



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

**DEBATES**  
and  
**PROCEEDINGS**

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33 Elizabeth II

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



**VOL. XXXII No. 22B - 8:00 p.m., TUESDAY, 15 MAY, 1984.**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

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## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 15 May, 1984.

Time — 8:00 p.m.

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HOUSING

**MR. CHAIRMAN, C. Santos:** Committee, please come to order. In this section of the Committee of Supply, we'll now be dealing with Estimates of the Department of Housing. We shall begin with the statement from the Honourable Minister responsible for this department.  
Mr. Minister.

**HON. J. BUCKLASCHUK:** Thank you, Mr. Chairman. I have a copy of my remarks for my critic, Mr. Nordman. I am especially pleased to be able to deliver these opening remarks as the Minister of Housing.

As you know, Premier Howard Pawley announced the establishment of Manitoba Housing in August of 1982. At that time, the department consisted of three branches, the Office of the Rentalsman, the Rent Regulation Bureau, and the Rent Appeals Branch. The administrative and communications functions were provided by Consumer and Corporate Affairs during the majority of the 1983-84 fiscal year. In April of 1984, the staff formerly assigned to the Manitoba Housing and Renewal Corporation (MHRC) were transferred to Manitoba Housing. These Estimates before us today for the year ending March 31, 1985, represent our initiative to integrate the full administrative costs associated with 21 housing-related programs and the efforts of 250 staff operating under three acts.

Expanding Manitoba Housing in this manner allows this government to place a clear priority on the housing needs of Manitobans. It enables a more co-ordinated approach to the increasingly complex housing industry.

It is a major task to develop a rational housing policy incorporating various aspects of shelter and shelter needs within a provincial context.

Manitoba Housing has been mandated to ensure an adequate supply of affordable housing for all Manitobans. This department-wide goal is composed of four objectives, to which all of our programming relates.

These objectives are:

1. To enhance the affordability of housing for Manitobans, particularly low-income households;
2. To maintain and improve the quantity and quality of our housing stock;
3. To provide a realistic system that is fair to both landlords and tenants by ensuring that the level of rent increases for households fairly reflects substantiated cost increases and the general rate of inflation; and
4. To provide an equitable basis by which relations between landlords and tenants may be governed and their disputes effectively arbitrated.

I would like to provide some examples to highlight the effectiveness of Manitoba Housing's programs in fulfilling these four objectives.

The first objective of Manitoba Housing is to enhance the affordability of shelter within the province, particularly for low-income families and for the elderly. In pursuit of this objective, my department administers a number of programs including shelter allowances, public non-profit housing, and mortgage financing.

I would like to interject here that the recent Affordable New Homes Programs, sponsored by the Jobs Fund and offering 10 percent mortgages for a five-year term, was judged by the building industry to be the most successful provincial housing program in Canada. It was successful because it stimulated activity that otherwise might not have occurred. Demand was created by people wanting to buy new homes. Financing was arranged through the private sector. Builders pre-sold land and house designs, and now construction-related trades are working to honour these commitments by building houses.

Manitoba is one of the four provinces offering Shelter Allowance Programs, the others being British Columbia, New Brunswick and Quebec. A total of 4,300 clients, both elderly people and low income families living in private sector rental units, received approximately \$4.1 million in Shelter Allowance payments during 1983-84. This program provides a clear alternative to households with affordability problems who wish to remain in private rental housing.

Pensioners renting accommodation from the private sector also receive annual rebates for the school tax portion of their rent. During the 1983-84 fiscal year, approximately \$1.1 million was paid to 6,300 pensioners. Much of this discretionary income is then funnelled back into Manitoba's economy through consumer spending.

Public housing also plays an important role in the provision of shelter alternatives. The Property Management Branch of my department administers and maintains in excess of 16,700 units throughout Manitoba. These units house seniors, families and the handicapped who are selected on the basis of need by local housing authorities. Rent is geared to income with 25 percent of a tenant's income going towards rent.

In Manitoba, there are 128 housing authorities and sponsors ranging in size from six to nine board members. These boards are generally composed of equal numbers of people appointed to be representatives of the Provincial Government, the Municipal Government, and the tenants living in housing projects administered by the Housing Authority Board.

In total, there are approximately 1,000 people actively involved in provincial housing authorities. That's quite an impressive number, 1,000 individuals, and each is serving without remuneration. These facts reaffirm that housing authorities and sponsors are a tremendous human resource, a liaison between local communities and Manitoba Housing.

I have recently had the privilege of addressing members of the housing authorities and sponsors at a series of workshops organized by my department. This was a very worthwhile experience. The sessions provided a forum to exchange ideas, to share concerns, and to encourage suggestions for improving housing-related programs.

My department will continue to work closely with housing authorities and sponsors. In fact, meetings will soon be held to review budgets. The co-operation of board members during periods of financial restraint has been much appreciated.

Manitoba Housing has also maintained its commitment towards meeting the housing needs of the handicapped. The 75-unit facility known as Ten Ten Sinclair was considered to be a novel concept when its doors opened in 1975, and it continues to be a model of co-operation involving Manitoba Housing, Canada Mortgage and Housing Corporation, The Canadian Paraplegic Association, Manitoba Community Services and Correction and Manitoba Health. My department shares in the operating costs of Ten Ten Sinclair in order to make rents more affordable.

Handicapped tenants who "graduate" from the educational and motivational environment of Ten Ten Sinclair are ready for more independent living alternatives within society at large. Three Fokus projects have been developed to meet this need. Funds are made available for ongoing retrofitting and modifying of public and private sector rental units as required by tenant turnover or, in some cases, as the environmental needs of individuals change because of progressive disabilities. Rent supplements are also provided to make rents more affordable.

I am pleased that negotiations are under way for the development of a fourth Fokus project, whereby handicapped tenants will be located within an apartment block owned and operated within the private sector.

Landlords and property managers within the private sector, both entrepreneurs and non-profit groups, have also participated in Manitoba Housing's Rent Supplement Program by providing some 1,780 units. Ongoing subsidies are provided to enable low-income elderly, families and handicapped people to live in private rental housing. This type of integrated approach is very effective and beneficial for all concerned.

Assistance to enhance affordability has and is also being provided to home-owners. Under The Mobile Home Loan Guarantee Program, purchasers of mobile homes are able to obtain mortgage insurance similar to conventional housing. This program assists in making mobile homes a viable housing alternative for Manitobans.

Home-owners paying in excess of 30 percent of their income towards housing as a result of renewing a mortgage between July 1, 1981 and December 31, 1983 were eligible for assistance under the Mortgage Interest Rate Relief Program. Direct subsidies to a maximum of \$275 per month are paid for up to 24 months. This applied to mortgage values of up to the first \$40,000.00. Since its inception, this program has assisted approximately 1,400 home-owners to keep their homes.

The second objective of Manitoba Housing is to maintain and to improve the quality and quantity of housing stock province-wide.

During 1983, Manitoba experienced a three-fold increase in housing starts with totals soaring from 2,000 to 6,000.

The construction and sale of new homes during 1983 were stimulated by simultaneous federal and provincial funding. The \$3,000 CMHC grant and Manitoba's subsidized mortgage interest rate under the Affordable New Homes Program worked in tandem. Some critics have weighted the credit for increased housing starts in favour of the lump sum grant. However, departmental survey results indicated the importance of a fixed low interest rate for a five-year term.

Permit me to review some of the specific results.

The survey, conducted during the fall of 1983, polled a total of 200 Affordable New Home clients. It was found that 44 percent of the respondents were renters prior to buying an affordable new home. Of these previous renters, 77 percent would not have purchased a new home without a provincial program and 61 percent would have remained renters. The difference between those figures, or the 16 percent, would have purchased resale housing.

This indicates that the program was successful in freeing-up rental units by providing an incentive for people to buy their own new homes.

When asked about the most important factors contributing to the decision to buy a new home, purchasers noted the combination of the lower fixed interest rate, the longer term and the open mortgage.

This same combination of features was again offered in January through March of 1984 to first-time purchasers of new homes so as to assist in releasing the pressure on our tight rental situation. The reintroduction of the Affordable New Homes Program, sponsored by the Jobs Fund and without any federal program dovetailing, produced results that corroborated the survey I referenced earlier.

Mortgages at 10 percent interest for five years are being arranged for approximately 580 new homes. These 580 new homes greatly surpassed our original estimate of 150 homes as uptake under the three-month program. Preliminary data analyzing the first 94 applications indicate that 11 percent of this new construction occurred outside Winnipeg. The average mortgage was \$51,200, which is considerably lower than the \$62,270 allowable maximum including the mortgage amount and the mortgage insurance fees. Two-thirds of the clients purchasing affordable new homes were moderate income earners. Approximately half were married couples without dependants. However, singles and people with dependants were also well represented.

It should also be noted that the Affordable New Homes Program was, to a large extent, responsible for the construction and marketing of houses within a more moderate price range. Prior to the program's inception, new housing stock within the \$55,000 to \$65,000 price range was relatively scarce. This is no longer the case.

The Affordable New Homes Programs of 1983 and 1984 have assisted in making the purchase of new homes a reality for more Manitobans. Jobs have been created in construction and housing-related industries resulting from the demand for homes and the retail sales of appliances, furnishings, decorating products and many other household goods and services. It is also estimated that the Province of Manitoba benefited from the revenue generated by this activity.

The tremendous success of the Affordable New Homes Program is a credit to the effective working

relationships between Manitoba Housing and the Home Builders' Association, the Construction Association, the Real Estate Boards and Institute, and the Mortgage Loans Association.

More specifically, the Home Builders offered some program suggestions during the preliminary planning. Negotiations with financial institutions during program development resulted in six organizations agreeing to act as servicing agents for Manitoba Housing. These financial organizations included: Assiniboine Credit Union Ltd., Bank of Nova Scotia, Caisse Populaires, CIBC Mortgage Corporation, Cufs Loan Corporation Ltd., and the Royal Bank of Canada.

A series of five regional meetings involving representatives from each of the associations was held to discuss program details. Program brochures were distributed throughout their systems to potential clients. Program advertising was also arranged at the initiative and cost of home builders, realtors, financial institutions, and co-operatives.

Manitoba Housing also developed the Meadows West Sub-Division at a time when reasonably-priced Winnipeg lots were scarce. This step enabled home builders and individuals to purchase or lease over 300 lots in total. Arrangements are now being made for a regular bus service throughout the neighbourhood. The construction of local elementary and junior high schools is also scheduled to begin in the next year.

The marketing of infill homes proved to be yet another success for Manitoba Housing during the 1983-84 fiscal year. Seven designs for homes to be built on narrow, 25-foot or 30-foot lots in the core area of Winnipeg were selected from a novel architectural competition during the fall of 1982. A total of 69 such houses have been constructed on scattered sites, and have been sold. Public interest in this program has been very gratifying. The infill program's innovative designs have been lauded nationally, and were recently the subject of an article in the Canadian Architectural Journal. I should also mention that one specific design, the Patterson designed by Giovanni Geremia, recently won an award in competition organized by the Design Institute of Manitoba.

Turning from home-ownership to the residential rental market, it is true that vacancy rates in Manitoba are very low. The most current CMHC vacancy rate is 0.9 percent.

There were, however, approximately 2,400 privately initiated rental units started in Manitoba between January, 1983 and March of '84. Winnipeg will benefit from approximately 2,080 of these units, and Brandon will benefit from the remainder. During 1982, the construction of 690 apartment units was initiated with 655 located in Winnipeg and 35 located in Selkirk. The total number of apartment starts for 1981 was 148.

It is understandable that such little activity has taken place previously, given the high interest rates and especially the loss of population during the 1977 to 1981 period. The availability of mortgage capital, labour and materials, and the basic law of supply and demand have also had significant impact on privately-initiated rental construction activity.

It is also understandable that the industry should have taken some time in adjusting to the more recent reversal in the population trend.

I am pleased to reiterate that the industry is clearly now responding to this positive turn of events and,

along with our own programming activities, it is expected that the vacancy rate will increase accordingly.

The broad rule of thumb suggests a one percentage point increase in the vacancy rate for every 600 units added to the rental market. However, the latent take-up potential for these units is undetermined. For example, people may be staying with friends or relatives, and young adults may be remaining in their parents' home longer than anticipated. Some movement in tenancy may also occur as individuals and families choose to relocate from the core to the suburbs or vice versa.

Manitoba Housing is monitoring the effect of these new privately initiated rental units, and we are considering the launching of a new incentive program for the development of additional units.

The provision of residential rental housing also involves the construction of public and private non-profit housing for families, seniors and people with special needs.

The number of public housing units built on an annual basis is limited by the unit allocation given to the province by CMHC. During the 1983-84 fiscal year, Manitoba Housing lobbied at the local, regional, and national office levels to demonstrate the need for further units.

CMHC acknowledged the strength of our arguments and the sincerity of our commitment to provide adequate housing by doubling the allocation of units with the accompanying funding. As a result, Manitoba Housing is entitled to 405 units with the accompanying financial assistance. The net provincial share of costs total \$20 million. This dramatic increase in unit allocation and funding clearly demonstrated the effective working relationships between Manitoba Housing and Canada Mortgage and Housing Corporation.

As recently announced, Manitoba Housing has developed a three-year building plan based on the CMHC allocations and needs in communities throughout the province. This three-year plan brings us a step closer to our stated intention to develop a rational housing policy incorporating various aspects of shelter and shelter needs within a provincial context.

Funding in the order of \$1,040,000 was provided to six non-profit housing corporations for the construction of 372 units. This money was given in the form of capital grants equivalent to 5 percent of the approved capital cost of construction. As mentioned before, lower income residents in these private non-profit projects are eligible for Shelter Allowance Assistance.

I would like to take this opportunity to commend the tremendous work being accomplished by these non-profit housing corporations. It is one thing to identify a local need for shelter; it is quite another to take the initiative to raise money, to prepare plans, to obtain financing, and to supervise construction. I applaud the efforts and the dedication of the people involved.

Manitoba Housing also plays a role in assisting co-operative groups in their quest to establish housing co-ops. This is accomplished jointly with CMHC and Manitoba Co-operative Development. My department is keenly interested in exploring the possibilities of facilitating the development of co-operative housing in Manitoba as a unique alternative between rental and home ownership.

I have spoken at length about the activities of Manitoba Housing directed toward ensuring an

adequate supply of housing throughout our province. Our successes in this endeavour must not totally overshadow the constructive steps taken toward the maintaining and improving the quality of existing housing stock.

A large percentage of Manitoba's housing stock was built prior to the 1950's. Maintenance, renovation and conversion are required to enhance the life-span of these homes, to upgrade for energy conservation, to protect the unique character of older neighbourhoods, and to meet the current housing needs of local residents.

To address this challenge within Winnipeg, Manitoba Housing has provided financial assistance and direction to the Winnipeg Housing Rehabilitation Corporation (WRHA). The renovation and conversion of various projects has enabled the WHRC to hone their knowledge and skills. This type of expertise will become increasingly critical to the housing industry in the near future. As evidence of this growing demand for renovations to existing housing stock, I would like to highlight some pertinent statistics. Statistics Canada figures reveal that money spent for renovations doubled between 1978 and 1982. The total Canada-wide expenditure amounted to more than \$5 billion, which represents a 12 percent annual increase after inflation.

A similar doubling in expenditures for renovations resulting in increased value of housing also occurred in Manitoba. A total of \$105.6 million spent in 1978 jumped to \$200.2 million in 1982. On a household basis, the average family expenditure in 1978 was \$321 in comparison with \$568 in 1982.

It is clear that Manitobans are allocating part of their incomes to home improvements. This demand has resulted in work for tradespeople throughout the province. With this increased activity, problems have arisen concerning work quality.

The Manitoba Home Builders' Association has both confirmed the swelling importance of home renovations, and has announced the implementation of a vehicle for monitoring the renovation aspect of the housing market.

My department welcomes the introduction of a renovation program initiated and administered by the industry. The Manitoba Home Builder's Association, in particular, is to be congratulated as a driving force behind this endeavour. I am also heartened that my department's active encouragement of the Association to move in this direction was heeded so quickly.

Financial assistance for and inspection of renovation and upgrading work completed as a result of government assistance are provided directly by Manitoba Housing. Under the Critical Home Repair Program, grants and/or loans are available to moderate and low-income families and pensioners for the purpose of making necessary repairs. Critical repairs are intended to extend the long-term viability of the home. Major plumbing, electrical and foundation repairs qualify. Repairs of this nature were made possible for approximately 2,800 households during 1983-84 at an expenditure of \$3.6 million.

Departmental inspection staff conducted about 800 inspections of homes receiving financial assistance under CMHC's Residential Rehabilitation Assistance Program or Manitoba Hydro's Home Owners' Insulation Loan Program and for other provincial departments

on a request basis. This co-operation among provincial bodies and between levels of government again reflects the integrated approach being cultivated and maintained by Manitoba Housing.

The third objective provides a system of equating rent increases to substantiated cost increases and the rate of inflation. December, 1983, marked the first full calendar year of operation for the Rent Regulation Bureau.

Manitoba landlords applied for increases above the 8 percent increase guideline in 1983 for 9,008 units. This represents 9.4 percent of approximately 96,200 rental units in the province that are subject to rent regulation. It also represents a 40 percent drop in application over the previous year. It is true that tenants' objections to rent increases at or below the 8 percent guideline were four times the 1982 rate. However, the 358 tenant objections represent a very small percentage when compared to the total number of rent increases reported.

In short, the 40 percent decline in landlord applications above guideline and the relatively few tenant objections below guideline suggest that the guideline of 8 percent was realistic.

Preliminary data for 1984 indicate that the average requested rent increase continues to drop from previous years' figures. It appears that landlords are carefully assessing their financial positions, and are requesting more moderate increases.

Due to the early stage and tentative nature of the 1984 data, no further conclusions can be drawn at this time.

The fourth objective of Manitoba Housing is to provide an equitable basis by which relations between landlords and tenants may be governed and their disputes effectively arbitrated. For this purpose, The Landlord and Tenant Act was developed and the Office of the Rentalsman was established.

