

THE LEGISLATIVE ASSEMBLY of MANITOBA
Tuesday, March 8, 1977

TIME: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Honourable Peter Fox (Kildonan): Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 50 senior citizens from Petersfield, Manitoba. This group is from the constituency of the Honourable Member for Selkirk, the Attorney-General.

On behalf of all the honourable members we welcome you here this afternoon.
Presenting Petitions.

READING AND RECEIVING PETITIONS

MR. CLERK: The Petition of:

La Centrale des Caisses Populaires du Manitoba Ltee and La Centrale des Caisses Populaires du Manitoba Credit Union Limited, Praying for the passing of An Act providing for the Amalgamation of La Centrale des Caisses Populaire du Manitoba Ltee and La Centrale des Caisses Populaires du Manitoba Credit Union Limited.

MR. SPEAKER: Presenting Reports by Standing and Special Committees.

TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Health.

HONOURABLE LAURENT L DESJARDINS (St. Boniface): Mr. Speaker, I'd like to table the Annual Report of the Manitoba Department of Health and Social Development for the year 1976.

MR. SPEAKER: The Honourable Minister of Agriculture.

HONOURABLE SAMUEL USKIW (Lac du Bonnet): Mr. Speaker, I wish to Table the Annual Report of the Manitoba Water Services Board for the year ending March 31st, 1976.

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

HONOURABLE RENE TOUPIN (Springfield): Mr. Speaker, I'd like to Table the Report according to Section 21 of the Public Printings Act, which is the Provincial Auditor's report of the operation of the office of the Queen's Printer for the year ended March 31st, 1976.

MR. SPEAKER: The Honourable Minister of Public Works.

HONOURABLE RUSSELL DOERN (Elmwood): Mr. Speaker, I'd like i to submit the Annual Report of the Department of Public Works, 1975-76.

MR. SPEAKER: Honourable First Minister.

HONOURABLE EDWARD SCHREYER (Rossmere): Mr. Speaker, pursuant to Order of the House 42, accepted mid-June, I have several copies of a Return to that Order.

MR. SPEAKER: Any Ministerial Statements? Notices of Motion; Introduction of Bills. i

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING LYON, Q.C. (Souris-Killarney): Mr. Speaker, I have a question for the Minister of Finance. In light of the announcement that the Federal budget will be brought down on the 31st of March of this year, is the Minister now in a position to advise us when the Provincial Budget of Manitoba will be brought down?

MR. SPEAKER: The Honourable Minister of Finance.

HONOURABLE SAUL A. MILLER (Seven Oaks): No, Mr. Speaker, that date has not been established.

MR. LYON: Could we expect the Budget to be before or after the 31st of March?

MR. MILLER: It might be before, it might be after, but the probability is after.

MR. LYON: Mr. Speaker, a question to the Minister in charge of Housing in Manitoba. In light of the statement yesterday by the Minister of Agriculture whereby the Ministry is restoring the principle of private ownership to farmland in Manitoba, can we expect a statement from the Minister of Housing that that same principle will be extended to the tenants in Public Housing in Manitoba so that they will be enabled, given the opportunity to purchase and to own their own housing units which they presently rent from the Government of Manitoba?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HONOURABLE LEONARD S EVANS (Brandon East): Well, Mr. Speaker, obviously the Leader of the Opposition is not aware of the arrangements between the Manitoba Government and CMHC, or between MHRC and CMHC. The fact is that we do receive a substantial amount of subsidy from Ottawa for our Public Housing units in the Province of Manitoba and as a matter of fact, Mr. Speaker, the cost is such that it would simply be impossible for senior citizens, for example, to begin to purchase or own their own units.

Having said that, Mr. Speaker, I would point that the honourable member should have been here yesterday when I described many programs that are available for home ownership in Manitoba sponsored by MHRC.

MR. LYON: I believe the Minister is fully aware I was not referring to elderly persons housing. Would he respond to the question with respect, Mr. Speaker, to the question of family housing which he presently rents —low rental housing —to citizens of Manitoba — family units.

MR. EVANS: Well again, Mr. Speaker, I wish the Honourable Leader was in the House yesterday afternoon when we debated the question of housing programs. The fact is that we do have a number of programs to help people to obtain the ownership of their own property, residential property, but I would say the same thing goes for most people who are in family public housing; and that is, simply, that their incomes are such that they can't possibly afford to purchase houses today at today's prices and this is a phenomenon, Mr. Speaker, throughout North America whereby I'd say that less than 23 percent of the people in North America can afford to buy a medium priced home today, anywhere in North America.

MR. LYON: Mr. Speaker, a further supplementary and a very simple question. Does the Honourable Minister believe in private ownership of homes?

MR. EVANS: Mr. Speaker, I believe that every Manitoban has the right and privilege to have decent shelter.

MR. SPEAKER: The Honourable Member for River Heights.

A MEMBER: As long as you're the landlord. . .

MR. SPEAKER: Order please. —(Interjection)— Order please.

MR. SIDNEY SPIVAK, Q.C.: Mr. Speaker, my question is to the First Minister. It relates to the Federal Budget to be brought forward on March 1st. I wonder if he can indicate whether it's the intention of the provincial government to once again recommend to the Finance Minister, the Federal Finance Minister, that there be tax cuts in the Federal Budget.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the Federal Budget is anticipated on the 31st of March. There have been discussions at Federal-Provincial Conferences of Ministers of Finance, and what has been recommended there by each of the provinces is on record in the transcripts which I believe are published. Certainly a summary transcript is published at the conclusion of each conference. In any case every province has an opportunity to make its views known to the Government of Canada.

MR. SPIVAK: Well, Mr. Speaker, to the First Minister, I wonder if he can indicate to the House whether the position of the provincial government has changed since its public press statements of November 26, 1976 and February 11, 1977, asking the Federal Government for tax cuts. :

MR. SCHREYER: Mr. Speaker, I would have to see the document in question. Certainly I can confirm that the Province of Manitoba has made its views known with respect to the indexing of income taxation as has been done in the past two or three years; and secondly with respect to the fact that any tax cut at the Federal level, if it is to be directly as a result of certain changes in Federal-Provincial fiscal arrangements, is a rather self-cancelling process.

MR. SPIVAK: Mr. Speaker, to the First Minister, I wonder if he can indicate whether the First Minister has recommended to the Minister of Finance that he apply the same logic that was asked of the Federal Government in asking for tax cuts for job formation.

MR. SCHREYER: Mr. Speaker, the Province of Manitoba is certainly well on record with respect to favouring changes in taxation that have to do with tax credits or rebates and any mechanism for that matter which is more equitable than the simplistic method of simply changing the exemptions.

ORDER FOR RETURN

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

MR. TOUPIN: Mr. Speaker, I would like to table an **Order For Return** given to me by the Honourable Member for Wolseley on the 2nd of March, 1977, and I'd like to answer questions posed of me by the Honourable Member for River Heights dealing with the tabling of a report on The Loans Guarantee Board.

The honourable member was requesting information pertaining to auditor's comments on the report, and I would refer the honourable member to the said report of the Co-operative Loans and Loans Guarantee Board ending March 31st, 1976, in regards to detailed information pertaining to the \$1,532,226 and the amount paid off by an order of the Lieutenant-Governor-in-Council being \$1,370,668.

The honourable member posed a question pertaining to South Indian Lake. That same report indicates that there was an amount of \$783,576 paid out by an order-in-council and not \$800,000, and I can inform the honourable member, Mr. Speaker, on the second part of his question pertaining to the Co-op in question that this was under the involvement of the Department of Renewable Resources, FPMC, and in fact last year, Mr. Speaker, South Indian Lake Co-op employed thirty fishermen for the winter of 1975-76, who produced 112,600 lbs. of fish and fifty fishermen for the

summer of 1975 who produced 525,900 lbs. of fish for that given period.

