I would be glad to discuss it at another time.

My final area, Mr. Chairman, within this section is, again, an association with the guidelines for school closure, a release that the Minister put out, I believe, sometime last fall. I'm curious as to what the procedures are to be followed specifically regarding blizzards. We've had a couple of them throughout the winter, the major one being some three weeks ago, where I had somebody contact me indicating that the buses were called into the school at 11:00, but the decision to adjourn school for the day was not made until 1:30. They had the school bus drivers driving right through the worst time of that terrible Friday storm.

I suppose that these decisions are basically within the school, and I'm wondering whether the guidelines at all, as provided by the Minister, provide any help at all in this area to the school divisions.

HON. M. HEMPHILL: I'm not sure that there are guidelines. I think the Member for Morris is quite correct when he said it would be up to the school divisions. Weather can change from one community, one geographical area to another, and we would be hard pressed here in Winnipeg to call blizzard conditions across the province and sort of close down schools, so we're not in a position to do that.

I can only say that it would be our position that they should err, I suppose, on the side of caution and that, wherever there was a storm brewing, rather than try to get another half-an-hour of program in, or another hour, that if there's any concern about the road conditions to get the students back home, that they would close the schools and get the buses in and get the kids back, even if it turned out that the weather wasn't quite as bad as they thought it would be. I would rather they err on the side of caution when it comes to the safety of students in blizzard conditions.

I might just say, the point was made that, where they make the judgment, you see, if the students aren't in school, then the question arises of will they have it counted as a school day and will they get the grant. This is a serious concern to them, because they get deducted. I mean, we just always take the position that we accept their decisions, and we continue the grants.

MR. DEPUTY CHAIRMAN: 1.(h)(2)—pass. 2.(a) Teachers' Retirement Allowances Fund - the Member for Morris.

MR. C. MANNESS: I was wondering if the Minister had any statement to make in this area. If not, I will begin.

HON. M. HEMPHILL: No, I have no statement.

MR. C. MANNESS: Right. Mr. Chairman, this is one of the areas where there has been a major increase in funding, and I think the Minister made some reference to that earlier on. Could she tell us again why this particular line estimate has gone up some 13.5 percent?

HON. M. HEMPHILL: Yes, Mr. Chairman. The reasons for the increase are all those beyond which we have no control. In other words, they are things that are the requirements of the existing benefits in the program.

First of all, we have a significant increase in the number of retirees and that accounts for \$850,000 of the \$2 million. We have cost of living adjustments to existing pensions that are built in and that is \$825,000, and this is the only new one, and that is that the province didn't used to be but now is liable to pay interest on refunds to estates of deceased teachers. Previously they just paid the amount that they were entitled to and we now are required to pay interest on the money, and that's \$400,000.00.

MR. CHAIRMAN, P. EYLER: The Honourable Member for Morris.

MR. C. MANNESS: Mr. Chairman, I'm not particularly familiar with The Teachers' Pensions Act, but I'm wondering if the Minister could just tell me on what basis does the government contribute to that fund and specifically, what are the stipulations for vesting? I certainly don't need a whole long list if that's involved. I'm just trying to receive a general overview of this if I can.

HON. M. HEMPHILL: Mr. Chairman, it's my understanding that we pay 50 percent of the costs and that it's fully vested and partially indexed to teachers with 10 or more years service, who leave the profession to pursue other activities before retirement age, 10 years.

MR. C. MANNESS: That's when it's vested?

HON. M. HEMPHILL: Yes.

MR. C. MANNESS: The Minister is indicating then that the government matches the contribution of the employee, one-to-one?

HON. M. HEMPHILL: On retirement.

MR. C. MANNESS: On retirement. The reason I posed the question, Mr. Chairman, and I had meant to bring the report of the Teachers' Retirement Allowances Fund - and I don't know if that's the proper name of it or not - I intended to bring it here this evening. Although

there is some reference to it in the Annual Report which may help somewhat, my recollection is of going through the Annual Report, that there was some \$250 million - or was it \$50 million? - that's being invested now within that fund. The point I'm leading to is whether the government has given any or will give any consideration whatsoever to looking at some of the stipulations and the regulations for investing.

I don't want to draw too much of a point out, Mr. Chairman, but the point I'm trying to make is that when one looks down the lists of the investments that the fund has, and indeed, if you look within the Annual Report there's some reference made to the areas of investment, one would find that the majority - well, not only the majority, the vast majority - of the funds are of course invested in very safe securities. My concern is, as I look down that list of investments, that only a very small percent, as I remember from the Annual Report of the fund, it seemed to me about 1 percent or less is invested in venture capital.

I realize pension funds, by their very nature, are supposed to be safe, but we have a real problem - not only within the nation but certainly within the province - as to where these funds are tied up. I'm wondering whether the Minister and the department and indeed the government and the Minister of Finance could give any thought whatsoever to allowing funds of this nature to direct a larger portion of funding into venture capital.

I say that only because we are considered the highest savers on earth and yet so much of our savings are tied up in pension funds, which are administered by quasi government groups for the sake of safety, are directed into only the safest areas of investment, and of course those are today, government loans, government borrowings. I think it's a major problem that we have here and I guess the only question I ask the Minister is whether or not she's at all concerned about it and whether she sees it as a potential problem if it continues to build - major pension funds like this.

HON. M. HEMPHILL: Mr. Chairman, I haven't had any information to date from the board or from people that are carrying out the responsibility that there are any problems in this area. I think that it is administered exactly the same way as it was during the four years of Conservative Government and that is that the TRAF Board is totally responsible for determining investment, and to date I've had no information or no reason to believe that we should be involved or directing that.

MR. C. MANNESS: Well, I'm glad to hear the Minister has put that on the record because hopefully then the government won't want to move into the pension field in any area. There was some talk around, I thought I'd heard, where this government was maybe interested in becoming involved in that area and I, at least know there'll be one member of the Cabinet table who will not be supporting that move.

Mr. Chairman, in 1981-82, and again I look on Page 78 of the Annual Report, reference is made and they're talking about the very good results in this pension fund in the 1981 year, and they said, "The principle change was to recognize the significant increase in value of real estate investments over their original cost with one-half such increase being added to income and the

remainder being held as provision for possible future declines in value."

My point being, that some of these investments have paid off very handsomely to the fund, and again I would ask the Minister whether or not the government contributions have to be continued to be maintained. I know they do under the statute requirement, but whether or not some thought should be given to really watch what's happening within the whole pension area and the fund, in the way it builds.

HON. M. HEMPHILL: Well, I'm not sure how to answer that because I think the member was right when he says it's built into the statute; that there isn't any government contribution prior to retirement, which I think is a very important factor, that I think pensions are becoming more important. I'm just not aware of any information that suggests we should be taking the steps that he's raising.