I have often heard it said that, "It is not who is right but what is right." This is the attitude taken by staff when they fielded approximately 94,000 telephone inquiries, and handled over 6,000 complaints during 1983.

The Residential Rent Regulation Act allows both landlords and tenants to appeal any recommendation of a Rent Regulation Officer. Appeal panels generally consist of three people who review written submissions and hold hearings to listen to both sides of the case before rendering a decision.

During 1983, there were 1,643 appeals in comparison with 3,885 in 1982. This marks an overall decrease of 58 percent in the number of recommendations appealed. The proportion of landlord to tenant appeals has also shifted in a more balanced manner. About 60 percent of the appeals were initiated by landlords, and 40 percent by tenants.

Appeal panels upheld recommended rents in 65.9 percent of the rental units reviewed. Meanwhile, 23.9 percent of the appeals resulted in increases, and 10.2 percent resulted in decreases.

I would like to take this opportunity to mention the working relationship that exists between members of my department and the Manitoba Landlords' Association and the Professional Property Managers' Association. Formal meetings and informal contacts have been undertaken. Their suggestions for improving

sections of The Landlord and Tenant Act concerning security deposits and evictions have been sought. The Professional Property Managers submitted cost projections for upgrading residential rental buildings to meet new City of Winnipeg fire safety by-laws.

I look forward to the continuance of this type of constructive working relationship.

In conclusion, I would like to reiterate the priority that our government is placing on housing. It is a complex area that requires effective formal and informal working relationships among all segments of the housing industry.

Manitoba Housing is doing its part to administer 21 programs affecting over one-quarter of our population in all stages of the life cycle with varying shelter needs. Our range of programming is designated to support a variety of shelter alternatives and does, in fact, offer a broader range than any provided elsewhere in Canada.

The increase in funding is in recognition of the fact that housing dollars are perhaps the best investment in meeting the various economic and social objectives of government in harder economic times.

Making the transition to a department has been difficult on the staff of Manitoba Housing. Change is difficult, even when it is positive. I would like to voice publicly a note of thanks to the staff of Manitoba Housing for their dedication to fulfilling their jobs and for their commitment to serving the housing needs of Manitobans.

**MR. CHAIRMAN:** Consistent with customary usage in this Committee of Supply, the Chair now calls upon the leading opposition critic to kindly make his reply, if he so wishes.

**MR. R. NORDMAN:** Thank you, Mr. Chairman. I'd like to thank the Minister for his opening remarks, even if they were pretty extended. I don't particularly wish to get into any long dissertation of facts, but would rather choose to get into the Estimates to seek out information from the Minister, and to attempt to discuss reasonably the activities of the department. I'm sure that we will touch on almost every phase of the Minister's speech during the Estimate procedure.

So, Mr. Chairman, I don't have any further to comment on that. We could possibly go right into the Estimates at this point.

**MR. CHAIRMAN:** Before we go to the Main Estimates, the Chair now invites the members of the departmental staff to take their respective places.

Deferring Item 1.(a)(1) which relates to the Minister's Salary for later consideration, we shall proceed and begin with Item 1.(a)(2)(a) and 1.(a)(2)(b), namely, Current Operating Expenditures, Executive Support, Salaries, Other Expenditures - the Member for Assiniboia.

**MR. R. NORDMAN:** Mr. Chairman, on the Salaries, I just assume, it's just a minor increase there. I don't imagine there have been any cuts or any additions. I just assume, Mr. Chairman, that this is a normal increase in wages?

**HON. J. BUCKLASCHUK:** Yes, there has been no increase in the total number of staff within the department in 1984-85 over 1983-84.

**MR. R. NORDMAN:** Thank you, Mr. Minister. Could you give us some explanation as to the increases in Other Expenditures? I know it's not a great deal, but it is an increase. What is the rationale on that, please?

**HON. J. BUCKLASCHUK:** The increase from \$32,000 to \$45,000, is that the question?

**MR. R. NORDMAN:** Yes that's right, Sir. Could it be inflationary?

**HON. J. BUCKLASCHUK:** I'm advised by staff that the increase is primarily due to increase in transportation costs, and the greater effort on the part of the department staff to get out into the field and deal with the local authorities and so on.

**MR. CHAIRMAN:** Are there any other questions? I got, 1.(a)(2)(a) Executive Support, Salaries.

**MR. R. NORDMAN:** I thought we were going to deal with the Minister's Salary at the later date?

**MR. CHAIRMAN:** Yes. It is now 1.(a)(2)(a) Executive Support, Salaries—pass; Executive Support, Other Expenditures 1.(a)(2)(b)—pass.

Proceeding, 1.(a)(3)(a) relating to Research and Planning, Salaries, along with 1.(a)(3)(b) Other Expenditures - the Honourable Leader of the Opposition.

**MR. G. FILMON:** Thank you, Mr. Chairman. I am not sure whether this is the appropriate time to discuss the contents of a news release by the department on May 11th announcing the three-year, \$60 million housing plan, but in particular it refers to: "For the first time, staff will be able to plan project development on a provincewide, longer-term basis." So I assume that maybe I could discuss this under the general area of Research and Planning?

**MR. CHAIRMAN:** Is that agreeable to the committee?

**MS. M. PHILLIPS:** Is it agreeable to the Minister?

**MR. CHAIRMAN:** Is it agreeable to the Minister?

**HON. J. BUCKLASCHUK:** If he would like to discuss that particular aspect at this point, I have no objections.

**MR. CHAIRMAN:** The Leader of the Opposition.

**MR. G. FILMON:** Thank you, Mr. Chairman.

Well I wonder if I could ask the Minister then, under this announcement of a three-year, \$60 million housing plan, it is indicated that 1,200 housing units have been committed. They're under specific programs, as I understand it. I wonder if the Minister could indicate what have been the commitments under those specific programs in, say, the past four or five years. What have been the numbers on an annualized basis comparatively?

**HON. J. BUCKLASCHUK:** These units are part of an allocation under Section 56.1 Non-profit, The National

Housing Act. I'm advised that, in 1982, the allocation for Manitoba was 125; 1983, it was 75. The commitment, 125 units were committed in 1982; and 75 in 1983. These are approximate numbers. We don't have the exact ones here.

**MR. G. FILMON:** What were the numbers built during those years?

**HON. J. BUCKLASCHUK:** I'm advised that somewhere in the neighbourhood of 250 to 300 units have been built in those two years.

**MR. G. FILMON:** So it was in excess of the numbers committed?

**HON. J. BUCKLASCHUK:** There would have been some that had been previously committed, but there was a carry-over so that the 250 to 300 would represent a carry-over, from let's say 1981 or 1980.

**MR. G. FILMON:** Can the Minister indicate - although I'm a former Housing Minister, the number of years that go by since that period of time, the duller my memory becomes - 56.1 is the non-profit senior citizen. I have a theory about this and what happens is that as new information comes, it replaces . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** The Leader of the Opposition has the floor.

**MR. G. FILMON:** Thank you, Mr. Chairman. I'm having difficulty holding the floor.

In any case, Mr. Chairman, Section 56.1 was the non-profit senior citizens housing that saw 90 percent of the funding put up at low interest rates by the Federal Government; 5 percent by a non-profit organization; 5 percent by the Provincial Government.

**HON. J. BUCKLASCHUK:** If we look at 56.1, the program that we started off speaking about is the one that was announced in that news release. The province puts up the capital and Canada Mortgage and Housing shares in the operating costs, I understand, by effectively bringing down the interest rate to 2 percent.

Now the 56 non-profit sponsored housing is of the type, such as, let's say Lions Manor, where they would receive their capital from Canada Mortgage and Housing. We, as the province, put in our 5 percent of the total capital cost.

**MR. G. FILMON:** Is the Minister telling me this is or this isn't the same program?

**HON. J. BUCKLASCHUK:** They are two different programs.

**MR. G. FILMON:** They are two different programs?

**HON. J. BUCKLASCHUK:** Right. In both situations the effective interest rate is brought down to 2 percent through the assistance of Canada Mortgage and Housing. What we are talking about in the news release

are homes that are constructed using Manitoba's capital.

**MR. G. FILMON:** These are both Section 56.1 loan programs?

**HON. J. BUCKLASCHUK:** We are referring to a 56.1 program, yes.

**MR. G. FILMON:** Under this program during the coming year, will there be units constructed on the basis that I described, where 5 percent of the capital is put up by a non-profit organization, 5 percent by the province, and 90 percent in the form of a written down 2 percent interest money by CMHC?

**HON. J. BUCKLASCHUK:** Yes, there will be. There are quite a number of projects under construction at the present time, or contemplated as being constructed this year.

**MR. G. FILMON:** In addition to these, how many units are projected to be done under that program, and similarly, how many units were constructed under that program in 1982 and 1983?

**HON. J. BUCKLASCHUK:** I am advised that it is projected that about 500 units will be constructed during this fiscal year and that in the previous years the level was somewhere between 500 and 600 per year.

**MR. G. FILMON:** Can the Minister indicate to me what numbers of units were constructed under these particular programs back a year or two, before the figures he gave me, say 1981 and 1980?

**HON. J. BUCKLASCHUK:** I'm advised that the level of construction would have been about the same, possibly slightly lower, but in that neighbourhood.

**MR. G. FILMON:** Mr. Chairman, are the commitments by CMHC based on a demonstration of need in the Province of Manitoba, in terms of the lists that are provided - waiting lists for housing, the demand lists?

**HON. J. BUCKLASCHUK:** Yes.

**MR. G. FILMON:** Mr. Chairman, the news release dated May 11th, says that the allocation for 1984-85 represents an increase from 220 originally allocated to 405 units. Has it ever occurred in the past that CMHC has increased its allocation to the province along the way, in various programs?

**HON. J. BUCKLASCHUK:** I am advised that it does happen from time-to-time. In 1982 there was an increase midyear.

**MR. G. FILMON:** Mr. Chairman, is it done as a result of demonstration, that there is an unfulfilled demand for the type of housing involved and CMHC consequently responds to the evidence presented of the unfulfilled demand?

**HON. J. BUCKLASCHUK:** Yes, as I had indicated in my opening remarks, there is a very positive relationship

between Manitoba Housing and Canada Mortgage and Housing Corporation. During their meetings they have had the opportunity to review or assess the needs of the elderly and low-income families, and on the basis of these discussions, Canada Mortgage and Housing increased its allocation from what its initial allocation had been.

**MR. G. FILMON:** Mr. Chairman, the News Service release indicates, "This increase in Manitoba's allocation is a direct result of the close co-operation which has developed between the staff of CMHC and the staff of the Manitoba Housing, Mr. Bucklaschuk said." Does that indicate that there was not a close co-operation in the past between the staffs of the two organizations?

**HON. J. BUCKLASCHUK:** I think there's always been a good relationship between Canada Mortgage and Housing and the Department of Housing. I think that the staff were able to more effectively get their views across to CMHC this year.

**MR. G. FILMON:** Does that indicate that CMHC wasn't listening in the past then, Mr. Chairman?

**HON. J. BUCKLASCHUK:** I just think that Manitoba Housing is more effective.

**MR. G. FILMON:** Manitoba Housing is more effective than what, Mr. Chairman?

**HON. J. BUCKLASCHUK:** Than previously. Certainly they were able to - shall we use the word - "lobby" more effectively for an increase in allocation.

**MR. G. FILMON:** Mr. Chairman, is that as a result of staff changes that has transpired?

**HON. J. BUCKLASCHUK:** It would partly be due to that, although some of the staff that have been involved in negotiations have been with the department for a number of years.

I think another reason why CMHC would have increased this allocation is that it supports many of the initiatives that the department has taken over the past number of years.

**MR. G. FILMON:** Mr. Chairman, the Minister is indicating that CMHC didn't support the initiatives that were taken in previous years then?

**HON. J. BUCKLASCHUK:** I don't know how you respond to that.

**MR. CHAIRMAN:** I guess it's a matter of degree.  
The Leader of the Opposition.

**MR. G. FILMON:** Mr. Chairman, I'm just looking for substantiation as to why this close co-operation that's developed has resulted in something that wasn't done before.

**HON. J. BUCKLASCHUK:** I can say that we do have the data that very clearly demonstrated the need for

social housing in Manitoba. The numbers in total, I believe, were derogative. The allocation nationally suffered a decrease, so we were fortunate through the efforts of the Department of Housing staff to convince Canada Mortgage and Housing that there was need for further allocation, and we were successful in doing so.

**MR. G. FILMON:** Mr. Chairman, it was because the numbers justified the increase that CMHC made the decision, not because the department is somehow giving more co-operation to CMHC than they have in the past?

**HON. J. BUCKLASCHUK:** I would like to believe it's because of the aggressiveness of our Department of Housing.

**MR. G. FILMON:** Mr. Chairman, I am not looking for what the Minister would like to believe, I'm looking for the truth. So would the Minister indicate to me . . .

**A MEMBER:** Are you saying there's a difference?

**MR. G. FILMON:** Well there appears to be, because the Minister has indicated that it's the numbers that justified the increase. Then he is telling me that he would like to believe that it was because the staff have done a better job of lobbying. Which is it?

**HON. J. BUCKLASCHUK:** I would maintain it's a combination of the two. Mr. Chairman, it may be that the Canada Mortgage and Housing, also looking at the neighbouring provinces who seem to be getting a larger allocation than Manitoba because of previous agreements, felt that to address this, what appears to be some inequity, was justified, could certainly justify an increase in allocation to Manitoba.

**MR. G. FILMON:** Mr. Chairman, it's a question of being able to justify the need and justify the rationale for the figures as opposed to being better lobbyists. Is that the case?

**HON. J. BUCKLASCHUK:** We seem to be on the same question for the last five minutes.

**MR. CHAIRMAN:** There are some rules about repetitions, I would like to remind the members.

**MR. G. FILMON:** Mr. Chairman, I wonder if the Minister could indicate, he's announced the intention of CMHC to provide 405 units under these particular programs in 1984-85. What assurance does the Minister have - and then having announced the 405 commitments, he has indicated that actually the province is prepared to commit 1,200 units. Now what assurance does the Minister have that CMHC will not change its program priorities over the next year, over the next couple of years so that they will not, in fact, be able to support the same number that they have, say, for the past year?

**HON. J. BUCKLASCHUK:** I don't have the news release in front of me, but I do recall that we had indicated that our projection was contingent upon Canada

Mortgage and Housing continuing to provide social housing, and providing that the Federal Government saw it as a priority to the same degree that the existing government does.

**MR. G. FILMON:** There is no question that's the point of what I am getting at. I quote from the release, it says, "The three-year plan is contingent on CMHC continuation of funding under the public non-profit program, and upon future allocation levels similar to those received this year."

The point is, what assurance does the Minister have that CMHC will not change its program priorities over the next year or two?

**HON. J. BUCKLASCHUK:** We have no assurance. Central Mortgage and Housing though, in dealing with our staff, have indicated that as long as the existing program is in force they will commit the number of units currently being allocated providing that we are able to demonstrate our ability to deliver. But, it's very obvious that if the Federal Government decides that their budget can no longer afford a given expenditure on housing, then that will be cut.

**MR. G. FILMON:** Mr. Chairman, then what is the point of the Minister indicating a program of 1,200 units over three years when really all he's able to commit is 405 units this year?

**HON. J. BUCKLASCHUK:** The commitment is there for 1,200 units, providing that Canada Mortgage and Housing maintains its existing level of programming. In announcing the three-year program, it enables us to do better planning, to do much closer or better consultation with the local authorities, and it enables us to give us a better perspective of where we are going in terms of meeting the housing needs that are out there.

**MR. G. FILMON:** Mr. Chairman, what good is the planning if there is no commitment on the part of the major funding partner?

**HON. J. BUCKLASCHUK:** As I indicated, the indication from Canada Mortgage and Housing is that they are prepared to support that number of allocations on the condition that we can demonstrate our ability to deliver.

**MR. G. FILMON:** It's my understanding from a news report that CMHC said that they are unable to commit beyond one year. It's quoted in the newspaper, the Winnipeg Free Press. That's their policy, so how can they have a commitment for three years?

**HON. J. BUCKLASCHUK:** Well, it is a likelihood or they have indicated they are prepared to support the same levels. I don't believe, at any time, I had indicated that they were committing those numbers. All things being equal, without any major changes in CMHC policy, then those numbers of units will be delivered.

**MR. G. FILMON:** Mr. Chairman, it's my understanding, for instance, that CMHC is actively investigating their entry into a program of shelter allowances and other

program priorities. What if they were to change their program priorities? Then, what good is the projection and the planning that this will facilitate?

**HON. J. BUCKLASCHUK:** Well, if Canada Mortgage and Housing changes its priorities, then we will react accordingly. I have not received any formal word from Canada Mortgage and Housing or their Minister that they are scrapping the existing policy. There has been an evaluation of 56.1. As far as I know, that's as far as it's gone. It may be reviewed at the present time, but we have, as a Provincial Government, both I and the Minister of Co-operative Development, written the Minister and indicated our support for the existing program.

**MR. G. FILMON:** Of course, Mr. Chairman, the Minister has not received any indication that they are going to scrap the program. They're operating a year at a time. They've given him a commitment for this year, but they have also indicated that they can't give him a commitment beyond this year. Why would the Minister want to change a firm commitment of 405 into a non-commitment of 1,200 and then announce that to the public as though it were a commitment? Will the province commit itself to build those units without CMHC assistance, regardless?

**HON. J. BUCKLASCHUK:** Well again, I must reiterate that I did use the words contingent upon the existing program being in place. Should Canada Mortgage and Housing decide that they're going to come up with a different program, then we will tailor our programs accordingly.

**MR. G. FILMON:** If the rationale for this announcement of 1,200 units over three years is that it will facilitate better planning, why could that planning not be done internally, based on an assumption, instead of indicating to people a commitment that isn't there? There's no federal commitment, therefore the program itself cannot be committed. All you can commit is that the province intends to do that, but, Mr. Chairman, the Minister's telling me that if the Federal Government doesn't carry through with its support on the program, there is no commitment.