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN: Thank you, Mr. Speaker. My question is to the Honourable the Minister reporting for the Civil Service and I'd like to ask him whether he can advise the House whether three members of the Manitoba Civil Service who were booked off on sick leave were among those arrested this morning in the picket line at Griffin Steel?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HONOURABLE BILLIE URUSKI (St. George): Mr. Speaker, I'm not aware but I'll certainly inquire into that.

MR. SHEAN: Supplementary, Mr. Speaker. I wonder if the Minister would undertake to make a full report to the House on the activities on the picket line insofar as Manitoba Civil Servants are concerned?

MR. URUSKI: Mr. Speaker, I would ask the honourable member if he has the details as to which department those Civil Servants were from. I'd like him to provide that.

MR. SPEAKER: The Honourable Member for Lakeside. Order please.

MR. HARRY J. ENNS: Mr. Speaker, I direct my question to the Minister of Agriculture. I directed this question some time ago, in his absence, to the Acting Minister of Agriculture, and I wish to know whether or not the Minister of Agriculture will in any way protest the action taken by the federal Minister of Agriculture, the Honourable Mr. Whelan, in closing the border to the farmers of this province who have depended on receiving some specific pesticides and herbicides necessary for crop production in Manitoba? This action, I understand, was taken last Friday by the federal Minister.

MR. USKIW: Mr. Speaker, we don't have the details of that action but I would remind the Honourable Member for Lakeside that the government of Canada has an Act which dealers and distributors must adhere to and apparently the purchases which were made outside of Canada were in violation of legislation with respect to labelling and other requirements for the safety and health of the people of Manitoba.

MR. ENNS: Mr. Speaker, a supplementary question to the Minister of Agriculture and I remind him that he has a responsibility to the farmers . . . :

MR. SPEAKER: Question, please. Order please.

MR. ENNS: . . . my question, I ask him whether he is prepared to use his good offices on behalf of the farmers of this province to see that they can get these necessary tools of agriculture?

MR. USKIW: Mr. Speaker, the Member for Lakeside knows full well that I'm always prepared to act on behalf of the farmers of Manitoba but, Mr. Speaker, I certainly wouldn't want to be an accomplice to any violation of the laws of Canada.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I have a question for the Minister of Consumer and Corporate Affairs. In view of the impending date line for new lease arrangements at the end of March, can the Minister indicate if the Cabinet has yet made a decision on the continuation of the rent control program?

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

MR. TOUPIN: Well, Mr. Speaker, again, rents fall due all the time. It's not a question of having a termination date pertaining to controls. Controls have no termination date, as the honourable member knows. Rent control itself will be terminated not by a set date within the Act itself, but by an Order of the Lieutenant-Governor-in-Council, and that policy has not been arrived at.

MR. AXWORTHY: A supplementary, Mr. Speaker, then. Can we take from the Minister's remarks the understanding then that as far as the government is now concerned, the rent control program will continue beyond the October 14th deadline announced by the Premier?

MR. TOUPIN: Mr. Speaker, the honourable member can assume what he likes; he always does so, no matter what I or the Premier says. I only indicated that the continuation of rent control in this province or the ceasing of same will be determined by the Lieutenant-Governor-in-Council.

MR. AXWORTHY: A supplementary, Mr. Speaker. Can the Minister indicate whether he intends to hold any discussions with any of the housing organizations or transcripts to discuss the kind of rent review arrangements that might be applied in the province in the future at this date?

MR. TOUPIN: Well, Mr. Speaker, that's a very pertinent question and I am very happy to report to members of the House that I have had several meetings in my dual capacity as Minister responsible for Co-operative Development and Minister of Consumer and Corporate Affairs with the industry, with landlords, with tenants, in regard mainly to the housing stock and the type of stock that is there to answer the needs of those who don't seem to find proper housing. So to that extent, yes, by all means, I am having a lot of meetings and will continue to do so.

MR. AXWORTHY: A final supplementary. Could the Minister indicate that in those meetings that he holds with these organizations, does he raise the issue of what their recommendations would be in respect to the continuation of some form of rent control or rent stabilization program?

MR. TOUPIN: Yes, Mr. Speaker, it's not a monologue, it's a dialogue with those involved in the housing industry, those making use of housing in the Province of Manitoba, and hopefully the type of policy that will be implemented in the future will be based on the dialogue now taking place.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Co-operative Development. I thank him for his answers. I wonder if he can indicate at the present time the arrangement that is made with the fishermen who are utilizing the Southern Indian Lake Co-op facilities. Are they leasing the facilities and paying the government rent? Is there any income being earned on those assets by the government?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. TOUPIN: Mr. Speaker, in regards to the loan guarantee of \$783,576, the assets still remain in South Indian Lake. The co-operative is active not through the Department of Co-operative Development, but through FSMC and the Department of Renewable Resources, so it's not a loss to the Crown itself. The funds still could be paid back. They've been guaranteed, as an Order-in-Council was passed for South Indian Lake and the other co-operatives as mentioned in the report that I filed in the House yesterday.

MR. SPIVAK: Well, I wonder if the Minister can confirm that a feasibility study has been undertaken which would prove that there is a capacity on the part of the co-op to pay the loan back? In reality Will he not acknowledge the fact that the loan cannot be paid back out of the earnings of the fishermen?

MR. TOUPIN: Well, Mr. Speaker, again it could be considered a chicken-and-egg thing. Whether it be a co-operative, whether it be under private enterprise, whether it be under the Crown directly, fishermen in the north unfortunately because of the lack of policy of the federal government pertaining to some cost sharing in regards to work activity in the north and especially in regard to fishermen we had to consider some type of subsidy. If I am to look at a formula, Mr. Speaker, I would favour the co-operative formula.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, to the Minister of Co-operative Development. I wonder if he can indicate whether his department has informed the fishermen of the co-op that there is an obligation on their part to pay the \$800,000, or has the department ... Well, let him at least inform the House — that's what I would like to know — has his department informed the fishermen of the Southern Indian Lake Co-op that there is an obligation on their part to pay back the \$800,000.00?

MR. TOUPIN: Mr. Speaker, I'm quite confident in the Board of Directors of the South Indian Lake Co-operative, in the sense that they knew what they signed, they knew what they received from the Department of Co-operative Development, that it was a guarantee of a loan and not a grant being given to them at the time of the agreement.

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

MR. HARRY E. GRAHAM: Thank you, Mr. Speaker. I have a question for the Attorney-General. I would like to ask the Attorney-General under what sections of the Statutes of Manitoba will charges be laid with respect to the arrests that have been made at Griffin Foundry?

MR. SPEAKER: The Honourable Attorney-General.

HONOURABLE HOWARD PAWLEY(Selkirk): Mr. Speaker, that is a matter, of course, that will be dealt with in the normal course now. The charges will be laid and people make their appearances subject to whatever charges are laid. I do not have before me at the present time the specific charges.

MR. SPEAKER: The Honourable Minister of Public Works.

MR. DOERN: Mr. Speaker, I would like to ask leave to submit an annual report.

MR. SPEAKER: Does the Honourable Minister have leave? (Agreed.)

TABLING OF REPORTS (Cont'd)

MR. DOERN: It is the **Annual Report of the Land Value Appraisal Commission for the year 1975-76.**

ORAL QUESTIONS (Cont'd)

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can indicate to the House whether any arrangements have been arrived at between the First Ministers and the Prime Minister, or the Minister of Finance, the Federal Minister of Finance, for the province to be informed in the event the government, in its budget the end of March, was to deal with the whole . . .

MR. SPEAKER: Order please. The question is hypothetical.

MR. SPIVAK: It is not hypothetical. I am asking the First Minister whether he can inform the House

whether there is an undertaking by the Federal Government to inform the governments of the provinces, any advance warning of the announcement of the post-control period and the termination of the AIB control period.

MR. SPEAKER: The Honourable Minister of Finance.