MR. C. MANNES: Mr. Chairman, in conversation with members of the Teachers' Society, they led me to believe that some divisions are offering early retirement programs to older teachers and I think they were requesting that if those divisions that were prepared to do so, the government in its wisdom, might begin to match at an earlier age. Also, is this being discussed at this time or has a clear policy been enunciated by the Minister in this area?

HON. M. HEMPHILL: Mr. Chairman, I think it is something that is being discussed at this time and there has been no firm policy statement made by me on the matter because it has not come to that point yet.

I think what they are suggesting is that the existing penalty - and I think it's a 1.5 percent per year - be withdrawn because it is the major inhibitor to early retirement. I believe the information that's being brought forward tries to show or indicate that the removal of the 1.5 percent is not that costly, but could have major benefit in terms of allowing people who have been in the school system for quite some time, who want out, to go, while opening up positions for our younger graduates who are clearly hoping for and looking for positions in the education system.

I have some interest in this, certainly at least agreeing to examine this seriously, because we have an aging teaching force and I think it's one of the things we're recognizing, that the teaching force is, as we all are, aging, but the teaching force is becoming a stagnant, aging teaching force in terms of numbers. I think it could be to the benefit if it could be demonstrated — (Interjection) — I thought so too, Gary - just getting better, not getting older. If it could be demonstrated that the removal of the 1.5 percent penalty didn't cost us a lot of money, and did indeed open up positions for younger teachers to move in, I would think that might be beneficial to the education system, not only the teachers, and I'm certainly willing to look at it.

MR. C. MANNES: Fine, Mr. Chairman. I don't think we have to discuss too many more areas specifically regarding that possible new program.

I would like to ask the Minister within this area whether there is a problem with the portability of pensions from

other provinces into Manitoba. My Leader has received a letter from an individual who was a teacher in New Brunswick. I believe the New Brunswick Department is ready and willing to transfer her contributions plus the government contributions, but the Manitoba Government is refusing to accept the concept of portability. Of course, her argument is that's contrary to the Constitution. So, Mr. Chairman, here's this word "portability" again surfacing, and I am wondering if the Minister has any idea of what I'm talking about and, if she does, whether the department is at all concerned about this particular issue.

HON. M. HEMPHILL: Mr. Chairman, we are trying to determine what it might be that the Member for Morris is referring to when he suggests that I am refusing to accept the principle of portability related to this issue. The only thing that we can come up with on such short notice is that he must be talking about the period prior to 1973. Perhaps there is a case that exists there that was prior to 1973 when full portability for teachers moving interprovincially was brought into play.

I suppose that we can only say that, every time there is a benefit or a major change like that that's brought in, there is always a period of time prior that the benefit wasn't there. It is perhaps difficult to always go back and to give that benefit to individuals prior to it coming into force.

MR. C. MANNES: Yes, I had neglected to read the first part of the letter which did indicate that the arbitrary cut-off date of '73 was the problem.

Mr. Chairman, I think we're prepared to now pass this small subsection.

MR. CHAIRMAN: Item 2.(a)—pass.

2.(b) Teacher Certification and Records - the Member for Morris.

MR. C. MANNES: Mr. Chairman, I am concerned about a statement that the Minister made on May 8th - and I wish I had my Hansard; I do, but I haven't had an opportunity to dig it out - regarding deficiencies in the number of teachers. That's a better description.

Last year, during the Estimates process, again in reply to my Leader on Page 2036, the Minister indicated she did not notice any major fields where there are deficiencies. Again she's talking about numbers. On May 8th this year, she indicated that some 200 teachers had been brought in out of the province, come forward out of the province. I'm wondering how she reconciles those two statements.

HON. M. HEMPHILL: Mr. Speaker, I think the question was - and I don't have the specific quote here either - I was making a general statement that we are handling, in almost every area, the training for the number of teachers that we need in the Province of Manitoba, although I can understand there might be the odd case or some cases where a certain skill - and it might be in the special needs area, in the vocational area - where they might not be able to get a person with those skills. It was a general statement that I think we're doing an adequate job of training enough teachers in the areas to provide our own supply.

He's then taken another statement that I made related to the hiring of teachers out-of-province. I related that to the number of teachers we're training. I'll just quickly summarize what I think I said.

We trained 489 teachers in Manitoba last year. There were 212 teachers hired out-of-province. We do have a breakdown of that, that says one in this area, two in special needs, so we know what the skills and what level of education they were teaching in. I know that in some cases they may have gone out-of-province, because they could not get that particular animal or people with those skills to fill that position. But in many cases, the people are here in Manitoba with adequate education to meet those and they are not being hired.

One of the major statistics I'll give is that half of the teachers that were hired out-of-province, which is over 100, were hired in the elementary area. We have a very strong elementary program, so my concern that I raised, and I have raised it with the trustees and with the superintendents, they certainly have the authority and the right to determine who they hire, but I raised a concern for the overall effect of hiring out-of-province when the skills and the requirements and the positions could be filled by Manitoba-trained, Manitoba-educated students.

I think there are a couple of reasons for it, and one of them that I would like to just touch on that might be of interest to the Member for Morris, is the question of having students willing to take positions in rural and Northern areas. This is something we have to look at very seriously, because the reality is that we have students that are going unemployed who have the training that is required to fill positions at the same time as people out in the rural areas and the Northern areas are not able to fill those positions. So the reality is that they will not always, being trained in the city and perhaps living in the city and educated in the city, they are not willing even in order to get a job - and in some cases, they're willing to go unemployed before they will go out into the country and up North to fill positions.

Now there was a program in place earlier, and I just had a presentation made on this issue by the teachers and the trustees jointly, who both raised the concern for one, what can we do in our Department of Education Program that will give experience in the country and up North. Because the program that was in place before demonstrated that, where they had experience that was built-in, practical experience where they gave a bit of additional support to students for room and board for instance, and sent them out into rural areas to teach for six or eight weeks, they often stayed to teach there. The reality is that they think perhaps the conditions in schools aren't as good, the programs aren't as good, and they don't know what the benefits are of small town community life, which the Member for Morris does.

Long answer, but it's an important subject and one that we have to deal with, because we don't want to keep training and spending the money to train Manitoba students and not fill the existing positions with them, go out-of-province to fill positions that could be filled by our own people.

MR. C. MANNES: The Minister is describing a problem in rural Manitoba that's as old as the age

almost. I don't care if the desire is to fill teaching positions or doctor positions or many other professional areas. It's a fact of life that rural Manitoba at times has difficulty in attracting people who want to work there.

