

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 13 June, 1985.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. J. Walding: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: I'm awaiting copies for honourable members, would honourable members permit me to give you a statement first?

MR. SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: Yes, Mr. Speaker, I have a Ministerial Statement.

MR. SPEAKER: The Honourable Minister.

HON. E. KOSTYRA: Thank you, Mr. Speaker.

I'd like to table, for the information of the members, a joint federal-provincial-territorial position paper on Regional Economic Development which is being released simultaneously by Economic Development Ministers across the country today.

The paper has been in preparation since the First Ministers' Conference on the Economy in Regina in February, and it was agreed to, in its present form, at the last Conference of Regional Development Ministers in Vancouver on May 27th.

The paper represents some significant compromises between the traditional concerns of the larger, wealthier provinces and those of the smaller, less-wealthy provinces.

Those compromises reflect the fact that regional development policy has been the subject of intense and continuing debate in this country since Confederation - and still is. In fact, it has been only a few years since an agreement was reached to include an Equalization and Regional Disparities Section in the Constitution.

The critical parts of the paper, in our view, are the sections dealing with the nine Regional Economic Development principles which the First Ministers endorsed in February - some of which were first suggested by Manitoba.

If there were any doubt before that, these principles now represent a joint policy commitment by the Federal, Provincial and Territorial Governments, then this paper sets that doubt aside.

And the paper is also important because it lays out what the governments are calling a "Regional Economic Development Action Plan." Members will find details of that plan starting on Page 14 of the joint paper.

Our endorsement of the joint paper also reflects my continued willingness to accept that the current Minister of Regional Industrial Expansion is trying as best as he can to educate his colleagues in the federal Cabinet about the importance of a fair and balanced regional development policy. Unfortunately, he doesn't seem to have had much success.

The May 23rd federal Budget virtually ignored Regional Development and, in fact, we believe worked against it in a number of ways, such as:

- The \$50 million cut in Agriculture and the \$75 million cut in transportation this year - over and above earlier cuts;
- The \$100 million cut in assistance for industrial development and Native programs;
- The planned \$2 billion transfer payment cut by 1990; and
- Some of the tax breaks such as the \$550 million capital gains tax giveaway this year which seems likely to favour large, well-established industries and investors in Central Canada over smaller businesses in the other provinces.

In the wake of the federal Budget, we could have chosen not to endorse the joint position paper. Every one of the measures I listed is, in our view, totally inconsistent with "Principle 5" in the paper, which states:

"All major national policies should be judged, in part, in terms of their regional impact. And, so far as is possible, these policies should reinforce the goal of fair and balanced regional economic development."

But, if we had rejected the paper, our action in doing so might have been seen as a rejection of the joint guidelines which we worked hard to establish, or as a rejection of the co-operative approach to economic development.

The first and most important of the principles in the joint paper establishes the high priority which the Government of Canada, the provinces and the territories attach to the goal of Regional Economic Development.

The Government of Manitoba is convinced that balanced regional development across Canada is essential to the unity of this country. Without that sense of unity, our economic development suffers, and as a consequence, economic development suffers in every province and region.

By endorsing the joint paper and reaffirming our willingness to co-operate with the Federal Government in development and implementing Regional Development Policies, we are showing our good faith - just as we have shown it in our ongoing efforts, through the Manitoba Jobs Fund and other initiatives, to strengthen and diversify the Manitoba economy.

There is no doubt that we are doing our fair share. It is now incumbent on the Government of Canada to start demonstrating, through positive action, that they, too, are genuinely committed to the guidelines which they have reaffirmed in this joint paper.

To conclude, I was very interested to see that, according to news reports, the Maritime Premiers have

now expressed serious concerns about the federal Budget and the Federal Government's commitment to fair and balanced regional development.

At a conference earlier this week, they also voiced opposition to the Federal Government's plan to de-index Old Age Security payments. They noted that it, too, runs directly counter to the principle of fairness - both fairness to Canadian pensioners and fairness to provinces and regions such as ours, where elderly citizens make up a higher-than-average proportion of the population.

Thank you.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I would just like to say that I was in Regina when the First Ministers' Conference was held there in February. It was refreshing to see that all governments across this country were going to work together to help this country out of the disastrous, economic slump that the previous Liberal Government had put us into.

Mr. Speaker, I am very pleased that the Province of Manitoba has agreed to work with all the other Provincial Governments across this country and with the Federal Government to develop a good economic climate within this country and this province so that development and investment will take place.

Mr. Speaker, we all know that there was a Federal Government Budget brought down just previously and certainly the Minister starts out on one hand by saying that we are all going to work together, and in the same document he decides that he has to do some Federal Government bashing, instead of saying that this is something that we are all going to work together to make a good situation in Canada. Certainly there is going to be disagreements with the Federal Government regarding their Budget, but I really don't see, when you're saying on the one hand that you want to work together with all provinces and the Federal Government to create a good investment attitude within this province and, on the other hand, take the opportunity to try and bash the Federal Government which can only harm this province as far as relations are concerned.

We are a province, by the way, that has done more to disinterest investors than any other government has ever done. We have a 1.5 percent payroll tax in this province, we have labour legislation which is not the same as other provinces which makes it unfair and discourages investors. We have all kinds of other situations that this government has brought in, the worst job creation in this country, the worst job creation, as far as statistics are, of any province in the country, except Newfoundland, Mr. Speaker. Then we have a situation with their business attitude, where Mr. Bulloch says that this Manitoba Government has the worst business attitude of any government in Canada.

Now, I say that after all that I am very pleased that they have decided to co-operate, but I just don't know what the government means by co-operate when they do it on one hand and then they don't co-operate on the other.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I have a statement.

Mr. Speaker, the Supreme Court ruled on the federal references in respect to the Manitoba laws.

Briefly, the decision means: Manitoba must enact all its laws in French and English. The court has said that Manitoba must do so in the minimum period of time necessary.

The decision also asks Manitoba to make a presentation before court within 120 days to present its case as to how much time is necessary. Manitoba intends to ask for a hearing at the earliest possible time. As Premier, I believe it is a tough decision with which Manitoba can live if the court provides the province with sufficient time.

The decision may disappoint some and may strike others as imposing a too stringent obligation on the province.

As you recall, it was the wish of many Manitobans, some on both sides of the controversy, to give the Supreme Court the final say.

No one should be surprised by today's decision, for all Manitobans were aware of the uncertainty in having the Supreme Court in Ottawa provide a solution for us.

Any Supreme Court decision would not be satisfactory to everyone, for the Supreme Court has given us a decision we can live with if the Supreme Court gives us sufficient time. Obviously we must now abide by the result and now concentrate fully on the concerns and the issues of the future.

The decision would not affect, in any way, the daily lives of ordinary Manitobans. Life in the province will go on much as it always has; and for those people who are not French speaking nothing will occur to change their lives in any way. The decision has no effect on the province's policy of providing language services, a policy which was established and was continued since 1980.

The government will make every effort to comply with the terms of the decision. In fact, because of the hard work and the preparations we have undertaken during the past year to prepare ourselves for today's decision, we have substantially facilitated our ability to comply with it. The translation has been proceeding over the last several years. A substantial number of the province's most important statutes have already been translated and are ready for re-enactment.

With the anticipated assistance of the Federal Government, it is expected that overall requirements with regard to the enactment of legislation in both languages can be met.

Over the next several days we will also be looking at the implications of this ruling in respect to the Bilodeau case, to bills that are currently before the Legislature and the translation of existing and spent statutes. We will be keeping the House informed as information is received.

The Supreme Court decision brings us to the close of a difficult period for many Manitobans. We can, we must, now leave behind those things which might divide us and work together on those things which matter to ordinary Manitobans such as long-term economic development of our province, job opportunities and a better quality of life for all.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Speaker.

The Supreme Court of Canada has now reconfirmed what we have known since 1979; that is, that the laws of Manitoba must be printed and published in both English and French. That obligation was acknowledged and was accepted by the previous Conservative Government of our province and in 1980 that lengthy process of translation was begun. We undertook that obligation seriously and committed this province to proceeding with the translation of all our English only statutes as quickly and expeditiously as possible.

In 1980, all parties in the Manitoba Legislature supported that commitment and the process of translation of statutes has been ongoing ever since, a commitment which I understand was accepted and carried on by the current administration. Today's Supreme Court decision reaffirms that obligation to translate, as well as the requirement to accomplish it as soon as possible.

One of the fundamental responsibilities of governments is to maintain peace, order and social comity amongst all of its people. What the Supreme Court decision today has done is demonstrate that the current administration in Manitoba has failed abysmally to meet this challenge and this fundamental requirement.

Mr. Speaker, it is evident, from the Supreme Court decision today, that this NDP administration has unnecessarily caused a great deal of trauma, confrontation and deep social division amongst the people of Manitoba, as a result of its ill-conceived and unwarranted proposals.

To entrench an amendment to fully bilingualize our province and to enact legislation mandating French-language services in all government departments, that needless trauma, that convulsion to the people of our province will take a good deal of time to overcome, but it must be done. Mr. Speaker, these wounds will heal, but this NDP administration must bear the responsibility for opening them. Because, Mr. Speaker, it was not required; it was not necessary for the government to proceed in the manner in which it did.

The Government of Manitobawas advised by its own Legal Counsel in April of 1982 - and I remind members that this is the same Legal Counsel, Mr. Kerr Twaddle, who presented Manitoba's case to the Supreme Court last summer - and he said, as follows: "It will be appreciated that such a constitutional extension cannot be imposed on Manitoba. As there remains an excellent chance of success in Bilodeau before the court, careful consideration should be given as to whether it should be agreed to as the price for relief of the obligation to translate all existing statutes."

Mr. Speaker, that is precisely what the tradeoff was, a relief against an obligation to translate existing statutes to be balanced against the constitutional amendment and the mandatory provision of services in all government departments in both French and English. And the judgment, at that time, by the Legal Counsel was that it was too high a price to pay; and the judgment of the people of Manitoba was that it was too high a price to pay. The fact of the matter is, Mr. Speaker, that the Attorney-General and the Premier and all of their colleagues ignored that advice. And to the surprise of the people of Manitoba, to the surprise of this Legislature and, indeed, even it seems, according

to the past president, to the surprise of the Société franco-manitobaine, they introduced and attempted to force through this Legislature, with all of the might and power at their disposal, a proposal based on a negotiated out-of-court settlement to entrench bilingualism and legislated government services, rather than let the Bilodeau case proceed to the Supreme Court.

And that proposal, Mr. Speaker, would have taken us a quantum leap forward into a status that was historically, socially, and practically not warranted or, for that matter, not supported by the vast majority of the citizens of our province. This ill-considered action, without consultation, without the support of the people of the province, resulted in an imposition upon our citizens of a government-induced trauma that broke down relationships that had taken generations to build.

It is, indeed, regrettable that the arrogance and the insensitivity of this NDP administration's actions need never have taken place. Mr. Speaker, this Supreme Court decision is a reasonable solution to a difficult problem. It recognizes our obligations and the inheritance of laws passed by many governments who were unknowingly in non-compliance with the provisions of Section 23 of The Manitoba Act, but it does not create legal chaos; it does not impose a penalty; and it does not amend our Constitution or impose compulsory bilingual services in all of our government departments.

Some observers have said that this judgment, that this decision, confirms that we are fully bilingual. Section 23 makes us bilingual to the extent that Section 133 of the Federal Constitution makes Canada bilingual in the courts, in the Legislature and in the printing and publishing of our laws.

But I remind members that it was not Section 133 of the Federal Constitution that made Canada fully bilingual. It took an act of Parliament passed by the Trudeau Government in 1968 to do that. Only by further constitutional amendment, or legislative action, could the additional obligations be placed on Manitoba such as were being proposed by those ill-conceived plans of this NDP administration, a proposal that Manitobans rejected.

The decision recognizes that we must have time to translate, but that we must act in good faith to ensure that the task that was undertaken, with the support of all parties in 1980 in this Legislature, in response to the Forest decision, must be proceeded with on an orderly basis and as quickly as possible.

Mr. Speaker, let the record show that our opposition during the long and heated debates on the French language issue in this House, from May of 1983 to March of 1984, was not opposition to the obligation to translate; we accepted that obligation and we continue to do so. Our fundamental opposition was to the ill-conceived and unwarranted proposal by this government to change our Constitution and to entrench bilingual provisions against the will of the vast majority of the people.

Mr. Speaker, there is no more sword over our heads today than there was in 1979, and I would urge this administration and the Attorney-General to prepare the necessary information for the Supreme Court to demonstrate that we are prepared to fulfill our obligations to translate our laws in the minimum time possible.

We look forward to working with all groups and all people in Manitoba to heal the wounds, to put an end to the divisiveness and to restore social order once more to our province. As well, we will concentrate our efforts on the economic development of our province to build a better future for all of our people.

Thank you.

MR. SPEAKER: Order please, order please.

Notices of Motion

INTRODUCTION OF BILLS

HON. R. PENNER introduced, by leave, Bill No. 55, An Act to amend The Liquor Control Act; Loi amendant la loi sur le contrôle des alcools.

INTRODUCTION OF GUESTS

MR. SPEAKER: Prior to Oral Questions, may I direct the attention of honourable members to the gallery where we have 60 students of Grade 6 standing from the R.J. Waugh Elementary School. The students are under the direction of Mr. Grant and Mrs. Kempthorne. The school is in the constituency of the Honourable Member for Gladstone.

There are 30 students of Grade 5 standing from the Elmdale School under the direction of Mrs. Baker. The school is in the constituency of the Honourable Member for La Verendrye.

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

SPEAKER'S RULING

MR. SPEAKER: Also prior to Oral Questions, I have a ruling for the House.

On Wednesday, June 12th, the Honourable Member for Emerson raised a matter of privilege concerning a reply by the Honourable Minister of Education to a question. In order to review Hansard and consider the facts, I took the matter under advisement.

Given the timing of the events mentioned in the Honourable Member for Emerson's remarks, I am satisfied that he raised the matter at the first available opportunity.

A careful reading of the remarks of the Honourable Member for Emerson indicates that he is alleging that a breach of privilege occurred when the Honourable Minister of Education deliberately misled the Assembly, or at least the honourable member.

The fact that the Minister's remarks might have caused confusion or aggravation to the people of St. Pierre is irrelevant, since privilege concerns the Assembly or its members.

The deliberate misleading of the House by a member is a serious matter and probably constitutes a breach of privilege. It must be borne in mind, however, that a deliberate misleading of the House involves an intent to mislead and/or knowledge that the statement would mislead.

Had the Honourable Member for Emerson's third question on Monday been asked in isolation, a good case could be made for a breach of privilege since the Honourable Minister's reply was incorrect, given

subsequent statements, in that the question seeks general information about any meeting. However, it was not asked in isolation, since the two preceding questions sought information regarding a meeting at a specified date and time. There is no evidence to suggest that the Honourable Minister did not understand the third question to also deal with the meeting at a specified time.

Given the reported facts of the matter, I conclude that the Honourable Minister was not aware that her answer would mislead the House, neither was there an intent to mislead.

Therefore, there is not sufficient prima facie evidence to justify the setting aside of the normal business of the House to debate this matter.

ORAL QUESTIONS

Constitution - further amendments

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Speaker. My question is for the Premier. Given the fact that the Supreme Court decision of today doesn't appear to require it, is the government planning any further constitutional amendments or proposals with respect to bilingualism in Manitoba?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, no, and there never were.

MR. G. FILMON: Mr. Speaker, I am pleased to hear that the government is not planning any future proposals with respect to a constitutional amendment on bilingualism in Manitoba.

I have a further question: will he assure us that there will be no secret negotiations with any group in society in Manitoba with respect to constitutional amendments or legislative changes on the issue of bilingualism in Manitoba?

HON. H. PAWLEY: Let me, again, correct the Leader of the Opposition. Any suggestion there were ever any secret negotiations is incorrect. Therefore, Mr. Speaker, the answer is, no, to the Leader of the Opposition's question.

MR. G. FILMON: I simply asked the Premier whether he would assure us that there would be none in future. That's all I want to know from the Premier.

HON. H. PAWLEY: Mr. Speaker, I'm not sure. did the honourable member ask me a question, or did he rise on a point of order? He would have to clarify himself.

MR. G. FILMON: I'm asking a question. Will you assure us there will be none in the future?

HON. H. PAWLEY: Mr. Speaker, I answered that question. To respond to it again would be repetitive; there never were; there will not be in the future.

Statutes - number translated

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

MR. G. MERCIER: Mr. Speaker, the statement from the Premier today indicates that a substantial number of the province's most important statutes have already been translated and are ready for re-enactment. I wonder if the Attorney-General could indicate how many pages of statutes have been translated and are ready to be introduced in the House but have not yet done so.

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, insofar as the translation that has taken place in respect to continuing consolidation as of April 23rd of this year: the percentage published, 12 percent; ready to publish, 21 percent; revised, 12 percent; translated, 38 percent; in progress, 12 percent; not assigned, 5 percent.

MR. G. MERCIER: Mr. Speaker, I wonder if the Premier could indicate why those statutes that have been translated into French and are ready for re-enactment - and I didn't get all of the precise figures by the First Minister - but I wonder why those have not already been introduced into the Legislature for re-enactment.

HON. H. PAWLEY: Mr. Speaker, we've been awaiting the Supreme Court decision.

SOME HONOURABLE MEMBERS: Oh, oh!

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

Order please, order please. Order please. I am trying to hear the Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Mr. Speaker. I wonder if the First Minister could indicate how many pages of statutes were translated into French prior to the start of this Session of the Legislature and could have been introduced at the beginning of this Session, but have not yet been introduced by the government.

HON. H. PAWLEY: Mr. Speaker, unfortunately the opposition has now exposed the dribble of the case that they've been presenting for quite some time. Mr. Speaker, it was the opposition that assured us, and assured Manitobans, that the 1980 Bill 2 was adequate, and that Bill 2, in itself, was sufficient in order to deal with the statutes.