**HON. J. BUCKLASCHUK:** Well, the comment has been made that you do this thing internally. I had indicated that part of the purpose of a three-year program was to enable us to carry out better consultations with local authorities, with municipal authorities. There is a need for obtaining options on property, purchasing property, rezoning. These things cannot be done internally and that is why we've looked at a three-year program, so that we can be assured that when we make a commitment or announcement, that we will deliver those units.

**MR. G. FILMON:** Mr. Chairman, I submit to you that governments in the past, Housing Ministers, the Housing Department in the past, have made assumptions of that nature, saying we're assuming that we're going to be getting 400 units and went out and spoke to groups based on that kind of assumption. What difference does this make?

**HON. J. BUCKLASCHUK:** I'm sorry, I don't get the point of that question.

**MR. G. FILMON:** Well, the point of the question, Mr. Chairman, is that I suggest that the Minister is so desperate to try and make an indication that he's doing much more, that he's willing to exaggerate the actual commitment that his department and his government has made, from 405 units to 1,200 units, when there's no assurance and no commitment on the part of the major funding partner, CMHC, to participate in that figure.

**HON. J. BUCKLASCHUK:** Yes, I can assure the member that I'm far from desperate. In view of the performance of Manitoba Housing over the past couple of years, I don't need to be desperate. I think the record speaks for itself.

**MR. G. FILMON:** Mr. Chairman, if the Minister doesn't need to be desperate and is willing to stand on his record, why would he make an exaggerated claim like that?

**HON. J. BUCKLASCHUK:** I certainly do not agree that that's an exaggerated claim. I think it is an indication of our commitment to providing social housing to meet the needs of Manitobans and it gives us plenty of room to plan and to make sure that we deliver on our commitment.

**MR. G. FILMON:** That's exactly what I want to know then, Mr. Chairman. Is the Minister saying that he will commit those units regardless of whether or not CMHC participates?

**HON. J. BUCKLASCHUK:** Here we go round the mulberry bush. Contingent upon that program being in place from Canada Mortgage and Housing, and should Canada Mortgage and Housing come up with a different program, then we will certainly review it and try to re-tailor our program, to still meet the needs that we are trying to address with that announcement.

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

**MS. M. PHILLIPS:** Mr. Chairperson, on a point of order. I'm wondering whether hypothetical questions and what happens in the future are out of order in committee, as they are in the House itself? I ask for your guidance.

**MR. CHAIRMAN:** The rule that is really being infringed on the periphery is that Citation 357(1)(d) which says that a question cannot "repeat in substance a question already answered."

The Leader of the Opposition.

**MR. G. FILMON:** Thank you, Mr. Chairman. Well, in that case, I just thank the Member for Wolseley for making my point, that this news release is a hypothetical news release and Ministers of the Crown should not be utilizing Information Services for public relations to try and exaggerate the truth, and to try and make the efforts of their department and their government look

better than they really are. That's the point that has to be made. This kind of nonsense shouldn't come out of the office of a Minister and is an exaggeration and an attempt to mislead the public.

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

**MR. R. NORDMAN:** Going back, Mr. Chairman, to the \$60 million that is being stated in this news release and the Ministerial Statement, I want to get it clear in my mind, is this federal money, CMHC money, or is this money that the MHRC is borrowing from CMHC?

**HON. J. BUCKLASCHUK:** The moneys that we're talking about, the \$60 million, is provincial money - MHRC money borrowed from the Department of Finance.

**MR. R. NORDMAN:** What are the differences in this program than the program that is already in place? Is this program not just a continuation of an existing program?

**HON. J. BUCKLASCHUK:** Yes, it is a continuation of the existing program, but the level of activity is considerably greater.

**MR. CHAIRMAN:** The Minister of Northern Affairs.

**HON. J. STORIE:** Thank you, Mr. Chairman. I don't think we want to leave it on the record, some of the comments made by the Leader of the Opposition. I think that his hypothetical questions indicate a total lack of understanding of what planning really is. The announcement made by the Minister is an indication that we take seriously the commitment to public housing, unlike the Member for Assiniboia, who indicated in responding to the Minister's announcement, that he wasn't sure whether we needed any more public housing, and that comment, Mr. Chairman, is on the record and I think is an indication of where - not only he - but where his party stands on public housing.

**MR. CHAIRMAN:** A point of order is being raised.

**MR. R. NORDMAN:** I did not state in my statement, "You can go research Hansard." I said we didn't need any more subsidized housing, not what you said.

**HON. J. STORIE:** I thank the member for the clarification.

**MR. CHAIRMAN:** I want to remind the member that a difference of opinion is not a point of order and the function of a Committee of Supply is to hold the Minister responsible, to ask questions. There is a proper forum for debates - it is in the House, in the Chamber.

**HON. J. STORIE:** Thank you, Mr. Chairman. I accept your admonishment.

I will accept the member's clarification. I'm not sure that there's any difference between public housing and subsidized housing. However, I will ask a question of the Minister and that is whether the announcement that

he made was, in effect, a statement of planning for housing development?

The Minister indicated that there were a number of important reasons for making that kind of announcement, in terms of getting zoning ready, in terms of making land available for public housing projects, and the Leader of the Opposition was the Minister responsible for the Manitoba Housing and Renewal Corporation and should be aware of the fact, although they don't believe in planning generally, that there is some planning required, that you can't drop a 40-unit housing project in the middle of nowhere, that there are zoning by-laws and so forth to be taken care of.

**MR. G. FILMON:** Is that how the Premier goes away without telling anybody where he's gone? Is that good planning?

**HON. J. STORIE:** I'm sorry he didn't tell you.

Mr. Chairman, my question to the Minister is, does the three-year plan provide any benefit to the department and to interest groups, in terms of their ability to prepare and make sure that the project is delivered on time?

**HON. J. BUCKLASCHUK:** Very much so. With the three-year program, we can take a look at, let's say, the 1984 allocation of 405 units; we can almost immediately meet with those communities that are affected and get started on doing whatever has to be done, to ensure that the projects are started as soon as possible.

At the same time, once we clear that, that offers us the opportunity to then go out to those areas where, in the following year, we'll be trying to address the needs of the elderly and the low-income families in providing shelter there. So there is no question that one of the primary purposes of this exercise was to plan more effectively, to ensure that we are able to deliver whatever allocations are made available to us.

**HON. J. STORIE:** One should never get into these things because it always reminds one of other questions. I'm wondering if the Minister could comment on the clarification made by the Member for Assiniboia, on whether there is any need for subsidized housing?

**HON. J. BUCKLASCHUK:** I would suggest that anyone who feels that there is not a need is living in a dream world. The reality is that there are many, many people within our society who, for one reason or another, are not able to afford adequate affordable housing. This is just one way in which we are attempting to meet that need.

**MR. CHAIRMAN:** The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, on the program of 56.1 that the Minister is speaking about, where \$60 million will be borrowed by the province, is that program - the housing people or the non-profit housing organization - will they still be putting up 5 percent of the capital and the province still putting up 5 percent of the capital as a grant?

**HON. J. BUCKLASCHUK:** Yes, maybe the Member for Sturgeon Creek was a little late in arriving here. There are two different . . .

**MR. CHAIRMAN:** No imputation.

**HON. J. BUCKLASCHUK:** I'm sorry, I didn't mean it that way.

**MR. CHAIRMAN:** The question has already been asked and it has been answered.

**HON. J. BUCKLASCHUK:** I'll just repeat that, that there is another program under 56.1 where the non-profit sponsors such as Lions or Kiwanis, put up their projects. We contribute 5 percent towards the capital, they put up 5 percent, and the remaining 90 percent is financed by Canada Mortgage and Housing or is financed in the private sector. I believe Canada Mortgage and Housing helps reduce the interest to an effective rate of 2 percent.

**MR. F. JOHNSTON:** Mr. Chairman, I was here and I'm asking a question because I was. Mr. Chairman, in this particular program the province puts up 90 percent of the money?

**HON. J. BUCKLASCHUK:** Under the 56.1 non-profit sponsored projects, that is correct. The \$60 million that's referred to in the news release are MHRC projects, in which MHRC puts up 100 percent of the capital.

**MR. F. JOHNSTON:** What is the Federal Government's participation in that program?

**HON. J. BUCKLASCHUK:** Canada Mortgage and Housing's participation is in writing down the interest to an effective rate of 2 percent. I believe it works out to 70 to 75 percent of the operating cost is picked up by Canada Mortgage and Housing.

**MR. F. JOHNSTON:** The province doesn't have any participation in the writing down of the interest rate. In other words, they don't participate in writing down half of that interest rate; it's strictly CMHC that writes down the interest rate?

**HON. J. BUCKLASCHUK:** The province provides additional assistance, and that's the 30 percent I had indicated, in writing down the operating costs to enable the tenants to handle a rent which is equivalent to 25 percent of their income.

**MS. M. PHILLIPS:** I don't know whether this is a clarification of my point of order, but maybe you can help me, Mr. Chairman. In terms of a hypothetical question, is there not a difference in terms of the statement of an intention to deliver versus a question that deals with - what if another jurisdiction, i.e. the Federal Government, does this or does that? It was the statement about the Federal Government, what if they do this or do that?

**MR. CHAIRMAN:** The Chair intends to deal with points of order as they come up. I will call the item now.

1.(a)(3)(a)—pass, Research and Planning, Salaries; 1.(a)(3)(b), Research and Planning, Other Expenditures—pass.

1.(a)(4)(a) Communications, Salaries, along with 1.(a)(4)(b) Other Expenditures - the Member for Assiniboia.

**MR. R. NORDMAN:** On the communication side, have you hired one person?

**HON. J. BUCKLASCHUK:** The person that is doing communications is a reallocation from within the department.

**MR. R. NORDMAN:** Mr. Chairman, there is an increase in salaries here of \$23,200, so is that distributed amongst all the rest of the - how many persons are we talking about in this department?

**HON. J. BUCKLASCHUK:** In the Communications Section, there are two persons, a Director of Communications and a Communications Assistant.

**MR. R. NORDMAN:** I see, that's fine. Now going on to other expenditures, you've almost doubled your budget from last year in this year's budget or Estimate. Could you give us a reason for what you plan to do with the additional \$51,000.00?

**HON. J. BUCKLASCHUK:** The increase from \$52,700 to \$104,000 is a reflection of a greater emphasis on material, such as pamphlets and so on, to help advertise the 21 programs that the department delivers.

**MR. R. NORDMAN:** This then, Mr. Chairman, is basically advertising of the programs that MHRC or the Housing Department comes under?

**HON. J. BUCKLASCHUK:** Yes, that is correct.

**MR. CHAIRMAN:** 1.(a)(4)(a)—pass; 1.(a)(4)(b)—pass. 1.(a)(5)(a) Support Services, Salaries, 1.(a)(5)(b) Other Expenditures - the Member for Assiniboia.

**MR. R. NORDMAN:** Okay, salaries certainly jump here of \$128,000.00. How many people were hired in support services and what is the staffing of Support Services at this point?

**HON. J. BUCKLASCHUK:** The projected figure increase of \$129,000 is a reflection of our experience in 1983-84, four-year costs - no additions to that. There is no additional staffing for 1984-85.

**MR. R. NORDMAN:** How many staff are in this particular division?

**HON. J. BUCKLASCHUK:** There are forty-six and two-thirds staff.

**MR. R. NORDMAN:** What percentage then, Mr. Chairman, of an increase in salaries would these people be getting?

**HON. J. BUCKLASCHUK:** The increase, I am advised, is as follows: For two contingency staff, full-year costs

- and these were added in 1983-84 - is \$40,000; allowable increases, \$41,700; one full year for cost accounting, \$32,700; and we have a figure of \$25,000 in there for overtime.

**MR. R. NORDMAN:** In your other expenditures, the increase is of \$573,000.00. What is the purpose of this section, this support services? What do they actually do?

**HON. J. BUCKLASCHUK:** Well perhaps I could give some of the titles. Within Support Services, we have a Director of Support Services; we have a Manager of Administrative Services; we have a . . .

**MR. R. NORDMAN:** Mr. Chairman, what is the function of the support services?

**MR. CHAIRMAN:** The Member for Assiniboia is asking about the function of the unit.

**HON. J. BUCKLASCHUK:** The function is financial administration services.

**MR. R. NORDMAN:** Oh, fine. That's what I wanted to know, sir.

**MR. CHAIRMAN:** 1.(a)(5)(a)—pass; 1.(a)(5)(b)—pass. 1.(b)(1)(a) Property Management and Landlord and Tenant Affairs: Administrative Costs, Salaries, 1.(b)(1)(b) Other Expenditures - the Member for Assiniboia.

**MR. R. NORDMAN:** Could the Minister again explain the salary increases here, and how many people that we're talking about? How many people are functioning in this department?

**HON. J. BUCKLASCHUK:** I am advised there are 91.5 staff in this section.

**MR. R. NORDMAN:** And what changes have been made to create such an increase, or have there been any changes made at all? Is this normal increase in their increments?

**HON. J. BUCKLASCHUK:** The number of staff is the same as it was in 1983-84. The increase primarily reflects allowable increases in full-year salary costs.

**MR. CHAIRMAN:** 1.(b)(1)(a)—pass; 1.(b)(1)(b) - the Member for Thompson.

**MR. S. ASHTON:** I just had a question arising out of a constituency concern related to The Residential Rent Regulation Act. We have a large number of CMHC units in Thompson which are not covered by the act, however, CMHC in the past has indicated that it has been following the rent regulation guideline figures. In fact, as a result they rolled back a number of their rent increases approximately a year-and-a-half ago. I'm wondering if the department has received any current communication from CMHC, as to whether they will be continuing to follow rent control guidelines?

**HON. J. BUCKLASCHUK:** Certainly I have not received any correspondence to that effect, and my Deputy is

not aware of any correspondence or communications from Canada Mortgage and Housing

**MR. S. ASHTON:** I certainly urge that consideration be given to this particular point. I know, as I said, it affects a large number of tenants in my area. Generally, people are very happy about the results of rent controls, both those who are directly affected and those who have been indirectly affected. Particularly in the case of CMHC tenants, there has been some concern with the removal of the Federal 6 and 5 Program that they may face larger increases than those tenants covered by rent controls directly. So I would just like to raise that constituency concern at this point in time.

**MR. CHAIRMAN:** 1.(c)(1)(a) Program Delivery, Administrative Costs, Salaries, 1.(c)(1)(b) Program Delivery, Administrative Costs, Other Expenditures - the Member for Assiniboia.

**MR. R. NORDMAN:** Mr. Chairman, I just assume that the increase in salaries is the same as before, allowable. It's \$159,000, but what are we doing differently under other expenditures? What services are we supplying now that we didn't last year to the tune of just about \$1 million?

**HON. J. BUCKLASCHUK:** Basically three different components have resulted in this increase. The department assists in administering the Home Insulation Loan Program. There's an increase for the delivery of the HIMP 2 Program . . .

**MR. R. NORDMAN:** Which?

**HON. J. BUCKLASCHUK:** HIMP, Homes in Manitoba Program. And a small part of that reflects allowable increases in full-year salary costs.

**MR. R. NORDMAN:** Would the Minister be kind enough to explain - I missed it in the previous question there - the recoverable portion from Canada. You've got it there in two different places, \$125,000 in one area just above, and then 150,000 in this. What is the rationale there?

**HON. J. BUCKLASCHUK:** I'm sorry, I don't quite see that.

**MR. R. NORDMAN:** At the bottom there, Recoverable from Canada, on Page 99. It's \$150,000 and, under (b), there's 125,000.00. Can you see it there?

**HON. J. BUCKLASCHUK:** Yes, I see it now. Right.

**MR. R. NORDMAN:** Could you just explain that? I don't know what it's all about.

**HON. J. BUCKLASCHUK:** The \$150,000 is the administrative fees that we recover from CMHC for administering the RAP Program.

**MR. R. NORDMAN:** Okay, fine.

**MR. CHAIRMAN:** 1.(c)(1)(a) - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, it says that, "related to the construction and renovation of existing housing stock and activities related to financing and subsidization of renovations and acquisitions of housing stock."

First of all, I would ask, how much attention is being paid to the renovation of existing housing stock, and also the attention being paid to it, and are the percentage costs of renovations and upgrading of the housing stock in line with natural or deterioration of housing stock for that age or for that type of housing that was built several years ago?

**HON. J. BUCKLASCHUK:** I'm not sure I got the question, but our department is very heavily involved in upgrading existing stock through the Critical Home Repair Program - we will discuss that later, I presume - and through the administration of the federal RAP Program which involves substantial upgrading.

**MR. F. JOHNSTON:** Mr. Chairman, I'm referring to the existing public housing stock and some of the senior citizens' housing stock which is getting fairly well on in years now. Is the renovation of that housing stock becoming excessive, or is it in this particular Estimate?

**HON. J. BUCKLASCHUK:** This section does not include the upgrading or maintenance of existing MHRC-owned housing. I believe that comes in under a later item.

**MR. F. JOHNSTON:** This refers to the amount of money, the program delivery, referring to the amount of money for renovating of housing stock which is purchased. Is this the Winnipeg Rehabilitation Program, Housing Rehabilitation Program?

**HON. J. BUCKLASCHUK:** No, the administrative costs here are basically in relationship to our responsibility of delivering a number of programs. I think probably one of the best known would be Critical Home Repair, where we're involved with, I think, 2,800 units under RAP. I don't quite know the number there, but it's 600 or so, and the other programs, such as the Manitoba Interest Rate Relief Program, the Shelter Allowance for The Elderly, Shelter Allowance for Family Renters and HIMP Program as well.

**MR. F. JOHNSTON:** How many people are presently involved in the Critical Home Repair Program?

**HON. J. BUCKLASCHUK:** The number of persons involved in the administration of the Critical Home Repair Program are eight and one-third staff years.

**MR. F. JOHNSTON:** Does that include the inspectors in the Critical Home Repair Program, or is it just the administrative staff of the Critical Home Repair Program?

**HON. J. BUCKLASCHUK:** That figure reflects the administrative staff. In respect to the number of inspectors, there are 31.

**MR. CHAIRMAN:** 1.(c)(1)(a) - the Member for Assiniboia.

**MR. R. NORDMAN:** Mr. Chairman, through you to the Minister, The Buy and Renovate Program seems to be in limbo. Have you any plans to encourage and bring this program back into being?