But I'm very curious now as to how the Minister then can so boldly make a statement like she did about 20 minutes ago to my colleague, the Member for Kirkfield Park, when my colleague posed questions specifically to the Minister regarding whether she took seriously the statement by the school trustees that they may, to protect themselves - and realize that protecting themselves is protecting the children - hire outside of the province. Obviously, through whatever reasons, and the Minister says right today it's because our graduates aren't prepared to work in the rural areas, that's one of the reasons. For whatever reason we have an experience, our trustees have the experience of hiring, in large numbers, 100 within the elementary years alone, have an experience of dealing with out-of-province teachers.

I don't pass judgment on their behalf as to whether they're satisfied with the qualifications that out-of-province teachers bring with them or not. But I do say then that obviously they have some experience in hiring out-of-province teachers.

How can she then wash aside what may appear to be to her an idle threat, that they will hire outside teachers to circumvent portability of seniority question? I don't want to move back into that area, believe me, I'm just asking specifically how the Minister can make one statement on one hand, and basically contradict her own statement some 20 minutes later.

HON. M. HEMPHILL: I don't intend to repeat the arguments or the position that I raised. I would say one thing I didn't say before, that is since due process only took place as of May 1st, it's clear that the amount of out-of-province hiring that they have done up until now has absolutely nothing to do with due process.

MR. C. MANNES: That's what I said.

HON. M. HEMPHILL: What I said, and I never said I didn't take it seriously, I said that I couldn't believe that when the crunch came, they wouldn't hire the best teachers available regardless of where they were. And what I did was point out to them when we were having the discussions on due process, that we had what I believed was a problem; that before the threat to not hire experienced teachers, Manitoba teachers, that we have a trend that we have to be concerned about and pay attention to in Manitoba, and that is the numbers and the percentage of hirings that are being done out-of-province when they could be filled by Manitoba teachers. So I was saying, please, I hope you're not making the suggestion that you are going to add to what is already not an alarming problem, not a crisis, but a problem.

MR. C. MANNES: Mr. Chairman, I'd ask the Minister, and I take it from one of her earlier answers that the government is not going to introduce a professional act for teachers this year - and I could be completely wrong - the Minister won't indicate whether she will or

won't. But given that this government is contemplating bringing forward that type of legislation sometime within its term, is she concerned at all about that type of legislation overriding the responsibilities and the powers of the Teacher Certification Board or however, whatever we do, whatever procedure we use within the province at this time, to certify teachers?

HON. M. HEMPHILL: Mr. Chairman, I think first of all I didn't say that we were or were not bringing in any specific piece of legislation. I simply said that at this point all I could say is that the Department of Education was bringing in what I consider to be minor legislation and what those are will become clear when the entire legislative package is put on the table.

I think the question he raises is hypothetical so it's a bit difficult for me to answer. He makes an assumption, that will be determined as this Session and the next Session of the Legislature unfold, and that is whether or not we are seriously considering, or going to put that piece of legislation on the table. So to ask me about how I feel about its relationship to the role of the existing department at a time when there is no public indication or a decision made, is premature.

MR. CHAIRMAN: Item 2.(b)(1)—pass; 2.(b)(2)—pass. Item 2.(c), Statutory Boards and Commissions - the Member for Morris.

MR. C. MANNES: Mr. Chairman, the Statutory Boards, or at least there was a listing of the Statutory Boards on a small Roman numeral iii within the Annual Report and included are The Education Department Advisory Board, The Board of Reference, The Collective Agreement Board, and the Articulation Council of Secondary and Post-Secondary Education in Manitoba, and the Teachers' Retirement Allowances Fund Board.

Are these the total of all the boards other than the Schools' Finance Board that fall within this area?

HON. M. HEMPHILL: Mr. Chairman, some of the boards that the member listed are not statutory boards. The Articulation Council for instance is a board in the Department of Education, but not statutory. And the ones that are included under this category are Board of Reference, Advisory Board, Collective Agreement Board, Arbitration and Conciliation Certificate Review and Languages of Instruction Advisory Committee; \$30,000, no change in money or numbers of boards.

MR. C. MANNES: If we could move specifically then to the Education Department Advisory Board, I look at Order-in-Council 103, dated February 15th, and I notice a number of appointments from universities.

I'm wondering if the Minister can indicate at this time what message, if any, they are bringing to the Advisory Board and therefore to you regarding the level of basic skills. I guess I'm talking about particularly language arts, and maths, and science that are evident in the general student body as it is entering universities.

HON. M. HEMPHILL: I'm sorry, first of all, I had words coming from two places. I picked up some of yours and not enough to get the gist of the question. Could you repeat it?

MR. C. MANNES: Well, Mr. Chairman, I was just making reference to the fact that I had perused Order-in-Council 103, dated February 15th, and going through the listing of many of the names of many of the people that were representing various segments of education, I noticed quite a number of appointments from universities.

My question to the Minister was, what message is she receiving from the Advisory Board regarding the level of basic skills evident in the general student body that is entering university?

HON. M. HEMPHILL: Mr. Chairman, I will just have to recollect as best I can. The Advisory Board is a large one, it has 28 members, and while under the statutes they are supposed to give me advice in - that's the word we're talking about, isn't it? — (Interjection) — Yes, they're supposed to give me advice in just a couple of areas. By statute those areas are religious exercises and patriotic exercises. Those are the two things by definition. They have by past practice and tradition given advice on anything that they thought was important enough to advise the Minister on.

I have meetings with them regularly, a couple of times a year. Usually I go to one of their meetings. I was supposed to go to one last week and wasn't able to but I will be attending next month's meeting. They present resolutions to me. I don't remember the issue of basics being dealt with or coming up as an item of concern from the Advisory Board. They dealt with computers and education. They have dealt with religious exercises which is in their mandate - can you think of others? - dealing with the question of patriotic exercises. I can get a list of their recommendations to me but I do not remember anything on basics.

MR. C. MANNES: Thank you. Well, the Minister correctly points out where some of their specific areas of responsibility lie. I'm wondering if the Minister could tell us specifically what patriotic observances are mandatory within our schools today? She indicates that there was some recommendation made to her by this particular Advisory Board, I'm wondering if she could share with us what they recommended by way of change?

HON. M. HEMPHILL: Mr. Chairman, the requirement for patriotic services is that they have some. They are required in the schools to hold patriotic services. They're not mandated as to how. The activities of the Advisory Committee have been to develop resource materials. In other words, to say that having a better knowledge and understanding of your country and any information and sort of traditions in the school system that develop that . . . It's getting very difficult to talk, Mr. Chairman.

MR. CHAIRMAN: Order please.

HON. M. HEMPHILL: Could the people keep their other conversations down to a dull roar?