Mr. Speaker, let the honourable members not rewrite the history of the past 18 months. Mr. Speaker, this morning, Bill 2, the 1980 legislation was struck down by the Supreme Court of Canada. The Supreme Court of Canada said Bill 2 (1980) was invalid.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please, order please.

The Honourable Member for St. Norbert. Order please.

MR. G. MERCIER: Mr. Speaker, could the First Minister indicate how many pages of statutes being translated prior to the start of this Session and were ready for re-enactment at this Session but were not introduced?

HON. H. PAWLEY: Mr. Speaker, that question has been responded to.

MR. G. MERCIER: Mr. Speaker, could the First Minister indicate which statutes were translated into French prior to the start of this Session and have not yet been introduced for re-enactment?

HON. H. PAWLEY: Mr. Speaker, I'll accept that question as notice.

Statutes - cost-shared by Ottawa

MR. SPEAKER: The Honourable Member for Elmwood.

MR. R. DOERN: Mr. Speaker, I'd like to direct a question to the First Minister. Given that there is little value to the average French-speaking Manitoban in terms of the translation of these statutes; given that the value is probably on behalf of a few French-speaking lawyers; and given the expense of translating Manitoba's statutes, will the government be asking Ottawa to assume either some or all of the costs of translation?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I find the question rather unusual coming from the Member for Elmwood, his sudden concern with respect to the costs of translation. Those costs did not exist a year ago.

Mr. Speaker, that has already been the part of the negotiations that we have been undertaking with the government in Ottawa. We are satisfied that the government in Ottawa will provide assistance in order to permit us to carry on with the necessary legal obligations imposed upon us by the Supreme Court of Canada.

MR. R. DOERN: Well, Mr. Speaker, holding aside a statement that I made in 1980 saying that Ottawa should pay the full cost of translation in this Chamber, I would like to ask the Minister, given the fact that the Secretary of State funded challenges by Mr. Forest and Mr. Bilodeau, funded the SFM and other groups in the plebiscite fight and, in effect, has precipitated this situation which is of little practical value to the average French-speaking Manitoban, would the Premier consider sending Ottawa the bill for 100 percent of the translation costs, based on the fact that whoever calls the tune should also pay the piper?

Mr. Speaker, I ask the First Minister to clarify his position. He gave me an answer to the first question; I'm asking him another question. Would he consider sending the full costs of translation to the Federal Government which properly should pay that bill?

HON. H. PAWLEY: Mr. Speaker, I don't accept the honourable member's premises for one bit, therefore, it's impossible to respond to a question with incorrect premises.

Bill 115 - necessity for

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, several years ago Bill No. 115, An Act to Provide Extension of French Services, was put through this Chamber with some effort to second reading, into the committee stage for Law Amendments with bells ringing, etc. Today, as a result of the Supreme Court's decision, the Premier indicates in his statement on Page 2, "The decision has no effect on the Provincial Government's policy of providing language services - a policy which was established and has continued since 1980."

Can the First Minister now acknowledge that perhaps there was never any necessity for that Bill 115 at that time?

HON. H. PAWLEY: Mr. Speaker, the bill was introduced at that time. It was part of a package which remains indeed my first preference. If that package had been completed rather than the court-imposed decision of today, Mr. Speaker, this decision today is not my first choice, but it is a choice that we're prepared to live with, to accommodate and to work towards its fulfillment.

MR. H. ENNS: Mr. Speaker, a supplementary question. I choose to want to believe what the Premier indicated today, that the Supreme Court decision will have no effect on the Provincial Government's policy to provide language services. Will the Minister not agree with me, and agree with his own words, that bill or no bill, if the government has a will to provide those services, those services can be provided?

HON. H. PAWLEY: Mr. Speaker, there has never been any question with respect to the providing of those services since 1980. Mr. Speaker, unfortunately today we have an additional 4,000 bills, statutes, that require translation beyond that which was the case some year-and-a-half ago.

In addition, Mr. Speaker, we have an unspecified number of spent bills that we may have to provide for translation beyond that which was intended some one year ago, plus regulations.

MR. H. ENNS: Mr. Speaker, a final supplementary question, and I choose not to be diverted by the Premier's diversion attempt. The question is the provision of language services and I take it from the Premier's statement that the government is in no way impeded with or without Bill 115 in providing those services.

So I must conclude and I ask the Premier, is it the Premier's and this government's desire at that time and still today, to have had it in an official capacity - on other words, to have the province declared officially bilingual that prompted him at that time to provide that legislation to this House?

HON. H. PAWLEY: Mr. Speaker, that bill did not do as the honourable member has just indicated it did. All that bill would have done, Mr. Speaker, was to avoid the situation which we are confronted with today in

which we are required to translate some 4,000 statutes; we are required to translate a number, yet unspecified, of what is called spent statutes. We would have, Mr. Speaker, been able to have avoided sums of money still not estimated accurately, in return for continuing to simply provide the language services that previous administration intended to provide, this administration intended to provide.

Bilingual Manitoba - objective

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, I have a concern, I just heard the Minister say that his first option was to make Manitoba officially bilingual. Is that his objective and has he planned to carry it out?

HON. H. PAWLEY: Mr. Speaker, the only reference to the words "official languages" was in the 1980 bill put forward by the Conservative administration in 1980, Bill 2, which was struck down by the Supreme Court of Canada this morning.

Statutes - time to translate

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

MR. G. MERCIER: Mr. Speaker, just a further question to the First Minister with respect to his statistics on translation of statutes, can he give an indication or an estimate of the amount of time that will be required to translate the balance of the statutes?

HON. H. PAWLEY: Mr. Speaker, that is a question that cannot be accurately responded to at this stage. We will be applying to the court within the 120-day period that is granted to us to apply. We'll be asking for time in order to permit us to proceed with the translation. The amount of time will depend and earlier we had, I believe, 10 years to translate in respect to a small portion compared to the total number of statutes.

The amount of costs will depend upon, firstly, the extended time which the court will provide us, whether it be one year or five years, or ten years; and secondly, Mr. Speaker, we have no idea at this point as to the number of spent statutes that may now have to be translated, of which there was no anticipation or expectation at all before, might require translation.

Crop insurance - extension re reseeding

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Speaker, this is on another subject; I have a question of the Minister of Agriculture. In view of the extension on the crop insurance as of today on late seeding, is he assured that all farmers will be able to get their crops planted by midnight tonight under the reseeding programs that they have undertaken?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, one certainly can't be assured as to individual decisions that farmers might want to make in terms of reseeded; however, Sir, it should be pointed out to the honourable member that the recommended deadline in terms of those crops, which the deadline ended on the 10th, was already 10 days longer than the recommended deadline in terms of recommendations made to farmers. There are certainly other options which the farmers might be prepared to undertake if they wish to.

However, Sir, one should not guide his own operations on the basis of the crop insurance deadlines because, as well, we are concerned with being faced with claims later on in the end of the year should the crop be caught in terms of an early frost. The percentage that the crop insurance places on extending the deadline, as it is 10 days beyond the recommended deadline, is that there is a 50-50 chance only that the crop with the already extended deadline in terms of what was normally recommended has only a 50-50 chance of making it to an early frost in the fall, so that difficulty is still there.

MR. J. DOWNEY: Mr. Speaker, the final question is: tonight is the deadline and there won't be any further consideration on individual appeals, if in fact there were uncontrollable circumstances to deal with, would there be an outside appeal mechanism for individual farmers who may not be able to meet the 12 o'clock deadline tonight?

HON. B. URUSKI: Mr. Speaker, no, there will not be any additional fields in terms of the deadline. I wish to advise the honourable member that this is the first time in the history of crop insurance that an extension of deadline has occurred.

MPIC - garages, Autopac repairs

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. My question is for the Minister responsible for Autopac. I posed some questions to him last week about some rather arbitrary and unfair treatment that MPIC was doling out to a car dealership in my area preventing him from operating his business and offering customers a discounted service. Is the Minister still standing by his efforts that there is no policy in place whereby Autopac will prevent repair dealerships from offering service to customers in Manitoba at a saving to the customer?

MR. SPEAKER: The Honourable Minister of Housing.

HON. J. BUCKLASCHUK: Thank you, Mr. Speaker. It is rather a coincidence, I was standing up to respond to that very question. I have to admit that when the Member for Pembina asked the question last week . . .

A MEMBER: A five-day delay waiting for it.

HON. J. BUCKLASCHUK: . . . there is a good reason for the delay and I wanted to address the question when the member was present. I think that is courtesy.

The question, when it was raised last week, I immediately responded that there was not a penalty and I was at that time thinking of the issue of the repair to windshields. That same word was used just a moment ago.

There in fact is not a penalty where a windshield is repaired, but the member in fact referred to a replacement of windshields. I will confirm that in fact it has been MPIC policy for the past year that where a repair shop or a windshield replacement shop offers a discount, the Manitoba Public Insurance Corporation will not honour the full claim but will pay out only the claim after the \$50 or \$100 deductible is removed from that claim.

In the case of the member's constituent, we were aware that this firm had been discounting replacement windshields. A notice had been sent out last June or July. The firm agreed to comply with MPIC policy. Last February, we were again made aware of discounting. The firm was again reminded of MPIC policy. The firm has deliberately disregarded MPIC policy and I understand is challenging this matter in the courts.

I should indicate that MPIC policy with respect to not allowing for a full claim in the case of discounting of replacement windshields is consistent with policy in British Columbia and Saskatchewan.

MR. SPEAKER: Order please. If the matter is indeed before the courts, it would seem inadvisable and inappropriate to ask questions about the matter.

The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. The matter is not before the courts as the Minister alleges.

Mr. Speaker, my question to the Minister is: why would Autopac have a policy in place which denies customers undertaking automotive repairs from any savings that a dealer is willing to give the customer? Why is Autopac preventing that freedom of business negotiations between a customer and a dealership performing that work?

HON. J. BUCKLASCHUK: Far from being a question of freedom, it is a question of honouring an agreement. As the member is aware, the industry negotiates with the Manitoba Public Insurance Corporation rates and price lists for windshields. It is a hard-fought negotiation and, apparently, if the dealer feels that he can discount by \$50 or \$100, then we must be overpaying him.

Now most of the dealers do not feel that way. It just so happens that - at least my understanding and I certainly concur with that - these dealers who want to start discounting are really doing so at the expense of many other small business persons. One only has to read some of the correspondence I receive from persons who have had their windshields repaired by these people who discount and then literally fly away by night or deal with letters from the glass industry who have bills outstanding from people who have discounted and are short-term operators, and that is the history.

So, again, I suggest that there in fact is an agreement between the industry and the corporation and firms, such as the one in Carman. Southland Pontiac Buick GMC Ltd. is not complying with the negotiated agreement; therefore, they must be dealt with by policy as announced last June.

MR. D. ORCHARD: Mr. Speaker, I certainly hope the Minister is not calling my dealership in Carman a fly-by-night operator and accusing him of being a fly-by-night operator, which is what the implication he laid out here today was. If he's making that kind of an allegation, I want an apology on behalf of my dealership in Carman.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. SPEAKER: Order please. Question.

MR. D. ORCHARD: Mr. Speaker, the question to the Minister is: why is Autopac withholding the \$50 deductible, even from customers who have paid it? Why are they being that tough and petty with this dealership who has complied in part with the order after it came out and now Autopac is withholding the \$50 windshield deduction, even if it has been collected from the customer? Why are they withholding that money from my dealership in Carman?

HON. J. BUCKLASCHUK: First of all, I want to clarify what must be a misunderstanding in the member's mind.

I never at any time referred to your constituent at Carman as being fly-by-night. I did say that there has been, in the past in Manitoba, a considerable number of operators who have been providing discounts and, within a short period of time, are no longer on the scene, having left behind a trail of bills, and so on.

However, the question is why is MPIC withholding the \$50.00? The reason is that the firm has been warned that it is operating in contravention of MPIC policy. And as long as the firm does not want adhere to policy that is set out, then MPIC will carry out the policy we have, that we will only pay as allowed under Section 26 of the regulations, Part 3, incidentally, and I can quote that: "That MPIC is only responsible for that portion of a claim less the deductible." And if the dealer is providing a discount, then the part of the claim that is paid is the claim less that discount, whether it be \$50, \$100 or a hunting knife, or whatever it was in the case at Carman.

Western Canada Lotteries Foundation - buying out of Federal Government

MR. SPEAKER: The Honourable Minister of Culture.

HON. E. KOSTYRA: Thank you, Mr. Speaker. Yesterday I had responded to a question from the Leader of the Opposition with regard to the buy out of the Federal Government's participation in lotteries, and the agreement that was reached with all the provinces in Canada, and I indicated to him that the cost to the Province of Manitoba, through the Lotteries Western Canada Foundation, was approximately \$7 million. I was out on my approximation slightly, the actual figure is \$4.3 million.

MPIC - garages, Autopac repairs

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. Would the Minister responsible for Autopac explain why Southland Pontiac in Carman has had \$50 deducted by Autopac on a windshield replacement claim, even when the customer has paid the \$50 deductible? Why are they punishing my dealership in that manner?

MR. SPEAKER: The Honourable Minister of Housing.

HON. J. BUCKLASCHUK: If the member will provide me with the details of that specific claim, I will certainly look into it.

MR. D. ORCHARD: Mr. Speaker, I suggest the Minister responsible for Autopac do just that. Get hold of Autopac and ask them why they've been withholding money from my dealership when the customer has paid the deductible? They are penalizing . . .

MR. SPEAKER: Order please. Order please. I remind the Honourable Member that Oral Question period is for seeking information and not for giving it.

Regional Municipal Convention - attendance at

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

MR. W. MCKENZIE: Thank you, Mr. Speaker. I have a question for the Honourable Minister of Natural Resources. I wonder if the Minister of Natural Resources has made any plans to attend the Regional Municipal Convention, which is held in the Village of Inglis sometime later in the month. The reason is because of the fact that the municipalities that will be present there are in or around the periphery of both the Riding Mountains and the Duck Mountain Provincial Parks.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. S. USKIW: Mr. Speaker, that's a subject matter that have not yet had an opportunity to discuss with the Union of Manitoba Municipalities, but I am attempting to contact them.

ORDERS OF THE DAY

HANSARD CORRECTION

MR. SPEAKER: The Honourable Member for Thompson.

MR. S. ASHTON: A correction in Hansard, Mr. Speaker. On Page 2876 where it says "high on," in the second paragraph of my statement, it should have said "behind."

MR. SPEAKER: Duly noted.
The Honourable Government House Leader.

HOUSE BUSINESS

HON. A. ANSTETT: Thank you, Mr. Speaker. I believe the Opposition House Leader was advised by the Clerk

yesterday, as I had requested, that we would be proceeding with Royal Assent this afternoon at 4:20 p.m. on Bill 2, the bill that bans extra billing.

I regret to advise the House, Mr. Speaker, that in accordance with the Supreme Court decision this morning, we cannot and will not be proceeding with Royal Assent on that bill, and I will be advising the House at a later date how we will address the re-enactment requirements with regard to that proposed legislation. So the Royal Assent today, Sir, is cancelled.

Sir, I wish also to advise the House that the Standing Committee on Public Utilities and Natural Resources will meet again next Tuesday, June 18th, to continue consideration of the Report of the Manitoba Hydro-Electric Board and the Manitoba Energy Authority; as well that same morning, Sir, the Standing Committee on Economic Development will consider the Report of Manitoba Forestry, Manfor.

On Thursday, June 20th, Sir, assuming that committee has completed its consideration of Manfor - if not, it will continue that - it will commence consideration of A.E. McKenzie Seed Company. So A.E. McKenzie will follow Manfor in the Standing Committee on Economic Development.

And following that, Sir, possibly as early as June 25th, depending on how long is taken for each of the reports, we would consider the report in Economic Development, 10:00 a.m. for all meetings, the Report on Economic Development Committee for the Manitoba Development Corporation, including William Clare, I believe, and Flyer Industries.

So those four meetings, Sir, with the reports being taken up in that order as the previous assigned report is completed, it may take those three meetings, it may take additional meetings.

COMMITTEE CORRECTIONS

HON. A. ANSTETT: Sir, I have a Hansard correction for Thursday, June 6th, on behalf of one of our distinguished citizens who appeared at the Standing Committee on Law Amendments, and I have, Sir, checked with the Clerk and verified that there are some typographical and transcription errors in the transcript of that report.

I refer, Sir, to Pages 35 and 36 of the Report of the Standing Committee of 8:00 p.m., Thursday, June 6th. Sir, on Page 35, in the last paragraph of the first column, reference is made in the following sentence: "Ladies and gentlemen of the committee, I will not go into the details of Bill No. 2 from the point of view of the medical profession per se, since they know they are pains." The words "they are" should read, "their," in the possessive, Sir.

In the next column, first paragraph, Sir, the quote attributed to Mr. Turner. "Well, we are not getting enough money so we'll make it deductible from income tax." The phrase, Sir, was "non-deductible."

And, Sir, in the last paragraph on the same page, "When a member of the Polish Bureau of the Soviet Union" should read, "Politburo of the Soviet Union."

On Page 36, Sir, the fourth full paragraph, the third line thereof, the word "without" should read "with" the case of the military or the case of the RCMP.

And, Sir, the last correction refers to a tribute the witness made to Mary Beth Dolin where it reads, "she

also came here and contributed unmercifully," the word should be, Sir, "unmeasurably" to this country the highest esteem I can ever pay to her. The transcript quotation, Sir, having been checked, I can only offer what I have been given, even if it may be not necessarily be grammatically correct.

Mr. Speaker, I have not had an opportunity to verify with the Opposition House Leader, whether there's a will to dispense with Private Members' Hour today, so I would ask that here and now. If there is, I would move the House into Committee of Supply, if we have leave, without interrupting for Private Members' Hour.