**HON. J. BUCKLASCHUK:** The member is quite correct that for the time being we have stopped accepting applications under the Buy and Renovate Program. It has undergone a review for the past month, or month and a half or so, to see if there are ways that we can streamline the program. I'm advised that the review is almost completed. We'll be taking a look at that and hopefully re-initiating the program in the near future.

**MR. R. NORDMAN:** Mr. Chairman, the Buy and Renovate Program basically attracts the low-income people with subsidized housing, but would you give any consideration to initiating a program that would encourage higher levels of income to return to the downtown area? I believe the maximum is \$64,000, or it might be up to \$68,000 by now. But would there be a better mix if you could get other larger houses, more expensive houses, in the downtown area and get some of the people that are in the suburbs now maybe moving back downtown by instituting a program such as that? Is there any consideration being given to anything like that?

**HON. J. BUCKLASCHUK:** Well, I guess our efforts have been preoccupied at the present time to make the existing program work better. Certainly any program that would attract home-owners to the central part of Winnipeg would be.

**MR. R. NORDMAN:** I'm not just talking about the core area I'm speaking of the whole downtown area. There are the older areas of, say, around Churchill and south on Osborne where the houses are much older but could be made very very liveable. This is the area that I'm speaking of. Would you kindly give some thought to that process along those lines if you are going to reinstitute the Buy and Renovate Program?

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

**MS. M. PHILLIPS:** Yes, on that, Mr. Chairperson, I notice in the Annual Report where the Buy and Renovate component - it seems to me that it says that there were only 18 applications approved up to March 31, 1983. Was that the beginning of the program? Were there Buy and Renovate applications approved in '83-'84 which are, you know, in the last fiscal year? Is it included at all in the Estimates anywhere?

**HON. J. BUCKLASCHUK:** Yes, the member is quite correct in referring to the Annual Report which goes to the end of March of '83. At that time there were 18. Up until December 31st of '83 there were an additional 101 buy and renovates.

**MS. M. PHILLIPS:** So this Annual Report was just the beginning of the program, and then the majority were from March to the end of December, 100 and how many?

**HON. J. BUCKLASCHUK:** 101 applications. The program, as I recall, was announced in the fall of '82 and all new programs take some time to start. This one . . .

**MS. M. PHILLIPS:** So in following up on the question of the Member for Assiniboia, are you then considering continuing this program with modifications, because I personally agree that it's a very valuable program?

I don't agree with the member that the problems are in the maximum limit on the houses. I think that some modifications that need to be made. But I think the principle of restoring older homes at a reasonable price is a very valid principle, and certainly a program that affects my constituency. I would like to see substantial work done on modifications of the program so that it can benefit not only the neighborhoods in the inner city, but certainly young families to come back and modify those houses and restore them to the condition that they can achieve.

**HON. J. BUCKLASCHUK:** I quite agree. I just want to clarify something. I understand that there is no upper income limit for eligibility for the Buy and Renovate Program. Initially there had been a cap above which a person would not be receiving subsidy to assist with the payments. But certainly if a 50,000-a-year person wanted to apply for the program there's nothing to stop him or her from doing so.

**MS. M. PHILLIPS:** I think that that was the kind of problem, that the amount of money one needed to participate in that program, the amount of cash one needed for the renovations, either that they borrowed or that they had themselves, meant that it was prohibited to average income earners or low income earners, and that a \$50,000 income person probably would have the cash aside to participate. From my recollection of that program when I examined the brochures it seemed that, you know, you either needed \$5,000 or \$10,000 or \$15,000 cash to match grants. I wondered if that was a prohibitive factor for making the program more successful. Are those the areas where modifications need to be?

**HON. J. BUCKLASCHUK:** Yes, I'm not so sure I agree with you that the program was such that those on low incomes could qualify. I recall seeing some . . .

**MS. M. PHILLIPS:** Couldn't qualify.

**HON. J. BUCKLASCHUK:** . . . well, but we have persons with incomes of \$11,000 and I believe down as low as \$10,000, that did qualify for the program and are now living in their own build and renovate type home.

Certainly we might be wanting to take a look at adjustments as to the - I believe at one time it was limited to a purchase price of 30,000, or 35,000. We might want to raise that a bit so we're looking at better housing stock to start with.

But the basic problem in the program was the mechanics of the program. It was a fairly complex program, as the newspapers had indicated, something like 90 steps from the time you started with the program

to the time you had ownership. We're attempting through our review to streamline the mechanics of the program.

**MS. M. PHILLIPS:** Yes, one final question then. Is this not the program where one had to be a first-time home buyer?

**HON. J. BUCKLASCHUK:** No, it was not necessary to be a home-owner. But in order to qualify for some of the grants, that was one of the stipulations that you had to be a first-time home-buyer.

**MS. M. PHILLIPS:** You did have to be. This had to be your first home that you've ever purchased, to qualify?

**HON. J. BUCKLASCHUK:** Yes, I'm advised that to qualify for the Core Area Home Ownership grant or . . . that applied only to those persons who were first-time home-owners. Otherwise an existing home-owner could qualify for the program.

**MS. M. PHILLIPS:** The Buy and Renovate one?

**HON. J. BUCKLASCHUK:** Yes.

**MS. M. PHILLIPS:** All right, thank you.

**MR. CHAIRMAN:** 1.(c)(1)(a) Program Delivery: Administrative Costs, Salaries—pass; 1.(c)(1)(b) Program Delivery: Other Expenditures—pass; 1.(c)(2) Grants and Subsidies - the Member for Assiniboia.

**MR. R. NORDMAN:** This kind of throws you when you see such a drop in the Grants and Subsidies here. Could you explain where this money went last year, and why don't we need it this year?

**HON. J. BUCKLASCHUK:** I could perhaps go through some of the decreases. Under the SAFER Program we project a \$150,000 increase; under SAFFR, a \$150,000 increase; under the Core Area Home Repair Program, there is an anticipated decrease of \$450,000 to reflect a more realistic expectation of program takeup; under the Manitoba Interest Rate Relief Program, we're projecting a decrease of \$213,900; a slight decrease under Co-op Housing; a slight decrease under Urban Renewal; a major decrease under the Grants to Non-Profits, it's approximately \$1.8 million, but this reflects a change in the manner in which that 5 percent grant is to be provided to the non-profit sponsor. So the total decrease in that section, I believe, is \$2.230 million.

**MR. CHAIRMAN:** The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, the Minister said, major decrease in the non-profit, but didn't give us a figure.

**HON. J. BUCKLASCHUK:** Oh, it's \$1.810 million.

**MR. F. JOHNSTON:** The Minister also said that would come about because of the way that it was paid to the non-profit organization. I wonder if the Minister could explain that.

**HON. J. BUCKLASCHUK:** Okay. Up to the present time, when a non-profit sponsor was involved in a project, the province would make a 5 percent contribution up front. We, in the 1984-85 fiscal year, will still be making the 5 percent contribution, but it will be in the form of a grant that is amortized over the term of the mortgage, or an alternative to that might be to consider, say a \$10,000 grant per unit amortized over the life of the project.

What I am saying is that a non-sponsor, as we had previously discussed, normally puts up 5 percent of its own money; the province puts up 5 percent, and 90 percent is mortgaged with Canada Mortgage and Housing. Under this proposal, the non-profit sponsor would still put up the 5 percent; Canada Mortgage and Housing would pick up the 95 percent of the mortgage, with the province contributing 5 percent of that. So in effect the provincial contribution is the same. It's just that it is not paid up front, but amortized over the 25-year or 35-year term.

**MR. F. JOHNSTON:** Mr. Chairman, I'm afraid I am just missing that. You're saying that the non-profit organization is putting up 5, and now the Canada Mortgage and Housing will be putting up 95, and the province will be then paying back Canada Mortgage and Housing, over a period of time, that 5 percent?

**HON. J. BUCKLASCHUK:** Yes, that's correct.

**MR. F. JOHNSTON:** The non-profit organization still gets as much money up front as required. It's not going to cost them more interest.

**HON. J. BUCKLASCHUK:** It should not cost the sponsor any more than it does at the present time.

**MR. F. JOHNSTON:** So you're financing 5 percent with CMHC. The province's 5 percent is being put up by CMHC. They are financing your 5 percent, and you're paying it off over the period of the time of the mortgage? Is that correct?

**HON. J. BUCKLASCHUK:** I'm sorry. Can you just go through that again? I was temporarily distracted.

**MR. F. JOHNSTON:** If the province is still putting up 5 percent and CMHC is putting up 95 and the sponsor is putting up 5, is the CMHC financing the province's 5 percent, and the province is paying CMHC back over the period of the time of the mortgage?

**HON. J. BUCKLASCHUK:** The decrease that I made reference to, the \$1.81 million, reflects a different method of making that 5 percent contribution to the sponsor.

**MR. F. JOHNSTON:** Okay, that's the 5 percent contribution to the sponsor by the Provincial Government which, up until now, has been 5 percent of the cost of the project basically up front, and you are now going to pay that 5 percent to the sponsor, how? CMHC aren't going to pay them.

**HON. J. BUCKLASCHUK:** The 5 percent will be paid to the sponsor, but that will be done in a form of a

loan from capital authority and then it will be retired over the term of the mortgage, so that the operating - and that's what we're dealing with here - will be the portion that is being shown in the expenditures, will reflect the repayment of the loan that brings about that 5 percent contribution.

**MR. DEPUTY CHAIRMAN, P. Fox:** The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Well then, I think I know what the Minister is saying. The 5 percent which is paid to the sponsor by the Housing Corporation, that is borrowed from the Minister of Finance, will be paid back to the Minister of Finance in a different way?

**HON. J. BUCKLASCHUK:** That is correct.

**MR. F. JOHNSTON:** That's fine, as long as the sponsor is not having to find more up-front money at more interest, that's fine.

**MR. DEPUTY CHAIRMAN:** 1.(c)(2)—pass - the Member for Assiniboia.

**MR. R. NORDMAN:** The grants and subsidies with the School Tax Assistance Program, is that figure pretty steady? Are you looking at \$2 million every year or will that fluctuate?

**HON. J. BUCKLASCHUK:** The Pensioners School Tax Assistance doesn't come out - it's paid by the Department of Finance.

**MR. R. NORDMAN:** I know, it's an in-and-out figure.

**HON. J. BUCKLASCHUK:** That's right.

**MR. R. NORDMAN:** But it still comes under the guise of Housing?

**HON. J. BUCKLASCHUK:** Because we administer it, that is correct. I'm told that that is probably the maximum that we can anticipate.

**MR. R. NORDMAN:** I see.

**MR. DEPUTY CHAIRMAN:** The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, will that cost the Manitoba Housing and Renewal Corporation any more money or the Department of Finance any more money in interest?

**HON. J. BUCKLASCHUK:** The proposal of the 5 percent?

**MR. F. JOHNSTON:** It's a nice way of bringing down your Budget and throwing it onto the Minister of Finance. It's going to cost somebody some more money.

**HON. J. BUCKLASCHUK:** The question could only be answered if one knew what was to happen with the interest rates for the next 25 or 35 years.

**MR. CHAIRMAN, C. Santos:** Item 1.(c), 1.(c)(2)—pass; 1.(c)(3)(a) Other Grants, Pensioner Tenant, School Tax Assistance Program—pass; 1.(c)(3)(b) Less: Recoverable from Finance—pass.

Item 1.(d) Transfer Payments to the Manitoba Housing and Renewal Corporation - the Member for Assiniboia.

**MR. R. NORDMAN:** Mr. Chairman, through you to the Minister. Would you give us an explanation of what this is? I'm not familiar with it so I really don't know what

**HON. J. BUCKLASCHUK:** Perhaps I could itemize the increases and that will help explain what that part of the budget is all about. The increases, you will notice, are slightly over \$4 million. The reasons for the increase are as follows - I'll just go in thousands - \$443,000, this is an increase for property management due to additional occupancy of low-income rental units; \$1.479 million change in accounting presentation. I'm told that this is basically an accounting change which more accurately reflects the revenue and expenditures of the management of housing stock.

**MR. R. NORDMAN:** Mr. Chairman, where was it before? If it's only a change in accounting, then where was it before?

**HON. J. BUCKLASCHUK:** I am advised that the recovery was netted in the past and now we have, in another section, an increase in revenue.

**MR. R. NORDMAN:** So do they offset each other?

**HON. J. BUCKLASCHUK:** So they offset each other and this is basically an accounting change. Pardon me, there were another two increases I wanted to - \$84,000, that was a figure that's required for the interest subsidies under the HIMP Program; and \$2.1 million interest subsidies for the HIMP II Program, for a total of \$4.1 million.

**MR. CHAIRMAN:** 1.(d)—pass; 2.(a) Capital Grants—pass.

Item 2.(b)(1) Canada-Manitoba Winnipeg Core Area Agreement: (1) Core Area Home Ownership Assistance Program.

**MR. R. NORDMAN:** This again, Mr. Chairman, is a bookkeeping effort from what I can see of it. Is that correct?

**HON. J. BUCKLASCHUK:** Yes.

**MR. R. NORDMAN:** Just out of curiosity, Mr. Chairman, while we're on the subject, what is happening with the Logan Redevelopment Program that we should know about?

**MR. CHAIRMAN:** Let me call that one first. Item 2.(b)(2) Logan Redevelopment Program - so I am calling both Core Area Home Ownership Assistance and Logan Redevelopment Program.

The Member for Sturgeon Creek.

**MR. F. JOHNSTON:** I had a question on (b)(1). In the report, we have Winnipeg Core Area Improvement

Program and the program was designed as a special component to the Core Area Initiative Program, to provide financial assistance in terms of 25 percent provincial grant to the City of Winnipeg. Does this take in the Core Area Initiative Grant Home Owner's Program, is this all?

**HON. J. BUCKLASCHUK:** No, it doesn't.

**MR. F. JOHNSTON:** What program does this refer to as far as the core area is concerned regarding the Manitoba Housing and Renewal Corporation participation, this Winnipeg Core Area Improvement Program, Core Area Initiative Agreement?

Maybe I'll put it another way, Mr. Chairman. What programs are being administered by CMHC that you're recovering the money from, from the core area?

**HON. J. BUCKLASCHUK:** I'm sorry. Was that CMHC?

**MR. F. JOHNSTON:** By MHRC, I'm sorry.

**HON. J. BUCKLASCHUK:** The Manitoba Housing administers the Core Area Initiatives, the grant to the homeowners, and we also administer the Logan Development and the Core Area Initiatives Home Repair Program. The Community Improvement Program though is administered by the City of Winnipeg.

**MR. CHAIRMAN:** 2.(a)—pass; 2.(b)(1) Canada-Manitoba Winnipeg Core Area Agreement: Core Area Home Ownership Assistance Program—pass; 2.(b)(2) Logan Redevelopment Program—pass; 2.(b)(3) Less: Recoverable From Urban Affairs—pass.

Resolution 104: Resolved that there be granted to Her Majesty a sum not exceeding \$3,172,500 for Housing, Expenditures Related to Capital Assets, for the fiscal year ending the 31st day of March, 1985—pass.

We have to return to 1.(a)(1) which relates to the Minister's Salary. 1.(a)(1) the Minister's Salary - the Member for Kirkfield Park.

**MRS. G. HAMMOND:** Yes, Mr. Chairman, I have a question for the Minister about the - I'm not sure what they call it - the program that allows someone to buy a home with the - what is it - five years at a 10 percent mortgage. I hadn't realized that we would be going into Housing so quickly and be finished so quickly, so I don't have the exact information here, but I thought I would like to tell about a horror story that happened in the department.

There is a young couple. They had picked out a lot and they thought they had it confirmed - this went on from December to, I think, January or February - had the builder, had the house plans, everything they thought was set; then when they went to finalize it, it turned out that it hadn't been their lot, it was given to someone else through an error in the department, but no one had thought to tell them. When they got over that disappointment - I just got a call from her, I think, a week or 10 days ago, in fact, maybe it's just a week ago - and asked her to write everything down and she hasn't got it to me yet. But they picked out another lot in the same area. They had been called about 10

days ago to two weeks from the bank to say that everything was arranged, their lawyer, all was arranged, the mortgage was signed. They had taken their money out of their Home Ownership. After all this was signed, everything was set for the lot, they received a letter from the department saying that they didn't qualify because it had been appraised at \$77,000.00. Now that had been back around the beginning of April - I think she said around April the 4th - that information had been received. Now this was a pretty long time to let somebody know when they're in the process of arranging the mortgage.

So they are now stuck with a house and a mortgage that they probably wouldn't have gone ahead with, had they known that they weren't going to come in under the criteria of the particular program. There is nothing they can do, because they can't go back. They can't certainly put their money back in the Homeowners, and they are stuck with this house which, I suppose, in the long run they're going to be happy with, but it's pretty hard to be happy when you are going to be paying full price for your mortgage when they really were doing it because of the program.

I just wanted to point out to the Minister and I'll get the information to him but I wanted to point out that possibly he could pass on to his staff, that when there are programs like this and they know that people are proceeding on the information that they have, to hold a letter for two or three weeks when they might be going ahead with mortgages, that this has really hurt this young couple. I don't know how many other people that this might have happened to because someone just didn't get a letter out at the right time and I wonder if the Minister would look into it.

**MR. CHAIRMAN:** Is the Minister willing to reply?

**HON. J. BUCKLASCHUK:** All I can say is, I would certainly be interested in receiving details of this particular situation and following it through, and seeing where the problem was. I was not aware of this.

**MRS. G. HAMMOND:** I appreciate that. I think they were feeling so very disappointed with the first error that happened, as far as they were concerned, through the department, and then this one. Of course, this one is so costly to them. Since I haven't received all the information as yet, I'm just relaying what she had told me over the phone and she is going to put it down in writing, and I certainly will get it to the Minister. But I think it's so important that staff people are aware of what can happen when information like that isn't given immediately.