What they have been mainly doing is developing booklets and resource materials for the schools to use in their observance of patriotic exercises, although they leave it up to them just how to handle the programs.

MR. C. MANNES: Mr. Chairman, I beg to pose the question. Specifically, when I read this item, I took that

to mean more specifically the functions and the observances that were in use as students came to school in the morning and whatever observances might be in use at the end of the day. I want to know whether they are singing our national anthem and whether they sing God Save The Queen in the evening, and I want to know what variation is allowed from school division to school division, if any. I think that was my concern in my question.

HON. M. HEMPHILL: Mr. Chairman, they are doing both of those things. My understanding is, and I'll confirm with staff, but I don't think that we necessarily require that there is discretion within school divisions to determine how patriotic exercises will be handled. There may be both different approaches and different programs related to that; they are given some discretion.

MR. C. MANNESS: Mr. Chairman, I may have interpreted the Minister's answer incorrectly but, it seems to me then, that there are no mandatory requirements on any division to have our anthem and God Save the Queen sung within their districts. I'm saying that if it is discretionary, what is the purpose then of the board in commenting in this area if there are no mandatory rules?

HON. M. HEMPHILL: It is mandatory to have them. What is not mandatory is how they shall observe them. I think that is the difference. They must have patriotic observances but it isn't mandated as to how they will observe them and they choose to do so in different ways. Some cases they will do it through the singing of the National Anthem first thing in the morning; others may choose to do it in another way.

MR. C. MANNESS: Mr. Chairman, can the Minister be more definitive? How do you sing the National Anthem any other way than to sing it? I'm wondering how else you make a commitment specifically to the nation by way of our National Anthem without singing.

HON. M. HEMPHILL: There is one way, and some of them choose to do so, and that is that they play a record over the PA system, so that's one alternative that they may choose.

MR. C. MANNESS: Mr. Chairman, I suppose that will suffice in that area at this time. The Minister indicated that there were some recommendations made to her in this particular area and I ask her, again, if she would be prepared to share them with us.

I also see, within the next area, the religious exercises, and the regulations that the development of a booklet has occurred. I'm wondering, again, if she could provide that to us also or whether that is available.

HON. M. HEMPHILL: Yes, Mr. Chairman, I think the best thing that we might be able to do is to make some of those things directly available to the member. We can give him the guidelines and the resource materials that came out related to patriotic exercises and, in terms of the religious exercises, the group has been examining and exploring the existing programs in the

schools and is looking at making - and I think have probably even made recommendations - but there's been no final decision on their recommendations in this area.

MR. C. MANNESS: The board also was mandated to carry out a study on its own operation. I was wondering if they've completed that report and whether those recommendations are also available?

HON. M. HEMPHILL: Mr. Chairman, I think that wasn't really a requirement, it was something that came out of direct communication between the board and myself. I think when I took office, and I had my first meeting with them, their question to me was: "Do you still want us to exist? We're willing to sit and to offer advice if you're willing to have us sit and offer advice." I think they really wanted confirmation that there was a role for them to play in activities other than the two that were determined through legislation. My response to them simply was, "Yes, you do have a role, you're a broad spectrum of people across the province. I'm willing to have you consider both what I refer to you and any item that you believe, through your knowledge and information, should be something that should be considered by me." So, what I said to them is, "You might want to think through the role of the Advisory Board. As it exists, is it functioning the way it should and what should its role be?" because it clearly has gone beyond that which was legislated.

MR. C. MANNESS: Mr. Chairman, it appears to be a most worthwhile format for direction and certainly one that I can endorse.

Moving on to the Board of Reference. Can the Minister indicate whether there were major disputes this year and if there were how many?

HON. M. HEMPHILL: Yes, Mr. Chairman, in general, I think there has been an increase in hearings for a number of reasons. I guess some of the issues that they deal with are getting more controversial and people are becoming more and more aware that the Board of Reference exists and allows them to present their position on matters that concern them. In 1981 - my statistics are just going to belie what my general statement said. In 1981, there were 33 awards and I know that was a significant increase from previous years. In 1982, it went down to 23; and in 1983 there were 18 awards.

MR. C. MANNESS: Mr. Chairman, I have no specific awards to pose questions over, although I would invite the Minister, if any of these were major in any way, to disclose them if she so wishes.

Dr. Nicholls, in his report, Pages 159 and 160, devoted a section to governments. I'm wondering whether the Minister is considering any action in this area at all. I'm talking about specifically setting up a commission to look into the existing school boundaries.

HON. M. HEMPHILL: The Nicholls Report did make recommendations in what I believe to be about six or seven areas where they suggested that there be additional review or examination, or a review and study,

of an issue that had not been dealt with in their report. Boundaries review was one of them and we will be dealing with all of the recommendations for further study at the same time when we deal with the Nicholls Report.

In other words, we won't be making a decision just on whether we have a boundary review, we will be making a decision on which of the recommendations coming out of the Nicholls Report for further study we are prepared to undertake.

MR. C. MANNESS: Mr. Chairman, it is the view of many and certainly it's the view I think of the Teachers Society, that many rural school divisions are becoming uneconomic as far as the costs of administration over the sparse number of students. I'm wondering if the Minister could give us her feelings on this particular concern, by some people within the educational area, that being that rural school divisions, some of them, are becoming too small and therefore unworkable, in the sense that their costs over the division in an administrative sense, are becoming unnecessarily high.

HON. M. HEMPHILL: It's a little hard to make a very general comment when the Member for Morris may have a very particular school division or situation in mind. What I can say is there's nothing presently that precludes school divisions from joining together co-operatively to share resources and programs if their geography and the numbers of their students do not allow them to delivery adequate programs.

In one case that I can think of, we've got two small high schools in two different school divisions, who alone are not able to provide the number of options they want to provide for high school programs, who are without any legislative or any changes in boundaries, simply co-operating to deliver a joint program to the benefit of the students in both of those school divisions. So any school divisions can, and I've always said that any time school divisions want to co-operate, my department will not inhibit. In other words, if there are any funding formulas that go, we will not do anything that would interfere or inhibit their intention to provide joint programs. They also can apply to the Board of Reference so that if anybody is really seriously thinking that there are some concerns with their ability to deliver program, they can go together to the Board of Reference and ask for a boundary change and say and communicate that this board wants to join that board, so that option is open to them without the entire major review of all of the boundaries in the school divisions.

I guess my point is that if there are really serious problems, they can be solved without a total review of boundaries of all the school divisions in the province. As far as the country goes, I do know that when the consolidation program was under way, when they changed the foundation program which I think really did encourage consolidation, that to the large degree that the consolidation that was reasonable did take place because you have to take into consideration the amount of geographical territory and the size of the school divisions.