MR. SPEAKER: Is there leave to dispense with Private Members' Hour today? I believe leave has not been granted.

HON. A. ANSTETT: Thank you, Mr. Speaker. I beg to move, seconded by the Minister of Education, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - HOUSING

MR. CHAIRMAN, C. Santos: Committee, please come to order. We are still on Item No. 1.(b)(1) General Administration, Executive Support: Salaries, 1.(b)(2) Other Expenditures - Mr. Minister.

HON. J. BUCKLASCHUK: Before we get into that, I would like to respond to some of the questions that were asked last Tuesday evening and make a correction.

On Page 30 of the notes that I provided to the members of the committee, I had indicated there were three project proposals under our Co-operative HomeStart Program representing 204 units. That should have read eight project proposals. It was a typographical error.

I had also been asked some questions with respect to the housing situation at Churchill. The question has been raised as to whether there had been any advice provided not to use the sites that have been selected. I am advised that both the Churchill Council and the local housing authority agreed to the location of the duplexes on sites already owned by MHRC. We are not aware of any objection, at least certainly not any correspondence that I can recall seeing nor does staff recall any objection to that particular site.

In respect to the status of these 10 units, there are still some minor deficiencies. These are being looked after at the present time. The manager of the Churchill Housing Authority is currently contacting senior citizens who now reside in our family units with the intention that they move to the new EPH units, thus freeing up their present accommodation for families from their

present waiting list. I am advised that the tenants should start moving into the new residences on July 1st of this year.

There was a question also raised about the number of units that are vacant at the present time. I had indicated that we thought there were two. In fact, I am advised that there are four units on James Street in Churchill which have been vacant since late winter when it was determined that major work would have to be undertaken to repair a recurring sewer line freeze-up problem.

The question was also raised as to whether or not the cost of repairs would be in excess of the value of the home. I am advised that there is a request for supplementary funding from the Churchill Housing Authority, and that the estimated cost will be somewhere in the neighbourhood of \$36,000 to repair the sewers that service the four units that have been vacated.

MR. CHAIRMAN: The Member for Assiniboia.

MR. R. NORDMAN: Who would bear the costs of that? Didn't you say that you were trying to get someone else to bear the cost on that?

HON. J. BUCKLASCHUK: No, I had indicated that the Churchill Housing Authority had requested of the Manitoba Housing and Renewal Corporation a supplementary \$36,000.00. That will be cost shared, I believe, with Canada Mortgage and Housing, 50-50.

MR. R. NORDMAN: Thank you very much for that, Mr. Chairman.

HON. J. BUCKLASCHUK: Just one final bit of information. There was a request for a breakdown of the administrative costs for each of the 28 programs within Manitoba Housing and I believe these have now been circulated.

MR. CHAIRMAN: 1.(b)(1)—pass; 1.(b)(2)—pass.
1.(c)(1) Research and Planning: Salaries; 1.(c)(2) Other Expenditures - the Member for Assiniboia.

MR. R. NORDMAN: On Research and Planning, particularly on the Other Expenditures, I'm not worried about the Salaries, what is the cause of the increase of roughly \$45,000 in that portion of it?

HON. J. BUCKLASCHUK: The increase of \$44,200 is mainly associated with increased activity in the inner city core area and would advise that a good part of that is for consultants.

MR. R. NORDMAN: For instance, would land banking come under this heading? If it does, what amount of land banking has MHRC done and in what areas?

HON. J. BUCKLASCHUK: Yes, the expenses associated with land banking are found in Section 3, Program Delivery, further down.

MR. R. NORDMAN: That's okay. Fine. If we would refer back to that when we come to that portion, just bank that question.

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

MR. F. JOHNSTON: Mr. Chairman, under Research and Planning, what is the criteria when there is a request from a town or a municipality or even in the City of Winnipeg regarding the number of applications or demands for public housing, or senior citizens' housing, does the department still have as a formula as to the number of applications which gives them a guideline to the number of units being built? What ratio do they use at the present time?

HON. J. BUCKLASCHUK: The ratio that's presently used is generally three to one, for every three applications we try to deliver one unit.

MR. F. JOHNSTON: The Minister in his opening remarks referred to rural and northern housing, the number of units that had been built in the past three years. What particular research was done to give the department and the Federal Government the numbers that were built that the Minister referred to in his opening remarks?

HON. J. BUCKLASCHUK: Well, the number of units that are built will depend on a number of factors: No. 1, the allocation that is provided to us through the Canada Mortgage and Housing Corporation; and secondly, the units are built on the basis of surveys that are carried out on need and demand. We respond to inquiries from towns or municipalities or villages to have these surveys carried out. Sometimes they are carried out by a local organization, but other times they are carried out by staff or summer staff from the department. On the basis of the surveys and the allocations provided, we then deliver as many units as we can.

MR. F. JOHNSTON: Mr. Chairman, the Minister mentions, in his opening statement, I believe it is the Woodlands Project in Selkirk, Manitoba.

To date, as far as I know, there was spent by the NDP Government, before 1977, \$2.2 million for zero lot line pieces of property that were probably 28- to 33-foot frontage and they are all 70 feet deep. At that time, it was planned between the hospital and the garbage dump, and of course the roads and some of the facilities were put in, and CMHC, Canada Mortgage and Housing, at that time would not provide any mortgages for that particular type of unit or in that area. The project did not supply the type of demand that was required in the Selkirk area, as a matter of fact, moved ahead with some objection from some people within the department. Now we have, as I mentioned, \$2.2 million spent and the carrying charges on that money. How much more money is being spent on this particular project and how many lots will you end up with and how much will they sell for?

HON. J. BUCKLASCHUK: The question about the cost of developing this subdivision with respect to Phase 1 which involves 43 lots, the costs, I'm advised, are some \$270,000.00. I don't have a figure for the second phase which will involve somewhere in the neighbourhood of

80 lots, because we haven't even yet had a subdivision approval from the Selkirk District Planning Board.

Now, it would be correct to say that the \$270,000 is in addition to what had been previously spent, but what we are doing by developing this property is once and for all stopping the interest clock from ticking away which would have meant further losses to the corporation.

MR. F. JOHNSTON: Mr. Chairman, is the Minister saying there were 43 small lots there, and now there are 80 large lots?

HON. J. BUCKLASCHUK: No. There are two phases to this subdivision. What has happened is that the smaller lots have generally been - the first phase has been resubdivided so we now have, I believe, 55-foot lots. There are 43 of them. In the second phase, there will be somewhere in the neighbourhood of 80 lots, and I believe they're going to be 60-foot lots, up to 60 feet.

The whole area has been resubdivided, and further to the question as to the cost of the lots I believe they're selling in the neighbourhood of \$10,000 each.

MR. F. JOHNSTON: What has the research told the department as to the demand for these lots in Selkirk?

HON. J. BUCKLASCHUK: Well, the demand has been very good. As a matter of fact, there are now 15 homes under construction. Some of these are already occupied. The other 28 lots, I believe, have been sold to builders, so virtually every lot in the first phase has now been spoken for.

MR. F. JOHNSTON: Mr. Chairman, the statement of the Minister indicates that they have plans for getting into For Sale housing. Certainly the new bill that is in the House would allow the department - and I would call it a department now; it's no longer a corporation - to get into probably any type of housing that they so choose. What plans does the department have and what research have they done regarding getting into For Sale housing?

HON. J. BUCKLASCHUK: I'm not too clear what is meant by For Sale housing. My understanding is what type of housing does Manitoba Housing intend to become involved with in building and then selling, we're referring only to the type of program we have within the core.

MR. F. JOHNSTON: There are no plans to do such projects as The Pas or Nassau Square?

HON. J. BUCKLASCHUK: No.

MR. F. JOHNSTON: Mr. Chairman, the Minister in his opening statement made some references to the number of northern houses that had been built in the previous government's time. I regard his statements as very political statements. If that's the way he wants it, that's the way it will be. I'm rather disappointed in some of the staff that they would take the attitude to agree to that type of statement or present it.

Mr. Chairman, I refer to the Research Department at the present time in the research that is done by the government to move ahead on housing and I would sincerely hope that the Minister would have some jurisdiction or have some reigns within the department so that the following that has happened within the Housing Department won't happen again.

I read from a letter, Sir, regarding research. It is called "For Sale Housing," and it is regarding the research of the department. It is addressed to myself from the general manager and it says: "The involvement of MHRC in the field of 'For Sale' housing includes the projects:

"(a) Rural and Northern -approximately 475 units originally scheduled to be for sale were initiated before effective transfer of title arrangements could be worked out. Result:

(1) we were forced to place occupants on a rental basis pending survey and registration of land.

It will probably take a minimum of five years from now to clear this backlog.

Comment: The cost of this administrative nightmare is incalculable. Ongoing maintenance costs are high.

I would like to suggest to the Minister that one of the reasons we could not move as fast as we wanted to was because of this nightmare that was referred to, regarding the Research Department at that time and I bring this up so the Research Department will be cognizant of what has happened in the past. It says:

"(b) The Pas -Mobile Home Park and Bell Avenue subdivision were initiated without any skilled market projections being developed. Result: The Mobile Home Park losses will be in the order of \$60,000" - and they were. "The Bell Avenue subdivision losses will be in the order of \$500,000" - and they were. Ongoing carrying charges for unsold lots and units represent a continuing cost of \$50,000 annually.

The Research Department should take cognizance of this.

"(c) Nassau Square -Marketing analysis was not applied and in addition subsequent marketing techniques were disastrous. Contract methods and control were poor. It is difficult to pinpoint precisely who was responsible for what. Probable losses are in the neighbourhood of \$350,000" - and they were.

The Research Department should take cognizance of this when they are doing their research.

"(d) Portage la Prairie subdivision -These lots have been an inventory for over a year. Of 119 lots only 10 have been sold. Carrying charges are not being accumulated and added to 'for sale' price on any basis, i.e., no price review has been conducted. The policy for refusing sales to builders is absurd. It is doubtful that we will recoup our investment. We have revised the policy recently.

Regarding the research as far as Brandon is concerned, I would suggest they take into consideration

"(e) Brandon subdivision -No market analysis conducted prior to the decision to proceed. Design costs have been incurred. There is no confirmation that the designs will be usable. This

project has been stopped just before tender awards.

Regarding the Inkster Gardens which are presently up there so we can take into consideration any more studies that they have in (f), we certainly should be reminded.

"(f) Inkster Gardens - Again no market analysis preceded design. No policy defining the housing objectives were ever formulated. Marketing policy was not formulated until a matter of weeks before the first serviced land was expected to be available for sale.

At the time of writing, a firm contract with the marketing agency has not been concluded.

"Comment: In almost every instance no detailed project budget was ever required and no market analysis included before funds were expended. Effect:

- (1) Project management cannot be measured against specific objectives.
- (2) Sales of the finished product are not assumed and sales targets have not been met.

"Conclusion: If these activities had been carried out by a private company (or within financial limitations of accountability) the company would be bankrupt and the assets sold.

Directors would have been dismissed by the shareholders and the officers of the corporation terminated.

The quality of the programming, planning and control applied to these projects has been poor to the point of being most non-existent.

Recommendations - I guess, to the Research Department, would be as follows:

- (1) That no future 'for sale' operations be conducted pending a complete review of the objectives of the Corporation and the development of management capabilities and procedures to achieve the objectives.
- (2) That the directors responsible be asked to resign.
- (3) That the staff involved and advising on the implementing of projects be asked to resign or transfer.

"Footnote: The writer has no confidence in the capacity of the directors and the staff involved to effectively manage the affairs of the Corporation."

That is signed by J.F. Gordon, General Manager, who is known to be an NDP supporter; worked with the government on the Leaf Rapids corporation and was put in as the Manager in 1977, about a month and a half before the election and when I arrived on the scene, I received this letter.

So I would ask the Minister, on the basis of that letter, which I will table and give anybody copies that wants them, Mr. Chairman, that the Minister makes sure that his Planning and Research Department is such that that kind of a mess is not there when we take over again?

HON. J. BUCKLASCHUK: A couple of things, I'm rather interested in the history. First of all, the member made some reference to my introductory remarks and, one would assume from the remarks that he felt those were

the remarks of staff. The introductory remarks are from the Minister responsible for the department. If they sounded political, that's the Minister's feelings; it is not a statement from the department.

With respect to the memo of 1977, I can assure the member that the staff we have at the present time are, in my opinion, very competent; they have been right on in many of our projects and, as a matter of fact, I would think that they even underestimated some market potential of some of the projects we've undertaken. So the concerns that may have been expressed by Mr. Gordon in 1977, eight years ago, I don't think are at all relevant to the department today.

MR. F. JOHNSTON: That's fine, Mr. Chairman, we'll just let the record stand.

MR. CHAIRMAN: The Minister of Tourism.

HON. J. STORIE: Yes, I think it is important that the records stand. The record should also show that from 1977 to 1981, the member opposite, who had some responsibility for the corporation during that time, chose to do nothing about it; chose not to develop a strategy to deal with existing problems - and no one denies that there were existing problems. Of course the problem was exacerbated by the lack of action. The lack of action was, not only in the area of housing, it was virtually in every other front and they were rewarded for their lack of initiative.

MR. F. JOHNSTON: Mr. Chairman, if the Minister who did - and he doesn't have to say had something to do with it, I was the Minister; I take my responsibilities. Mr. Chairman, I would only say that, if he wants to go back in the records, he'll find a report on The Pas, Bell Avenue, to show what was done about it; he'll find a report on Nassau Square to show what was done about it; he'll find a report on Brandon and Portage la Prairie to show what was done about it; maybe he should take that time.

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

MR. R. NORDMAN: Mr. Chairman, what then is the current status of Mobile Home Program?

HON. G. STORIE: That's not under 1.(c)(1) is it?

MR. R. NORDMAN: Where else would it be then? It wouldn't be under Program Delivery. It wouldn't be under Transfer Payments.

Okay then, shall we say, what plans have you to create, or are there any plans to create, a mobile home park in the Winnipeg area, in light of the fact that there just seems to be such a demand for mobile homes? I know I have one in my area in Assiniboia, and it has expanded to the point - it's a privately owned organization - it is so packed with mobile homes that you couldn't get another one in. With the closing of the mobile home out in the Bird's Hill area two or three years ago, I know the people had to move out of there; where they eventually went to, I don't know. But there doesn't seem to me to be any mobile homes with any real planning, I think the bloody things just hatched,

rather than were planned. So I am just wondering if, under MHRC, there might be any plans to open up a mobile home park.

HON. J. BUCKLASCHUK: Well I have not received a single request from anyone that I can recall. I don't think that staff are aware of any pressing demands, however, if there is a need, then we are certainly open to any requests from the industry.

MR. CHAIRMAN: 1.(c)(1)—pass; 1.(c)(2)—pass.
1.(d)(1) Communications: Salaries, 1.(d)(2) Other Expenditures - the Member for Assiniboia.

MR. R. NORDMAN: Could the Minister give us an explanation of this particular area? What does Communications encompass? Could we have the number of staff people? Basically what is it, just advertising?

HON. J. BUCKLASCHUK: The increase from last year is basically due to the increased volume of activity. We have increased the advertising for the Rent Regulation Bureau. We have also had increased costs associated with the official openings of new projects such as our RentalStart, Co-op HomeStart, and there has been a half an additional staff year to handle additional workload resulting from increased program activity.

MR. R. NORDMAN: I can appreciate that last year was basically the first year of this department as a single entity. So are you still in the throes of expansion, or are you rapidly coming to a position that is stable in your hiring? Unless your activity increases, would this be basically a stable budget?

HON. J. BUCKLASCHUK: The amalgamation of the Housing and Renewal Corporation into the department took place on April 1, 1984. Staff has been fairly stable, I believe. We have a total of about 252 staff at the present time, as compared to 250 last year. I would anticipate that those levels will be fairly stable.

MR. CHAIRMAN: 1.(d)(1)—pass; 1.(d)(2)—pass.
1.(e)(1) Support Services: Salaries, 1.(e)(2) Other Expenditures - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, the Support Services, I wonder if the Minister could outline what the Support Services entails. We're looking at 2.5 million here.

HON. J. BUCKLASCHUK: Under Support Services, we have Budget and Finance, Personnel Services, Accounting, Legal Services, Information Management and Internal Audit, as you may see from the organizational diagram that was provided last Tuesday. In terms of staff, there are 48 staff.

MR. F. JOHNSTON: Mr. Chairman, the personnel in there, and the answer that you gave to the Member for Assiniboia was, I believe, 217 of a staff, was it? 250 in total staff; 252.

HON. J. BUCKLASCHUK: Yes, 252 in total for the department.

MR. F. JOHNSTON: I'm just asking that, because Personnel Services is in there.

Mr. Chairman, in the presentation by the Minister he stated, I believe, in the first part of it - and I just don't have that with me. But I believe he made some indication to cost savings in personnel, etc., because of the administrative change in the department, having a Housing Department and the corporation. I believe the personnel will now work for the Housing Department, and the Housing Department will handle the affairs of the corporation. How many staff will this saving be that the Minister refers to?

HON. J. BUCKLASCHUK: In fact, when the corporation was amalgamated into the department, there were not any staff reductions, but the fact is that over the past three or four years I believe the operating budget for the department has increased considerably without any corresponding increase in staff. So certainly there must be administrative and cost efficiencies that have been brought about in the last three years.

MR. F. JOHNSTON: Mr. Chairman, I don't follow that. If you have the same amount of staff, where have you saved the money - you talk about administrative efficiencies?

HON. J. BUCKLASCHUK: Let's put it another way. I had indicated that our budgets had increased considerably in terms of the level of activity within the department. I had indicated that we have something like 28 programs at the present time which is a fairly significant increase over the number of programs that existed in 1981, yet we are able to do that with a very minor increase in staff.