**MR. CHAIRMAN:** Thank you. On the Minister's Salary, 1.(a)(1) - the Member for Assiniboia.

**MR. R. NORDMAN:** Mr. Chairman, I have one question that I would like to ask the Minister before we pass his salary. The Deputy Minister, Mrs. Cameron, Miss Cameron or Ms. Cameron - whatever - what has happened with her? I mean, she came to us with such glowing reports and I imagine we all felt that we had an employee that was of high calibre. What happened?

**HON. J. BUCKLASCHUK:** There is certainly no question about the competency or the high calibre of

performance that Mary Cameron showed. Miss Cameron asked for a leave of absence, and she has been granted a leave of absence.

**MR. R. NORDMAN:** She has been granted a leave of absence?

**HON. J. BUCKLASCHUK:** For personal reasons.

**MR. R. NORDMAN:** I see.

**MR. CHAIRMAN:** 1.(a)(1), Minister's Salary—pass.  
Resolution 103: Resolved that there be granted to Her Majesty a sum not exceeding \$40,297,500 for Housing, Current Operating Expenditures for the fiscal year ending the 31st day of March, 1985—pass.  
Committee rise.

### SUPPLY - EDUCATION

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

**MR. C. MANNESS:** Mr. Chairman, I ask the Minister whether or not private schools are eligible for refund or rebate under, let's say the payroll tax. That's something that I understand.

**MR. CHAIRMAN:** Madam Minister.

**HON. M. HEMPHILL:** The Health and Education tax, no.

**MR. C. MANNESS:** Call it payroll tax, yes.  
How does the government distinguish as to who should receive this refund levy within the educational field, and what rationale is used not to refund that particular tax to independent schools?

**HON. M. HEMPHILL:** Well, Mr. Chairman, I think it's probably fairly clear that the rationale that was used was to exempt the educational facilities that were in the public school system.

**MR. C. MANNESS:** Well, I'm astounded, Mr. Chairman, I have no wind left in my lungs.

Is the government giving any consideration whatsoever to requests - and I have, of course, a copy of a letter to the Minister of Finance from the Mennonite Collegiate Institute requesting that they be treated in the similar fashion to the public school system - is the government giving any consideration whatsoever to that request?

**HON. M. HEMPHILL:** Mr. Chairman, any information about exemptions of that levy would have to come through the Minister of Finance.

**MR. C. MANNESS:** Well, Mr. Chairman, is the Minister of Education, realizing that it looks very discriminatory to say the least, is her department making that recommendation to the Minister of Finance, and if not, why not?

**HON. M. HEMPHILL:** Mr. Chairman, we made what recommendations and provided what information we wanted to provide and make to our colleagues in order to make this decision. I am here communicating the decisions of government on funding and exemptions.

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

**MR. R. BANMAN:** Yes, further on that particular item, I wonder if the Minister could inform the House whether or not the department on behalf of a school like Winnipeg Bible College has made any representations to the Minister of Finance, to exempt them from paying the payroll tax?

**HON. M. HEMPHILL:** Same answer, Mr. Chairman.

**MR. R. BANMAN:** Well, Mr. Chairman, in light of the fact that the government last year provided some funding to help that school survive, it seems kind of ludicrous on the one hand to go ahead and provide grants, emergency loans or assistance of different kinds when you are, on the other hand, taking a 1.5 percent payroll tax from the employees that are working at that particular facility.

So, Mr. Chairman, if the government really believes that they want to see these particular institutions survive and if they are not going to treat them the way they treat the public school system, then really, in essence, what they are saying to the private schools is that we really don't want you because, on the one hand if you are going to exempt the public system and you are not going to exempt the private school system by virtue of policies dictated by the government, really what you are doing is discriminating against them and then of course, really making it much more difficult for them to survive and in essence are telling the private school people, we really don't want you.

**MR. CHAIRMAN:** The Member for Kirkfield Park.

**MRS. G. HAMMOND:** Mr. Chairman, I just want to state a few things about the aid to independent schools. In our community - it's not right in my constituency - we have St. Charles Academy, which has been around - I don't know if it's 100 years - for a long time, and it's a part of the community in our area. I think that attitudes today are changing with respect to the funding of independent schools. I hate to call St. Charles Academy a private school because it really is a community school, and I think that I'm a case in point because I'm what you can call a convert.

I was one, like many others, who just felt all the funding should be to the public school system, but since declining enrolment, closing of schools in communities, parents not being sure from one year to the next if their children are going to go to the same school, they are looking for an alternate way of sending their children to schools. In the independent schools, like the Academy and the school that went into Columbus in my own area, which was the Winnipeg Mennonite Elementary School, these are serving a real need in our community. Rather than move their children again and with another review coming up in our area,

in the Westwood family of schools, where children may be moved again, other teachers, other children, even though it's a small community, they have chosen to send their children to the Mennonite Elementary School.

So there's a real need now in the community. At one time, I didn't see it the same way. The need possibly was there, but now it's even greater to allow people to have the freedom of choice in the community. I think that these two schools are great examples. Often they give examples of Ravenscourt and some of the other schools to show that only the rich can go. It's not the rich that are attending these community schools in the neighbourhood. I really do strongly support their staying in the community.

I find it very strange to think that the Minister is suggesting that there is more funding coming to them when they don't get a return of the 1.5 payroll tax. I just think that is ludicrous. It's like not giving them anything if you don't give that back. That's taxing them far too much. These are people that pay taxes in the community, and their schools are viable, they're filled.

I was at a tea a couple of weeks ago at St. Charles and the place was jammed all afternoon. The parents, the time, and the commitment they spend to keeping up the schools, because not everyone can afford all the enrolment costs today, and so there's a lot of fund raising that goes into it.

While I'm not asking for a lot of funding, I think it's time that a formula was set up so that these schools know what they might expect. I think that's probably the least that can happen as far as independent schools are concerned. I'm just wondering if the Minister - and this may have been covered as I had to leave for about 15 minutes - about the shared services and the special needs for the independent schools and how they're being treated now.

**HON. M. HEMPHILL:** Mr. Chairman, shared service agreements are being treated exactly the same as they were before. I said last year that I sign every shared service agreement that comes across my desk with any two groups that want to have a contract and there has been some increase in the number of shared service agreements. There is, I think, about 28 school divisions that have shared service agreements. Now they're being handled exactly the same way as they were previously.

**MRS. G. HAMMOND:** Mr. Chairman, does that include the special needs? Do most of the divisions, do they have a shared service agreement for the education support services?

**HON. M. HEMPHILL:** Mr. Chairman, I think we find that with the shared service agreements, actually I said there were more than there are. There are just shared service agreements with, I guess, about 16 divisions involving 900 students. Most of them are in the home ec., and industrial arts area, but they're not precluded from having a shared service agreement in special needs. In other words they can, it's allowed, if the school division and the private school wish it.

**MRS. G. HAMMOND:** Is the shared service, and the special needs, is that an extra cost to the school divisions over and above what they would have themselves?

**HON. M. HEMPHILL:** I would think probably not because I can't imagine that they would hire additional staff in order to be able to provide the shared service resources. In most cases the division has to agree to do it, and when they agree it's usually because they have the ability with their resources, to cover the private schools without adding staff.

**MRS. G. HAMMOND:** I wonder if the Minister would find out for sure on that issue, Mr. Chairman, because if it's not an increased cost I can't think then why divisions wouldn't be entering into that service with the schools in their divisions.

**HON. M. HEMPHILL:** Mr. Chairman, yes, I will get that information.

I'm not sure why. I know that they can if they want to and I'm not sure what the reasons would be that there aren't shared service agreements in that area. I think the independent schools - and I was just trying to check this, I will check this back to - they have had access to clinicians, or special needs people, not necessarily through shared services but simply through the sharing of resources that existed in the Winnipeg School Division and I think an agreement and understanding that if they had a child that needed assessing or needed help, they would cover. But that has not been done through a formal agreement but it has been done by agreement.

**MRS. G. HAMMOND:** Is it possible that the reason the shared services, say in a division like St. James-Assiniboia, where St. Charles School the students come from both Assiniboine south and St. James School Division, is it possible that this would preclude an agreement being set up because they would be servicing, say St. James would be servicing children who should be in another division?

**HON. M. HEMPHILL:** We can confirm this.

I am being informed by staff that he thinks at one time St. James School Division did make the point that they would service children who were resident in their school division but not resident, not children who were outside. So, that may be a policy or a position of the board that precludes. There's nothing that I know of in our regulations that would restrict them from co-operating or providing that service.

**MRS. G. HAMMOND:** Mr. Chairman, on this I just have one other point to make. The Minister had indicated that private schools were not set up to save money, but because of the number and the number of children that go to private schools, obviously they do. If all these children did come back into the public school system, the cost would be astronomical. I think that should be taken into account if even two or three of the schools were to close.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. R. BANMAN:** Mr. Chairman, I want to make a few more comments with regard to aid to private schools. I think it's very apropos today that we have the Minister of Health sitting just back of the Minister of Education

watching her and making sure that she doesn't make any statements that he might not agree with. While we might smile and chuckle about that, it really isn't anything to smile about because we all know on this side of the House, as well as many members who have been in this Legislature for many years, that this has been one of the largest bones of contention that the Minister of Health has had with this particular government. We know on this side that the members opposite, the majority of them, hate to give any money to private schools. That has been evidenced here today with the payroll tax, with the way they've been treating the private schools in the last couple of years.

Now, Mr. Chairman, I would not be doing my job as a member of the opposition if I didn't take issue with a statement made by the Minister when she said that the opposition didn't do anything with regard to aid to private schools when they were in government.

Mr. Chairman, I think she owes the Member for Roblin an apology. It was this opposition when in government, supported by one or two members of the New Democratic Party - one of them being the Minister of Health - who brought in a bill which once and for all dealt with the shared services problem. It was a Conservative Government that did that; it was not a New Democratic Government, because a New Democratic Government when dealing with that particular issue had a Cabinet Minister, namely, Sid Green, resign from that Cabinet, who went ahead and organized and worked against the Premier of that day and the Member for St. Boniface, and saw that that resolution was defeated.

When, Mr. Chairman, the Minister gets up and says that the previous administration didn't do anything, I take extreme exception to that. The figures, of course, point that out very clearly and we all know on this side that every time a ticklish issue comes up, the Minister of Health gets up and says the one thing that's really dear to my heart and that I'm fighting for is aid to private schools. We know that probably the majority of members opposite would not want to provide aid to private schools, because when it was before the House the majority voted against it.

**A MEMBER:** How many Conservatives voted for it?

**MR. R. BANMAN:** In 1978, all the Conservatives voted for it.

**A MEMBER:** How many in 1972?

**MR. CHAIRMAN:** Order please.

**MR. R. BANMAN:** Mr. Chairman, in 1978, and what's at issue here right now and the House Leader fails to remember is the fact that his Minister of Education said the previous administration didn't do anything to help private schools. So, here we are dealing with this particular subject matter. We know that many of the people in the New Democratic Party would like to do away with that particular appropriation, they would dearly love to do away with it. All I'm saying here today is that when the Minister of Education gets up and said the opposition didn't do anything when they were in government, Mr. Chairman, the figures don't lie and if

she goes to the statutes, they don't lie either. We know for a fact, from the track record of the New Democratic Party, that the majority of them are opposed to aid to private schools.

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

**MR. H. ENNS:** Mr. Chairman, just adding further to the words of my colleague, the Member for La Verendrye, I know that it used to be virtually a command performance on the part of the New Democratic Party when assembled in convention, that among the many resolutions they passed at those gatherings, there was an affirmation of no aid to private and parochial school and any public moneys used in education to be used solely in the public school system.

Now I haven't been keeping that close watch on the recent conventions of the New Democratic Party, and I do know and I do suspect that the presence and the influence of the Minister of Health, perhaps in the past conventions, has prevented that kind of a resolution from coming forward and being passed in the New Democratic Party Convention. But I say to the Minister quite seriously, even without getting into the debate as to the dollars that are available - we know they are difficult times; they are doubly difficult for independent schools - it would be a help; it would be moral support for those responsible for the administration of independent schools if the Minister could, for instance, indicate to me that has she been successful as Minister of Education - she's had the portfolio now for the last two or three years - to have her party accept in principle, by resolution, the fact that aid to private and parochial schools or aid to independent schools is now an acceptable expenditure of moneys for a New Democratic Party Government.

I simply ask her that question, has she been able to convince her party colleagues, when assembled in convention, not just leaning on the Minister of Health, because the Minister of Health you know, whenever this subject comes up, he threatens to resign and the Minister of Health is still regarded appropriately with the kind of influence that I'm prepared to acknowledge he deserves when one looks at the make-up of members opposite and the government opposite, but one always has that feeling that if it weren't for an individual like the Minister of Health, continued aid to independent schools would be long gone.

So I ask the Minister if she can stand and indicate, not just to us in this committee, but to those who are deeply concerned about the continued viability of independent schools in Manitoba, whether or not the New Democratic Party in 1984, has matured to the extent that they can accept that as policy within their party? Because, Mr. Chairman, if I wanted to, I could do a little bit of research; I wouldn't have to go back to too many conventions where formal resolutions were passed and where, by far, the rank and file membership of the New Democratic Party rejected any thought of aid to private and independent schools. So it would be a help, Madam Minister, if the current Minister of Education could indicate, in a clear and unequivocal way, that the New Democratic Party does not have any further hang-ups about providing assistance to independent schools.

**HON. M. HEMPHILL:** Mr. Chairman, I think that our position is being communicated very clearly in this House and to the public of Manitoba, not just through words but through action, and when I say that, I mean not just through words by people standing up and saying that they are concerned about the viability of private schools - and I will reiterate what I said before, and deal with the issue they raised about the increased numbers but reiterate what I said before - by saying that in the four years they were government, they did not increase the grant, the existing grant by one cent. Added to that, the first three years of the Education Support Program that was in by their laws, they did not add any increase to the grant through the inflation factor, so when they had the chance, where was their concern for the viability of the independent school? Where was it? I mean, these words are absolutely useless. Where was your action the four years that you were in office in terms of increasing the grant?

Now, just a minute. I want to make it very clear, that when I said you didn't do anything, I said you didn't do anything to increase the grant. You did do something. I want the Member for Morris to listen to this. Would you guys tone it down, please.

When he made the point about the increased numbers, and I said earlier that there was increased dollars in private school because of increased enrolment, and I am quite prepared to give some credit due, and to indicate what it was that the members opposite did, what they did was take shared service agreements that were being delivered under the table, that everybody knew about, but that weren't legitimized, I suppose. They were being done, but they weren't legitimized, and they brought in a system where they were allowed to have agreement. That did encouraged some boards to sign shared service agreements where they were not prepared to sign them before. To that end, the number of supportable students increased.

It increased significantly, yes, it did. So that what happened by that move is that you increase the numbers of students and the numbers of schools that were eligible for the existing grant. I said that the increased money that was there was because of increased enrolment and increased number of schools, but what I also said is while that was done you have to also take either the credit or the blame for the reality that you did absolutely nothing to alter or increase the \$435 grant that was brought in; not one cent in four years.

We were in government for two of those years and we had a legislative program that had an inflation factor built in that could easily have applied to private schools, had your concern for their viability been demonstrated by action, instead of by words; by putting private schools into the Educational Support Program, instead of under Other so that the inflation factor wouldn't increase. What I'm trying to say is you get credit on the one hand for allowing shared service agreements so that the numbers of supportable students and schools increased. You had lots of opportunity and you did absolutely nothing to demonstrate your concern by adding one additional cent to that grant. I do not believe that \$820,000 in one year, because that is the amount of money that is going to be required to cover the cost of this increase, is an insignificant dollar amount, nor would be seen to be an insignificant dollar amount by anybody's imagination.

**MR. C. MANNESS:** Mr. Chairman, obviously, the Minister has the 1983 figure in front of her. I don't, I'm wondering if she can provide it to me, as far as the support to private schools? Dollars, please?

**HON. M. HEMPHILL:** I think that this is the correct one, \$4,103,200.00. Is that the correct figure? Just a minute let me check.

**MR. C. MANNESS:** It's 4.189 million this year.

**HON. M. HEMPHILL:** 3.963 million is the figure that we have.

**MR. C. MANNESS:** 963?

**HON. M. HEMPHILL:** Yes.

**MR. C. MANNESS:** Mr. Chairman, the Minister made reference to a \$600,000 increase. I don't know over what year she's talking about, because 4.189 million over 3.963 million, '84 over '83, is roughly 200,000 that's changed. Maybe she may want to give me that detail.

**HON. M. HEMPHILL:** I can understand the confusion of the Member for Morris, because he's looking at the dollar figure in the Estimates for aid to private schools which clearly is not a sufficient amount to cover the total dollars that I have indicated. What shows in the Estimates and what was built into the Estimates, because they were done at an earlier time, was the basic 3 percent increase that was given to the public school system.

The cost, though, of the \$80 increase in the grant and the \$10 increase in the Print/Non-print is a \$750,000 increase for the grant and a \$70,000 increase for the Print/Non-print increase, for a total of \$820,000.00. The additional amount will be covered through Supplemental Supply.

**MR. C. MANNESS:** Well, the Minister is then saying that the \$4.189 million shown on the statement that she provided to me this morning is to be supplemented in the future. For the record, the Minister is nodding, yes.

Mr. Chairman, my final point specifically on this discussion and argument we seem to be having regarding the Minister's claim that we have done nothing. In most of these discussions, the truth lies maybe somewhere between what we're both saying. The Minister is saying that shared services, which was occurring under the table, now became accounted for and therefore showed up as a figure. My colleague, the Member for Lakeside, says there were also many many other students attending independent schools who received support for the first time during those years, '78 and '79.

Now the part that I wish to take issue with the Minister, she says we locked in the \$435 per private student grant in the new Education Support Program. Of course, everybody knows the first year of that program was in 1981. It also was a three-year program ending just five months ago in 1983. The Minister should also be aware that the government of the day, which was her government, administered that program in 1982 and 1983.

The Minister said that she was legislatively frozen into that commitment. Well, Mr. Speaker, the Minister has received great raves and notices for all the supplemental operating support she's given the school divisions outside of the legislative portion of the Education Support Program by way of an additional grant. Is she telling us now that she could not have given that same increase to the private schools by way of a grant outside of the legislative Educational Support Program?