So a lot of consolidation did take place during that time. It's not to suggest that there might not be some that could still take place, but most of it was done by design when they wanted school divisions to join together and to consolidate a decade ago.

MR. C. MANNESS: Mr. Chairman, I'd ask one question on the collective agreement work. There is a large discussion evident these days within the Teachers Society regarding bilateral negotiation. There's a strong desire by some within that organization to see the financial and salary negotiations be between two parties only, a representative of the teachers as a collective whole and the Province of Manitoba. I'm wondering if that came into existence, whether this board would then become redundant. I don't know enough about this board to have a strong feel for what it does, but given a situation where the province would be negotiating one contract with representatives of the teachers as one group, would this board then be redundant?

HON. M. HEMPHILL: Mr. Chairman, the responsibility of this board is very simple and it's to make certain that agreements are correctly implemented if there is a dispute, and to my knowledge it has not met during the last few years.

MR. C. MANNESS: Specifically to the line estimate, Mr. Chairman, some \$30,000, it's down somewhat. Is the Minister expecting fewer meetings across all these boards? I take it these are meeting expenses in specific.

HON. M. HEMPHILL: No, I think it's down a very very small amount and we're expecting the level of activity to be about the same for most of those committees.

MR. CHAIRMAN: Item 2.(c)—pass.

Resolution No. 52: Resolved that there be granted to Her Majesty a sum not exceeding \$17,884,300 for Education, Teachers' Retirement Allowance Fund and Operational Support Services for the fiscal year ending the 31st day of March, 1985—pass.

Item 3 - the Member for Morris.

MR. C. MANNESS: Mr. Chairman, this being a major area, I'm certainly prepared to proceed, but I imagine the Minister would have a statement she'd want to make in leading off this area, so whatever her wishes are, I will be glad to . . .

HON. M. HEMPHILL: Well, I thank him for the kind offer, Mr. Chairman. I think that actually most of the things that I would want to say in this area, I actually said in my opening statement. It's not my intention to go into extremely long opening statements. I covered, I think, the major allocation and distribution of the money, the reasons why we had allocated that way, the effect of our allocation on the Education Support Program, mill rate, major factors. I think that that's enough to open up this area.

MR. C. MANNESS: Mr. Chairman, I'm wondering if the Minister could provide a breakdown or list of all the grants, the block grants, the supplemental grants, the private school grants that make up the \$372 million?

HON. M. HEMPHILL: I can perhaps take that as notice and provide that detailed information for him tomorrow. I think we can deal with specific grants. I'm not sure that we have the list of all the categorical grants in the

Education Support Program. Do we have it here? We'll send it over to you I guess. If you want me to read through the dozens of grants . . .

MR. C. MANNES: Well, Mr. Chairman, I'm more than perplexed. This is an area of \$372 million and all I have in front of me is one line in the Estimates. Surely the Minister has to provide something more than that. This covers all the grant areas. I'm not asking for each specific grant to each specific school division, but I think it would only be fair that we could be provided on this side with some of the breakouts that total \$372 million.

HON. M. HEMPHILL: Mr. Chairman, there's a fair amount of detail to read off and I will start it with the Education Support Program. The 1984 . . .

MR. C. MANNES: A point of order.

MR. CHAIRMAN: The Member for Morris on a point of order.

HON. M. HEMPHILL: Okay, I'm not sure that we are giving the . . .

MR. C. MANNES: I'm not requesting that it be read into the record, I am requesting a copy of this.

HON. M. HEMPHILL: Oh, no problem. We'll send . . .

MR. C. MANNES: So that when we go into Estimates more fully on this area tomorrow, I will at least have had the opportunity.

HON. M. HEMPHILL: That's what I thought we would do in the first place. We'll send the details over to you right away.

MR. CHAIRMAN: I believe the issue tonight is whether or not we dive right into the whole Estimates, or whether we send a copy over to the opposition and continue tomorrow.

The Member for Morris.

MR. C. MANNES: Mr. Chairman, then I would request that the Minister send that detail over to us, and maybe we could spend another half-hour on some of the recommendations that have come forward from the Nicholls Report if she would be at liberty to discuss them at this time.

HON. M. HEMPHILL: Mr. Chairman, I'm at liberty to discuss them. I am not sure if the Member for Morris is going to be happy with my answers, so perhaps it would be a good idea at this time of the evening, and with the question that he's raising to be as clear as I can on that issue.

When I announced the funding for the school divisions this year, I indicated clearly that we were not altering the Education Support Program at that time, but we were taking very seriously a number of the recommendations and trying to apply the money to the areas of greatest need and greatest efficiency, but we

would be maintaining the existing programs for this year while we finish the Ed. Finance review process.

Part of that process has been the public hearings which were just held about a month ago, and school divisions and organizations were given a period of three to four months to respond with their presentations on what was understandably a very complex, very important report. We're awaiting that, Dr. Nicholls is expecting to have the review of those presentations made by the end of June, and we are awaiting that information.

I think it would be, not only presumptuous, but it would be in opposition to the entire process of the Education Finance Review which had a public hearing and public participation component, if we made our decision on individual recommendations or any of them prior to receiving that information. We haven't had it yet; it's in, it is being analyzed, but the government and myself do not know what the position and the recommendations are from the 100 people and organizations who communicated their position on it. So I don't have and am not able to discuss my, or my department's or government's, position on any of the individual recommendations.

MR. C. MANNES: Mr. Chairman, if I can remind the Minister, she has on at least a couple of occasions that I have been able to find in Hansard indicated that there would be some action forthcoming in the 1984 year. Now I realize that was before the realization that the report would not be tabled last July, when I believe the Minister was expecting it. Indeed it wasn't tabled before us, us meaning the House, until January, I believe, of 1984.

Certain recommendations of that report the Minister and the government has already seen fit to use, at least using the specific words of the Minister in her news release. So I realize full well that many of the recommendations may not be part of government policy, but I still would like to use the ones that are there, in some cases, as a springboard for further discussion as to an understanding of specifically what's on the Minister's mind in a philosophical sense as it relates to, particularly, a disbursement of funds, in the areas of proposed taxation, and I suppose, most important of all, the area of assessment and the impact that has on the total property tax, the largest component of which is the education portion.

So that's my intent for wanting to discuss parts of this. I realize full well that these recommendations, at this point, are certainly not government policy at this time. So it is with that proviso, Mr. Chairman, that I would like to at least spend some time within the area, and first I would ask the Minister specifically then what is the timetable for this long-awaited, new educational finance formula? When can we expect to see legislation come forward that will attempt to deal with all the shortcomings of the existing Education Support Program, which the Minister has enunciated on many occasions? So I think it's only fair that the Minister give us some idea as to what the time frame is for the development of new legislation.