As a matter of fact, from 1981-82, our staff has increased by a matter of 15 to 20 percent whereas the capital and total expenditures for the department have increased by 250-350 percent. So the staff is able to deliver far more than it had in the past and that's what we mean by administrative and cost efficiencies.

MR. F. JOHNSTON: Well, you have increased the staff, you haven't cut it down. What cost efficiencies would remain?

HON. J. BUCKLASCHUK: The cost efficiencies are that the increase in staff has an increase in percentage, is a fraction of the increase in expenditures by the department. At the same time, just as an example, within Property Management we are increasing our inventory of housing by 500 to 600 units a year. There has been, to the best of my knowledge, virtually no increase in staff in that area. That's just one example.

MR. F. JOHNSTON: Mr. Chairman, basically the staff who can handle 1,000 or 11,000 can handle another 600, that's not a problem. It didn't used to be anyway. But the efficiencies then are in the area of different equipment, computers or what?

HON. J. BUCKLASCHUK: Yes, there has been some implementation of modern technology into the operation of the department and that certainly has brought about efficiencies and held down the increase in the number of staff.

MR. F. JOHNSTON: So the efficiencies of your staff has gone up and the efficiencies have been accomplished by bringing in more modern equipment. In other words, I would imagine you have your units on computer now and you have your Critical Home Repair on computer instead of that roomful of cards. So basically the efficiencies have been accomplished with modernization of your programming.

MR. CHAIRMAN: 1.(e)(1)—pass; 1.(e)(2)—pass. There will be no resolution on this vote because of the Minister's Salary.

2.(a)(1) Property Management and Landlord and Tenant Affairs, Landlord and Tenant Affairs: Salaries; 2.(a)(2) Other Expenditures - the Member for Assiniboia.

MR. R. NORDMAN: I guess this is the department where I have the most complaints, particularly in the Rentalsman's section.

It is reported that in the Rentalsman's office in the past year, there were close to 90,000 incoming telephone calls. I don't know what staff you have down there answering the telephone, but 90,000 calls, that averages out to about 3,600 calls per day. I just don't know if you are working an eight-hour day, whether it is possible or not to have that many calls.

So can you respond to that at all? Now I got these figures from one of the government reports and it isn't a figure that I've made up; but I'm just curious to know, how can they possibly handle that many calls?

If you want to go back to another one. Again, I don't know how many staff members you have in your Brandon office, but it is reported that in the Brandon office you have handled 20,000 people in two years. That would necessitate an average of 40 cases being handled per day. There again, it seems like an impossible task.

HON. J. BUCKLASCHUK: Well, I must admit that I was quite surprised when I saw that number of calls a year and I have had it confirmed that in fact those are correct. It really means somewhere around 400 calls a working day. We do have a staff of 27 in the office of the Rentalsman.

I don't have the exact number for Brandon. I'm advised there are three. We are hoping to resolve what may appear to be a problem by the amalgamation of the office of the Rentalsman and the Rent Regulation Bureau because I feel that quite often the Rentalsman's office receives calls that should be directed to the Regulation Bureau and vice versa. So with the amalgamation of the two offices, a lot of the calls may be redirected which will then bring down a total number of calls.

MR. R. NORDMAN: Who generally precipitates the complaint? Is it the landlord or is it the tenant? Or is it pretty well even?

HON. J. BUCKLASCHUK: I would suppose that it would be a mixture of both landlords and tenants just gauging by the mail that I receive. I understand that with respect to the calls, it would be predominantly tenants. I might have a breakdown. I think it is in the Annual Report where the calls were initiated and, of course, there are more tenants than there are landlords.

MR. R. NORDMAN: Yes, that's true. I understand there is a real backlog of complaints that haven't been satisfied by either/or, has the department been able to catch up on some of those? Where are we with that backlog now?

HON. J. BUCKLASCHUK: Most of the inquiries are handled fairly expeditiously. The one area of difficulty has been that of security deposits; I believe it takes up to five months to resolve these. We would hope that there might be some solution to this problem and in this regard we are reviewing our landlord and tenant legislation. We will be soliciting briefs from both tenants and landlords to see how we can bring about greater efficiencies in the administration of this branch.

MR. R. NORDMAN: If that deposit is placed in the hands of the Rentalsman, why should it take so long if you say five months? I've heard as long as eight. Why should it take that long? If there was no great damage done to the apartment or the house, if it was just basically an in and out, why should it take such a long time to satisfy the tenant or the landlord, whichever? What complicates it?

HON. J. BUCKLASCHUK: I guess the length of time to settle some of these security deposit problems is due to the fact that there are differences of opinions to varying degrees between the landlord and the tenants. All the Office of the Rentalsman can do is mediate, and the mediation process does take time. The landlord simply can't arbitrate on behalf of one party or the other but have to reach a resolution through mediation.

MR. R. NORDMAN: Well, I don't know. It just seems that it takes an awful long time to settle the thing. I would hope that the department will seriously look at it. Like I said before, I think that's one of the main areas where I get complaints is in the mediation of those security deposits.

HON. J. BUCKLASCHUK: I would share those concerns, too. I would hope that we will resolve some of these problems through our committee review which will hopefully provide a more streamlined administrative process.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, on the elderly housing and the public housing units, the housing authorities have been made up of three recommendations from the municipalities or towns, three tenants and three recommendations or appointments from the Minister or, depending on the size of the unit, could be two, two and two. Is it the intention to keep that particular procedure or formula while appointing housing authorities throughout the province?

HON. J. BUCKLASCHUK: There has been no thought given to changing the status quo.

MR. F. JOHNSTON: Are the recommendations from municipalities accepted if they submit three or two,

whatever the case may be, or are they requested to send in more than the number of names required for the Minister to make a choice?

HON. J. BUCKLASCHUK: The policy manual for the administration of MHRC units states that municipal bodies are to provide I believe two nominations for each position, and the Minister will appoint one of those persons. That has been the policy I believe for a good number of years. I don't think it has changed since the previous administration or probably since the Schreyer administration.

MR. F. JOHNSTON: I know that there is legislation in the House, but the new legislation lays out a formula of who those people can be. So the Minister is not intending on changing the procedure, because of course the new legislation will allow it to be that way, so that there is no contemplated change in the procedure.

HON. J. BUCKLASCHUK: As the Member for Assiniboia may be aware, there was no provision in the act for housing authorities in Northern Manitoba. We say rural and northern, because we mean rural in the sense of unorganized territory. The formula that's laid out in the legislation before the House at the present time will apply only to the northern housing authorities and remote communities. Up until now, they have been directly administered by the corporation and by the department.

MR. CHAIRMAN: 2.(a)(1)—pass; 2.(a)(2)—pass.
2.(b)(1) - the Member for Assiniboia.

MR. R. NORDMAN: The Buy and Renovate Program, I notice in the report we have a considerable chunk in here. This is another area, where I think I get a lot of complaints on, is on the Buy and Renovate. I know I spoke to the Minister some time back before he had the reorganization and I don't know that the reorganization bettered the program at all.

I still have contractors saying that they refuse to bid on a Buy and Renovate contract simply because they're sick and tired of having to wait for their money from MHRC. The Minister is currently working on one for me where the young man has been waiting as long as just about eight months since he entered into the agreement or entered into the program. He still hasn't put a spade into the ground. He's got all his mortgages and such taken care of, but as far as any work being done to the house, nothing has been done and accomplished.

In principle, I can see that it could be a good program, but what in the world is wrong with the program that it is creating such animosity amongst buyers and sellers and contractors?

HON. J. BUCKLASCHUK: Well, again, I appreciate the member's concerns. It is one program that I certainly think is a very good program for providing affordable housing for our Manitoba residents, but it has also been a fairly complex program. We have a number of levels of government involved. We have Canada Mortgage and Housing Corporation involved; we have Core Area involved; real estate agencies involved; there

is the Land Titles Office involved. There are so many parties to this that it has taken time. One of the biggest problems has been where the contractor's work is being overseen by the purchaser and we found in the past that some of the purchasers were simply not qualified to act as an overseer and didn't see that the project was done properly.

Under the current program, and we've had by far fewer complaints, Manitoba Housing oversees the construction project and is working somewhat better to the point that we usually receive I believe a letter of compliment about the program, but undeniably it has had its problems.

MR. R. NORDMAN: I will admit that in all likelihood that I, as the critic, would only hear from the people who are having problems. I will admit that, but the problems that most of these people who have contacted me I think they're legitimate. I do appreciate the efforts that the Minister and the department are making in trying to alleviate the problem that we have at the moment.

MR. CHAIRMAN: 2.(a)(1)—pass; 2.(a)(2)—pass.
2.(b)(1) Property Management: Salaries; 2.(b)(2) Other Expenditures - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, about five or six years ago, there was a report commissioned by the Winnipeg Housing Authority for a lady to do a report on the condition of the units owned by the Manitoba Housing and Renewal Corporation specifically within the City of Winnipeg. That report was submitted to the Housing Authority and, in turn, to the Housing Department. It indicated at that time that there were some serious problems in construction from the units that had been built. There were the problems with icing; there were problems with humidity and freezing in the wintertime; there were problems with patio doors and, on a couple of occasions, some of the earlier ones that were built, especially in St. Vital; one other that the buildings were in a condition that were not good; and, as landlords, the fact that the government was the landlord, they should be good landlords.

There was a specific amount of money set aside each year although not as near as much as was required to upgrade and keep these buildings in a condition that would have them last 50 years, which is what the mortgage is for, with the conditions with the Federal Government. What is being done at the present time to upgrade those conditions in the units that were needing specific attention, and what is being done to make sure that the buildings are being kept up so that they will not deteriorate in such a way that they will be very costly to repair?

HON. J. BUCKLASCHUK: Yes, I would agree that the buildings should be kept up to a standard so that they will last for the lifetime of the mortgage. I can report that insofar as those units under the management of the Winnipeg Regional Housing Authority, the buildings are inspected periodically. Inspection should be carried out very shortly, as a matter of fact, I think it's by biannual inspection.

If you feel that the Winnipeg Regional Housing Authority is underspending, we will so advise them. But

we do review the quality of our housing stock; we are involved in upgrading, retrofitting, and certainly in my capacity as the Chair of MHRC I'm aware of the preventative measures that we're taking and the remedial repairs that have to be accomplished.

As a matter of fact, we are spending about \$6 million a year for regular maintenance - that's not taking into account painting and that type of upgrading - and we have about a \$1.1 million unallocated fund which we will use for remedial repairs as they're brought to our attention. So in total we're spending probably in the neighbourhood or in excess of \$7 million to maintain the quality of our housing or to retrofit it or upgrade it, whatever the case may be.

MR. F. JOHNSTON: There was a program or a research done on the basis of whether to examine the energy efficiency and upgrade the energy efficiency? Is that program still intact?

HON. J. BUCKLASCHUK: Yes, it is.

MR. R. NORDMAN: Mr. Chairman, the City of Winnipeg By-law No. 3518, the Residential Building Improvements by-law, what effect is that having on MHRC properties?

HON. J. BUCKLASCHUK: We've looked at that particular by-law as it stands. My understanding is that the cost to the corporation will be somewhere in the neighbourhood of about \$8 million.

MR. R. NORDMAN: When does that come into effect, January 1, 1986?

HON. J. BUCKLASCHUK: Some of the requirements, I believe, are in force at the present time, but the major costs will be in October 1, 1986.

MR. R. NORDMAN: All work in this phase - I just noticed it here myself - had to be done by October 1, 1988.

HON. J. BUCKLASCHUK: There are a number of requirements of that by-law, and the first stage, I believe, was October 1, 1984. That was the smoke detectors. Then there's another section for October 1, 1986, and then a third section for October 1, 1988.

MR. R. NORDMAN: We are already into the upgrading of that to comply with that by-law?

HON. J. BUCKLASCHUK: I'm sorry, I missed that question.

MR. R. NORDMAN: We are already into the program of upgrading to comply with the by-law?

HON. J. BUCKLASCHUK: Yes, we have met the 1984 requirements.

MR. R. NORDMAN: The Co-operative HomeStart, how is it moving? Are you getting any action on it? Is there any development? You have a fair amount of money in here for it. I know there is a program for Co-op HomeStart, but I'm just curious as to how it's developing.

HON. J. BUCKLASCHUK: I have made some references to the Co-op HomeStart under my opening remarks. As I indicated, there are eight project proposals representing some 204 units that we are aware of at the present time. There, I believe, are three projects under construction for a total of about 150 units. We are receiving expressions of interest almost daily on this program, so there is a lot of interest in the co-operative housing option in Manitoba.

MR. R. NORDMAN: In what areas of the city are we looking at?

HON. J. BUCKLASCHUK: There have been inquiries from both within the central part of Winnipeg and from the suburbs. It's fairly widespread. I don't think we could say there is more interest in one area than another.

In addition, there is a project under construction at Brandon, and we've had additional interest from there.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Regarding the funds for the upgrading that I spoke of and the energy program, is the Federal Government participating financially with those programs?

HON. J. BUCKLASCHUK: Yes, it does.

MR. F. JOHNSTON: On what percentage federal and percentage provincial?

HON. J. BUCKLASCHUK: Normally, 50 percent.

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

Resolution No. 99: Resolved that there be granted to Her Majesty a sum not exceeding \$2,900,600 for Housing, Property Management and Landlord and Tenant Affairs, for the fiscal year ending the 31st day of March, 1986—pass.

Item No. 3.(a)(1) Program Delivery, Administrative Costs: Salaries; 3.(a)(2) Other Expenditures; 3.(b) Grants and Subsidies - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, on the Co-op High Impact Grants, the co-op programs that were developed, I believe, back in 1976 or 1975, the programs were developed on the basis that the co-op units were to be built and the subsidies, I believe, from the Federal and Provincial Governments were to be made available as the units were taken up or rented, which was different from the normal understanding of co-op type housing when it was usually the units were all sold before the buildings were built, but the department decided that the units should be built and the funding should come along as the units were rented.

Under that circumstance, the units were rented and the Provincial and Federal Governments had to advance money and in Brandon, as a matter of fact, advance money so the taxes could be paid.

What type of programs is the department putting together now as far as co-op programs? What are the guidelines of the program?

HON. J. BUCKLASCHUK: Under the Co-operative HomeStart Program, there are three programs. First

of all, we will provide some assistance for the cost of feasibility studies to ensure that the project has a likelihood of succeeding.

Under the second program there is a supplementary assistance to that provided through Canada Mortgage and Housing to make sure that the housing is affordable for lower-income families.

Under program three, we provide financing for the renovation of existing housing or conversion of non-residential to residential buildings.

MR. F. JOHNSTON: The Minister in his opening remarks referred to older buildings being renovated for co-op housing. Older buildings - that takes in a broad spectrum - are you speaking of renovating older apartment blocks or warehouse buildings, or houses, or what type of units were you referring to when you specified older buildings?

HON. J. BUCKLASCHUK: When we talk about older buildings we are talking about older apartments and, as the member indicated, conversion of warehouses to housing. We haven't had any, that I'm aware of, requests for conversions of schools, let's say, but that would certainly be possible, converting a school to a co-operative housing program, and larger homes into a co-operative structure.

MR. F. JOHNSTON: In the case of older apartment blocks, how is the purchase made? Does the department purchase them with the federal-provincial money and then renovate them and then rent them, or how does the co-op situation work under that circumstance?

HON. J. BUCKLASCHUK: No, we don't become involved in purchasing the building. We simply assist the co-operative through financing the acquisition.

MR. F. JOHNSTON: How many older apartment blocks are being worked on at the present time? Or, how many have been done and how many are contemplated?

HON. J. BUCKLASCHUK: Eight projects have been contemplated. There have been no commitments thus far. But it's the eight I made reference to earlier today - the 204 units, I believe.

MR. F. JOHNSTON: I'm looking at the rundown that was presented to us by the Minister, and I thank him for that, but I see 1984-85, 60.4; and Co-op High Impact Grant is this year to be 13.6. There is a decrease here. How many co-op units were put together last year and how many will be done this year?

HON. J. BUCKLASCHUK: I notice the reference on the sheets that I handed out. They are two different programs. The ones that I have been referring to are under the Co-op HomeStart Program. The Co-op High Impact Grant is an existing program that I believe is being phased out this year.

MR. F. JOHNSTON: That was the program that's been in effect for several years?

HON. J. BUCKLASCHUK: I believe this to have been a seven-year program and this is the last year of that term.

MR. F. JOHNSTON: I know what that one is. That's where we had to move in and bail them out a bit.

So when we are speaking of the co-ops that you referred to for this year, with older buildings and warehouses, etc., were down below here - Co-op HomeStart, grants for project feasibility study - \$114,000.00. Is that for studies only?

HON. J. BUCKLASCHUK: That's for studies and I previously referred to that as being program one.

MR. F. JOHNSTON: So the Co-op HomeStart Program is in the study period only?

HON. J. BUCKLASCHUK: Well, no, the Co-op HomeStart Program comes under MHRC capital, but the costs associated with the feasibility studies are under the program operating costs for the department.

MR. F. JOHNSTON: Okay. We'll get to the capital program then a you are referring to the \$1.036 million on Page 2. That's the . . . cost. So your Co-op HomeStart grants on Page 1 are for feasibility studies only. How much of that \$114,000 is being paid for by the Federal Government?

HON. J. BUCKLASCHUK: None.

MR. F. JOHNSTON: Where does the Federal Government come in for support of your co-op program?

HON. J. BUCKLASCHUK: It comes in under program two, the financing for the construction of new projects.

Under program three, there is some assistance from the Federal Government through the Residential Rehabilitation Assistance Program. So in fact they have a part to play in both program two and program three.

MR. F. JOHNSTON: What percentage do they have in that program two and three?

HON. J. BUCKLASCHUK: Under program two, the assistance from the Federal Government is minimally between 75 to 80 percent of the ongoing operating costs.