MR. MILLER: Mr. Speaker, a number of meetings have been held by various groups. The Federal Government, I don't expect will make a firm announcement within the next few weeks; I don't expect that will occur. The Minister of Finance may, in his Budget Address, cover some of the points that have been raised by the Federal Government, but at this point in time there is no firm date as to an announcement and no firm date established as to the decontrol.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I have a question for the Minister responsible for Urban Affairs. I wonder if he can inform us whether the province is presently engaged actively with the Federal Government and the Municipal Government to examine the feasibility of replacing or relocating the C.P.R. yards or if not, rebuilding the Sherbrook-McGregor overpass bridge.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Speaker, the City of Winnipeg council, by resolution, recommended that a study be undertaken. They forwarded that to the province and to the Federal Government. I have made certain suggestions in the document which is being forwarded and depending on what Federal Government input there is by the Secretary of State, Department of Urban Affairs, a paper may go forward to MOT and to CTC for a study of the relocation of the yards themselves, not the main line.

MR. AXWORTHY: Thank you, Mr. Speaker, a supplementary. Can the Minister indicate if there has been any timetable or date set on the submission of this particular request to the Federal Government for financing and when the particular study may be undertaken, in light of the present difficulties at the Arlington Street bridge and McGregor bridge?

MR. MILLER: No, Mr. speaker, I can't indicate a date when the CTC may undertake hearings on this. As I said earlier, the submission would have to be approved by the Secretary of State of the Department of Urban Affairs before that occurs, and to the Honourable Otto Lang who will also have an input into it; then if approved by them it is then before the CTC. As to how soon hearings will take place or what the flow from there on in, I am not quite sure but it would simply follow in a predetermined schedule once approval is given that a study should be launched.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, in response to the Member for Riel who was asking the other day as to some description as to the purchases and sales of power, although it is somewhat detailed I could attempt to summarize it for him quickly. If he wishes further detail, I would invite him to persue it on the 15th of March in Standing Committee.

Purchases from February to February inclusive: from Saskatchewan in the order of two and a quarter million kilowatt hours, at a weighted average of ten mills; and from Ontario, 192 million kilowatt hours, at a weighted average of twenty mills; from the United States, 550 million kilowatt hours, at a weighted average of 11.7 mills.

Now then sales, earlier in that eleven month period, February to February, are in the case of Saskatchewan, 363 million kilowatt hours, at a weighted average of nine mills; to Ontario — and here it requires a footnote — 1.4 billion kilowatt hours, at a weighted average of four mills; and United States, sales of 560 516 million kilowatt hours, at a weighted average of 12.4 mills. What is seemingly out of proportion here is the mills per kilowatt hour relative to the Ontario sales. That is principally for two reasons, one having to do with the seven-year agreement, which by the way ends the end of March this year, at which time the four mill capacity charge will transform to eleven mills; and the other reason is the arrangements pertaining to the Lake St. Joseph Reservoir and the construction of a tie line on the Ontario side. I hope that is the information he was requesting.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: I thank the First Minister for the response. I believe part of that was the question that I had asked earlier on. Does he also have the figures with respect to coal purchases to fire the Brandon and the Selkirk fossil fuel plants? Those figures were requested as well.

MR. SCHREYER: I have information on that' Mr. Speaker. The quantum of coal purchased is put here in kilowatt hour's equivalent rather than in tons but I could easily get that information and will transmit it.

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

MR. GRAHAM: Thank you, Mr. Speaker. I have a question for the Attorney-General. I would like to ask the Attorney-General if he can give us any further information on the ongoing saga that is being carried on by his department in its efforts to extradite Dr. Kasser and bring him to Manitoba for further court action in this province?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I think it would be premature for me, at this point during question

period, to provide an ongoing up-to-date progress report in connection with the extradition proceedings.

Needless to say, we are continuing in our efforts to obtain the return of Dr. Kasser and to properly insure that he is brought before courts for a fair hearing and trial.

MR. HARRY E. GRAHAM: Further supplementary question then, Mr. Speaker, has the Attorney-General and his legal counsel had any recent discussions and is the Attorney-General reasonably optimistic in his chances of success at this point in time?

MR. SPEAKER: The second part is an opinion. The Honourable Attorney-General on the first part.

MR. PAWLEY: Yes, I have had discussions with my legal counsel recently.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, my question is to the Honourable the Minister of Labour. It represents the first question I have asked him on this subject in several days now. I'd like to ask him whether he has received a request within the past 24 hours from the union or its negotiating committee at Griffin Steel for a meeting with the Minister.

MR. SPEAKER: The Honourable Minister of Labour.

HONOURABLE RUSSELL PAULLEY, (Transcona): Mr. Speaker, I first of all would suggest to my honourable friend, the Member for Fort Garry, that he repeat in the House what he told me last Friday as to why he was not asking questions in respect of Griffin wheels so that all members of the House know the changed attitude of my honourable friend insofar as I am concerned in the conduct that I have proceeded in dealing with Griffin wheels. I am sure it would be a revelation to the members of the Assembly to know the changed attitude of my honourable friend.

I want to say, in direct reply to my honourable friend, that prevalent at the present time, there are numerous half-truths regarding an endeavour by the union to converse with the Minister of Labour and in particular the attitude of the regional Vice President of CAIMAW; one named Pat McEvoy. I understand that it was alleged over the news media this morning, namely radio, that the Regional Vice President, Pat McEvoy, attempted to reach me on two occasions yesterday and the intimation was this morning from that said individual, a connotation that I refused and was unavailable. Mr. Speaker, I indicate to you that this was a perversion of the truth or only a half-truth. Having been informed by an individual that —(Interjection)— You know, Mr. Speaker, the interjections of the redheaded leader of the Conservative Party and the Member for Lakeside is only indicative of the attitude of the Opposition.

MR. SPEAKER: Order please. I wonder if the Honourable Minister would follow the rules and stick to the question and be short and concise.

MR. PAULLEY: Yes, Mr. Speaker, and I want to suggest to you that as one of the authors of the Rules of the House I feel that I am within my competence to answer the way I am. There may be a difference of opinion, Sir, between you and I when I am attempting to lay the truth and the whole truth before this Assembly in accordance with the Rules of the House. And I would be glad to discuss that with you or anybody else at your pleasure.

I do want to say, Mr. Speaker, that it was intimated to me today that there is an allegation that I refused to discuss with one namely Pat McEvoy a request pertaining to Griffin wheels. I caused an investigation to be made internally in the Department of Labour and my staff to see how truthful the allegation made this morning was. Mr. McEvoy did phone my office on two occasions yesterday, Mr. Speaker, and on my investigation within the department, Mr. McEvoy said: "Here is a telephone number. If Russ Paulley wants to get in touch with me get him to phone this number." Not a request for a conversation but a suggestion that if I wanted to get in touch with him then all I had to do was to phone this particular number. Not a request to have a conversation. And I suggest, in all due respect, Mr. Speaker, that this is only a half-truth. There was no request directly made that Mr. McEvoy was prepared to discuss the issue with me as I indicated yesterday in this House that I was prepared to discuss the matter with the union or management at any time. But here simply is his telephone number, if he wants to call me. . .

MR. SPEAKER: Order please. I realize the honourable gentleman has a lot of experience but I do believe he is stretching the answer.

The Honourable Member for Assiniboia.

MR. STEVE PATRICK: Thank you, Mr. Speaker. I wish to direct my question to the Honourable Minister of Health and Social Development. Can the Minister indicate to the House if he will have an investigation or cause an investigation into the fire at the Central Park Lodge personal care home in Brandon to see if all the fire safety requirements were met?

MR. SPEAKER: The Honourable Minister of Health.

Mr. DESJARDINS: I thought he'd never ask, Mr. Speaker. I wish to say that Mr. . . . manager of the rural health facilities section will be in Brandon. He is in Brandon today to fire department is there and the patients are well taken care of. They have been transferred. Thirty-two of them to the Brandon General Hospital, 35 to the Brandon Mental Health Centre, 19 were discharged to the care of relatives and the staff also accompanied these people at the General Hospital. The repairs will be

done as soon as possible and, as I say, an investigation is being made at the present.