**HON. M. HEMPHILL:** No, Mr. Chairman, I certainly am not, because the Member for Morris will recollect that we did give an increase last year. But the first increase to the \$435 . . .

**MR. C. MANNES:** Then why do you blame that on us?

**HON. M. HEMPHILL:** . . . was a 10.4 percent increase when the grant for the first time went from 435 to 480.00. I didn't say we couldn't make the change. I said you didn't. That's exactly what I said. You didn't do it for your four years of office, and you didn't build it into the Education Support Program.

**MR. C. MANNES:** Mr. Chairman, the Support Program came into being in 1981. We left office in the fall of 1981. What is the Minister talking about 1977?

I have given the figures here. It showed the increases in 1978 and '79 and '80. The first year that we were locked into a legislative program was in 1981. We lost the election in '81, so what is the Minister saying?

They have administered two out of the three years of the Education Support Program. So don't say that we were locked into 435 when we administered it for one year, the first year we introduced it.

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

**MR. H. ENNS:** I don't wish to prolong the debate, but I do just want to underline the point that my colleague already made. Certainly on behalf of the schools that I have a particular interest in, that is, those schools of the Mennonite faith, they for the first time received assistance from the public purse, along with many other schools of that kind. I don't know whether it was the Jewish schools that were involved at the same time.

It was essentially the Catholic parochial schools who had enjoyed the support through the years, I suppose, right back to 1916 when the two-school system was abolished in Manitoba where commonsense arrangements, even though they were so-called under the table and I'm sure not at all satisfactory to the Catholic community, but it was essentially the Catholic parochial school that had the Support Program that the Minister speaks of for many years with their arrangements, as we call them, under-the-table arrangements within their school divisions.

But for many other independent schools - I speak particularly of the Mennonite schools, the Westgate Mennonite School here, the Elmwood Mennonite School, the Gretna facility in southern Manitoba - they received for the first time what's referred to as the shared services cost of any kind of assistance at the

time when it was a Conservative administration's opportunity to provide that aid.

**MR. C. MANNES:** Mr. Chairman, I'm going to offer my last question in this area. I introduced the whole area by asking the Minister to indicate to us whether she had any genuine concern, or whether there was a commitment to the private school system, not only in terms of dollars but in terms of principle, whereby her government would be prepared to work towards a longer-standing formula, one that would of course give the private schools some assurance that they also knew where they were going, just like every educational body in the province wishes to have.

My final question to the Minister in this whole area is whether she considers her mandate as the Minister of Education as upholding the public school system, or whether she considers that mandate to be responsible for the education of all - and I underline the word "all" - students within the Province of Manitoba.

**HON. M. HEMPHILL:** Mr. Chairman, my responsibility clearly covers all of the children in the province who are being educated and, in the process of educating, being provided funds from the Manitoba Government and Department of Education in a way that makes them conform to The Public Schools Act and the curriculum and our conditions. That includes the private schools.

In other words, in order to receive the grant, they have to meet our conditions. Those conditions, as I outlined before, are the hiring of certified teachers, the following of our curriculum, and being willing to have an examination by somebody from the department, to be inspected, as it were. To that end, we have to carry out the responsibility to make sure that those conditions have been met in order to be able to provide the funds.

**MR. C. MANNES:** Just a final point, Mr. Chairman. I'm curious as to why the Minister would not make an announcement regarding the total grantable amount of moneys to the private schools. I suppose we've been asking for that on our side for a period of time. I pose that question, particularly in light of the answer offered by the Minister just 10 minutes ago where she said there would be additional amounts of money brought forward under, was it supplementary supply? Again I wonder why the Minister wouldn't make this announcement and let us know where all the funding increases are coming from, and why she has seen fit to sort of keep it closeted to such a degree, and such that we had to pull it out, I think, in a manner which has taken a lot more time than need be.

**HON. M. HEMPHILL:** Well, Mr. Chairman, I'm not sure that it had to be pulled out. I think that I was expecting to present the information during the Estimates process at the time that we reached that line on the item. That's the way that we're handling all of the grants, it's not being handled in an extraordinary way, and it certainly isn't being hidden because it's rather hard to believe that you could or would want to hide an \$820,000 increase in support.

**MR. C. MANNES:** Well, Mr. Chairman, we'll move on then out of the private school area unless any of my colleagues have additional questions.

I will be asking and posing a number of questions related to the statement given to me this morning by the Minister's office. I would hope that the Minister and her staff, I imagine, would also have copies of this.

Before, Mr. Chairman, we move into a specific question on that sheet, I would ask the Minister what will be the total amount spent by school boards and school divisions throughout the province in 1984?

**HON. M. HEMPHILL:** Mr. Chairman, the total amount will be \$734,308,450.00.

**MR. C. MANNES:** Mr. Chairman, I would ask the Minister how much was spent last year by all the school divisions and boards within the province, and how much less is it than the \$734 million of this year?

**HON. M. HEMPHILL:** Mr. Chairman, \$696,116,731; it was a 5 percent increase.

**MR. C. MANNES:** Mr. Chairman, it appears like the increase is roughly \$38 million. I want the Minister to correct me if I'm wrong and I'm sure she will. In her January announcement she indicated that the increase in government support this year, both within the block area plus the other grants, was \$16 million. Am I correct in saying then that school divisions and boards within the province are going to have to levy an additional \$22 million worth of taxation locally to support the increased spending of \$38 million?

**HON. M. HEMPHILL:** . . . Mr. Chairman.

**MR. C. MANNES:** So what the Minister is saying, then, in spite of the fact that the mill rate - and we've used those numbers before - I believe they're 43.7 on farm and residential, and 81. something on Other. Even though the Education Support Levy that's applied to the balanced assessment of the province did not increase, in other words, the government levy did not increase, divisions and school boards within the province are going to have to increase special levies in some manner adding up to roughly \$22 million. I'm wondering if the Minister can indicate what school divisions are going to be faced with a major increase and levy to pay for that.

**HON. M. HEMPHILL:** Mr. Chairman, the information I have is that they will be raising 13 million of it through special levy and about 7.4 million through surplus. My recollection is that about 45 of the school divisions have surpluses this year ranging from, I think, a couple of hundred thousand to a couple of million and many of them, and I think quite reasonably so, are using those surpluses to apply.

**MR. C. MANNES:** Can the Minister, not now, but can she have her staff provide for us a list of those school divisions, if it's not too extensive, that will have to increase their special levy to make up the \$13 million increase that would be required; or is that difficult?

**HON. M. HEMPHILL:** No, we can get it for you.

**MR. C. MANNES:** Thank you. Mr. Chairman, if I just may make a point in that area. I think that because

the support program is not easily followed, and I'm not being critical, I don't imagine anybody could build one that would be easily followed by the general public. I think what I've been trying to point out here, even though the Minister has indicated that there has been no increase in property tax associated with the Education Support Program, she's correct of course from the provincial portion, but that doesn't mean that property taxes haven't had to increase somewhere to pick up for the extra spending of divisions. Of course, only the Minister really knows where the division stayed within the 3 percent guideline of spending that I think she asked them all to try and maintain, if at all possible.

I might also point out that even the property ratepayers had to pay an additional \$29 million more in 1983, and they had to pay an additional \$37 million in 1982. So adding this \$13 million that they'll have to pay this year, in three years that total is roughly now approaching 75 million, it's probably 72 or 73 that the ratepayers of this province have had to pay over the first three years of an NDP administration. Remember, Mr. Chairman, this was the party that promised that they would ease the burden on the property taxpayer, as it related to education, when they came into power.

Moving specifically into the Education Support Program itself I would ask the Minister how and on what basis does the department split the total amount that is funded under the program, plus the levy? And these are the first two lines on the sheet provided to me. What rationale do they use to split the total figure into, I would say, capital under 16(8)(b), and current under 16(3)?

**HON. M. HEMPHILL:** I'm sorry I'm trying to understand the question and the answer. I'm being told we accept generally accepted accounting procedures for identification of capital, but I'm not sure that's clear to me and I don't think it's clear to you.

**MR. C. MANNES:** Well, Mr. Chairman, I didn't know that the Education Support Program had a capital part to it whereby either using some formula or by using some procedure with numbers, that out of the \$520 million of this program that was going to generate for the support of education, that out of that \$520 million that there was some method by which it was split down into 495 and 25. I didn't realize the Education Support Program had a capital side at all to it.

**HON. M. HEMPHILL:** It always has, Mr. Chairman.

**MR. C. MANNES:** Again, is there some magic formula which splits out a certain portion from it?

**HON. M. HEMPHILL:** Yes, Mr. Chairman, I am now clear on what line he's on and what his question is, I think. Yes, the breakdown of the \$25 million is what you want?

**MR. C. MANNES:** Well, how the \$25 million came into existence.

**HON. M. HEMPHILL:** I'll tell you what it is and then

**MR. C. MANNES:** No, I don't need to know.

**HON. M. HEMPHILL:** You don't need to know what it is?

**MR. C. MANNES:** Because that's over in another section.

**HON. M. HEMPHILL:** Okay, how it came into existence?

**MR. C. MANNES:** Well, Mr. Chairman, yes, I see what makes up the \$25 million. It's over on the next sheet and I suppose that leads to a next question and the Minister may want to give me both answers at once, if she wishes. But I'm looking at the debt servicing portion, which is roughly \$13 million that comes out of the educational support system and I guess the question I have is that the principle associated with the building of facilities and strictly facilities. Well my problem was, Mr. Chairman, I didn't realize there was a capital part to the Education Support Program.

Mr. Chairman, moving on, I see the fourth line says "Other Support" and there's a figure of \$42 million that is available again to the school system within the province. It's a revenue item to the school districts and school boards or to the total pie that the department administers. Is that a Federal Government contribution or what is the source of those funds?

**HON. M. HEMPHILL:** Mr. Chairman, this is, I suppose, the other support that I referred to in the discussions about aid to private schools, because I said that we have two elements to the program. We've got the Education Support Program that's funded 65-35 through consolidated revenues in the Education Support Levy; and the items that are listed under "Other," are funded directly through provincial revenues, so that total amount comes directly from the Provincial Government and is not split through the Consolidated Revenue Education Support Levy.

**MR. C. MANNES:** Yes, Mr. Chairman, I now see it's listed on the back page, the breakout. Is there one collective title we could put over this? These aren't compensatory grants; these aren't special grants. Is the title "Other", the proper title?

**HON. M. HEMPHILL:** . . . title is Other. It is Education Support Program and this is other support; compensatory I think is in the program so it isn't here. Yes, this is "Other" and those things have been funded under that category since the program was designed.

**MR. C. MANNES:** Mr. Chairman, the fifth line is the total public school support and the figure there is - and let's look under the middle column - 16.(3) that's the area in which . . .

**HON. M. HEMPHILL:** It would help if he at least told us where, when he was flipping.

**MR. C. MANNES:** I'm sorry. All right, I will do that.

**HON. M. HEMPHILL:** I counted down No. 4 under Other.

**MR. C. MANNES:** I'm on the first page, fifth line, Total Public School Support. I see a figure there under

16.(3) of \$365 million. If I were to put that over the \$734 million that the Minister told me that all the school divisions within the province are expending, would I come up to the 54 percent contribution by the province to the public education system? I guess what I'm asking for - I'm trying to determine which set of numbers gives me the percentage of 54 percent.

**HON. M. HEMPHILL:** Mr. Chairman, we have a figure - we have a sheet with a lot of figures on it that we're trying to pull out. When you've got a very complex system and you ask a specific question, the information isn't always on one sheet. We're gathering it. Can we carry on while we do that?

**MR. C. MANNES:** Well, Mr. Chairman, that's fine. My wish is not to make the process difficult. I was hoping that with the number presented and a number offered before that that would provide me with the answer, but obviously that is not the case.

The sixth line on Page 1 is the private school support and we've spent considerable time on that, Mr. Chairman. The Minister indicates that there will be an announcement, or at least there will be Supplementary Estimates coming in, which will cover an increase in that area.

I therefore will move over to Page 2 and go down to the middle section, 16.(3)(a) because that's the area that we're covering now within the Estimates. I'm curious as to why there's a debt servicing interest figure involved in 16.(3) which is, in my view, current expenditure. Is that the current portion of long-term debt?

**HON. M. HEMPHILL:** Yes it is, Mr. Chairman. I'll just deal with the two - the debt servicing principle, the 134 that he mentioned before is the principle payment outstanding on the debentures for the school construction which is the way we fund school buildings, through debentures. So that figure is the principal payment. The \$20 million figure is the annual interest cost.

**MR. C. MANNES:** I understand. So the capital debt is retired. I'm glad to hear that one department of government is at least retiring its debt, Mr. Chairman. My next question then, in association with the interest charge, what is the total debt outstanding today that is covered by this statement? How much is the Department of Education responsible for within the whole area of capital debt?

**HON. M. HEMPHILL:** Mr. Chairman, the debentures are carried over a 20-year period. I'll get that total figure for him.

**MR. C. MANNES:** Well, moving right along then, Mr. Chairman, the operating support breakout - and this is again in the centre of Page 2 - and the basic operating figure of 316 million is a number that I thought would show up on the other page. It's not relevant at this point. In the pupil support, the Minister may want to tell me specifically what this is. I probably should know, but . . .

**MR. DEPUTY CHAIRMAN, H. Harapiak:** The Minister of Education.

**HON. M. HEMPHILL:** Yes, Mr. Chairman, this gets very very complicated, it's hard to explain. There's basic operating, extra operating and pupil support, and they each have their own formulas for determining the money they get. But the pupil support is where they get \$200 per pupil; it's a non-categorical grant and it's based on 75 percent of eligible enrolment divided by 50, and they get the \$200 per pupil based on the 25 percent.

**MR. C. MANNESS:** Right. I signified to the Minister I know exactly what she's talking about, but I really don't, Mr. Chairman. It's a non-categorical grant and it's \$200 per pupil and that's all I really have to know. The reason I'm going through this in this fashion is so that the next time the Minister makes an announcement of a grant I'll be able to have some reference in front of me that I hope to try and fit it into.

The next grouping under that operating support heading, Mr. Chairman, is the area of special needs. Now is this the total area of special needs, because the Minister talks on many occasions, and in many instances, and the funding that goes toward that area. Does that include all the special needs area?

**HON. M. HEMPHILL:** Excluding institutional grants.

**MR. C. MANNESS:** Could the Minister tell me what she means by institutional grants in this sense?

**HON. M. HEMPHILL:** Yes, Mr. Chairman, we deliver some of our programs through institutions that are not schools. In some cases, they're hospitals and, in some cases, they would be a facility like St. Amant.

**MR. C. MANNESS:** Mr. Chairman, we're dealing with \$370 million. I wouldn't want to feel rushed in any way. Mr. Chairman, the Vocational Grant I have no difficulty with; English as a second language grant, there's no problem; the transportation grant, I believe, has gone up \$10 a student in 1984; the Print/Non-print, there's no difficulty there; the compensatory grant - I've heard the Minister talk on many occasions on this particular grant - I'm wondering, again, if she can tell us specifically what that is.

**HON. M. HEMPHILL:** Yes, Mr. Chairman, this grant was a new grant that was brought in this year that was based on one of the recommendations of Dr. Nicholls Report. I had suggested that we did attempt to take the money that we had and to apply it to the greatest need and to look and accept some of the recommendations from Dr. Nicholls. Built into the terms of reference were the instructions to look at socio-economic factors as a factor; and, I think, arising out of that the term of reference came in the recommendation for compensatory programs.

They're available for school divisions across the province and they're school-project based. In other words, they will be approved by having school divisions submit specific proposals for schools and those schools are to have a high population, a high percentage of what we call high-risk children. These are the categories:

low income, unemployment, low educational level of parents, mobility or migrancy, single parents. I think those are the key. Those have been identified as what we started to call the inner-city criteria. We now know that those students and those issues and problems are not just related to the inner city or to schools educating children in the inner city but, indeed, almost every school division in the province has some increasing element of children coming from single-parent families or immigrant families, etc.

**MR. C. MANNESS:** Well, I have two observations, Mr. Chairman. First of all, the compensatory grant, I would ask the Minister if there are objective criteria. I mean, who is doing the measuring of low income? Are we doing a survey of the children's parents within the school; are we doing a survey of whether their parents are unemployed or not; are we doing a survey as to how many times they've moved over the last six months? Is this done with some formula that lends itself to objective measurement that then can fit its way into either meeting the criteria or not, or is it just basically subjective? That's my first question. I'll stop there, Mr. Chairman.

**HON. M. HEMPHILL:** Yes, Mr. Chairman, I think it probably would be fair to say that it's a combination of both and that, in some cases . . . First of all, there is some increased ability of some school divisions who have been acquiring some of this information for some time. I would say that the Winnipeg School Division with its very large concentration of inner-city, high-risk kids have been working on this for a period of time where they have been developing statistics and information on things like mobility and single parent. In some cases, they may be using a census and we recognize, I think, that probably some of the rural or other divisions may not have been developing either the criteria or the capacity, and may not be in quite the same position in terms of measurement, but our department is having seminars and working with them to discuss how they would deal with identification of their students.

**MR. C. MANNESS:** Mr. Chairman, I don't quarrel with the intent. I suppose when any criteria has an element or a factor that allows for some subjective measurement in any form, of course, then I guess I would ask how the department decides whether they direct \$20,000 to this case, and how they justify maybe directing \$40,000 over to the next problem. Obviously, that's subjective, too, and I suppose so be it. I guess that's within the Minister's and her department's discretion to do that.

I guess my only final comment, as we've come to the end of this operating support area where there's

roughly I'd say support in an area of close to \$400 million. I now have an opportunity, at least, to see where the Minister and the department is able to make all her press releases saying that they're doing such a great job in education. Mr. Chairman, the compensatory grant - we've heard an awful lot about that - there have been many many announcements made. Let's realize that's \$2 million and, again, I'm not in any way disregarding the intent or saying it's not important. It shows you how somebody in government, you give them \$2 million and if they know how to decorate it in the proper fashion, by way of news release, how they can make it appear as if they're doing an awful lot.