Under program three, the renovations or conversions, I believe the maximum assistance available is \$4,000 per unit, in grants.

MR. CHAIRMAN: The hour is now 4:30 p.m. We are interrupting the proceedings of this committee for the Private Members' Hour. We shall return at 8:00 p.m. this evening.

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. MANNES: Thank you, Mr. Chairman. I would like to begin by thanking the Minister and her department for providing to me a number of tables of statistics that I had requested at earlier dates. I haven't

had the full opportunity to review them, so I would ask the Minister for her indulgence at times if I look like I'm struggling with a few of the figures. — (Interjection) — Well, the Minister says we're all struggling and I guess we're all struggling, but I think it's worth it when we look at the size of the appropriation. Probably the more items we're able to put on the record, the easier it will maybe be for ourselves or those who come in the future.

Mr. Chairman, I will begin on this page called, "Summary of 1985 Support." If the Minister's staff has had an opportunity to review any of the Estimates from last year, some of the questions that I'll pose will be quite similar to the ones posed last year.

The first line indicates that a total support of roughly \$568 million is to be directed towards, I take it, to the public school system in the year that we're in, 1985. Could the Minister tell me what the total cost - and I think she may have the other day - but again I would ask her what the total cost is of all the public divisions throughout the Province of Manitoba? What is the total education bill run in the Province of Manitoba?

HON. M. HEMPHILL: \$713 million, Mr. Chairman, total operating expenditures.

MR. C. MANNES: Mr. Chairman, I take it when the Minister says total operating, she's meaning the only thing excluded is capital. That being the case, Mr. Chairman - and I've never asked for this before - but I'm wondering if the Minister could show me, using these numbers or any other supplementary information, how it is the government works out a share of finance of 80 percent or whatever the percentage works out to be. What number divided by which other number allows the government, whatever government it is, to make certain claims with respect to the percentage of funding?

HON. M. HEMPHILL: Mr. Chairman, I hope I can give this to him so he can understand it. You take the total operating support grant less the local government support grant and the revenue from opted-out Indian bands. That gives you \$738.9 million.

MR. C. MANNES: I'm sorry, Mr. Chairman. I was waiting for the other half of another number, because I can't divide when I only have one number. I'm wondering whether that's the denominator or the numerator. Where is the other part of the equation?

HON. M. HEMPHILL: 576 million.

MR. C. MANNES: Pardon?

HON. M. HEMPHILL: 576 million.

MR. C. MANNES: What is that?

HON. M. HEMPHILL: You divide the first figure, the 738 million, into the 576 million.

MR. C. MANNES: And that comes out to roughly 80 percent. Now, I thought that the total operating less the local government support came to 738.9 million. Was that a wrong interpretation on my part?

HON. M. HEMPHILL: It's total expenditure including capital less those two, the local government support grant and the revenue from opted-out Indian bands.

MR. C. MANNES: Okay, that creates the denominator, and the 576 million represents what? - I would ask the Minister.

HON. M. HEMPHILL: The total support to school divisions, Mr. Chairman.

MR. C. MANNES: Thank you. I finally have that straight after many years, I suppose, of always wondering where that figure or any figure around that number, what its derivation or where its source was.

Mr. Chairman, the Minister indicated the other day that the uniform application of a constant levy that hasn't changed in three years had created some additional \$2.5 million or \$3 million because of reassessments in some areas, I assume. Can the Minister tell me what the total increase in special levies is across all school divisions? First of all, what was called upon under that taxing authority? How much has it amounted to in total?

HON. M. HEMPHILL: Mr. Chairman, that's the figure, I believe, we gave yesterday. The total Special Levy increase is \$15.8 million.

MR. C. MANNES: Mr. Chairman, I wonder if the Minister realizes now that, since her government has come into power, that the cumulative increases of taxes that covers increased expenditures directed it toward education, are now in the order of \$90 million in the space of four years.

It seems to me as I recall from Estimates last year, the total increase because of an increase in support levies across the province in this government's first term of office plus the increase in special mill rates in the various school divisions throughout the province over the last four years now total somewhere close to \$90 million. I would ask whether the Minister would accept that statement of mine as fact?

HON. M. HEMPHILL: Not quite, \$83 million, Mr. Chairman.

MR. C. MANNES: Mr. Chairman, I'm not going to debate the \$7 million, I just wanted to know. In my figures it was 90, but I will have to accept the Minister's figure obviously because she has staff and the statistics probably to bear it out.

Mr. Chairman, I would like to ask some additional questions with regard to the private school support. The Minister has provided for us in the House a review of the increased grants and the additional shared services to be covered. I'm wondering if the Minister can indicate whether any commitment has been made to the Manitoba Federation of Independent Schools, as to the acceptance of a formula under which that society would have a long-range understanding of what commitment they could expect from government in years to come.

HON. M. HEMPHILL: No, Mr. Chairman, there has been no commitment.

MR. C. MANNES: A year ago I asked the Minister whether her department had sought any legal opinion from the Attorney-General with respect to suggestions by the Federation of Independent Schools that it may, in due course, proceed to courts, both provincially and federally, under the Charter of Rights with respect to forcing government to guarantee them some specific level of support. I'm wondering if the Minister or the department has sought legal advice from the Attorney-General, or if any has been provided.

HON. M. HEMPHILL: Yes, Mr. Chairman, we did seek legal advice.

MR. C. MANNES: Mr. Chairman, there was another part to the question. Was advice given? If so, can the Minister disclose that to the House?

HON. M. HEMPHILL: My recollection is that he did not believe that the Charter gave the guarantee.

MR. C. MANNES: The Minister the other day also indicated that increased support this year fell into three basic areas, two of them involving increased shared services commitments plus, I understand, some commitment to clinician services within the public school system. I'm wondering if the Minister can expand on both those areas.

HON. M. HEMPHILL: Mr. Chairman, presently private schools are allowed to have shared service agreements or contracts with public schools for the delivery of some programs where they send their students to the public schools. Usually, these are in the area of industrial arts and home economics. Almost all the shared services are in those two areas.

Previously, they had to choose either shared services or the grant or a combination of both. If they opted for shared services, they were deducted from their grant. What we have done this year is to say that they are entitled to have their students included in the enrolment figures for those programs and the services that will be provided do not have to be deducted from the grant. In other words, they can get their full grant and they can also have access to those programs they were receiving under shared service agreements.

We have also expanded the industrial arts and home economics to include clinician services which were not included at all before. We have said that they can include their students, the private school students, in the enrolment of the local school divisions and the calculation of grants for clinicians. So that means that students in private schools who need clinician services can be included in the enrolment count of the public schools and have access to those services without any deduction also from the regular grant.

MR. C. MANNES: What is that impact then on the school division? Are they covered? Or is there any additional cost to them? Are the additional costs all covered then by this new arrangement?

HON. M. HEMPHILL: No, Mr. Chairman, there is no additional financial impact to the school divisions since the students will be counted in their regular enrolment

by the Department of Education, and they will receive the funding on the same basis.

The cost of the increase in the shared services which is contained in this budget is \$315,000.00.

MR. C. MANNES: For some period of time now, the independent school network has been concerned with the payroll tax that has been levied upon them and which has been removed from the public school system, but has not been removed from the private system; can the Minister indicate whether any change has been brought to that unfair levying of taxation?

HON. M. HEMPHILL: No, there is no change to date.

MR. C. MANNES: Mr. Chairman, when I asked the Minister at the beginning of this particular time, I asked her how much money would be spent, in total, in school divisions of this year. She indicated that operating, I take it would be \$713 million and, in addition, she offered as an answer to another question, that the total operating, plus capital, plus local government support, would be somewhere around \$739 million. Last year, total expenditures across the school divisions were \$734; now I'm wondering whether that included capital and, if it did, it would appear then that there's roughly a \$5 million increase in total expenditures across all school divisions in this province. Would that be a fair statement?

HON. M. HEMPHILL: Yes, the total expenditures, including capital, \$734.3 in 1984, and \$762.8 in 1985.

MR. C. MANNES: Mr. Chairman, how many dollars this year we're taking out of school divisions' surplus accounts and directed toward increased expenditures. Last year, the Minister indicated there was some \$7.4 million came through surplus last year, how much of the total accumulated spending was serviced out of surplus this year?

HON. M. HEMPHILL: They used about \$5.9 million in their surplus, about half the boards in the province have a surplus and some of them used a fair amount of the surplus. They had some divisions, who had surpluses, did not use any surplus at all. There is the total of \$28.5 million in surplus with the school divisions; they used \$5.9 million of it.

MR. C. MANNES: I'm curious about the surplus. In two years \$19 million has been used in surplus. How was this figure changed over the last five years? Was it significantly higher five years ago, has there been a constant draw down, or has there been some adding to it over the last couple of years? I'd just like a general remark with respect to surpluses.

MR. DEPUTY CHAIRMAN, D. Malinowski: The Honourable Minister.

HON. M. HEMPHILL: I would say, in general, we'd have to add up the specific figures if he wants the exact figures. In general, it's fair to say that there's probably been a little more drawing down of surpluses in the last couple of years than they were in previous years.

However, as I indicated, there is still quite a number of divisions who have surpluses who didn't touch them at all. So it varies from division to division and it actually depends on what their circumstances are that particular year. They don't all have a bad year at the same time, or a year where they feel that they are pressed and need to draw on their surplus, and they draw on it for a wide variety of reasons. But, in general, I would say there's a few more drawing than there were previously.

In 1983, we had \$31.8 million and in 1984 we had \$28.5 million. So that gives you some idea.

MR. C. MANNES: Well, Mr. Chairman, what that tells me is that, even though it's being drawn down one year, it's rebuilding to some degree also within the same year. The net change isn't obviously similar to the amount by which it's being drawn down.

Does the Minister have any stated policy or any strong views with respect to this surplus, in total? Does she consider it too large, the right amount; should it be larger? I wish she would share her views with me. Does she see it as something that shouldn't exist, and I guess even a more specific question, how does it correlate to her deeming of school divisions being wealthy or poor? She uses that quite often. I'm curious as to whether there's any relationship there at all.

HON. M. HEMPHILL: Mr. Chairman, when I talk about wealthy school divisions and poor school divisions, I am not referring to their surplus at all. What we refer to is their ability to raise money on a mill, their balanced assessment. So that's one of the main criteria for identification of a division and it doesn't even mean they're particularly rich, it means in relative terms, I suppose, they have an ability to raise a lot more money on a mill than does another division.

There is up and down. School divisions sometimes budget for a surplus and, when they finalize their budget, it may not be at the same level as they thought that it was going to be when they bring in their final budgets. Sometimes they're taking money out and sometimes they have a bit of a surplus at the end of it.

I think what I have communicated to them on the surplus - first of all there isn't any magic figure - there isn't an acceptable amount of surplus, or an unacceptable amount of surplus; nor do I take a position that they should or should not have a surplus. Some of them feel quite strongly - maybe they were brought up in depression days, I don't know, but some of them feel quite strongly that they need to have a cushion, a kitty, some they can draw on if they get in very difficulty financial straits. However, what I have said to them when we've been providing the information on the funding that was available, when money has been tight, is that the programs had been designed apparently, or supposedly, to meet the needs of the school divisions to provide programs, and the funding and formulas are not provided in such a way as to provide surpluses.

So, in general, my position is that I assume that the criteria and the formula for funding are reasonable and the money they're getting is largely expected to be used for programs. Particularly, in more limited resource years, when money is tighter and we are trying very hard to provide enough money to maintain programs and services, I certainly would not expect at the expense

of any programs or services in a school division, to have an increase in their surplus, to have them use the money they get to increase or improve their surplus position at the same time as they were cutting back on programs or staffing.

MR. C. MANNES: Mr. Chairman, is it possible that divisions which do not have great ability to raise money by Special Levy, but yet may do well under the basic grant formulas, would have some potential in increasing their surplus to a large amount? I'm trying to gain some perspective for these surpluses. Over what range do they exist and, more importantly, is there anything the Minister could do to those two or three cases of school divisions that may have very large surpluses and yet, because of the state of the formula, find that they are still covering their expenditures quite well and are able to put some savings away?

HON. M. HEMPHILL: Mr. Chairman, most divisions these days, as I said before, are not adding to their surplus. Some are not dipping into them and using them, but I think it's unlikely that many of them are adding to the surplus.

MR. C. MANNES: Mr. Chairman, I'd like to move into another area and that is the total support to school divisions. The Minister has indicated that is roughly \$576 million. I would ask what share of that has been raised through the provincial levy over all properties' balanced assessment?

HON. M. HEMPHILL: Very close to 35, but we'll get the exact figure. I think it has just hit below 35 this year, 34 point something - 32 percent.

MR. C. MANNES: Mr. Chairman, the Minister indicates it is roughly 32 percent. I believe last year it was 35. So what the Minister then is saying, roughly, that she's held the levy on property. She's fixed it at a number. It has been there for three years now. The general provincial levy across all properties has been fixed and therefore, the government is reaching into general revenues for a larger share of the total support package that is going out to the public school system. I dare say that would be politically most acceptable and it would work toward the 90 percent objective which the Minister indicates.

However, as many Manitobans are aware, it is also the reason why we have such a massive deficit, in part, in this province, because a large portion of government funding that is directed towards Education - and indeed Health - is borrowed money. I ask the Minister whether she has any general views with respect to the continuing emphasis on borrowed money in support of education?

HON. M. HEMPHILL: First of all, Mr. Chairman, I think that there has been a difference in attitude between the two governments in the raising of money. When the previous government was in, they were relying more on the Education Support Levy for the raising of money and it's true that we have frozen that, have relied less on it and they are taking our money from consolidated revenue, which we think is a fairer way and doesn't add as much to the local property taxpayer, but is more

generally shared by coming out of the consolidated pot by the larger tax base. I think that's a better way to do it.

I think Education has been getting about the same level of the provincial pot over the years; it hasn't been getting a lot more and it hasn't been getting a lot less. It has been staying around 19 to 20 percent of the total provincial expenditures which says to me - and there hasn't been a change in quite a long time - it says to me that Education is being funded at about the same reasonable level and is accepted that that's a reasonable level of funding, isn't getting a sort of major increase and I think it is consistent with the feelings of the public. I would think that there not be either a lot more money or tremendous cuts in education.

I think they believe that the level of expenditure is fairly acceptable, although I would admit in years like this year, we would have all preferred to have a bit more.

So I'm not sure that the relationship that the Member for Morris is trying to make, that the large amount of money that is going out to Education is significantly adding to the provincial debt. I would say Education is continuing to get about the same share as it has and couldn't be identified separately as a major factor on the debt.

MR. CHAIRMAN, P. EYLER: Mr. Manness.

MR. C. MANNES: Mr. Chairman, obviously there is a great philosophical difference. The Minister says that we are talking about a greater tax base in support of Education, looking at all Manitobans' ability to pay income tax because, of course, when you go to the consolidated revenue fund that is the largest source, that plus transfer monies from Ottawa.

But my point is, although I have no difficulty in saying that philosophically we probably want to go to the same point, both parties, that being 90 percent funding by the Provincial Government in support of education, the Minister fails to distinguish the fact that the support that she's drawing out of the Consolidated Revenue Fund today is not tax dollars, it's basically borrowed money, money that will have to be repaid back by this generation of young people and their descendants in years to come.

I guess my very general question is: does the Minister have any concern at all about the growing deficit, realizing that her department, as she points out, share of the total pool of resources available to government hasn't changed significantly over the year, a very direct question, realizing that the Department of Education has one of the largest shares of the total monies available, those that have been raised during this time plus those that have been borrowed. Does she not feel that education, to some degree, has to also be part of the decision with respect to the provincial deficit?

If she accepts my logic thus far, how far is she prepared to go in support of her Finance Minister and her Premier and the government to continue to mount these deficits in the \$500 million range?

HON. M. HEMPHILL: Mr. Chairman, I don't want to put words in the mouth of the Member for Morris that

he hasn't actually said, but in the questions that he was raising - but I'll try and, if it's not accurate, you will tell me, I'm sure.

The questions that he raised just now, and a statement that he made earlier, yesterday or the day before when we were in Estimates, that suggested that the amount of money going for education, that our children were going to be paying for it in years to come; and the questions that he's raising this morning make me think that he actually believes perhaps that he didn't support the 2 percent increase, or he seems to be saying to me, do I think I should have taken so much, or I should have so much to run the education system when we have the level of deficit that we have in the Province of Manitoba.

If that's his question, and my sense is that it is, my answer is unequivocal, and it is, yes. I would have hated to see what was happening in other provinces where their approach to a poor economy and to controlling deficits was quite different than our government's is; that is, to drastically cut programs, to drastically cut services, to drastically cut staffing.

If you look at a province like British Columbia where they laid off, I think, about 2,000 teachers, they closed down entire institutions, cut off entire programs, I think that the children and the society, whether it's in Manitoba or in Canada, are going to be paying for that for years to come. The negative effects on the education system will be felt long after the economy has improved. In other words, I think that they have taken a difficult financial period where we are all struggling, and that their solutions are so extreme that they are going to cause a dreadfully serious negative impact on the education system.

Our approach was different, and mine is in education. That is that, although money is tight and we want to manage it and maintain the expenditures to the best that we can, we believe that this is not either the time to cut back in services and programs, or not a time for government to withdraw from doing things that it can do that will help stimulate the economy.

Construction is a very good example, where the members opposite take the view when money gets a little tight to freeze construction and stop construction. We say that, if we build - and a good example is the more than doubling of the building of schools, going from \$15 million to \$37 million in this year, to do two things: to upgrade and renovate our older schools across the province in a short period of time, but also to provide jobs in a poor economy, to stimulate business and suppliers to give work for them, and business and supplies.