MR. PATRICK: Supplementary, Mr. Speaker, I wonder if the Minister can indicate to the House how often are the personal care homes investigated for fire safety? Is it once a year or twice a year?

MR. DESJARDINS: I'd like to give my honourable friend the floor. Maybe I could invite the person responsible for the Fire Commissioner to answer that. —(Interjection)— Can I ask permission, Mr. Speaker, to pass on that?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Thank you, Mr. Speaker, for your acknowledgement. I want to say to my honourable friend that insofar as inspection of public buildings are concerned and in particular senior citizens' homes and hospitals it is an ongoing process within the Fire Prevention Department of the Department of Labour and the Fire Commissioner's Office. I am sure that insofar as this particular unfortunate incident is concerned that an inspection would have been made within the last month or two as to the efficiency of the fire alarm system and other systems within the senior citizens' home in Brandon.

MR. PATRICK: A supplementary, Mr. Speaker. Can the Minister indicate to the House if the Fire Commissioner will be holding an inquest into the causes of the deaths?

MR. PAULLEY: Mr. Speaker, when there is a death as a result of fire there is an investigation carried on by the Fire Commissioner's office in conjunction with the Department of the Attorney-General and the — it used to be the Coroner's, I believe there's a change in name now of the investigators — but wherever occurs a death as a result of fire there is a joint involvement between the office of the Fire Commissioner and the Attorney-General's Department to try and ascertain the causes and other aspects pertaining to the incident of fire.

MR. SPEAKER: The Honourable Member for Point Douglas.

REVEREND DONALD MALINOWSKI: Thank you, Mr. Speaker. My question is directed to the First Minister. In the light of the recent proposal by the ICEC Councillors that Winnipeg Hydro sell its absolute power plans to Manitoba Hydro, would the First Minister indicate if he has any intentions of stealing Winnipeg Hydro as he was accused of wanting to do several years ago?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, just to reply very briefly, the matter is one which is certainly important enough to want to discuss with the City of Winnipeg representatives, if they wish to pursue it. There is, on our part however, no particular desire to proceed with the purchase of Winnipeg Hydro for reasons which I could go into, but which have primarily to do with the fact that the City of Winnipeg Hydro with its two hydraulic plants on the Winnipeg River are now meeting approximately in the order of 28 to 30 percent of City Hydro's own requirements.

There is need for some upgrading of a substantial nature. Details of a technical nature are, of course, worth discussing, but there is no policy desire to pursue that avenue particularly.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, a question to the Attorney-General. In the light of his response to the Minister — Member from Birtle Russell — perhaps soon to be a Minister, who knows — could he tell us because of the ambivalence of that answer, can he confirm that charges are being laid today pursuant to the provisions of the Criminal Code of Canada for obstruction against people being arrested on the line at Griffin Steel?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I don't know what the honourable member is referring to as ambivalence, but I'm not, Mr. Speaker, about to read out section and verse of the particular charges. I think there was a clear indication given yesterday that charges would be laid today. It's my understanding that has been done, and from this point on I think that announcements in this respect should be in the normal way through the court process and through the appearance on the court docket.

MR. LYON: Mr. Speaker, could the Honourable the Attorney-General then inform the House as to what charges were laid?

MR. PAWLEY: Mr. Speaker, I have not received specific information as to exactly what charges have been made.

MR. SPEAKER: Order please.

MR. PAWLEY: Mr. Speaker, I'm rather amazed that the honourable member wishes daily announcements of specific and particular charges that have been laid in regard to this matter. I think it's only proper and fair, and I think he as a former lawyer realizes it very well that announcements of this can be best handled from this point on through the normal process through the court. Charges have been laid. I indicated yesterday that in all likelihood they would be charges of obstruction under the Criminal Code.

MR. LYON: A supplementary, Mr. Speaker, and it's a very simple question. Can the Minister not confirm statements that are being made on the air by the Chief of Police who knows what the charges are? The charges of obstruction under the Criminal Code were laid today.

MR. PAWLEY: Mr. Speaker, if the honourable member has heard the statements from the Chief of Police, I'm amazed that the honourable member, the Leader of the Opposition apparently doesn't believe the Chief of Police of the City of Winnipeg.

MR. LYON: Can the Honourable the Attorney-General confirm or deny that he or representatives of his office gave the instructions for those charges to be laid? Can he confirm that he knows what's going on in his own department?

MR. PAWLEY: Mr. Speaker, if the honourable member had been listening yesterday and paying attention he would have heard what was said in this Chamber yesterday.

MR. SPEAKER: Order please. The Honourable Member for Roblin.

MR. J. WALLY McKENZIE: Mr. Speaker, I have a release in my hand of the Department of Agriculture that a quarter-section is . . .

MR. SPEAKER: Question, please.

MR. McKENZIE: The question, Mr. Speaker, is can the Minister give me some idea or timetable of what he means by "soon" — 64 hectares is a quarter — it says "soon".

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I don't know what the question is. Would the member repeat it?

MR. McKENZIE: Mr. Speaker, I was asking the Minister of Agriculture when this quarter-section is 64 hectares soon, what is his timetable for this new description of a measurement of land?

MR. USKIW: Well, obviously, Mr. Speaker, the member must be aware that there is a metric conversion under way, and that of course is coast to coast in Canada, probably in the United States soon to follow, and that 64 hectares is equal to 160 acres.

MR. McKENZIE: Mr. Speaker, may I then ask the Minister of Agriculture, will the land descriptions be all changed in the Land Titles Office?

MR. USKIW: Mr. Speaker, I suggest the member ask the proper Minister because that does not fall under the Department of Agriculture.

MR. McKENZIE: Mr. Speaker, can I ask the Minister then if the government has dealt with this matter?

MR. USKIW: Mr. Speaker, I think the Member for Roblin should be aware that the government deals with all matters of public importance.

ORDERS OF THE DAY

ADJOURNED DEBATES - SECOND READINGS

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, I wonder on Orders of the Day you might proceed with the Adjourned Debates on Second Reading.

MR. SPEAKER: Thank you. **BILL No. 12** proposed by the Honourable Minister of Municipal Affairs. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Stand, Mr. Speaker.

MR. SPEAKER: **BILL No. 4** proposed by the Honourable Minister of Public Works. The Honourable Member for Crescentwood.

MR. WARREN STEEN: Stand, Mr. Speaker.

MR. SPEAKER: **BILL No. 5** proposed by the Honourable Minister of Public Works. The Honourable Member for Crescentwood.

MR. STEEN: Stand, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, again I want to draw to the attention of honourable members of the House that there are simultaneous meetings of Committees of Supply. The continuation of the consideration of the Department of Education in the Assembly and the Department of Agriculture outside. So, therefore, Mr. Speaker, I beg to move, seconded by the Honourable Minister of Education that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of Supply to be granted to Her Majesty.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Speaker, I would like to draw attention to the House to a required correction in the format of the first appropriation of the main estimates which were tabled last week. It has to do with the Department of Continuing Education and Manpower. There was an error and I will ask the Clerk of the House to distribute the sheet, it's been prepared and members will see it. There's no change in total figures at all but what it does is correct an error in setting out the Minister's compensation. The amount included is part of the overall administrative costs and it should have been broken out and it is broken out in the corrected sheet, so it does not affect the totals, it is simply a matter of correcting the detail.

MR. SPEAKER: That is information.