HON. M. HEMPHILL: Mr. Speaker, I think that's certainly a fair question - I guess all questions are fair, aren't they during the Estimates process.

I think it is fair to say, and we should say, that we probably were a little unrealistic in terms of our initial predictions of the amount of time that this could be done. I think that we gave ourselves something like about nine months to do a job that, for the first time, required hearings to be held across the province and a major public participation that had never been used before in looking at such a big subject as education finance. So it did take longer than we thought it was going to. I think that in terms of being the first really major review, including a public review, in a number of years that it wasn't an extraordinary amount of time.

The legislation coming forward in this Session will be minor legislation relating to this where you might find some of the answers about how we're feeling about some of the recommendations, that will come through when you look at the allocation of the \$16 million. Some of those answers will be there when you see which recommendations we have chosen to deal with with the money that we had available this year.

Taxation, for instance, your concern about assessment in taxation. While it's a big question and you agree that it is not only in our lap, as the Department of Education, but is related to the assessment question, I think we can clearly demonstrate that we have done as much as we could possibly do in the education system to offset deficiencies of assessment, disparity in the assessment base, with our supplemental programs. So that's one of the messages that will be very clear on how we've decided to allocate money.

Major legislative change will not be in this Session. It will be in the next Session because the one thing we're not going to do is short-change the process at this stage of the game where, having gone through the entire process of public hearings, we feel that we have to rush into place with the changes prior to giving them their proper consideration.

MR. C. MANNESS: Can the Minister give us any insight as to whether there will be any changes forthcoming within the assessment area at all? I suppose I should be posing this question to the Minister who's now presiding over his Estimates in the committee room, but I believe that within the education area these two departments, because of this particular situation, are so closely related, I think the Minister can share with us whether or not there will be any activity, any legislative changes within the assessment area per se in the next two years.

HON. M. HEMPHILL: Mr. Chairman, I'm sure that the Member for Morris does not expect me as the Minister of Education to stand in this House and make announcements and give information about what and when another Minister is going to table legislation.

What I can say is that the changes that we made in the supplemental program have redirected \$23 million over the course of this three years to give funds directly to school divisions with the lowest balanced assessment and the lowest per pupil expenditure. I have always said that was the major deficiency of the Education Support Program; I have also admitted what its benefits were.

Certainly the \$31 million in Special Needs, the built-in inflation factor, those were excellent moves that

everybody recognizes. I simply reiterate that within the program they designed, we have done the best that we could to reallocate money to deal with the disparity in assessment.

MR. C. MANNESS: Mr. Chairman, when the Minister tells me what she has done in the area of supplemental grants to try and attack the shortcomings of the former program, fine, that's fair game. But I think the issue is much broader than that and I hope we can raise the discussion beyond that point. I want to know specifically if there is going to be any legislation brought forward within a new education support program whether any legislation will come forward until or unless something happens within the whole area of assessment of the Municipal Affairs. Can we expect anything in dealing with the major area of educational finance before something happens within the area of Municipal Affairs?

HON. M. HEMPHILL: Mr. Chairman, since I'm only both at liberty in my responsibility to talk about what is happening in education, I can simply say that there is going to be minor legislative change in education this year, that we are going to complete the Education Finance Review process which requires us to receive the advice on the representations that were made, the hundred, by about the end of June and study them over the summer. And that having identified disparity and balanced assessment as one of the major deficiencies in the existing program, I cannot imagine bringing in a program or major legislative change that would not address that issue.

MR. C. MANNESS: I thank the Minister for her candid answer, Mr. Chairman.

Speaking specifically about assessment, and the Minister alluded to this in her last answer, assessment seems to be the measure of wealth. I'm wondering if the Minister, in her wisdom, accepts that statement. I've listened very carefully to most of her statements, most of her utterances in this whole area of equity and balanced assessment, and I always hear her rush behind the protection and shield of balanced assessment as if that was the measure. Does the Minister honestly believe that the helter-skelter system of assessment that's in place right now and even one that's going to maybe come within the next two years, is the true measure of one school division versus another and therefore becomes the foundation and the basis for which that school division receives governmental grants?

HON. M. HEMPHILL: I'm not sure that I ever indicated that it was the only indicator of wealth. I've always said that it's one of the major factors in a board's ability to raise money. And when you've got a range of ability to raise money on a mill that goes between something like about 5,000 per pupil in the lowest school division, up to about 26,000 in the highest school division, there is absolutely no question that there is a tremendous difference in ability of the poorest school divisions and the richest school divisions to raise money. There is another factor that is important and it was another deficiency that was built into the Education Support Program and it's the per-pupil expenditures.

If you listen to the concerns raised by school divisions and all of the major educational institutions, they will identify the freezing of the per-pupil expenditures at the 1980 level as one of the major factors in causing disparity and inequity in the Education Support Program. In other words, a school division which was a low spending school division for a couple of reasons: one, they may have a small number of students; two, they may have had a year where they decided to have a lean budget. They were frozen at that base forevermore, at least for the life of the Education Support program. So there are two things that we have identified that seriously affect a division's ability to raise money and get money. Raising money is the disparity in balanced assessment and getting money is the per-pupil expenditure.

MR. C. MANNESS: Mr. Speaker, I'm wondering if through all the representations made to the Minister, whether she can tell me specifically what the concern is of rural Manitoba, specifically to assessment and the changes therewith. I'm wondering if she can do it without the support of staff so that she can show me that she knows exactly what it is and what has created the problem of high education tax in rural Manitoba, particularly on grain farms where there are large acreages of land. I'm wondering if she has a feel for what has happened outside of the actions of individual farmers, outside the actions of municipal officials locally. I'm very curious to know this.

HON. M. HEMPHILL: Mr. Chairman, I think the point the member raises is - you know, I hope he will admit there is a limit to which the education system alone can address the major deficiencies of the assessment program, that this is not our job and that many of the factors he's raising are not in my area of jurisdiction. I don't think he's going to like the answer that I give when I tell him what the major factors are, that impact on both assessment and on mill rate whether they're in the country or in the city or up north, because there are four or five factors and you have to look at each one of them and look at each division to see what the problems are in that area.

The first one is the level of provincial funding; that's a major factor in the mill rate and the effect on taxes in a school division. The second one is declining enrolment, and while we've gone to, I think, a 0.4 percent across the province, there are some school divisions, and some of them are in the country, that still have a declining enrolment factor of 5 percent or higher. There wasn't any protection for that or much protection for that built into the Education Support Program, so that has a major effect on them. The disparity in assessment base has a major effect, whether they're a division at the bottom end where they only raise 5,000 or 6,000 or a division at the top end where they raise 24,000 or 26,000.00.