So in tough, economic times, we do the opposite. We try to be active, and try to use the tool of government to help stimulate the economy and businesses like construction and business, while we're maintaining our systems. I said, when I talked about the amount of money that was going out to school divisions, that I knew it wouldn't be as much as they had hoped for and as much as they were asking for, but I honestly believed that it was enough to maintain programs if they controlled their expenditures, and they did. They've reduced their expenditures tremendously over the last few years. I'll just try and find the piece of paper. They've reduced expenditures from 15 percent, in '82 to 10 percent to 5.8 percent to 3.9 percent.

MR. C. MANNES: Those are the increases.

HON. M. HEMPHILL: Those are the increases, but they've reduced from a 15 percent increase to a 10 percent increase to a 5 percent increase.

MR. C. MANNES: Don't make it sound like it dropped. Don't forget that.

HON. M. HEMPHILL: Well make your point with the school boards, because they're the ones that set the budgets and that determine the level of expenditure, not the Provincial Government.

The point I'm making is that, by reducing the level of increases that they had in previous years, we were able in Manitoba to maintain programs and to not have cuts in programs and major cuts in staff. Now I'm proud of that and, if he is saying that am I so concerned about the deficit that I would have either preferred or believed that we should have taken more extreme measures in education and given them zero, or perhaps taken money away and lived with the impact of that, my answer is an unequivocal, no.

I prefer, as does the Finance Minister and our government, to maintain our health care systems, to maintain our education systems, to try and have taxes at, not a desirable level, but an acceptable level, and to have our deficit at a level that is not desirable either, but acceptable during these times. So we're trying to get the balance where we're using all of the tools, but we're not taking simplistic and easy ways out by slashing and cutting programs that are going to affect both the health and the education of our children and the people of Manitoba.

MR. C. MANNES: Mr. Chairman, I thank the Minister for her comments. She said she hoped she wouldn't put words in my mouth, and she did put a few. That's fine; that's fair game.

Mr. Chairman, although I would love to enter into a debate, a neo-Keynesian debate, I'll have to save it for some other time with the Minister of Finance, possibly. But the reasons for my questions were simply not in any way to demote the priority that education spending should have upon it, but just to draw out of the Minister whether she had a genuine concern at all with respect to deficit and to what degree she would argue in the Cabinet that although Education should maintain a very high priority that government spending in total had to be maintained in some degree of healthy state.

Now, the Minister obviously feels that the provincial deficit accumulating to \$1.8 billion over some four years doesn't put this province in any jeopardy. I take a different view that it does. I think I can, without saying, that it has to impact tremendously on education.

We share a common thrust that education is very important but there are other ways, Mr. Chairman, and I'm not advocating them. I look, for instance, at the Province of New Brunswick with a \$3 billion budget similar to ours where their deficit was \$69 million. But they've decided it was to pay for the price at the time. Their sales tax is higher than ours, but they've paid for it, so that their children in school are receiving the same level of education that they had previously and, yet, it's being paid for by the people of that day. So

those young people, once they graduate, will be able to make decisions with respect to the schooling of their own children based on a clean slate, not one where they are not only having to pay back their own support of education when they went to school, but also having to make basic decisions with respect to the funding of education for their own children.

So, Mr. Chairman, that's the only reason I enticed the Minister into debate. I wanted to see to what degree she was prepared to go to the Cabinet table, and argue for a very important department - and as I've said before, in my view, the most important - and yet realize that when she was arguing for her own, she also had to take into account the larger picture, that being the health of the finances of the Province of Manitoba for years to come. I claim that she has not considered it.

Mr. Chairman, moving back to the material that was provided for me, I'll go to the second page. I think on the first page - I pretty well covered those figures. The second page is titled, "Support Program," and it breaks out a number of areas under Capital Support. I'm wondering whether we can cover this now or if the Minister would prefer to cover it in the proper section.

HON. M. HEMPHILL: We prefer to cover Capital under (b)(2).

MR. C. MANNES: Okay, then we'll go to 16 (3)(a) Capital Support - the Debt Servicing Cost. Of course I'm led to believe, Mr. Chairman, that this is an interest in servicing the debt of - I'll say the Department of Education although it's the government - with respect to new schools. This number has increased again by another \$700,000 from last year. Can the Minister tell me why it has increased by a rather significant amount? I don't think we've had a major building program over the last three years, and yet I see a major increase in interest payable even though interest rates have fallen rather significantly over the past year.

HON. M. HEMPHILL: Though that figure is made up of debentures that are carried over a 20-year period and the interest rates vary and a lot of them are at higher rates, it isn't necessarily just related to the amount of construction. The older debentures that are being finished off are at the higher rate, at a much higher rate - at a lower rate . . .

MR. C. MANNES: Yes, the Minister corrected herself at the end there.

HON. M. HEMPHILL: Yes.

MR. C. MANNES: That would be correct. Certainly the 20-year ones that were coming due would be at a lower rate.

My question is, can staff indicate what that figure might look like five or 10 years out? I'm not talking accurately to the dollar, but are we going to experience an interest cost that is very significantly higher value given that over the last 10 days many of these debentures have been floated at an interest rate that are high in double digits?

HON. M. HEMPHILL: I am informed that we could have that detail ready for you when we hit 8.(b)(2).

MR. C. MANNESS: The operating grant listed below there shows a block grant of \$369 million. I compare it to last year's basic operating of \$316 million and I'm wondering if it is just an increase or does it take into account the Minister's new variable block. Why would that figure increase so significantly, roughly \$50 million?

HON. M. HEMPHILL: Mr. Chairman, there are other elements that he has to look at in last year's. They'd have to look at the basic operating. They'd have to look at the pupil and at the extra operating because you can't actually just compare last year's sheets with this year's sheets because we combined operating and extra operating together so that there have been some basic changes in figures that went together and they are not always comparable.

MR. C. MANNESS: Mr. Chairman, adding last year's figures then of basic operating and extra operating support, the sum comes to roughly \$382 million and the Minister mentioned a third item that I had missed. Was that pupil? And that is another eight, so the total is roughly \$390 million. Now this year then it is \$369 million. I see then there was a fall off of roughly \$20 million. How does she explain that?

HON. M. HEMPHILL: Mr. Chairman, our equalization program is a form of block funding.

MR. C. MANNESS: The sheet in front of me indicates that equalization is roughly \$54 million, so the accumulative sum of the block in the equalization provided on this sheet comes to roughly \$423 million. So what the Minister then is saying, we are comparing roughly \$423 million to \$390 million or whatever my sum was.

HON. M. HEMPHILL: The 1984 comparable figure is \$411.3, which is \$388.1 in block and \$23.2 in equalization.

MR. C. MANNESS: Mr. Chairman, we'll move into the Special Needs area now and I don't know if there are different breakouts as compared to a year ago, but it looks to me as if on the surface the difference is \$36 million, roughly, to close to \$34 million. Has the allocation to Special Needs increased a little over \$2 million?

HON. M. HEMPHILL: Yes, Mr. Chairman, no change in formula, but increased number.

MR. C. MANNESS: The Minister says increased in numbers, no change in formula. Does that mean that the sum of a, b, c, d, that I remember under the old formula, is allowed to increase to a higher level?

HON. M. HEMPHILL: Yes, Mr. Chairman, it is. Because we have the formula and criteria, school boards are the ones that identify the students and that apply for support for those students who they have identified as low incidence, being eligible for low-incidence funding and our ability to identify. First of all, they're professional staff and their ability to have earlier identification and to identify students is increasing. Furthermore, we allow

new additions to come in during January and September; it isn't just once a year.

MR. C. MANNESS: I notice the Vocational Grants have dropped off slightly. Can the Minister tell me the reason for that? And secondly, specifically, what are the vocational grants? Are they equipment? Are they program materials, and are they spread throughout all school divisions on the basis of some formula?

HON. M. HEMPHILL: Yes, Mr. Chairman, the grant has stayed the same once again. It's \$23,000 and it's for instruction and for supplies for the vocational programs and the change once again would be reflected in reduced enrolment changes. The equipment is covered in Capital.

MR. C. MANNESS: We have a new listing here called Immigrant. I don't see that under the former listing, is this one of the Minister's new programs? Oh, I'm sorry it was there, or is this English, second language?

HON. M. HEMPHILL: That is ESL, English Language Training for Immigrants and further down you will see the Natives as a separate item. We've separated those two.

MR. C. MANNESS: Well, Mr. Chairman, why were they separated? I mean it's no big issue with me. The program is obviously has the same thrust, but why would they be separated?

HON. M. HEMPHILL: Mr. Chairman, it doesn't actually have quite the same thrust; one is English language program and the other is Language Development. So there is a difference in the programming.

MR. C. MANNESS: Moving down, Mr. Chairman, when we come to transportation, the number is increased somewhat - this is the Transportation Grant. I forget to what degree it's changing, if it's changing at all, the Minister no doubt will tell me. But, Mr. Chairman, what is the experience with the support of transportation in the rural areas at this time.

Obviously, there's declining enrolment through many of the rural divisions. One would think that there would be fewer miles that would have to be travelled. I don't know, the Minister maybe will tell me the state of the fleet of school buses, the general state of the fleet, but what are the main reasons for the increase in this allocation? I know that fuel has gone up and obviously that has to be one of the reasons, but are there any others?

HON. M. HEMPHILL: Largely it would be for the provision of additional transportation. I think that we're aware that there is still some consolidation taking place, and some school divisions are transporting children for high school options, for instance, that they may not have been transporting before; they're changing their programs and where the programs are being delivered. A number of divisions have students that they are transporting for programs that were not being transported before. I would think that, plus the general increases in maintenance of buses and the increased

costs of labour and gasoline that everybody's facing with any vehicle, would also have an effect on it. The maintenance of buses isn't in there.

He asked about the state of the fleet. The fleet is in excellent condition and has been improving over the years, as we've been both improving and increasing the standards and improving the maintenance through professional development programs and training programs for maintenance officers. We brought in a number of changes last year that effectively require what I would say was quite comprehensive examination and servicing of the school bus fleet.

MR. C. MANNES: What portion of this \$25 million is spent rurally and what portion of it spent within the urban division?

HON. M. HEMPHILL: While they're calculating it, Mr. Chairman, I can say that the proportion would be the greatest in the rural area and much smaller in the urban area because, inside the urban boundaries, the provisions are not the same. They're not allowed or entitled to get grants under the same conditions as they are outside of the City of Winnipeg. Some of these that are getting grants are getting them because they had situations earlier where they were grandfathered, and where they may have handicapped students that they're allowed to transport.

So Winnipeg and St. James and Assiniboine South, St. Boniface, Fort Garry . . . Okay, I'll give you an example of St. Boniface School Division expending 489,000 and getting 116,000 out of the grant in the department. Let's see if we can find a rural that would be . . . Oh, Morris-MacDonald, why not? Spends 557,000 and gets \$468,000.00. So you can see the considerable difference between the amount that's supported between urban and rural.

MR. C. MANNES: Mr. Chairman, I believe it was a court ruling came down a year ago, or thereabouts, which indicated that urban school divisions were now going to have to pay the costs of transportation of those students who wanted to take either French classes or French immersion classes in other parts of the city. I may not have that quite accurate, but there was a ruling that came down that obviously is going to have impact on urban divisions.

I ask the Minister, has the total impact of that ruling been quantified? To what degree will the Department of Education have to pick up additional expenditures that support that ruling?

HON. M. HEMPHILL: Mr. Chairman, they are not required to provide transportation inside the school division, but they are required, if the students have to go outside of the school division because the program is not available in the school division; then they are allowed to apply and claim grants for those students.

MR. C. MANNES: The Minister says that they can apply for a grant if they're not offering a language program within their school division and that can only be satisfied in another division. Can the Minister indicate whether the total cost associated with transporting that student to the other school division is covered? More

importantly, how large of an expenditure is this going to become in the next two or three years? Has the department done any forecasting with respect to that figure?

HON. M. HEMPHILL: Mr. Chairman, they would be entitled to the grant if the student is required to go outside of the boundaries of the school division to get a program that they want that is not available inside the school division. They are entitled to the full grant, \$410,000 - \$410, I mean, my goodness! I know transportation's high, but it's not that high.

MR. C. MANNES: It's the way you throw money around.

HON. M. HEMPHILL: So they are entitled to a \$410 grant, and it would likely cover all the costs.

I only got part of the second question. What are you asking about a study that we projected?

MR. C. MANNES: Mr. Chairman, I'm trying to determine the impact of that ruling and whether, at this time, the department has done any forecasting with respect to the additional cost upon, firstly, the school division and, indirectly, the departments in the Government of Manitoba with respect to that ruling within the confines of urban Winnipeg.

HON. M. HEMPHILL: Mr. Chairman, I think it's important to say here that we are presently studying the whole transportation branch, particularly as they relate to the urban area. When the report was accepted, we weren't able to resolve the question of transportation and the recommendations. My recollection is, had we implemented them all, that we had a \$7 million figure for transportation, and it would have required an additional \$10 million. The question of transportation is becoming not only a very serious one but, financially, has great potential of financial cost. So we're taking a good look at that.

In the St. James ruling, the court said that if they transported for English students inside their boundaries, then they must also do it for French students. They make the decision what to do themselves. If they make those decisions, they are not entitled under those circumstances to receive money from the Department of Education.

MR. C. MANNES: Mr. Chairman, how is it determined? Is it whether a school is offering a language course, in this case French, in any of its programs, because basic core French, if it's allowed within the school, can the student or a parent, if that parent wants to have their child go to immersion and that may be offered in another school division, is the transportation paid for that student to be served in that manner in another school division?

HON. M. HEMPHILL: Immersion would be, yes.

If I can just, it has to be a program, and the definition of program is sometimes a little difficult to explain, because it does vary, but there would be discussions between the school divisions and the department about what a program was. A program is not just a course.

An immersion program is a program, not just a 40-minute core French program, for instance, of course. So they're entitled to it if it's a program, if it is determined to be a program.

MR. C. MANNES: That begs the larger question. Where is the guarantee that they're offered the program? Is it stipulated somewhere within the statutes of the province today or regulations that an individual wishing to receive a program in another division is to receive transportation funded by the division to take that program? Is that covered in statutes?

HON. M. HEMPHILL: Mr. Chairman, it's in regulation for these grants. They're entitled to get grants in the urban area for handicapped students, for vocational students and for French language programs, Français and immersion.

MR. C. MANNES: Does that regulation take its effect from 79(3) of The Public Schools Act or some other part of the act?

HON. M. HEMPHILL: We'll verify that.

MR. C. MANNES: Mr. Chairman, how much of the mileage within, first of all, the urban divisions more importantly and, of second import, rural divisions are offered, or maintained, or supplied is a better word, by private individuals, private bus lines who sell the services of their bus lines or companies to the local school divisions?

HON. M. HEMPHILL: Mr. Chairman, I believe that most of the transportation was done by school division fleets, but we would have to get the exact figures of which school divisions and what percentage were leased through contract.

MR. C. MANNES: Well, it is my understanding that within certain urban divisions there are a number, I don't know how many, of private contractors who provide that service at a cost.

I ask the Minister whether the Government of the Day has some philosophical viewpoint as to whether independent companies should be involved in offering their services for profit to the public school system? I am led to believe that in Ontario, for instance, that a significant portion of the busing within school divisions is conducted by private firms who own their equipment and then rent that service to the school division.

I ask the Minister whether there is a deliberate attempt here to have all busing in Manitoba performed by fleets that are in fact owned by the government?

HON. M. HEMPHILL: No, not at all, Mr. Chairman. We actually don't take a position on it at all. We allow school divisions to make the decision of whether they want to maintain their fleet and go into the acquisition of buses or whether they want to lease. In fact, they are the ones who are in the best position to do so, because it depends on how much transportation needs to be done.

I do know that when they are evaluating it themselves, I believe that they measure the costs between running

their own fleet and leasing it and make the decision based on that. I mean in some cases they may not want to get into operating a fleet and in some cases they want to. In some cases it is a financial situation. But we do not push them one way or the other, nor do we have a philosophy that says they should all be publicly owned and all be run by school divisions. If they choose to contract out and have the service delivered through private companies, they are able to do so.

I'm just reminded that both have to follow all of the safety regulations and requirements.

MR. C. MANNES: I have no difficulty with that stipulation, Mr. Chairman, but quite obviously the provincial government does have some impact on those decisions. Operating costs, naturally, are quite comparable. A school division has a chance to, probably, look at its own experience or the experience in other school divisions with respect to the operation of a fleet. They can compare that to a quote of somebody locally who may want to provide that service.

However, when it comes to the interest costs associated with owning a school bus, is that reflected to the school divisions or is that picked up by the Provincial Government? Quite obviously, if it is picked up by the Provincial Government, naturally, school divisions then do not have to assume that cost and there would be great benefit then in having the government own the buses and having them operated locally.

So, are we comparing new school divisions when they have an opportunity to compare? Are they, in fact, provided with similar quotes?

HON. M. HEMPHILL: Yes, first of all, the Public School's Finance Board finances 100 percent of the cost of the buses and they get the same operating grant. They are entitled to the same operating grant regardless of the buses.

There are other reasons, though, and I remember it well because I was on the board myself of an urban division that was faced with that decision where we leased and had a contract for the delivery of our transportation system in the schools. There were a number of reasons that we took into consideration. I think if you have a number of buses, you have to have a facility and a building and you have to have staff. You may have to go beyond the existing staff.

So it just isn't a matter of the capital, the acquisition of the capital, but it really is the additional costs of where they are going to be housed, whether they have land available to put the buses, whether they have a maintenance staff that can cover them, whether they need a building and whether or not they want to be bothered quite frankly with getting into the additional management of the transportation system and in some cases the combination of all of those things. Maybe they don't have a place to put them and they don't have enough maintenance staff and they've got enough on their plates makes them make that decision.