QUESTION put MOTION carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

BUSINESS OF THE HOUSE

MR. SCHREYER: I wonder if I could have leave of the honourable gentlemen to attempt to save some time here in terms of preparation for Thursday and Friday of this week. Given the fact that the Honourable the Minister of Agriculture I think is requested to attend at a Senate committee hearing, I don't think honourable gentlemen would want to deprive him of an opportunity to appear before that august body. If honourable gentlemen would be agreeable to the substitution for Thursday and Friday this week of the Estimates of Industry and Commerce in place of Agriculture for that two-day period over in the other committee room . . . I just leave it as a question and will consult later this afternoon.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. WARNER H. JORGENSON: I would point out to the First Minister that the prerogative for determining the order in which committees and which committees will be heard in the other room is the prerogative of the opposition. I wouldn't want to suggest at this point that we'd be prepared to deal with the Estimates of the Department of Industry and Commerce at this time. I will endeavour to discuss it with my colleagues and let him know which department we are prepared to examine in place of Agriculture.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that's fine. That's my understanding as well and I merely put the matter forward as a suggestion for consideration. If on the other hand, the counter request is that it be some other department of which the Minister may not be quite ready for then we have a logistics problem. That's all I am saying . to my honourable friend. We'd have to try and resolve it.

COMMITTEE OF SUPPLY

ESTIMATES — EDUCATION

MR. CHAIRMAN: I refer honourable members to page 21 in the Estimates Book, Resolution 51 (e), Child Development and Support Services, Salaries (1). The Honourable Member for Fort Rouge. The honourable member has 24 minutes.

MR. AXWORTHY: Mr. Chairman, I just want to maintain the same line of thought. If the Minister would be prepared to deal with the questions that were raised in the last evening when we left and then we can perhaps conclude some discussion on that particular question on **Bill 58**, but if he would be prepared to respond to that . . .

MR. CHAIAN: The Honourable Minister of Education.

MR. TURNBULL: Mr. Chairman, I am quite prepared to respond to some of the questions raised by the Member for Fort Rouge but there . is one point, one figure or statistic that he gave that staff have tried to track down and cannot find. It was the figure for per-pupil cost that the Member for Fort said originated in New York, I think City of New York. I wasn't clear, obviously, whether it was the state the city. I wasn't clear from what he said whether it was \$2,500 for every pupil across that school division in New York or whether it was for every pupil with special needs or whether it was the incremental costs of new programs for children with special needs. Because we've had this difficulty in tracking it down and indeed can find no record of it, we are now looking at the ERIC files to try to get some information on it, I was wondering if you could if you could elaborate on it, define more clearly what this figure represented.

MR. AXWORTHY: Mr. Chairman, I would have to beg the indulgence of the Minister to go to my own files. I could report to him that the figures appeared in the New York Times Sunday Supplement of about last March or April. There was a special section on special needs programs. If memory serves me correctly, the \$2,500 figure applied across the board in terms of a total resource allocation for per-people increases, but I would have to check that to make sure. I would be able to do it . . . if he wanted to talk for awhile, I could probably go to my own caucus room and see if I could find my file, but if he wanted to check it, it would be in the New York Times Sunday Supplement of last spring.

MR. CHAIRMAN: Resolution 51 (e)(1).

MR. AXWORTHY: Mr. Chairman, it appears the Minister is not at this stage ready to answer the questions I did pose last evening which I think carry with it some serious implications about the implementation of the program under **Bill 58**, and that is the relationship between his planning and whatever planning may or may not be going on with the Department of Health and Social Development and the Department of Corrections. I think, as I pointed out last night, the correlation, the connection between the children who may be taken into the mainstream of schools under the **Bill 58** Special Needs Program would overlap in many respects children who are presently under the care of the Child Welfare Office or the Juvenile Treatment Centres and other agencies of the provincial

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government which are already bearing a certain financial cost to it. I think aside from the finances, Mr. Chairman, there is perhaps even a more serious question, that is the way in which there is a very direct or close connection between learning disabilities and the kinds of problems that many children run into.

I recall reading, probably in the same newspaper that the other statistic came from, that the study done in Rhode Island on children with learning disabilities found out that some 70 percent of children in that state who were apprehended for juvenile delinquency problems also had learning disabilities. The conclusion of that study was that there was an obvious connection between the two particular problems and that therefore one of the major solutions or responses should be . . . we'd have to be careful if you're just transferring the problem from one system to another. I'd like if the Minister would be able to respond to that.

MR. TURNBULL: Yes, Mr. Chairman, I had thought that indeed I had answered all the questions that the Member for Fort Rouge had asked me last night. When it comes to co-ordination, which I really think is what he is speaking about, co-ordination between the provincial Department of Health and the Department of Education with regard to the delivery of services and programs for children with special needs, I can tell him that I have had discussions with my colleague, the Minister of Health, and as a result of that there have been discussions between senior staff of my department and senior staff of his department. As a result of that, there have been lower-level discussions among staff. Particular people have been designated from each department to carry forward some review of how the delivery of programs in these two departments can be co-ordinated. That there is need for rationalization. I believe that there are efficiencies to be obtained, but at the moment of course, before we have the data, we have only belief to go on and reports to go on that aren't systematic in any way. But I can assure him that this problem, and I think it's always a problem, the large bureaucratic organization, this problem of sensible, rational delivery of service is being examined and we hope to achieve in the near future some plan for bringing about a better delivery of service. That does not necessarily mean that children who are now receiving program delivery from one department will then receive it from the other department, or *vice versa*, but I think there is every need for rationalization of the delivery of service, and that is being studied.

MR. AXWORTHY: I would then like to ask the Minister that in the preparation or the introduction of the mainstreaming program under **Bill 58**, that if in addition to the present \$2,000 grant that is presently assigned to the local advisory committees, if his department is prepared to provide assistance for those school divisions which are willing and now able to undertake initial steps to implementing the program, such as the beginning of screening arrangements or screening systems for preschool children to determine what disabilities or special handicaps or requirements they may have.

I am thinking in particular of Winnipeg School Division 1, where they have begun to initiate a number of testing programs for kindergarten children and where they are able to very quickly pick out some of the major problems and provide some prevention for those, and it is my understanding the Department of Education is not presently prepared to help in the funding of those programs. Yet it would seem to me fairly obvious, Mr. Chairman, if there are school divisions which are prepared to move forward in getting some of these very critical initial steps underway, that the Department of Education should be prepared to provide some funding for it, so it is not borne totally through the special levies of those school divisions. I think particularly in an urban school division like School Division 1 where there is a large number of children and where it will take a fair degree of intensive testing and assessment and screening beforehand, that if they're prepared to go ahead there should be some support now. I am wondering if the Minister would be prepared to offer that kind of support for those school divisions which are wanting to go ahead and begin in those very critical early steps.

MR. TURNBULL: Mr. Chairman, the Department of Education does have available monies specifically for the implementation of **Bill 58**. The kinds of programs that the Member for Fort Rouge is talking about I assume are new programs. The money for implementation of new programs is being made available now. There were planning grants made available, I guess in the range \$1,500 to \$2,000, generally, for a variety of divisions. These divisions got the money and they have conducted surveys of the needs in their particular areas.

In addition to that, either last Wednesday or the week before that, at the Cabinet meeting of that Wednesday, \$198,500 was provided to various divisions for initiation grants. So that in total, you see, these divisions would be receiving in the neighbourhood of, approaching, \$10,000 solely for the purpose of conducting surveys of needs within their areas and beginning particular programs of the kind that the Member for Fort Rouge was talking about. I emphasize though that these would be new programs.

There are, as I mentioned last evening, existing programs now in place in some schools. I assume the Member for Brandon West knows of similar programs for children with special needs set up in his urban area. There are programs in Winnipeg in place now. But the Member for Fort Rouge is talking about new programs and I have given him the information about those new programs. I think that

answers his question. Does it or not?

MR. AXWORTHY: Mr. Chairman, it answers that specific question. I wonder then if the Cabinet has so designated this \$198,000 for the initiation of programs, I am wondering if the Minister can indicate whether there are any plans afoot to provide for the special training of teachers in this area so that there would be a proper and adequate number of teachers who are regular classroom teachers that can be brought in for special training and for remedial training so that they would be prepared to respond to the changed classroom conditions when there is a higher frequency of mainstreaming taking place. But certainly one of the concerns that have been expressed to me by many teachers is that they will be all of a sudden facing a classroom situation where there may be children with emotional or some physical disabilities and that they will not have had any special training to go along with those.