Board expenditures are a fourth factor and board expenditures can range from 3 percent to 10 or 15 percent. Individual boards have to account to their ratepayers on the level of expenditures that they set. Of course, another area that would affect is the degree of settlements, the size of settlements with their contracts. The information that we have shows that

boards both in their operating budgets and their teacher contracts are really recognizing the limited resources and coming in with, I think, very responsible levels of expenditure.

But what you'd have to do is identify a school division and say, why is the mill rate impact so high or what is the effect because you can't make an assumption that it's assessment or farm without looking at all of the elements.

MR. C. MANNESS: Mr. Chairman, as I suspected, the Minister really doesn't understand totally. She understands very well the cost side and she has just given us the reasons in those areas that impact on schools. She has a fine and sound knowledge of that in the financial area and I give her that credit.

My concern isn't one school division versus another and we know the weaknesses in the system and we know that as time goes on and whatever factors have put one school division or district at a disadvantage to another will probably just exasperate those relative situations between them.

My main concern is that the Minister doesn't seem to fully comprehend what's happened in all extensive land-related divisions and that is of course in 1970 at D-day evaluation our land was evaluated at some \$90 an acre and the assessment that was applied therein was somewhere using, I believe it was either late '50s or early '60s, assessment values were made at half that; but since that time, now 14 years later, we have been caught in massive inflations in that assessment base. The City of Winnipeg has been frozen for a number of years. Rural Manitoba, through its many divisions has not, through its very many municipalities. The Minister can talk all she wants about the value and the wealth of a division, but in reality though many divisions rurally based with large agricultural land holdings have had included in their reassessments, their inflation factor of land. Many other districts, still included within the so-called balanced formula have not, and that's the great inequity that comes to place.

Yes, the Minister understands the inequities between divisions. We're now talking about the greater inequity between individuals and areas that have large holdings and now, for instance, find a 1,000-acre farm contributing some very close to \$4,000 an acre in direct support of education, both the education support levy and a special levy within the area. That's the big problem and I'm very curious, and I know I'll have many colleagues who will pose that same question to the Minister in the days ahead, and that's again why I felt I had to ask the question of the Minister, because I had to receive some indication whether she had a strong understanding for that whole area.

Mr. Chairman, I'd like to ask a question specifically regarding the report, and I don't think it will upset Dr. Nicholls an awful lot if I say anything about his report. The one comment that I had to make in criticism - and by the way, I'm not overly critical of the report, I think it's really a first-hand report in many respects - but I have indicated to him in one public meeting at Carman a concern that I had with his review of the Educational Finance Program that was now in existence.

My concern with the report as it is written, is that it takes and it looks at the whole problem of financing

in one area only. It indicates that really it's a revenue problem only. I question the Minister whether she can accept in total a report that does not in any way look at the cost side of education. Does she accept the view of the report that we must not look - and I don't say the report says this; it's the inference that I receive of the report - that we can't look at the cost side, that we take as a given the fact that education today costs - and I think we're going to probably pass Estimates of \$700 million - does the Minister accept that same logic, that the Government of the Day has to be prepared to find, by whatever means are open to it, this huge amount of money to support education? I don't have any specific areas where I can direct the Minister and say, look, there could be cost savings effected in this area, but I find it hard to believe that we can do a major financial review of education, or any area for that matter, and not look at the cost side.

Now you may ask, in what areas? I'm not advocating larger pupil-teacher ratios, I would never advocate that. But I find it difficult to believe that a report would not at least make comment about that area, for one; also maybe the economics that could be brought to bear in closing small schools, and I'm not a supporter, but I think the Minister understands what I mean. These are situations which I think have to be addressed in a major report such as this.

I further would ask the Minister in support of my argument, Mr. Chairman, I have a colleague of mine who was, I believe, in Communist Russia and went to study the school system there and asked this very question, what is the perfect pupil-teacher ratio? They said, we've analyzed it; we've put millions and millions of dollars into analyzing that very question and our research tells us that the most efficient ratio is 50-1, certainly not much fewer, and maybe not more, although we're very concerned because in Japan it's 70-1 and we are going to look at that ratio.

My question then with that background to the Minister is, how can we totally accept a major report on finances without looking at the cost side? because I don't think, in fairness, that we can.

HON. M. HEMPHILL: Mr. Chairman, first of all, the point he makes is a very good one, that we can't look at the recommendations and what we're doing in the education system without looking at the cost side, but the question is, whose responsibility is it to look at the cost side; and I suggest to you that that is the responsibility of the Department of Education and the Government of the Day.

The job of the - and I think that it was seen this way, I'll see if he confirms by either nodding or shaking his head - but I think the job as seen by Dr. Nicholls when he carried out the report was to put forward what they believed were the needs of the education system, to identify its major deficiencies and problems and to make recommendations on reallocation or levels of funding and that it was not their job, that that report and its recommendations and suggestions that they believe are in the best interests of education, have to be examined and looked at in the light of day by the government who has to make decisions about allocations of funds to Education, Health and all of the other departments.

I can say that I don't believe - and I am not sure on my figures on this - but I think that the level of provincial funding for education as a proportion of the total Provincial Budget has stayed just about the same in the last quite a few years and it's ranging between 19 and 20 percent, I believe - they're nodding - so that we have not, as a percentage of our expenditures, changed the amount that we're allocating to education over a number of years.

Clearly, the recommendations of the Nicholls Report, many of them, have very heavy financial implications and he is not saying that you must do them all, that you must do them all tomorrow or, indeed, that we don't have some judgment about doing some of them at all.

For instance, the one I can recollect is, I think, the transportation recommendations would require an additional \$7 million. It's going to be the responsibility of the Department of Education and the Government of Manitoba to make a decision if we can meet that recommendation or if we agree with it as a priority for the education system; so I believe that he's done his job in putting forward the needs as they and many other members of the educational community believe should be put, the position of the education system. It's up to us to make that judgment and those decisions.

MR. C. MANNES: Specifically to some of the recommendations and the Minister's interpretation of them, Mr. Chairman. No. 1, out of the Nicholls Report, says that the property tax as a source of provincial revenue be disassociated with education. Does the Minister take this to mean that there should be no property tax other than that necessary to serve municipal purposes, or that the tax that does apply should be named something other than an education tax?

HON. M. HEMPHILL: We have some difference of opinion as to what you're asking. Can you spell it out again?

MR. C. MANNES: I'm curious as to whether the Minister's interpretation of the first recommendation was that there should be no property tax, other than the municipal tax for municipal purposes. Did Dr. Nicholls mean that, or did he mean that a tax that is imposed against property, other than for municipal purposes, should be named something other than an education tax?