I guess I could also point out the special needs area and, again, certainly there's not one of us on this side that is critical of that area. Although it's size, at \$34 million is significant, and I know the Minister has increased that particular area to a fair degree over the last two years. The point I'm trying to make between the \$34 million in the special needs and the \$2 million and the compensatory, that's very small compared to the large number of \$316 million that goes out to our many divisions. Yet, I hear about one announcement a year from the Minister, usually in January, related to the basic support.

The only point I'm trying to make is it's so obvious how Ministers and governments of the day will try and make it appear as if they're doing an awful lot with a couple of million dollars.

Mr. Chairman, moving down, on Page 2 - before I do, I believe my colleague would like to ask a question.

**MRS. G. HAMMOND:** This is the compensatory grant we're discussing. The St. James-Assiniboia School Division, I believe, have a project that they were looking to be approved under that, and it seems to be a problem to understand - and I heard some of the criteria that the Minister was giving. What the division, I think, is finding and if they're finding it, certainly others would be, is that it's not clearly enough defined. What will be the exact criteria? How do they figure out a way to get their particular project funded? It seems to be a puzzlement.

What they are trying to figure out is, sometimes when kids are in school is, what is the teacher looking for? What do they want? We'll include it, because it's probably in our area but we don't know what's going to be considered exactly.

I think that two of the things they want are they want established criteria and fair distribution of the fund. I guess one of the other points, and possibly the Minister could indicate if there is an advisory committee that looks over the spending of this fund and recommends the spending of this fund.

**HON. M. HEMPHILL:** Mr. Chairman, I quite agree with a number of the points that were just made. When you bring in a new program and there is a criterion and they haven't applied it before or developed programs, it does take a little while to understand what its purpose is and to take a look at your own school divisions' needs and decide how they apply and what programs you want to apply to it.

What we have attempted to do is give as much information as possible to help school divisions

understand this. We put on a full one-day seminar and brought people in from every school division with the departmental staff there to explain in a full-day session what the criterion was and about the applications and how they would apply and under what circumstances.

I don't suggest that that means that they should know everything about the grant having gone through that, but there is a significant attempt to explain, with everybody there, where they can ask any questions right on the spot that they didn't understand. I know that if there's still some confusion that the department staff is very open to receiving questions and providing additional information. The intention is that the money will go into the areas of greatest need and by that I mean, in school divisions that have the highest concentration or population of high-risk children. That would be one of the determining factors.

I also believe that there should be some attempt to provide money throughout the province. I agree with that. But I think we can recognize that if you have an area that has large numbers of its schools with percentages - and I can think of some of them for instance, where a school catchment area might have an unemployment rate factor of 50 or 60 percent, they might have a single parent factor of 50 percent.

The point I'm making is that they may have three or four of those, they may be in the 40 to 60 to 70 percent range in each of those categories which is a tremendously heavy proportion of the population in that high-risk category. Those would be the ones where we would identify high need, although there should be some, certainly, spreading around in opportunities to identify students throughout the province.

**MRS. G. HAMMOND:** Mr. Chairman, would it not be fairer then - because what the Minister is describing obviously, and I'm sure she's probably said this, is the inner core area in a lot of cases in these schools. And possibly when you get a little further out you may not find all, you may not hit four things, but you might hit one or two things, so for the divisions to spend a lot of time and a lot of staff time trying to build something to get this grant, I don't know that it's going to turn out to work out to be enough money to pay for the salaries of the people that will be doing these jobs.

I would think that if you're going to give a grant in this area that's not going to look like a slush fund that the Minister is going to be administering - you know, here this looks like a great area, I think we'll put it in there - it would be a better idea to give divisions who have, and it may be every division, it may be three or four, give them a certain amount of money from the grant and say, look, this is what you've got to work with, build your program around it, because this way they're trying to figure out what on earth the criteria are going to be and they might put a lot of work and effort into it, and not even be considered.

I think that this type of grant leaves the Minister and the department open to saying that it's just a slush fund and there's no point in us looking at it in our division. I think what they're struggling to find out is just exactly what there is, how they can go about it so they can get it, and if there's not going to be anything in it for them, better the Minister tells them and the department let them know that, look, it doesn't look

like you have enough high risk in your area to count or to get any money.

I think that the recommendation - and I did ask the the Minister if there was an advisory committee, but I understand that the Minister has appointed one person to overlook this, possibly she would consider a committee to overlook this area.

**HON. M. HEMPHILL:** Mr. Chairman, I think the first point I'd like to make is that while it might have been the case, and sometimes we still believe that it is, the inner city criteria or those factors that relate to school-age children are across the province. I can really say honestly that it's one of the things I've been hearing about more and more, regardless of the school division, regardless of whether they're Northern or rural; they are saying you know that problem that we used to think was an inner-city problem - it's in the suburbs. I'm hearing it from all of the suburban divisions, that problem we used to think was an inner-city problem isn't an inner-city problem anymore. We used to think that was their problem and they'll have to figure out what to do with it. We are now saying, what are we going to do with it, all of us, because we are all dealing with it, and that is the reality.

So it is open for programs to be developed by all school divisions and, in fact, most school divisions have developed them and St. James has and they have applied and there are at least half a dozen people in the department, not just one, but they will be collectively reviewing them. I think that what we might want to do down the road is see if we can move towards a formula. You know, the program will evolve and we will learn from it and presently, because we want to make sure that the program and the money goes directly into the schools for enriched programs that will help those children with their learning, we've designed it this way. It doesn't mean it won't change and that it can't improve and some of the things will be done through recommendations and information that comes from the field.

**MRS. G. HAMMOND:** I just have one further thing to say on this. I think that with the program the way it is right now, the Minister has a problem, because the divisions certainly do. If this is the only criterion they have to go - they have no idea if they're going to fall in the range of getting how much money or what it's going to be. I think anything that that is, is that loosey-goosey. I think that programs that the department is going to initiate should be better defined, and divisions shouldn't have to go through all the problems that they're having with this particular area and I don't know how much money one school is going to be allowed. Is there a ball-park figure that they're thinking of for one program?

**HON. M. HEMPHILL:** No, Mr. Chairman, because we didn't want to be that arbitrary or predetermine what the needs were at the various schools, or what they were going to design for programs to deal with it. They could range from anything from sort of additional - and I'm just throwing things off the top of my head - but it could be an additional aid, it could be resource materials. It could be a program that helps them with

language, that is a supplementary program, if language is one of the major problems of their ability to learning their other subjects. That means that the range of support will vary considerably. They will be submitting proposals that indicate exactly what it is they want to do and what the costs are and the needs they're filling and the numbers of students and that will seriously affect the allocation that would be required or approved for that program.

**MR. CHAIRMAN:** 3.(a) - the Member for Morris.

**MR. C. MANNES:** Mr. Chairman, I'm wondering if we could flip to the final page of the document given to me this morning, and it is the other support that is directed towards school divisions, the total amount being roughly \$42 million. The first item on that page, Mr. Chairman, is coded 012 and it's described as being Small Schools Inter-Visitation Multiculturalism Activities, and the total is \$1,995,000.00. I have seen an Order-in-Council, it's Order-in-Council 145, passed February 15th, and it reads: "Grants are set forth to each of the school divisions and school districts to enhance equal educational opportunities for small schools, total \$1,729,000.00." Does that figure make up the majority portion of the figure indicated here?

**HON. M. HEMPHILL:** Yes, Mr. Chairman, I can give him the breakdown for this area. There's about \$72,000 in the small schools' pilot projects. We've had those for a couple of years. We have two things; we have grants to small schools and that is about 1.9 million. It's the bulk of this category, small schools project. So 1.9 million is based on very specific criteria that's based on the size of both elementary and senior high schools and they are entitled to the grant based on their population.

We have also, for the life of the Small Schools Program, had pilot projects and they're something like - I'm trying to think of how many we have - it's about 20 pilot projects and these have been very very useful. What we're doing there, Mr. Chairman, is allowing school divisions to submit proposals for pilot projects for innovative programs in small schools that help them deliver their programs in a better way. We're learning a lot and we're sharing that information at our small schools workshop, where all the 250 small schools from across the province come and share information.

I'll just give you one example of the kind of thing that they're doing. We have two small high schools in two separate school divisions and they have a pilot project going where they are jointly co-operating to provide a larger number of options to their students, that they could not do if they offered the programs themselves. Therefore, they're able to offer a viable high school program when they couldn't do it themselves.

In some cases, they are using computer programming for teaching and trying to look at that. They're looking at multigraded classrooms, that's the bulk of the 1.9 million, and there's a small amount for the exchange program which is \$25,000.00.

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

**MR. C. MANNES:** Moving down that list, Mr. Chairman, I would ask about special levy reduction of roughly \$4.5 million. What does this entail?

**HON. M. HEMPILL:** Mr. Chairman, this is a special grant that is given annually to Frontier and Gypsumville because they do not have any tax base. Frontier, I think, is able to raise only about \$400,000, so there is an agreement that with both those school divisions where there is no tax base, that there will be a special levy reduction grant and that's the amount of it.

**MR. C. MANNESS:** Mr. Chairman, moving down to Code 017, Special Grants, what is involved in this area?

**HON. M. HEMPILL:** There's a fair list here but I'll give you the main elements in it. There is the Kelsey school bus, \$22,000 - I'm having a hard time hearing - MACLD is \$2.6 . . . Mr. Chairman, I'm having a very hard time hearing myself talk or think.

**MR. C. MANNESS:** You're so easily disturbed.

**HON. M. HEMPILL:** There's a textbook bureau subsidy in there and that is for three books, one in history, one in maths and one in geography, designed with Canadian content and when they were published, there was an agreement to subsidize them so that they wouldn't cost so much to the school divisions and we could make Canadian content available; that's \$47,000.00. There is a grant of 16.5 to the Little Ones' School and that's a Head Start Program for Native children. There is a Co-operative Vocational Education Program that is \$40,000, a project that is being shared by three school divisions, a pilot project that's in, I think, the last year of a three or four-year pilot project basis, and then it's going to be turned over to the school division.

There's a Southwestern Region Curriculum Consultant that the department is providing to help with computer programs in that southwest region, and that's \$51,000.00. That co-ordinator is paid for by the department and shared within the whole southwest region and, as I said, MACLD organization, just a small grant, 2.6.

The southwest region co-ordinator is provided or under the umbrella of the Brandon School Division providing service to the whole region.

**MR. C. MANNESS:** I thank the Minister for that detailed answer, Mr. Chairman.

Moving down the list to area code 020 the Fran@a is bilingualism there's a grant of \$5 million. I'm wondering if we could defer detail on this until Section 7. Can we discuss it at that time?

**HON. M. HEMPILL:** Oh, he wants to leave it to . . . ? That's fine.

**MR. C. MANNESS:** Mr. Chairman, moving down to 025, Special Needs, 600,000, or maybe I've got the wrong line, no, 600,000.00. Why would that not be included over in the other pagewhen there was a special needs breakout over there?

**HON. M. HEMPILL:** Mr. Chairman, the main reason that it's not covered under the other Special Needs Operating Support is that under, Other, there are very specific kinds of support. It's for co-ordinators, clinicians, and it's the high-incidence/low-incidence No.

1, and low-incidence No. 2 funding. That's all of the special needs money that is under Other. This grant is for multi-handicapped children, blind, deaf, and are multi-handicapped children, and early identification. So they are things that are special needs, high need, actually that do not fit into any of our . . . they're actually above and beyond our low-incidence 2 category, the highest category that we have under Other.

**MR. C. MANNESS:** Moving on, Mr. Chairman, to line 036, Institutional Programs, \$2 million. Is there a brief explanation that can help me understand what is involved here?

**HON. M. HEMPILL:** Yes, Mr. Chairman, this is the programs that I mentioned before where we are taking responsibility for the education of children, not through schools, but where they are being educated through a variety of institutions. I will list some of them. St. James-Assiniboia School Division has an educational program at Lindenvue Home, and that's a special program for pregnant teenagers, for 61,500; St. Boniface School Division No. 4 has an educational program at St. Boniface Hospital in their medical and their psychiatry wards, that's 149,000.00. We have a criteria, I might say, that if children are in hospital beyond a certain amount of time - and I can't quite remember what that is - but as soon as they've been in hospital beyond a certain number of days then they are entitled to some educational programs being delivered through the hospitals and we deliver them in different ways.

The Winnipeg School Division No. 1 has special programs for children who are hospitalized and institutionalized, due to very severe handicaps; that's 193 pupils, and it includes Childrens Day Treatment Program, Clinical Assessment Program, Rehabilitation Program, Villa Rosa Childrens Medical Wards, Youth Psychiatric Program. The Adolescent Treatment Centre is a new program where we will be delivering education to the children that are being treated in the new Adolescent Treatment Centre. It will have its own teachers on site because the children that are in there will be in there for significant periods of time.

St. Vital School Division has an educational program at St. Amant. They now have 125 pupils for a cost of 937,000 and we increased the students there, I think it was by about 20 students. In other words, we're learning more and more about which children can learn. We're increasing the numbers of children that we are teaching in these institutions that previously, and I don't like to use these words, but were being written off as non-educable, or non-trainable, and we're increasing the numbers of children that we believe and that we're developing programs for that are in these institutions.

**MR. CHAIRMAN:** The Honourable Member for Kirkfield Park.

**MRS. G. HAMMOND:** Yes, to go back to the Special Needs, Mr. Chairman.

The L 1, and L2 grant, how much was that increased this year?

**HON. M. HEMPILL:** Mr. Chairman, there was no increase in the incidence funding this year, or in Special

Needs funding. I think when I indicated what increased grants there were going to be when I talked about the 16 million - I can give you the list - but it's English as a Second Language, Compensatory Heritage Language, Print/Non-print, Early Identification, Equalization, Operating increase

Last year we increased the Special Needs grant by \$5 million. So that was a significant increase and we've maintained it, there has been no increase in Special Needs this year. What we are trying to do through our improved data system at the Department of Education is get more information now about how the money is being used in the school divisions. It's a lot of money, it's been out there for a few years and it's important that we find out how the Low Incidence 1, Low Incidence 2 levels are working, how the clinicians are working, and what kind of programs school divisions are developing, and then what needs or deficiencies are there in the program. I think there's some feeling that we may need another higher level, or it's a lower level of incidence funding and we will be looking at that.

**MRS. G. HAMMOND:** How long does the department intend to be looking at this before they add money to this particular area?

**HON. M. HEMPHILL:** Mr. Chairman, I think that we felt that the \$5 million increase last year was, and I'm trying to think of the total amount of money that was available, we felt that it was a reasonable increase and it isn't that there isn't always a need, but this is an area that has a fairly large amount of money going into it, in this and the other special needs areas, and we felt that there were higher priorities that had not been met at all through the existing program.

**MRS. G. HAMMOND:** Yes, is there a chance that with keeping the funding stationary in these areas, because they're expensive programs I know to service, does that mean then that the government's putting a lower priority in this area?

**HON. M. HEMPHILL:** No, I don't think it means that at all, Mr. Chairman. The increase last year was about a 20 percent increase, one of the largest increases that was given in any grant category, and that we simply felt that was a reasonable increase, and there was a reasonable amount of money for special needs this year.

We also feel quite strongly that it's important that we find out how the money is being used, and to what benefits, and what kind of programs are being developed before you just holus-bolus, you know, dump more money into it, that it's important to identify the major areas of need. We can't do that until we get more of a handle on what programs are in the school divisions and to what benefit the programs or the money is being used.

**MRS. G. HAMMOND:** Yes, I think I'll just sort of lump onto the funding that was given to the division; that by keeping the funding in a division like St. James-Assiniboia at 1.1 approximately, rather than the 3 percent even that they were expecting, would it not have been better for the government in a time of

constraint, to have allowed the division to set its own priorities? Because what you've done is, the government's expanding other programs while, at the same time, contracting funding. I think what has essentially happened in the divisions is that the pressure has been shifted onto the school divisions which in turn then have to put it on the backs of the taxpayer. I think that in a time of constraint, it would have been a better idea for the government to have given more funding directly to the school division and let them set their own priorities because they have all these programs, rather than starting up new things that no one is going to be able to afford.

They were in the fortunate position of having a surplus, so they were able to shield the taxpayers in the division, but that's not going to go on forever. I really think that in the division where you get 1.1 percent, then they had to settle salaries which I think - what were they? - 2 percent to 3 percent, it wasn't high? But it certainly made a conflict between a division, the boards and their staff. This all comes into the way the government seems to be funding. It's a little bit here and a little bit there, and keep everybody happy. In the end, I find that no one is going to be too happy with this kind of a system.

I'm wondering if the Minister has considered or will consider, if they're going to continue in a position of constraint, of allowing divisions to have a bit more of their own funding.

**HON. M. HEMPHILL:** Mr. Chairman, I would like to make two points there. First of all, with the money that we allocated this year, the \$16 million, about 60 percent of it was non-categorical and about 40 percent of it was categorical, which means that the largest proportion of the funds that were allocated this year were block funding that the school divisions could decide what to do with. They could decide in St. James to put it into computers or to put it into special needs, or whatever their priorities were.

We have also maintained the overall ratio of block and categorical to be about 75-25, which means that 75 percent of the funds that a school division gets is block funding and only about 25 percent of it is categorical. So I don't have any problems myself, philosophically or practically, in that kind of ratio in terms of the amount of leeway it gives school divisions to establish their own priorities.

We did have a representation made to us by the superintendents when I announced the grants, and they were concerned - we made this change, didn't we? - that the Print/Non-print increase which was \$10, that they did not have the flexibility to decide where to put that. Based on the representation that they made, we freed it up. In other words, instead of saying this must be spent on library, we allowed them - their point was, we may already be spending either that amount of the amount that we want to spend there. Don't force us to spend another \$10 per pupil in that area if we don't want to. Please let us have the flexibility to decide where to put it, and we gave it to them. So even beyond the original ratio, we increased their flexibility with the Print/Non-print grant.