In connection with that, I am also wondering if the Cabinet or the government has yet decided on what they are prepared to do to help the school divisions adapt their physical facilities to bring them up for those who may be in wheelchairs, may have other kinds of physical requirements or reconstruction inabilities, if there is some indication at this stage what sort of assistance would be forthcoming in the area of physical alteration or rearrangement in schools.

MR. TURNBULL: Mr. Chairman, the Member for Fort Rouge is talking about training of teachers. The training of teachers can occur obviously in perhaps three settings. It can occur in the Faculty of Education. It can occur as the teacher is inducted into teaching in the classroom, and it can occur, for a tenure teacher, on the job. If we back up on that sequence I have just given; for the training of teachers of the job we are providing two school divisions in the neighbourhood of \$93,000 to \$97,000. For the training of teachers as they move into teaching in the field, there are various programs that we will be discussing later in my Estimates which are for the induction of new teachers. I assume that common sense should dictate that those programs which will locate teachers often in rural areas will include a component related to teaching children with special needs. Finally, to come to the first point that I mentioned, come to the training of teachers in the Faculty of Education, I can say to the Member that I believe the Faculty of Education now has programs available for teachers who wish to become knowledgeable in the techniques of teaching children with special needs. I have, as I mentioned earlier but the Member for Fort Rouge was absent at the time, I have asked the Dean of the Faculty of Education to participate in the Ministers' Advisory Committee in the implementation of Bill 58. My reason for doing so, of course, is to bring the Dean and the Faculty of Education into closer communication with those people who are particularly concerned with the implementation of Bill 58, to enable him to get firsthand knowledge and, of course, to establish what I always regard as absolutely vital in implementing a new program — good, firsthand, face-to-face communication. And I think as a result of that we can expect that the Faculty of Education will attempt to bring in programs which will train teachers while they are in their professional development programs at the Faculty of Education. So in general then, those are the three areas in which, I think, teachers are receiving training. Monies are made available and I think the programs are under way.

I might conclude by saying that although Bill 58 may be seen as a radical new departure — the Member for Fort Rouge I don't think does see it that way but some do — that teachers for decades, since the introduction of compulsory education in Manitoba, have been dealing with children with particular problems. The regular classroom teacher has always had to, in one way or another, cope, teach, train, children who have special problems. And I think that we should not forget that. Any change in regard to Bill 58 and the training of children with special problems ultimately will come to rest with the regular classroom teacher. And it is one of the reasons, of course, why I urge my colleagues in Cabinet to reduce the teacher-pupil ratio at the elementary level, because I think it's important for the department to recognize that that ratio should be smaller because a smaller ratio would make sense. It enables the teacher to have more time to teach children in the class including those with special needs.

The Member for Fort Rouge also talked about the physical plans of schools. Physical plans of schools of course is provided 100 percent in terms of approved cost by the Public Schools Finance Board. The changes that will have to take place will have to take place over time, clearly. We are spending I think in the neighborhood of \$20 to \$30 million in school construction per year. Within that sum of money, I think, will come flexibility both for the renovation of schools and new school construction, and I'm assuming that both school boards and the local advisory committees will proceed in a commonsense way in whatever alterations are required. Clearly we cannot make all the changes that will be necessary in plans, by the beginning of the next school year.

When it comes to equipment for the teaching of children with special needs, I can tell him that it is my intention to move equipment costs of this kind for these children, to capital, and funded as a capital item from the Public Schools Finance Board.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. EDWARD MCGILL: Mr. Chairman, I think the Minister's remarks toward the conclusion of his explanations to the Honourable Member for Fort Rouge relating to Bill 58 were worth noting. I think

I'd intended to mention that point, that in our preoccupation with Bill 58 and the fact of its not having been proclaimed and our discussion of the new ways in which we are going to be able to provide for the training of handicapped children, we're apt to lose sight of the fact that during the past decade there has been an improvement in the provision of the

training for handicapped children in our province. And at the same time that we have improved the teaching and the education of handicapped children, we've been able to improve the vocational and the related training in special regular schools.

I just want to draw the attention of the Minister to a suburban school division which is in the habit of sending some of its pupils to other divisions for special training, and pupils to other divisions for special courses that are not available in their own home divisions. In this instance, in this particular school division, there are thirty-two pupils that would be classified as handicapped children, those with physical handicaps or hearing, or who are considered trainable and mentally handicapped. Thirty-two such children are sent to other divisions for special courses, or for special training. In the second category there are 193 pupils from this division that go to other schools for special courses in vocational-oriented courses, and special french schools — things of that nature. So this division has a total of 225 pupils that are being sent to other divisions for this kind of specialized — I mentioned it as a suburban division — I didn't indicate the precise designation. I don't think it's really important. I think it happens to be . . . Does the Minister wish to know this specific one?

MR. TURNBULL: It's just, Mr. Chairman, that figures or statistics you know should always be put in context and if it is a large suburban division, then the figures have a certain meaning quite different than if it was a small suburban division. So I would like to know which division.

MR. MCGILL: Mr. Chairman, I believe these figures refer to School Division No. 6. My point is that the fees for these children are payable by the home division and they vary from \$800 per pupil to \$2,700 and this would cover a six month's period. The total cost in this division amounted in 1976 to \$345,000, and in 1977 it is estimated at \$440,000. Now my question, Mr. Chairman, to the Minister is in connection with the assumption of this expense by the school division. Are these fees entirely a charge on the school division or is the division reimbursed by special grants from the province? Now the Minister mentioned some grants that were available for surveys, and for new programs. But I don't think there has been any explanation up to this point on the precise application of the fees for pupils transferred from one division to another in order to take advantage of the special facilities or courses that are offered. I wonder if the Minister could indicate if there are some grants?

MR. TURNBULL: Mr. Chairman, that seemed to be a very detailed question that the member asked me but he really hasn't given me enough detail. The fact is that, depending on where those children were sent, the department would pay in some cases for costs, and in other cases might not. For example, if the children were being sent to St. Amant, yes, the department would pay some of the costs. If the children were being sent to the Manitoba School for the Deaf, yes, we would pay I think all of the costs. This is the kind of detail I need. I don't know if the Member for Brandon West wants this for the public record or not; perhaps if he could write me in detail I could get him the answers. Otherwise we're going to be bogged down in precisely which students are moving to which program, for what reason, and who authorized their movement to these programs outside of the division, which also is a factor to take into consideration. Another factor, of course, is whether they are native people or not. So that, although he seems to have given me a lot of information, he really hasn't given me enough to deal with the question.

MR. MCGILL: Mr. Chairman, the purpose of the question was to try to determine if there was a formula basis for grants, if in fact grants do exist, and the Minister has indicated they do. Now my question is what is the basis upon which these grants are made available to the divisions? Is it done on an *ad hoc* basis, on an individual basis, or are there certain categories under which these reimbursements will be made to the divisions? Now there may be some areas in which they have to be dealt with individually but I would like to have some broad terms of reference from the Minister as to the way in which his department comes to conclusions.

MR. TURNBULL: Mr. Chairman, the Member for Brandon West indicated that I said that there was a formula. Well there is no formula. There is no formula because of really the variety and diversity of programs that are provided. And what is done is as I have described. If the child has to go to the Manitoba School for the Deaf, we pay it all. If he goes to St. Amant, we pay part. If the child goes to some other program, we may or may not pick up part of the cost depending on who authorized the sending of the child to this program and depending on the nature of the program.