MR. C. MANNES: Well, of course, the Minister is right in part. Naturally, there are many reasons why a school division may decide for or against that, but the

reasons that she used are obviously costs that have to be considered by the private company that is going to also put in some quote and those costs will be included within the quote. There is only one difference between the school division deciding to do it on its own and deciding to contract it out and that is that the interest costs associated with purchasing a capital asset is not part of the total figure that would come into being if the school division decided to handle that service or handle that operation on its own.

I would have to think that interest is a significant cost and I'm just wondering again, I ask the Minister, how fair of a comparison are school divisions in urban areas having when they consider the private companies or decide to operate the school bus system on their own whether or not their school divisions and boards, when they are making these comparisons, have an opportunity to compare the same cost, bearing in mind that the Provincial Government is underwriting the cost of the capital item?

HON. M. HEMPHILL: Mr. Chairman, I have great confidence in the ability of school divisions to study, examine and get whatever information they need to make their decision and that they are the ones who have to decide what it is they are weighing and they are weighing all of the factors that the Member for Morris mentioned and all of the factors that I mentioned. It is a judgment call and it is one that I am prepared to leave with them and to accept their judgment.

MR. C. MANNES: Mr. Chairman, I have great confidence too. I guess I'll bring the whole issue to a pretty quick point. I guess what I'm asking the Minister, is she absolutely certain that the province wouldn't be better off in not financing school buses and therefore the treasury of Manitoba and therefore the taxpayers of Manitoba might not be better off in some cases, in many more cases, if, in fact, private companies owned the school buses? I ask her whether she has costed this out across the boundary of school division into what the public school finance board is prepared to pay and do an honest comparison? Maybe, in some instances, when you look at comparing the true costs, it might be better for the Province of Manitoba not to be involved in owning school buses.

HON. M. HEMPHILL: Well, of course, as always, the money is going to be picked up somewhere and it is going to be picked up eventually by the taxpayer whether it is out of the provincial pocket or out of the local pocket. I suppose if we get out of the business and school divisions get into it, then the costs are going to be either covered by the province or picked up between the province and the taxpayer.

However, the basic question that he is raising I think are legitimate questions and ones that we don't have all the answers for and that's why we're doing the major study. I think it's a very big question; it's very complex. A study is under way now as to the difference between urban and rural school divisions owning buses, transportation, maintenance costs, what the costs are and the city believes there is considerable inequity between the rights of being able to get transportation grants between the country and the city where you can

have students the same distance from a school and get transported out in the country, but you're not entitled in the city.

So there are a lot of questions related to the whole transportation area. I expect that, when we have completed the study, we'll have some of the answers to your questions and, hopefully, a better rationale than we have today to make any changes that are going to be made in the transportation funding and system.

MR. C. MANNES: Well I'm intrigued with the study. Maybe the Minister can tell me whether it's internal, whether it's being done outside, whether its results will be shared with members of this House, and when it might be completed. I would ask specifically then whether the terms of reference of this study will include the feasibility of asking the private sector to provide school busing services for certain divisions within the Province of Manitoba.

HON. M. HEMPHILL: Mr. Chairman, it will include that. In fact, they're looking at a wide variety of options, one of which is the urban busing transportation system. There is another possibility there, instead of expanding and having major fleets to provide busing to kids, looking at what the existing busing urban transportation in the city can do to meet those needs before you go out and acquire a major expansion in the system just for the education system.

So I think that we're really on the same wavelength on this one. We should be exploring a wide number of avenues to find the best way of delivering a good transportation system at the most reasonable cost to everybody, particularly the taxpayer.

MR. C. MANNES: Mr. Chairman, I'm glad to hear the Minister add that qualifier. Maybe she hasn't forgotten completely what she said in 1979, but again I would ask whether she can give me any answers with respect to the study itself. I asked her a number of questions.

HON. M. HEMPHILL: I'm sorry, I meant to give that, Mr. Chairman. The study is an internal study. We undertook it when we said what we were doing with the Nicholls Report. We indicated we were moving in all of these areas, except we identified a few that needed further study and transportation was one of them.

It's being done internally by Dr. Nicholls and his department with six school divisions participating in the study where we're actually studying specific school divisions, urban and rural, in a variety of ways: what their exact costs are; how they're transporting; how they're deciding on their transportation system; the difference between the private and the public and the urban transportation system. I think it should be ready about the end of the summer, early fall.

MR. CHAIRMAN: Order please. The time is 4:30, time for Private Members' Hour. I am leaving the Chair, and will return at 8:00 o'clock tonight.

**IN SESSION
PRIVATE MEMBERS' HOUR**

MR. SPEAKER: Order please. The time being 4:30 and Private Member's Hour, adjourned debates on second readings of public bills.

On the proposed motion of the Honourable Member for River East, Bill No. 29, the Honourable Member for Virden.

MR. C. MANNES: Stand, Mr. Speaker.

MR. SPEAKER: Stand.

**RES. NO. 8 - CABOOSELESS FREIGHT
TRAINS**

MR. SPEAKER: On proposed resolutions, Resolution No. 8, the proposed resolution of the Honourable Member for Concordia, the amendment thereto moved by the Honourable Member for Fort Garry, and the sub-amendment thereto proposed by the Honourable Minister of Highways, the Honourable Minister of Northern Affairs has 15 minutes remaining.

HON. H. HARAPIAK: Thank you, Mr. Speaker.

I am pleased to continue my comments on the proposed subamendment moved by the Minister of Highways dealing with the end-of-train units which would, in the long run, eliminate the use of cabooses on freight trains.

As I mentioned when I first started making my comments, I have worked on the railroad since 1964. I have seen many technological changes happen on the railroad. I think that the biggest one is the change in the caboose. When I first started, they were riding wooden cabooses where the necessity was there for looking after the cabooses in every way including watering up the cabooses and lighting the markers and filling the markers and making sure that all the supplies were on the caboose before leaving the terminal.

Those cabooses in those days served as our home away from home. We slept in them and quite often in the middle of a night when we were sleeping in cabooses, some other crew would come into the caboose track and shake their caboose out, switch it out. Needless to say, we would get a rude awakening when they were switching their caboose out.

With the changes of the run for cabooses, there was an improvement in the cabooses. The cabooses were fully electrified, and there was still the need to make sure all the supplies were on that the crew members would require in the event of needing to go and carry out some flagging duties. But the need for using the cabooses as our bedroom was eliminated. We had improved facilities. We stayed at the other end of the line. We were either staying in bunkhouses which were supplied by the railway, or else we stayed in hotels where the railways had negotiated and arranged accommodations for us. So really we were much more comfortable there than we were in the cabooses.

But still a certain amount of - I'm not sure what it is - was lost from the railroad when the cabooses were eliminated. There was a certain attachment of all the tail-end crews to the caboose. Having worked on them for many years, I can understand why the people grew so attached to the caboose.

I also mentioned that there was a great change in the radios. When I was first hired, there was usually

one radio to a crew. If we got into some difficulties on the road, if there was a broken knuckle or a broken airline, we usually had to walk back and replace it and space ourselves out so we could relay the signals from one person to the next until the head-end crew had received the signals. This was quite often a very dangerous practice, because it was difficult to see because of the terrain. It was difficult to get the signals up to the head end.

Then with the advent of radio, there were many improvements made in the radio from the time that I first started to the present times. The radios were big and bulky and not very efficient in the earlier years, but they have become much smaller and much more efficient in later years. That certainly improved the safety of the train crew when we were involved in working or switching or setting out cars or in fixing any part of the train that was broken.

In speaking about this end-of-train unit, my biggest concern is the safety of train crew. I do not believe that you can replace a human being on the tail end of a train with an end-of-train unit and you would have the same safety, to the public, because the trains now are becoming longer and longer and with more and more dangerous commodities being handled by train crews, it's becoming more and more of hazard to the public.

The trains are becoming longer and going through the cities at a fairly high speed and I think there have been several examples of major catastrophies in Canada and the United States and in some of the European countries where trains have been derailed and have endangered the lives of many of the citizens in the surrounding area - I think Mississauga is a good example of what can happen when there's a derailment of some dangerous commodities. The entire community had to be evacuated and I guess if it was in the middle of the night when people are sleeping and it did really endanger the lives of many of the people who were near the area where the derailment took place.

Mr. Speaker, I think one of the most important things as I mentioned before, is the safety of the train crew and the public when you're talking about the end-of-train unit. In order to accommodate the end-of-train unit, there would have to be some changes in the present existing rules. There would have to be an amendment to the uniform code of operating rules in order to allow the movement of trains without a caboose. Both the CNR and the CPR have, in their submission, alluded to the fact that some of the procedure rules for testing of air brakes would have to be changed. During the submission, they alluded to this fact that the rules would have to be amended. Long-established rules that have been in practice since the early days of railroading would now have to be changed. I am of the opinion that you would be sacrificing safety if you were changing some of the operating rules that have existed ever since the diesel trains have been operating.

The cabooses served a wide variety of functions; it is used for the carrying the tools and spare parts in case of some broken knuckle and other parts such as air hoses and tools for changing these and they also carry the flagging equipment and also the medical equipment and stretchers which they use in case of an accident on a railroad where someone near the

railroad; also fire extinguishers and blankets and many of these are also carried on the head end, so if there is a need for this equipment, it's closer to the head end, rather than the tail end and it would speed up the process of changing equipment that is broken.

I think that in order to accommodate some of the concerns that have been raised by the public and by the people who are involved with the railroad cabooses, we have to talk a bit about technological changes. We are not opposed to technological change and I think that possibly the end-of-train unit is something that can be utilized in the future and utilized to improve the safety operating rules of the freight trains. We are not opposed to testing taking place, but I believe that the testing should be taking place with the caboose in place. I think that you would be really sacrificing the safety of the rest of the train crew if you were to be conducting the tests without having a caboose in place.

I think there is a need for safety improvements, it's always been important, it is even more so in an age when trains have become bigger, longer, and heavier than ever before, carrying cargos that are of greater danger. Today's freight trains are usually over a mile in length and quite often in excess of 100 cars and somewhere the train can be up to two miles in length and cars can carry over as much as 20,000 gallons of goods and a potential exists for a disaster of a magnitude that has not been known in the past. Again, I alluded earlier to the Mississauga accident; accordingly, if the changes take place in the existing operating procedure, then I think that chances of an accident happening which are of a much greater magnitude than that can happen very quickly.

I'd like to talk about some of the testing that has happened on cabooses and I guess it is a position that operation of the cabooseless train isn't safe and I think that the testing that is carried out on cabooses prior to a freight train leaving a terminal is also unsafe. I think that some of the duties that are carried out by rear-end trainmen are very important and one of the areas is the markers, the signals displayed at the tail end of every train that indicates the rear end of train.

It says very clearly in the rule book that by day markers were displayed which are not lighted and by night, there are two markers to the rear lighted which displays the end of the train.

When a freight train is being met or passed by another freight train and they pull in to a siding, again there's a function that the rear-end trainman must perform in order to show that the train is clear of the track.

When a train is clear of a main track to be passed by another train, a lighted marker will display green to the rear, and when the rear train is equipped with built-in markers, they must be lighted by day and by night.

When a train is equipped to display a single flashing light marker, it must be unlighted by day and at night it must display a flashing red light to the rear. Accordingly, when a train is in the clear, in a single track, it must have one red light to the rear and one green light to the inside of the track which shows it is clear to go by the freight train.

Some of the functions that are performed by a rear-end trainman, the list is quite exhaustive, but I know there is a wide range of obligations and duties that are carried out by a rear-end trainman and they're all out carried out for the reason of safety and efficiency

and I've had, as I mentioned earlier, I've had the privilege of working on the rear end of a train and I know that just the sight, smell, hearing and motion, are some of the things that are utilized in your line of duty. Also, you're always aware if there are any sparks or smoke or dust which may be kicked up, because if there is any dust being kicked up, it's a sign that there is something wrong with the freight train up ahead and the dust will be quite evident in a caboose, so you know there's something going on. There's also a detection of sticking brakes; you can smell them for quite some time, if sticking brakes are there when you're riding in a freight train, you have an opportunity to smell them and detect them.

It was brought up earlier when some of the former speakers were speaking on this resolution, they were saying that how can a tail-end trainman detect a fire. Well, I can tell these people from experience that I have been working on several trains where we have detected fire, and we have been able to stop the freight train and extinguish the fires before they got to be a forest fire. This was in an isolated area, which I know would have cost the people of Manitoba a lot of money, because it was in a very heavily forested area. If that fire would have been allowed to continue, there would have been quite a lot of bush burned out before the crews would have been able to get in.

On one occasion when I was working on a freight train as a rear-end trainman, going to a community where there happened to be yard limits in, we were waved down, the head end stopped when a guy was violently waving us down; we stopped the tail end of the train and we were told that there had been a person had been shot about a mile back in this community. It was fortunate for us that we were in an area where there were yard limits, and we were able to back up and go back to the community and pick up the person. With the equipment we had on the tail-end of the train, we were able to pick this person up and take him into the community of Lynn Lake where he was able to receive the medical attention that was required. Several months later, I saw him. He came out of hospital and thanked us for picking him up on that occasion.

I guess if there had been no caboose on the train, there would have been nowhere to carry this person into the community. It's in an isolated area again where you would have had great difficulty getting him up onto a unit, the head end of the train, and we wouldn't have been able to back up either, because the end-of-train unit does not tell you if there is anybody on the track behind you, so it is impossible for you to back up unless, I guess, that person walked back the length of the train, which is about a mile, and then you'd have to tail the train back to make sure there was nobody on the main line behind you.

I guess the thing is that we fear that the end-of-train unit is just a step in the direction of removing another crew member off the train. We realize that the crews are being reduced at this minute. They are running two-person crews rather than three-person crews, and I think that's just the beginning of another reduction.

I worked on the railroad when they reduced the switch crews from the three-man crew to the two-man crew, and I know it increased the amount of time that was required for carrying out your switching duties. I know now that, if they eliminate another person from the

crew, the time on the road would be much longer. I'm afraid that this end-of-train unit is just a step moving in that direction to eliminate another person from that crew.

I think the biggest thing is that we are going to be sacrificing safety if we remove the caboose from the train. It would be a shame for the public as well as the train crews to work under conditions that were less than safe.

Thank you, Mr. Speaker.

MR. SPEAKER: The honourable member's time has expired. Are you ready for the question?

The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Speaker.

I, as well as others in the House, I believe, have found some of the debate quite interesting regarding this resolution. I find it most interesting, Mr. Speaker, that the resolution first proposed by the Member for Concordia, and then having been amended, and then amended again indicates that there is a lot of interest in this resolution. I wish to indicate that I will be supporting the resolution.

However, I would like to just indicate some opinions and concerns. Mr. Speaker, when I left the farm at the age of 18 and came to the big city to try and make my way out here, I ended up working for CN as a fireman. That is some years ago. In fact, that's approximately 30 years ago since I had that occasion to get on as fireman for CN. My ambition as a country boy at that time was, if I ever attained a job where at that time I could be making \$100-a-week, I made up my mind I'd stay in that job for the rest of my life. As it was, I didn't stay there the rest of my life.

However, I had the very interesting experience of serving as a fireman, first being trained to some degree. At the time when I started working, Mr. Speaker, I was on the coal-fired engines where we shoveled coal. It was that winter of the heavy storms, and I spent most of my winter at that time as a fireman on the engine, hand-firing steam engines on snow ploughs covering most of western Manitoba. It was a great experience. I think back to it fondly from time to time.

During the course of that time, already the automatic stokers were coming into place at that time. I had the occasion after awhile as your seniority built up and as you booked your rest and came on stream for the next shift, eventually you got into the automatic stoker stage where all you did was turn the valves and you had a stoker that fired the engine. At that time already, there were a few diesel engines on the run.

I'm using this as background information, Mr. Speaker, in terms of what happened then to the fireman and what happened to the brakies later on, and is now happening possibly to the conductors in the cabooses. At that time when the diesel engines started coming onto the scene, I had the occasion on two occasions, where I served as fireman on a diesel engine. On one particular trip, we left Winnipeg with a freight train for Brandon. My obligation from the time when it was hand-firing engines and the stoker engine where you had to be on the ball all the time to make sure your water and everything was properly kept so that you had proper steam pressure, and then came - it was almost like

heaven getting into a diesel engine where you went and checked your engines in the back, did your routine check. You sat down in the chair beside the engineer, and away we tooted - great life! In fact, I was sitting beside the engineer - this was just prior to my marriage, so my hours were sort of irregular to some degree - and I had a chance to sleep most of the way down to Brandon. We switched around there and tooted back again with that diesel. I found it very enjoyable, not very physically demanding. I give this as background.

But it was at that time, Mr. Speaker, that the activities started to have the fireman that he was not needed on the diesel engines. We went through a big foofaraw and harangue about it. All kinds of issues were presented, you know, the safety aspect of it at that time, because engineers wouldn't be able to see everything. When I think back to the crew that used to run a train and what they need now, it has changed dramatically.

Technology has allowed this change to take place from the hand-fired engine to the stoker to the diesel engine. The same thing is happening with the caboose at the present time. I found it most interesting. In fact, the member that introduced the resolution discussed very heavily the aspect of the safety end of it. I'm sure everybody is concerned about that end of it, but I think technology nowadays probably makes it as safe as it ever has been in the past. It may be safer, because if anybody has ever been in the caboose when a freight train is rolling along, unless it is ideal conditions, you can't always see what is happening and what is going on when the car is in front of you. If there is a little bit of rain, dust, snow especially, you can't see past a few cars in the back when you sit in the caboose, so as far as being able to identify hot boxes, things of this nature — (Interjection) — Well, the Member for The Pas indicates he can smell it.

Mr. Speaker, I had the occasion to travel in a caboose a few times when crews changed and I had the case to be able to come back to the city or to the home base, sitting in the caboose. It was a great life in the caboose. The conductor and the breaker in the back, they were busy making supper or whatever the case may be, reading, sitting up there. If anybody wants to indicate that they are sitting there for the whole length of the trip and watching and smelling as to whether there is a hot box or anything, let's not be that naive. — (Interjection) — I've indicated that I'll vote for it, but I'm just trying to illustrate what is happening.