**MRS. G. HAMMOND:** Mr. Chairman, I think that certainly the 60 percent would not be a bad percentage

at a time when you're getting a bit more than 1.1. But when they're sitting with a 1.1 percent increase - St. James Division couldn't possibly stay under that when they had to deal with their staff. Even at that, the salary increases were not large. They were in line. So I think what they were saying was that in a time of constraint they would prefer to see most of the money in the block funding so they could set their own priorities, rather than the government starting new and into categorical grants. Because there is not that much money to play around with, and I think it's up to a division to be able to decide where to spend that money.

**HON. M. HEMPHILL:** I don't disagree, although I think there has to be a balance. If I carried that argument to its fullest degree - as I recollect when we went through Estimates last year, the Member for Kirkfield Park was concerned about the early identification and the need for our moving in this area. You have to have a balance between providing funds to the school division and leaving them the freedom to determine their priorities and needs, and taking the responsibility to identify provincial needs that are not being met through either the existing programs or the existing formula for funding.

Two of them that I would point out that fall into that category are the early identification and English as a Second Language for Natives. So we had a major deficiency where we had English language programs for students, and absolutely nothing going to an entire block of students who had one of the most serious language problems.

I think we would be abrogating our responsibilities to totally dump all the funds on the school boards and say you do what you want, and to have the Department of Education in the province taking no responsibility to meet needs through provincial programs and provincial funding.

What I did say, I think, last year, and I'll repeat just quickly this year, is that I will continue and am prepared to continue to provide a reasonable proportion, and I certainly think 75-25 is very reasonable and fair, direct block grants to school divisions to allow them to do with as they wish. I do not intend to not move on what I believe are high priority need areas for the children of Manitoba. I will move on those, and I will direct those moneys to those programs.

I just wanted to talk for one minute about the surplus. We were talking about the 45 school divisions having surpluses. St. James School Division, I think, is using 880,000, but they have a surplus of 2 million. I suppose, you know, this grant system was not designed in order to give people money to tuck away in their socks, although it's nice in times like this, that some of them have that. But they are always indicating to us that they need every cent of the money that they get and that they're not getting enough in a number of areas and sort of communicating each year that they're not getting enough to cover their needs, and yet they're able to build up surpluses of \$2 million.

I think that it's very good that St. James and other school divisions are using their surplus, because it isn't my intention as Minister nor do I think it's the intention of most who have designed the program to design it in a way that gives additional money that's not needed

for the education of children in the year in which it's delivered.

**MRS. G. HAMMOND:** I do remember the conversation on the early identification screening and it's a great program, and no one wants to do away with it in any way. But it, in itself, creates then further problems because of the funding you need for clinicians. You need extra staffing for speech, hearing, which are all high-cost items. So these again fall on the back of the division who have to supply these. I think the funding that's been indicated to me is - what is it? - \$7,000 or \$8,000 for training teachers to do screening, but then the clinician cost is around 40. So where you may be providing a service and saying that you're doing something for the division and I'm sure you are - you're getting them to do it - then for them to implement it has high cost.

So what they were saying is that the unfairness of the division only getting 1.1 percent versus some divisions getting 5 percent or 6 percent and then having to deal with everything themselves.

I think that St. James probably should be congratulated and, as the Minister has indicated, they have really managed their money well. They were the first ones to get into the energy conservation, and I know that it was used as a model in some of the other divisions. They've closed schools. They have gone a long way in the St. James Division to be able to conserve money for a rainy day. So I believe that it's one of the divisions that has gone out of its way, and at great cost to the trustees I might add at times, to do all these things. So when I'm suggesting on their behalf that they wanted more block funding, it's to take care of some of these very things that the Minister has put into place.

**HON. M. HEMPHILL:** Mr. Chairman, without going into a lot of detail on the response I would just say that I guess the feeling of most people, not just me but those in the education system, is that while what she says is true about identifying and then setting up the requirements to follow through with some programs, is that I think everybody feels that if we could get these kids earlier, and identify them earlier, that we actually will be saving money that will have to be applied to them throughout their entire school program, and that really even if it costs us a little bit more in the beginning is going to save us in the long run, and I believe that.

**MRS. G. HAMMOND:** I'll just briefly say, yes, that no one is denying that or doubting it. It's a great program, and that is the place to start but at the same time you have to recognize when these programs are put in that the extra costs are there for the divisions.

**MR. C. MANNES:** Mr. Chairman, I'd like to list a number of Orders-in-Council that I have before me. I would ask the Minister to tell me whether they can all be grouped into one area, and to which area they would fall on the sheets she has provided for me.

Order-in-Council 358, passed March 28th. The amount isn't here, a grant made to school divisions and school districts for the program exchange, Manitoba exchange;

Education No. 359, a grant to the Seine River School Division 14, not to exceed the sum of \$41,000 to help offset the additional costs associated with setting up a new French or immersion school in the province;

No 362, a grant to the Manitoba Association for bilingual education;

No. 318, passed March 28th passed a grant of 20,000 to Rossbrook House;

No. 292, a grant to the University of Manitoba for the purpose of financing the Adult Professional Training Program;

No. 259, a grant in the amount of 46,585 to St. Boniface College. I imagine that comes in the college portion.

I would just like basically some idea from the Minister whether those grants, not each and every one of them, but whether those grants can be collected under one grouping and if so where that grouping would be.

**HON. M. HEMPHILL:** No, Mr. Chairman, each of the grants would come under the category that they logically should come under. I think staff is prepared, we're trying to go from memory because there are many grants and he's reading off a lot of O/Cs.

The Exchange Program comes under Other Support in the first 0112, Small Schools Inter-Visitation. I mentioned that one before.

I think the U of M adult professional training and the French language one you mentioned are under the Bureau. The Seine River is under the Bureau.

**MR. C. MANNES:** Seine River's under the Bureau? Fine.

**HON. M. HEMPHILL:** The bilingual is under 16(3)(a) last year; Rossbrook House is under Special Needs.

**MR. C. MANNES:** I see. Mr. Chairman, those are all the questions I have on Page 3 but I did miss a couple on Page 2. If the Minister will indulge me and flip back to that particular page.

I missed a very major portion, the Extra Operating Support. As I understand it, this is the portion that's outside the Legislative Education Support Program that the Minister has used to help those divisions that have been aggrieved or caught for whatever reason. Oh, I'm wrong, maybe the Minister can tell me specifically what it's for then.

**HON. M. HEMPHILL:** No, Mr. Chairman, this is not a grant for any particular - I'm not sure what he was referring to. It might have been the declining enrolment grant with school divisions that were aggrieved and I'm not sure what the grievance was, but the Extra Operating Support is not that. It's a basic part of the Education Support Program where we have operating and extra operating.

The extra operating support is based on eligible expenditures for 1984, and for each division is the amount obtained when the 1980 total expenditure less capital expenditures and other revenue, is divided by the 1980 eligible enrolment, increased by the consumer price index percentage increase for September 1980, which was 10.7 percent; September 1981, 12.5 percent; September 1982, 10.4 percent; and by 3 percent for

1984. The result is multiplied, if you can believe it, by the eligible enrolment for 1984. So that each school division is actually entitled to operating and extra operating support based on those criteria.

So it has nothing to do with me deciding whether to give it to them or not. They're entitled to it based on the formula.

**MR. C. MANNES:** Well, Mr. Chairman, you'll have to color me red, because it's brought to my attention in a thundering manner specifically what is being discussed here. I would ask the Minister or her staff whether they could provide for me the numbers that are plugged into the formula in both these areas. That's not required right now, but I would just like to have a feel for what numbers have been plugged into the formula to give the answers, the total sums of money for 1984. I'm wondering if she could provide that, not now, but in time.

**HON. M. HEMPHILL:** Yes, we can get him those figures. I might just say that it was the Extra Operating Support that increased this year which I showed in the distribution. There's a \$3.3 million increase that was distributed through extra operating support this year. Actually, I didn't read all of it but I don't think you want to hear the rest of it, do you?

**MR. C. MANNES:** Moving down to the final portion on this page, Administration. There's one item there that fascinates me. It's another interest charge. Now, this is basically the second one. We had one at the top of the page which really wasn't interest, it was the pay back of capital. Then we had under 16.(3)(a) debt servicing under capital, which is 20 million. It was the present portion of long-term debt.

Under Administration, we also have an interest charge of \$7.5 million. I'm wondering if the Minister could tell me what debt that covers.

**HON. M. HEMPHILL:** The other interest costs that he referred to are related to capital buildings; they're related to debentures and the building of schools. This interest charge is related to our requirement to borrow money in order to pay out to school divisions in the periods in which we are required by law to pay out. I'm looking for confirmation for that.

So it's the interest - twice a year we pay out the money that we owe. No he's shaking his head. — (Interjection) — We borrow twice a year. I'm going to read this out. The interest charges are incurred in the borrowing of funds pending receipt of Education Support Levy monies. It's one of these chicken-egg things. We keep having to borrow because we don't get our money in time to pay the bills that we have to pay school divisions. As I announced, we had earlier pay out for school divisions so that they could stop having to borrow the amount they needed to cover their programs. This is our cost for borrowing money before our Education Support Levy money comes in on September 15th and March 15th.

**MR. C. MANNES:** Mr. Chairman, it's very interesting to listen to that explanation. Certainly the logic of it makes sound sense. I wasn't aware, that the

government as a whole. as one entity had interest charges other than what the Minister of Finance presented. So I suppose there are other departments that may have this same problem. It's a sizeable amount of money and one that I didn't realize the Department of Education itself had to account for.

Mr. Chairman, I would like to wrap up this 3(a) section by asking the Minister - and I've closed all my material, I'll find it, just give me a moment.

**HON. M. HEMPHILL:** Maybe while you're finding it I could make one point on behalf of the department or the government, that where we borrow it's because the Education Support Levy doesn't come to us in time, but there aren't any interest costs incurred, in terms of the provincial share of funding, because the government pays its share promptly. What is direct funding is paid on time; where we get the money from the Education Support Levy, we have to wait until it comes in to us. That requires us to borrow.

**MR. C. MANNES:** Mr. Chairman, it would be interesting to know whether then there's an offset in interest earned in some other portion of the government, in the Minister of Finance area.

Mr. Chairman, the Minister made a quote in announcing the grants to school divisions on January 13th. She said, on page 2 of that announcement, and I'll read, "The difficult economic period we have all come through," I'll just stop there. Further to that I notice where Dr. Nicholls in his report quotes the Premier on page 37 as saying to a Ukrainian Professional Business Federation on May 22nd, '83 that, "The corner has been turned on the road to economic recovery, that the recession has bottomed out."

Mr. Chairman, I would ask the Minister, in light of, not only Dr. Nicholls' statement, but her own offered about four months ago, suggesting that we've gone through the hard hard times and we are well on the road to recovery. At this particular point in time, with interest rates increasing in the manner in which they are, whether she would make this statement quite as strongly as she did in January of this year?

**HON. M. HEMPHILL:** Mr. Chairman, I think I would be prepared to say that, on reflection, I might add a few syllables. Instead of saying "come through," I might say "coming through."

**MR. C. MANNES:** I wouldn't expect anything else from the Minister, Mr. Chairman, I just am curious why at times when governments make announcements of programs, why they include some language at times that makes the individuals, particularly within the area of education, who may not have as deep an understanding of the economic situation maybe as those that are involved in financial circles, really believe that the problems are over.

I'm wondering what type of signals, whether the Minister is interested in sending out accurate signals to, particularly, school divisions, or the Teachers' Society, for that matter. I would comment and say that I think she has to be very careful when she makes these utterances as to the state of the economy and how, in her perception at least, that economy is improving.

Mr. Chairman, just one other item within this whole area, unless my colleagues have some specific questions on school divisions that are included in their constituencies. What, and it's back to the private school situation, only so much as the Minister's indicated now that there will be additional spending directed toward that area and that they'll be covered by Supplementary Estimates, what has happened over the last month, or month-and-a-half since these estimates were printed that has caused the Minister to increase the support offered to private schools?

**HON. M. HEMPHILL:** Mr. Chairman, nothing particular has happened over the last month. I think that the education budget and estimates are some of the most complex and difficult and require probably more decisions than almost any other department in the entire government, and we don't make them all at the same time. At the time that we were dealing with the money that was going to school divisions, and the allocation of the \$16 million, we made those decisions that had to be made and some of the rest of the decisions were made later.

**MR. C. MANNES:** Mr. Chairman, unless there are questions specifically from my colleagues, I'm prepared to pass this estimate.

**MR. CHAIRMAN:** Member for Turtle Mountain.

**MR. B. RANSOM:** Could the Minister indicate how much money she's talking about on Supplementary Estimates?

**HON. M. HEMPHILL:** Yes, the Member for Turtle Mountain wasn't here when we went through that before, but I don't mind repeating it if I can find it among the . . .

**MR. B. RANSOM:** I'll get it from the record.

**HON. M. HEMPHILL:** Okay, it's in the record. I'll look for the paper. I think it's about \$225,000 in the estimates and the rest will be coming out of Supplementary Supply.

**MR. B. RANSOM:** Just one other question to the Minister. The Minister and I have spoken frequently about a situation in the school divisions in my constituency concerning Somerset and Bruxelles. Has the Minister made any decisions with respect to that situation within the last month or two?

**HON. M. HEMPHILL:** No, Mr. Chairman, I haven't although I have discussed with the member opposite what was taking place in the discussions and the exploration with the board and their intentions, nothing further has happened since I last talked to him.

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

**MR. C. MANNES:** Mr. Chairman, before we do pass this section, I notice a Footnote (1) in the Estimates, and it says, in addition to the \$371 million as shown, "In addition, \$17 million is provided under Expenditures

Related to Capital Assets." Specifically what is meant by this because it's obviously not accounted for in any other area, or is it?

**HON. M. HEMPHILL:** Mr. Chairman, I'm informed that comes up under 16.(8)(b)(2), and we can deal with that when we get to that allocation.

**MR. C. MANNES:** I'm trying to clean up some odds and ends, Mr. Chairman, and I'm wondering if the Minister would consent to answering a question that should have properly been posed last night. It's to do with the policy guidelines set for surplus schools, the selling off of surplus schools. I'm wondering if I could ask a specific question at this time on that?

**HON. M. HEMPHILL:** We could try it tonight, although I would expect it would come under Capital.

**MR. C. MANNES:** Oh, I'm prepared to wait until that time, Mr. Chairman.

In closing this area, Mr. Chairman, I would again like to thank the Minister for the breakout that she's provided. I don't know if this has been available in other years but, certainly, it has provided a material assist to me, and I would hope it would be provided in this form another year, and possibly maybe even a couple days or certainly the day that the Estimates would begin.

**MR. CHAIRMAN:** 3.(a)—pass; 3.(b) - the Member for Morris.

**MR. C. MANNES:** I'm wondering if the Minister can indicate specifically what grants are included under Miscellaneous?

**HON. M. HEMPHILL:** Yes, Mr. Chairman, I'll give a listing of the major grants. Council of Ministers of Education has been an annual grant, it's about \$48,000.00. Home and School Parent-Teacher Federation gets about \$11,000.00. United Nations gets \$3,300.00. We fund a science symposium every year, and they get about \$4,000.00. We have been funding the L.B. Pearson College out in B.C. and we put \$15,000 into that and that allows us to have two students from Manitoba, who are selected according to very special criteria, attend that very special and unique college. Student councils get money from us, \$12,000 for their student councils across the entire province. The school trustees get \$10,000 as do the Teachers' Society, and I think with the trustees it just goes into the general budget. The teachers have been using their money for a special fund dealing with special support to teachers. Planned Parenthood gets \$10,000.00. We gave some funding for a Children's Rights Conference that was \$3,000.00. The Guidance and Counselling Association gets money.

We also fund something that I must admit I've been trying to get away from, but I haven't been able to, and that is luncheons for each of the associations that they put on every year. I've just had this feeling that when money is tight, it's really hard to sort of justify thousands and thousands of dollars going into people's stomachs when you might be able to use it for

programs. However, they seem to be traditional that when they have their annual meetings the Department of Education funds a luncheon and I haven't had the intestinal fortitude to withdraw them, so they're still all there.

We're also funding The School Principals Association when they have their annual conference, so all of the major organizations, when they have their annual conferences receive some support for those conferences. The Central Advisory Committee for Frontier School Division, which is made up of committees from each community that act in an advisory capacity to the official trustee, they have a conference every year and we provide funds for that. Manitoba Association for Promotion of Ancestral Language received \$4,000.00. I think that most of them are routine annual grants that have been around for some time and sometimes occasionally when there is a special conference, maybe of a national nature, then we provide provincial support for national conferences on education matters out of this grant.

**MR. C. MANNES:** Mr. Chairman, I'm not going to pose any specific questions, probably a more general question. Since the Minister indicates that the department does lend some support to both the trustees and to the Teachers Society, I'm wondering if she shares - and I'll call it a concern of mine - that these two major organizations within the educational field are becoming extremely large and powerful in their own rights. I'm not picking or choosing, that's not my concern. I'm wondering whether she's concerned at all with the fact that, for instance, the Teachers Society, I believe, has an operating budget this year of \$5 million, in that range, and I'm sure the trustees, to fund some of their special areas, would have a very significant one also. Is she at all concerned about this growing trend of very strong associations within the area of education?

**HON. M. HEMPHILL:** Mr. Chairman, I'm not sure that's related to the level of funding. I do think it's important that we have the various groups representing the people who both carry out the major responsibility and share the major concern for the education system, and that would be parents and teachers and trustees and principals. While I have to admit, that sometimes their loud voices and their activity caused me some pain or some anxiety or a fair amount of discomfort in terms of balancing between what are a large number of groups, I think we have a better education system because they are there and because they are operating from both their knowledge and experience and their position, whether they are teachers or trustees or principals or parents. It's one of those difficult systems to balance and manage, but we're better for it. I don't think that I would say that they are operating in either an extreme manner - once in a while I think they might be - but in a special interest manner that is not in the best interest of the children of Manitoba.

**MR. CHAIRMAN:** 3.(b)—pass; 3.(c)—pass.

Resolution 53: Resolved that there be granted to Her Majesty a sum not exceeding \$372,222,100 for Education, Financial Support - Public Schools for the fiscal year ending the 31st day of March, 1985—pass.

Committee rise.