I remind the Member for Brandon West, though, that this year we did increase the per pupil grants for school divisions. These grants rose from \$100 per pupil to \$125 per pupil and that amount of money, of course, is for the purpose of enabling the school divisions to exercise their autonomy, to exercise their discretion, and when we get to the grants package I think he will see how beneficial that program is for most school divisions. There is always the need for revisions in grants and the way in which we provide moneys, but although there is no specific formula based on the program required for a child who has moved out of a division, I do want to say to the member that there are

moneys provided by the department in a great variety of ways, as I'm sure he realizes. We fund the Child Guidance Center to the tune of half-a-million a year. We fund the Manitoba School for the Deaf. We fund St. Amant Ward. We provide over half-a-million dollars for institutional teachers in various institutions in Manitoba. And we provide \$3.8 million for special resource teachers which are often specifically those teachers dealing with children with special needs.

MR. MCGILL: Well, Mr. Chairman, then I think the inference here is that a division sending children to another division for training which they would consider to be that required and not able to be provided in their home division, the division then would have to submit such cases to his department without having any advance information as to whether or not they would be reimbursed, or they would receive grants for this purpose. In other words, would they be flying blind entirely in this matter until the department had reviewed the list in specific terms and determined what amount of reimbursement would be provided to the home division?

MR. TURNBULL: Mr. Chairman, how blind the school trustees are flying really depends on the extent of their knowledge of the programs funded by the Department of Education. Many divisions have personnel who are extraordinarily knowledgeable of various programs and they will advise and suggest that the child go to a program where funding is provided. In extreme cases, that is in those cases where costs are extraordinarily high for children, and for divisions, in terms of residual costs, it is my understanding that the department does pay for most of that cost. But again it is done on an individual basis.

I have under consideration some rationalization of this method of funding. I am sharing my thoughts with the Member for Brandon West which I suppose is a dangerous thing to do in politics but I'll do it anyway. There are, as I've said, a number of ways that the department has of funding the programs needed for children with special requirements. It seems to me that there might be some way of bringing about a formula system of funding but to do so, of course, would mean that we would have to in some way alter the funding that we now provide. I mean it could not be an addition, and that is the problem. So I recognize that the Manitoba Association for School Trustees is looking for double grants, in effect, grants to the sending division and grants to the receiving division to cover the same child. But that proposal, which may be what the Member for Brandon West is driving at, is not one that at the moment anyway I can entertain.

The Member for Fort Rouge when he was here and speaking did talk about some of the planning required for the renovation or construction of buildings — school buildings for children with special needs. I want to point out to him, for the record anyway, that on the Ministers' Advisory Committee for the implementation of Bill 58. There is a gentleman who is a paraplegic and he is in effect one of the representatives of the group interested in the problems of the physically handicapped. He has met with the departmental architect and the school's finance board about the modification of school buildings. This is the way in which the whole problem is being approached. We are involving people who have the problems with the departmental staff. There are, I think, great advantages in doing that.

MR. CHAIRMAN: The Honourable Meer for Brandon West.

MR. MCGILL: Mr. Chairman, the Guidance Branch of the Department of Education was expanded under a new name called Student Personnel Services and that Student Personnel Services Branch continued into the fiscal year of 1975-76, but since then seems to have been abandoned. My question then to the Minister, Mr. Chairman, is: What branch or section provides assistance to guidance staffs in the school divisions?

MR. TURNBULL: Mr. Chairman, I'm advised that the one man involved in guidance is on a leave of absence for a year, but that the function was absorbed in Child Development and Support Services' Clinical Services Section.

MR. MCGILL: Mr. Chairman, then at the moment there is no one in the department directly providing assistance to the division in the matter of the guidance function that was performed previously by this department. Is the Minister telling me that there simply is a void here in terms of this service that was formerly provided to the school divisions?

MR. TURNBULL: Mr. Chairman, the member asked me a specific question and as usual I tried to give him as specific an answer as possible without flowery elaboration on it, but he has now asked me, in a sense, to give some elaboration. I hope that he understands the manner in which the department and the divisions and districts throughout the province co-operate in delivering services to children. This co-operation exists between the department and the divisions for the delivery of services to children who need service from guidance counsellors in the schools. The people who are acting on behalf of the department in this role are the professional staff in Child Development and Support Services. That branch has individuals trained in, for example, psychology, which I suppose would be the closest thing to the training of a guidance counsellor in a school so that that is the link, through Child Development and Support Services.

I have had a number of those field staff — I recall one particular person from Stonewall who came into my office with four or five others from different regions of the province. We discussed this and

certainly there are links there and the department is providing the support when it is asked for by the guidance counsellors.

MR. MCGILL: Mr. Chairman, in spite of the Minister's efforts to fill this void, there seems to be definitely a downgrading of this function and its importance in the educational system. I wonder if the Minister, in allowing this downgrading to take place, is indicating to us that he doesn't consider this a major function in the educational system, that is the guidance and providing the assistance to children in the way of answering their problems relating to the kind of careers they will adopt and the work they are likely to undertake in the future. Am I to assume from the fact that this whole function has been downgraded that the Minister is not considering it as one of the major functions of his department?

MR. TURNBULL: Mr. Chairman, the Member for Brandon West should realize that counsellors have been hired by school divisions primarily in urban areas. In other words, in the rural areas there are seldom fulltime guidance counsellors. The function of these people is continuing. I can't envisage any change in what they are doing. He asked me a question about what support the department was providing. I have indicated what support we are providing, by way of personnel in the department, to guidance counsellors. Apart from that, there is nothing further that I can add on this. I have dealt with his questions.

MR. MCGILL: Mr. Chairman, I wonder if the Minister is familiar with an educational goals survey that was completed in St. Vital. It was, I think, available and done in June of 1976. The survey was conducted as it was felt there was a need for a clearer statement of what the tasks of public education should be. Specifically it was felt that such a goals survey would provide a clearer focus on what is expected of the school system in terms of program choice, curriculum development, instructional planning, learner performance, and system evaluation.

Mr. Chairman, I don't propose to deal in detail with this because not all of it is completely relevant to the point at hand, but I wanted to be sure that the Minister was aware that the survey had been done and I'm sure perhaps he has seen it. But I think it is rather significant that of the 3,000 or more people who responded in this survey - this included 169 teachers, 1,001 high school students, and 1,888 residents - the top choices in terms of educational goals of these more than 3,000 respondents are, I think, worthy of note. The first one was the ability to add, subtract, multiply, and divide with accuracy and understanding. That was the top choice of most of the people who responded.

Mr. Chairman, the one I really want to bring to the attention of the Minister is the next one, the second one on the list, and this because it comes to bear clearly on the subject under discussion at this moment. The second most important of the top ten educational goals in the view of these more than 3,000 people was "to have knowledge and give guidance to help the student to make decisions about his educational and vocational goals."

So, Mr. Chairman, I wonder if the Minister agrees that this kind of priority for guidance for students as a top educational goal is one that should deserve more attention from his department than the kind of phasing-out treatment it appears to be getting at the present time.

MR. TURNBULL: Well, Mr. Chairman, the Member for Brandon West is always looking under his bed for whatever it is he expects to find there. There is no phasing out of the guidance counsellors in the province. School divisions are free to continue hiring guidance counsellors, as many guidance counsellors as they wish. They are employees of the school divisions. If the division trustees feel it is appropriate to hire guidance counsellors, they will hire guidance counsellors.

The point to remember, though, if my recollection is correct, is that guidance counsellors are highly trained people. They have umpteen courses in fields related to guidance of children. To suggest after all that training, to perform their specific function they then in addition need enormous supports from the Department of Education to do their job, I think tends to put the Member for Brandon West in the position of denigrating both their training and their responsibility and the way in which they carry out their duties. They are highly qualified and they are employees of school divisions.