So, Mr. Speaker, let's not be naive in this House and indicate that the conductor sitting in the back there is sitting there the whole trip watching and smelling and seeing whether he can detect a hot box. That is not the case, Mr. Speaker, because I've seen them in the summertime, travelling to Ontario, standing in the back and enjoying the wilds as they drive through. They are waving to people as they go by.

I have to say I question the aspect of the safety end of it. I really do. But that was the system at that time and that system is now being challenged by technology because they are talking of removing the caboose. I personally have no difficulty with the fact that the safety aspect of it can be looked after mechanically through the new technology much more capably than maybe the conductor could.

What bothers me about removing that is two things: No. 1, again, is the aspect - and I don't think it has

been addressed that strongly in this House - of the loss of jobs. There are a lot of jobs that are going to be deleted again and that happens everytime when we move along with technology, jobs get removed from the scene. Instead of stressing so strongly the safety factor, I think the concern about loss of jobs would be a more major concern for myself.

The other aspect of it, of course, is tradition. We need that caboose at the end of the train. Mr. Speaker, to this day when I come into this city and one of the long trains pulls out heading for the stateside and I have to stand there at the railway stop, there are a bunch of cars lined up, I still always keep looking, when is the caboose coming that signals the end of the train. If there wasn't a caboose there would still be the end of the train, but it is sort of a tradition. — (Interjection) — That's right. Where's the caboose? We always have to wait for the caboose. It is a nice thing.

But, Mr. Speaker, that is a sort of a traditional thing. It is like apple pie, you know, at home type of thing. It is the motherhood thing that we are looking at in terms of the caboose in my mind. The motherhood aspect of it and the fact that we are losing jobs. But I feel confident that the unions involved will be negotiating with the railway companies to make sure that those people, either through earlier retirement, to transfer to other jobs, whatever the case may be, that those individuals will not necessarily be hurt.

But we make this such a big emotional issue here. I find it sort of interesting when debating a resolution, the various views that have come forward and I look forward to sort of putting my comments on the record for the simple reason that I had experienced this on a first-hand basis, have gone through the trauma of the firemen being removed from the trains, and now we are talking of removing the conductors. These were always a key part, I think, in everybody's mind. Even when CP on the television advertising that they do, everybody is happy there, it's one big happy family and we are disrupting part of that. We are disrupting, as I indicated before, tradition and everybody gets emotional about tradition. We say, yes, we want change and we keep on changing, but you know certain things don't fit into a plan of change.

We have a resolution that is being presented on the rates again for the railways and here, when the railways try and economize and through technology try and approve a situation so the costs are less. The figures that have been thrown about that there is possibly - maybe the Member for Morris can confirm this - saving up to 50 cents a pound on grain movement, just on the removal of the caboose and the crew that is with it.

A MEMBER: Where do you get that?

SOME HONOURABLE MEMBERS: Oh, oh!

MR. A. DRIEDGER: Anyway, Mr. Speaker, obviously if everything was going on the way it was, the railways wouldn't change. There must be some financial economical reason why they'd do that, because I'm sure that if there was nothing to be gained, if the system was not more efficient that they would not proceed to try and make change.

So we have to accept that, and I predict, Mr. Speaker, that we'll go through the same normal three or four year harangue about this thing and that ultimately will come into place. I don't think no matter what kind of debate we have in this House regarding this kind of resolution that it will ultimately change what is going to happen. The railways know who they deal with and how to deal with it. They have a preset plan of so and so many years. They have initiated their activities and they will go through with it. No matter how long they debate it here, they will still proceed on that basis because it makes economic sense. We expect them to be responsible and to do things that will make things more efficient.

That is why I say the issue of jobs and tradition, to me, in a sense are more important that the way the resolution was worded about the safety aspect of it, because I personally don't have that much of a concern that the railways would do anything to create danger for people.

Our railways traditionally have been very responsible citizens in this country from the time that they built the tracks. In fact, Mr. Speaker, I believe the CP Rail is celebrating, on November 7th, a centennial, because on their correspondence, and I got a letter on from CP Rail, and on the bottom they have a little sticker that says, "CP Rail Last Spike Centennial, November 7, 1885-1985." So for a 100 years, these people, CP and CN, have had a very very instrumental part in the development of our country and still have. To think that these big companies are not responsible in what they're doing by proposing the removal of the caboose, I think, I'm wondering whether we're being a little - well I'll choose my words carefully. I wonder whether we're really sincere in the way we are handling this issue.

I have concerns about the fact that, when jobs get lost as they will in this case - I just got a letter, as I indicated - that's where I got this little sticker on the bottom - where CP Rail writes to myself, indicating that on the track between Winnipeg and Emerson, they're changing implementation of a manual block signal system which will delete three employees there. They express their regret that this is what they have to do.

"CP Rail regrets having to take this action. However, we must not overlook the fact that, in this time of economic restraints, the company must continually reduce costs to remain competitive. In addition, we feel that a more efficient operation will be the result of this change.

"We sincerely hope that whatever economic impact this action may have in the Town of Emerson, it will not be too severe."

So, Mr. Speaker, just the fact that they write me as a sitting member for that area about it and address the concerns about loss of jobs, but again here we have a technological change that is taking place and deleting three jobs. Most certainly, the people whose jobs are being lost are going to be quite concerned, as are the conductors, as are the unions that are representing the conductors, as I think all of us are when jobs get lost.

Still I just feel that we sometimes have to take things in the right perspective. That is, these changes take place. It will happen. It happens in almost every major company that employs a lot of people. As your technologies change, new equipment comes on stream,

certain people lose their jobs. That is unfortunate but, I suppose, that is a way of life that we've had to live with and have to accept.

I think that is what's actually happening here - to some degree, I'm not being hypocritical about it - I am prepared to support the resolution, the amendment, the sub-amendment, but I think, in some of the debates that I've heard and read, we've sort of got a little carried away with the importance of what is really happening there.

I suppose, Mr. Speaker, if my job was on the line, I would fight just as hard. I do that politically every time election comes around. I fight as hard as I know how to retain my job. I suppose, with all due respect, that the people involved here, the conductors feel the same way.

As I indicated before, Mr. Speaker, I just have been looking forward to sort of putting my comments on the record from my experience with the railways. I think back to the times very often with fond memories. They were not easy times at that time. Being a railway man at that time was much more demanding than now. As I indicated before, I have slept in bunkhouses where I would have second thoughts about sleeping now. I ate food, and I was a young chap at that time coming off the farm. I always seemed to be able to eat at that time. I would go on the train and be gone. We ran as long as 30 hours at a stretch without a proper break. You'd have a lunch kit full of sandwiches that were grimy and smoky, had them twice during the course of that trip. It was a great experience.

It is that kind of fondness that sort of, thinking back to those things - I wouldn't necessarily want to go through them again but, when you think back to them, it creates fond memories of what has happened and you hate to see that kind of thing go. But we cannot stop progress.

Mr. Speaker, as I indicated before, I plan to support the resolution. At the same time, I think we have to give a certain amount of credit to the railways for trying to improve their service all the time. I believe at the present time that this system is being used in the States in various areas. I'm sure statistics will be available as to the safety impact of it. I think that, when all the information comes forward, we will gradually learn to accept the fact that we will have trains without cabooses. Much as we will miss it, I suppose that is going to be a way of life.

The railways are doing their P.R. work right now. Their time frame, I don't think that they plan to do this within six months. I think they have allowed a certain time frame for this to develop, because I'm just thinking back to what happened to the fireman. They set their course, and ultimately they got it there.

So, Mr. Speaker, I would like to see the old ways remain in many cases. This, however, will not be the case. Even in spite of supporting this resolution, I suspect that the end result is going to be no cabooses on the end of freight trains, regretfully.

Thank you very much.

MR. SPEAKER: Are you ready for the question?
The Honourable Member for Roblin-Russell.

MR. W. McKENZIE: Mr. Speaker, I have a few comments I would like to offer on this resolution. Speaking basically

as a layman, may I say, Mr. Speaker, I can't offer the contribution such as the two speakers that spoke ahead of me. But the resolution, Mr. Speaker, brings back a lot of very fond memories to me of the days in the Dirty Thirties when I used to ride the freight trains from coast-to-coast across this country, and done it many times, ride the rods as they so call it or ride the blinds and passenger trains, catch them on the fly.

I had quite a bit of experience in that field for a couple of summers, Mr. Speaker, and got familiar with what the cinders are all about and the steam, and have had the occasion to have the fireman come back with a shaker bar and kick us off the trains, and the police meeting us at some of the mountain passes in B.C. and kicking us off the trains, and the on to Ottawa trek which came on the CBC the other day. I was riding a freight at that time heading east when we got short-changed in Regina, I believe it was.

Mr. Speaker, the resolution is one, I think, that the House has given good attention to. I think all members in this Legislature are for safety in all its forms, I think not only safety for the public, safety for the working people, the crews on the railroads. But at the same time, we recognize that change never stops in this life, Mr. Speaker.

It's interesting to hear the honourable members talking about the safety on the trains. I don't see the brakemen anymore for some strange reason walking back and forth across the tops of the trains that they did in the days I'm referring to. Even up into the Fifties and Sixties, it was quite common to see a brakie walking from the caboose to the engine, to the front end of the train, or walking from the front to the back of the train. But I suppose, because the diesels are faster, the trains are longer and . . .

A MEMBER: Ever tried walking on hopper cars?

MR. W. McKENZIE: Well it may be that these modern cars are not as easy to walk, because the trains that I recall riding on for free or at least we bummed a ride, there were wooden platforms on the top of the cars.

But, Mr. Speaker, the matter of cabooseless trains is one that certainly deserves the attention of this House. The railways, as some of the members in the debate have said, have been good corporate citizens of this country and transportation is one of the key links that keeps this country tied together. I think it's also important, as somebody in the debate mentions, that we must recognize that change is inevitable; at the same time we have to watch the cost of the transportation costs for moving goods from point A to point B with our railroads.

But Mr. Speaker, I suggest that as the Honourable Member for Concordia has put in this resolution, speaking as a layman, if the equipment that he mentions in the resolution has not been adequately tested, then I'm not here to argue with him. I think it's up to the railway and it's up to us as legislators to see that the equipment does get the testing that it deserves and it should not be put on the trains until it is tested and gets the approval of the unions and those that are working on the trains. The problem of shifting loads has also been mentioned. I've never familiarized myself with that problem with railroads; but possibly with the

two rail systems, trains running in both directions in many parts of our country, that it is a problem.

The amendment that has been proposed by my colleague, I certainly have no problem supporting that, that the Transport Commission be urged and the Government of Canada to conduct an independent test to verify the performance levels and safety of these caboosless trains mentioned in this resolution and make certain that the railways provide the statistics and the information that comes from these tests and make it public.

I also am keenly interested in the other amendment that my colleague from Fort Garry made, that the railway industry be maintained and expanded in Manitoba and that the regional head office for Western Canada for CNR remain here. I think, historically, Canada would never be the same if this capital city where we are standing today, Mr. Speaker, was removed as the hub or the link of the transportation system of this country. It was that way when Canada was developed; Winnipeg was the key to East and West and the link where the railways meet here; the rivers meet here and I think it's an excellent addition to the resolution.

And I know, Mr. Speaker, the honourable members by their catcalls a few minutes ago want to vote on this resolution, so I shall sit down and assure the House that I am supporting the resolution and the amendments that are attached thereto.

MR. SPEAKER: Are you ready for the question?

The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Speaker, there's a lot of hilarity from the government side, because of a woman getting up and maybe speaking on this issue, but I really felt that - I don't want to stop the vote today, but I did want to set a few words on the record on this.

I support this resolution because I come from a railway family. My father worked in the CN Shops most of his life and he retired from there and so as a railway family, we never owned a car. We travelled by train wherever we went because of course at that time, part of your pay package was the pass. We always travelled by train. In fact, it was even stronger than that in my family, you couldn't even travel the CP because my father was a CN man and to this day, I don't think I've ever been on the CP railroad. So I haven't seen Canada in one part of the area because I understand the CP has a very scenic route, but if I were taking the train, I had to travel the CN route.

When looking at the resolution, I do understand that progress always comes, but there's something about being brought up on the Prairies, as a part of a railway family, that makes you very conscious of the trains. We had a small place in Malachi, Ontario and, of course, my dad as a railroader, we used to pick him up at Transcona, we'd hop the train at Winnipeg and he'd come on at Transcona and we'd go down to the lake. So even as a young adult, the freight trains were constantly going through because it was on the main line. You counted cars and you were constantly warned not to get too close to the track and as a railway man, my father used to put stones by the track to show how they got sucked in, so we were well aware of the dangers of being too close to the track as we grew up.

There's something about the caboose - as a Manitoban, it seems to be as the Member for Emerson said, a part of our heritage and it's sad to lose these things. I know that somewhere down the road it is probably going to happen, but as someone who has grown up in Manitoba as part of a railway family, I really feel that it's so difficult to have to give up this one part of our heritage. We all joke about it, but when you're at railway crossings waiting to cross, how do you know when the train's gone by if the caboose isn't there? You're always watching for the caboose.

I understand and I have a little bit of difficulty myself wondering what's going to happen as far as the trains are concerned, where you do put people if they are hurt and have to stop, but I understand too, about the costs, and somewhere along the line, we have to look at that sort of thing because if it impacts on our farmers, on transportation, at the same time that we are telling industry, government, to start cutting costs, of course that's exactly what they're looking to do and they're looking to do it in the safest way possible.

So while I don't really have a great knowledge of what will happen, should the caboose go, I do know that the resolution is really, I think, maybe a part of prairie people, almost more than any others. There's been a couple of amendments to the resolution that certainly any Manitoban, especially, would be in favour of, and that's that the railway industry be maintained in Manitoba and I quite sincerely believe that. This is an area that certainly was a great part of my life and many of our friends were railway people. There was a certain camaraderie among them, but it is a wonderful area for jobs and it is something that the prairies certainly must maintain and something that Manitoba wants to be very vigilant about. As a member of the opposition, I want to say that although I don't understand too much about the electronic part of it, I would like to see the caboose stay and that is just maybe because of nostalgic reasons. I really do feel that it would be nice to be able to keep some of our heritage instead of having to throw everything away. If it is a safety factor, and maybe if they can do both maybe that's not practical, I don't know, but I did want to just get up and say a few words in support of this particular bill.

QUESTION put on the subamendment, MOTION carried.

QUESTION put on the amendment as amended, MOTION carried.

QUESTION put on the Resolution as amended, MOTION carried.

MR. SPEAKER: The next resolution on the Order Paper is Resolution No. 5. Do you wish to proceed with that?

RES. NO. 5 - RESTORATION OF CAPITAL PUNISHMENT

MR. SPEAKER: On the proposed resolution of the Honourable Member for Elmwood, the Honourable Minister of Business Development, has four minutes remaining

HON. J. STORIE: Mr. Speaker, I don't know whether I can get that four minutes in in the remaining six minutes.

Mr. Speaker, I was chided yesterday for speaking on both sides of this issue and I claim that is because it is an extremely emotional issue and not one on which a person can make up one's mind easily.

I think, Mr. Speaker, that while I have listened with a great deal of interest to my colleagues and members opposite, who have spoken against the resolution in support of the abolition of capital punishment, that if it came right down to it that I would have a great deal of difficulty voting against the resolution. I suppose that I reflect on my own personal values, my experience and my understanding of what the principles of human justice mean when I say that and I would like to review a couple of the arguments that I think are the most meritorious when it comes to the argument for abolition of capital punishment and one in particular, and that is that society should not authorize the death of an individual.

But, Mr. Speaker, I think that is a felonious - fallacious I should say. It's felonious for some people I suppose in some people's eyes. It is fallacious certainly. Mr. Speaker, society does authorize the taking of life in certain circumstances. Police forces, guards, prison guards are authorized to kill people under certain circumstances, and I don't think anyone would deny that we give them that right as a societal right. They exercise that right I believe with due caution. We give them the right to take life.

Also, Mr. Speaker, I don't think there is anyone here who would deny that in giving them that right that they, on occasion, take innocent life. So, Mr. Speaker, we have to balance that against the concerns that individuals have about the sanctity of innocent life, and I think that within our current judicial system, there are enough safeguards to provide a sufficient degree of certainty that no innocent person would be convicted

of first degree premeditated cold-blooded murder, to say that the scales of justice in my particular set of values is weighed in favour of having individuals who commit such murder pay the ultimate sacrifice.

Mr. Speaker, it isn't fair to say that society doesn't provide circumstances for other members to take a life. Society does justify it and in that justification innocent life sometime is taken, but we believe that the protection of individual rights is such that that justification, that danger, that possibility is warranted.

So, Mr. Speaker, I believe and the Member for St. James is one of those people, I suppose, that holds strongly the opposite opinion. But I think there are two sides to this issue and I don't think there is any clear cut right or wrong, but I believe that the sense of justice that many Canadians have tells them that under certain circumstances premeditated cold-blooded murder should result in the individual responsible paying the ultimate sacrifice, and while that has not been the custom in Canada for many years, it is certainly not something that does not occur in other jurisdictions. It's certainly something that is difficult to face squarely.

But, as I indicated before, I would be hard pressed not supporting the resolution given the safeguards that exist to prevent the sacrifice of innocent lives. I think that the injustice and outrage that is felt by average Canadians at the commission of cold-blooded premeditated murders warrants the ultimate sacrifice.

Thank you, Mr. Speaker.

MR. SPEAKER: The honourable member's time has expired.

Are you ready for the question?

We'll recognize the Honourable Member for Kirkfield Park, who will have 20 minutes remaining when this item next comes before the House.

The time being 5:30, I am leaving the Chair and the House will reconvene in committee this evening at 8:00 p.m.