HON. M. HEMPHILL: Yes, the second one.

MR. C. MANNES: Recommendation No. 6: The Real Property Assessment Recommendation, to read it for the Minister, and that was: "That the government move to implement those recommendations of the Report of the Manitoba Assessment Review Committee which will contribute to improved taxpayer equity, classification system, market value assessment portion, elimination of exemptions, single assessment authority with annual assessments in a manner such that changes are phased in over a period of time."

I am wondering if the Minister interpreted that to mean that there should also be no shift, as between

farm, urban and commercial areas, and I think that's what is meant by portionment, or is Dr. Nicholls saying that there should be a shift in any direction whatsoever.

HON. M. HEMPHILL: Mr. Chairman, I confirmed with Dr. Nicholls that his position is that there could be a shift. He leaves it up to us to decide whether or not we agree with him.

MR. C. MANNESS: Well, I won't ask, because I can't, specifically, what shifts would be preferred or given higher priority. I would move to Recommendation No. 8, that 90 percent coverage include equalization of special levies. I can understand the philosophical foundation on which this recommendation may be made, but I question the Minister of Education what her general attitude is to divisions that run efficient operations, or leaner shops and offer, let's say, few programs if that's what is needed to effect savings. Should those savings apply to all citizens or should they not be maintained for the benefit - and that may be defined as paying lower taxes - within the school division in which they may occur?

HON. M. HEMPHILL: Mr. Chairman, I am having a bit of problem with some of the specific questions, a number of them related to very specific recommendations coming out of the Nicholls Report. When I, earlier on, suggested that we weren't, and I wasn't, in a position tonight to put forward my or my government's position on the recommendations until we had completed the process.

I think he has taken a recommendation that talks about 90 percent provincial funding and somehow tried to relate it to a school division that is running an efficient operation, and I am not sure the two have anything to do with each other. It's difficult to make a judgment call one way or the other that a school division is or is not running an efficient operation because they have cut programs. I think that's a general statement that would be difficult to make one way or the other, that by cutting programs they are running an efficient operation. That judgment will have to be made by the ratepayers of that school division to the school board that have made those decisions. When he talks about equalization, he is addressing the deficiency related to the disparity and ability to raise money and making recommendations on how that could be handled.

MR. C. MANNESS: Well, Mr. Chairman, I will accept some of the statements from the Minister. Certainly, in using the 90 percent recommendation, or making some reference to it, no way I would want it to be considered that I was saying that was to become government policy. I never intended to say that at all.

Mr. Chairman, I am going through pretty quickly. Most of my concerns have been addressed and, again, I am asking for interpretations of the Minister so as I may have a fuller understanding of what the recommendations mean, nothing more than that. Probably if I had five minutes with Dr. Nicholls, I could have done it directly.

I have one concern, though, and it's brought to the fore with a couple of recommendations that talk about developing special committees. I can't help but note

that existing committees that the Minister calls upon from time to time to help her reach decisions, there is, in my view, a strong representation from The Teachers Society and a strong one from the school trustees and, in some cases, the school superintendents, and I have no difficulty with that. There seems to me to be an absence of Home and School Associations, Parent-Teacher Associations and other concerned parents at times.

I am wondering whether this is deliberate, or how can the Minister bring about more individual citizens, who are not members of a professional group or association, to serve on these boards and committees.

HON. M. HEMPHILL: First of all, to the general question, I might say that most of the committees that exist are committees that have existed in the past, a lot of them by statute, and part of that statute is the requirement for the representation. In other words, the Advisory Board, for instance, by law must have representation from the various organizations and groups. About that we have no . . .

MR. C. MANNESS: You changed the law last year.

HON. M. HEMPHILL: Well, just a minute. There are on the Advisory Board, for example, I think eight - what they call - citizen participants or citizen members and, when those came open, we made an effort to appoint what he calls ordinary sort of regular people who can give a broad range of both experience and position and need on the education of their children. For the first time, we appointed a member from the Home and School Federation to the articulation council which is the body that approves curriculum change. That was never done before. In your day all you had was the professionals, so we, for the first time in that area, have opened up and expanded it to include an ordinary sort of lay non-professional person representing a major home and school organization.

I agree with the point he is making that we need more involvement of ordinary people to both balance and bring another perspective to major educational issues, other than the professional, because there is a lot of interest in policies and programs and it's not just up to the professionals to determine its direction because it's too important. So I think I have attempted, as much as possible, to expand and we want to move further in that direction, I think.

MR. C. MANNESS: Well, let me assure the Minister that I am not reluctant to be critical of my "own" at times. I have no difficulty at all.

Mr. Chairman, Dr. Nicholls, in his report, has used the concept of a consumer price index, or an education price index in many of the areas, particularly in some of the special grant areas. I am wondering if the Minister of Education at this time supports that concept. Naturally, I won't take this as being government policy but, again I ask whether she endorses that concept.

HON. M. HEMPHILL: Mr. Chairman, I think I have to be as clear as I can on the questions that the member is asking and that is that I am not prepared at this time to indicate my personal position since it's very

difficult to have a personal position that you have not had the opportunity to provide both information for and get reaction from your colleagues. So, we are going to be dealing with the recommendations from Dr. Nicholls with the information about the positions of those who made representation all at the same time. As soon as we've done that, I'll make mine and my government's position clear on all of the recommendations.

MR. C. MANNES: Well, Mr. Chairman, would the Minister then acknowledge the comment she's made? Will she then say that maybe her party, in coming into power, were a little irresponsible when they made the claim that in fact the property tax here would be spared the costs of increases or the costs of burgeoning education costs because of the reasons she has just given me, that in fact when one comes into government they are not always understanding - or before they come in - they don't always know the circumstances which they will find on their platter. Well, I'll be very interested in reading the NDP election material specifically in the area of education when the election is called.

Mr. Chairman, these are my specific areas of concern, specifically regarding the report. A recommendation regarding aid to independent schools of course is an area to itself and one that I think we'll spend a fair amount of time in tomorrow, or if not tomorrow the next day. I really have nothing more at this time to ask specifically of the Minister and if it's acceptable to the other members, I would move that committee rise.

HON. M. HEMPHILL: What do I do, say I agree?

MR. CHAIRMAN: Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER, P. EYLER: The Honourable Member for St. Johns.

MR. D. MALINOWSKI: Thank you, Mr. Speaker. I move, seconded by the Honourable Member for Morris that the report of the committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: I move, seconded by the Minister of Environment that the House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until 2:00 p.m. tomorrow afternoon. (Tuesday)