I have explained to the Member for Brandon West that Child Development and Support Services does have staff available, it's approximately 70 professional staff, in that neighbourhood, who can, if necessary, consult with the guidance counsellors in the schools.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I'd like to touch on one area. I've listened to the Minister for the last hour or so in respect to children with special needs. The area that I would be somewhat concerned, and perhaps the Minister can indicate, how this area will be handled. I am of course talking about pre-school children or kindergarten children who are deaf. I am sure that the Minister is aware that this is an area that really needs not only special attention, but this group is in a situation that you need specialized teachers, you need audiologists, you need speech therapists. We need assistance and perhaps more social workers out because it's in that stage of these children, at the stage when they are in pre-school, or in kindergarten, that you need the special services for them, that you can fit them into the public schools system and they can do well through their education process and be in a

stream like any other students. If you don't give the pre-school or kindergarten that special attention and special training, then we may lose them in the public schools system and they may have to go to The School for the Deaf and have to learn the sign language which if proper care would have been taken in the beginning, they would have been within the school system and would have been able to read and write just like anybody else and do proper work.

I am sure the Minister knows and quite well, and I am sure the department knows, that we haven't got sufficient supporting staff for that kind of program for, as I said, the trained teachers to deal with the deaf children, the audiologists, the special social workers to deal in this area. I think it's a very, very important area and at this most serious time, when these children are at that age, that proper evaluation could be made. I've met with parents many times where they've taken their children to doctors and doctors and doctors and out of the province, all over, and they couldn't understand why there was no progress, the child wasn't making the progress in the school system. And finally it was discovered the children couldn't hear and not only in one case. I've met with the Manitoba group, who I'm sure the Minister is perhaps aware, on many occasions in my constituency with many parents who just related the stories to me that I couldn't believe that was possible. But it is possible and that's what really happens. So I say to the Minister it is an area, a very important area, that when we're talking about children with special needs and this is the time, this is the area, that proper evaluation be made and if we can keep these children in the public school system, then you have to have proper teachers, you have to have trained teachers to deal with that. You have to have sufficient audiologists, you have to have proper speech therapists and social workers.

Now, my other question to the Minister is: Has he made any kind of an appraisal by going into the program and as far as I'm concerned, I'm all for the program and I don't think we should be dragging our feet. I think we should be moving into the program with some careful course of action thought out, but on the other hand, we shouldn't be dragging our feet moving into the program. But what is the Minister going to do about the sufficient staff? I know that he has mentioned that he has met with the Dean of the Department of Education, University of Manitoba, if I'm not mistaken, to have some input, but can some of the teachers take these extra courses that they require here in the province, or it seems to me that some of the teachers have to go somewhere else to secure that special type of training. So I think that whole area is very important, the support staff, and to make sure that proper assessment is made of these children in their early ages.

MR. TURNBULL: Mr. Chairman, I was mentioning the other day what I regard as a miracle, namely, the ability of trained professionals to teach the profoundly deaf child to speak. And I saw that occurring at the Society for Crippled Children and Adults centre on Sherbrook. I believe I was instrumental before I was in the Cabinet of getting a program set up in the public school systems of Winnipeg No. 1 which would enable those children to go from the society's training program to a regular aural program in the Winnipeg school system. That program exists now; I believe it's located at the Gladstone School. That program of course has staff and there is a pre-school program there as well. The Department of Education funds it; I think it's \$80,000 that we provide for the Gladstone School program for the hard of hearing.

In addition to that, we have a pre-school program and a staff person at the Manitoba School for the Deaf. And there is a similar position at the Society for Crippled Children and Adults that enables that society to hire someone to teach pre-school children. So I think there are staff and there are moneys available and I agree with them. Indeed I think to see that happening is a miracle. To see someone who has acquired the skill and the knowledge to be able to take a profoundly deaf child, deaf at birth, and teach that child to speak, is really a wonder to behold.

But in addition to this, which is a direct answer to the member's question, there are other programs that the department has going. There are hearing and vision screening projects under way. This is a joint effort with the Department of Health and Social Development to identify those children both with auditory and visual impairments. That program is under way. There are three fulltime Child Development and Support Services audiologists with this hearing program and they will be testing an additional 15,000 pre-school and school children in rural areas, where I think the need likely is greatest because there just isn't the service in some of the rural areas that there is in the City of Winnipeg. I believe that answers that part of the Member for Assiniboia's questions.

In terms of training of the people that teach the children there we have a somewhat different situation. There is a school located in Washington for the training of individuals who want this particular specialized knowledge. I don't think it would be sensible to establish a similar school in Winnipeg. This school in Washington serves virtually all of North America, as I understand it. It's a good school and I think that the course that's provided there is sensible and it's certainly an economically viable way of doing it. There are courses provided in other places, of course. There are courses provided in Vancouver, for example, but I'm sure the member understands that to set up individuals with the desired expertise, knowledge and experience to teach the teachers of the deaf is an expensive proposition and, frankly, I would like to see individuals who are interested in that kind of training get it in a place that's internationally recognized.

Tuesday, March 8, 1977

MR. CHAIRMAN: Resolution 51(e)(1) — pass; (e)(2) Other Expenditures \$480,100 — pass. Resolution 51(f) Special Programs and Projects: Salaries \$181,800. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I note last year we voted \$125,000 for the Special Program and Projects Branch, but the actual expenditure seems to have grown to \$233,800. I wonder if the Minister can account for this almost doubling of the amount appropriated. I presume that special warrants were issued for additional. We're now on (f) Mr. Chairman, for the benefit of the Minister, and I'm asking him if he can now tell me why we voted \$125,000 and it appears that actually expended were \$233,800.

MR. TURNBULL: Mr. Chairman, rather than hold up the committee until I find the answer to that accounting question perhaps I could have staff who are here dig up the answer and other members could move on to other questions. I'll get him a reconciliation of that as soon as possible.

MR. MCGILL: Mr. Chairman, I think it must be more than just an accounting question when we double the amount of the voted appropriation during the actual expenditures of the year, but I'm sure the Minister will be able to, somehow, account for this great increase.

Mr. Chairman, if we compare what is now being asked for, \$287,400, with what they asked for last year, assuming both amounts are going to grow in somewhat the same proportion during the currency of the year under proposal, why is this amount growing at this rate? Is this grants for Special Programs and Projects a refuge for the old Planning and Research Department activities?

MR. TURNBULL: Mr. Chairman, I don't know if it's a refuge or not.

MR. MCGILL: Well then could the Minister comment on why the increase in the requested appropriation this year as compared with last year, what additional activities is he proposing under this heading?

MR. TURNBULL: Mr. Speaker, at the risk of giving answers based on program development, I will proceed. But I want the member to realize that often increases in appropriations are the result of increments in salaries and adjustments in salaries as a result of negotiations. I know the member knows that but I just wanted to remind him of it. This section I believe has been very active in developing a variety of programs and I think these programs could be described, if he would like me to describe them.

MR. MCGILL: Yes, Mr. Chairman, I'd like the Minister if he would just outline the programs and projects that were completed during the past twelve months, by this department. Perhaps that would provide the answers.

MR. TURNBULL: Mr. Chairman, the completion of programs in this area is not one that can be seen in a cut-and-dried way. Special Projects' programs that are developed in conjunction with teachers through the province and any project, as far as I know, that the departmental staff had under way is piloted and then they get revisions back and it's revised and it goes out again, and that is the way it proceeds. So to say that this program is over and done with or that program is over and done with is not an easy thing to do. For example, the Canadian Studies Program which is one of these projects here, did complete some work last year but that does not mean that all of the work of that particular group of people, or person, is completed. The Canadian Studies area, for example, does have as its primary objective the increase in Canadian content in school curriculum, the increase in Canadian content not only in Canadian history courses, or in Canadian geography courses, or in Canadian literature courses, but in all subject areas and at all grade levels. Now to accomplish this objective the members of the Canadian Studies Project Committee have commissioned the preparation of a selective bibliography of Canadian materials and these are recommended — these materials. That is, the selections in the bibliography are recommended for purchase by school libraries. The bibliography I am referring to is the one that I have in my hand here, appropriately colored red and white with the maple leaf in the center of it. And it says "In Search of Canadian Material" and not as Bill Morton said "In Search of Canadian Identity", but "In Search of Canadian Material." It is a rather large bibliography, and it is cross-referenced and it enables both librarians and teachers to have a resource book which will enable them to get the kind of material that they need for teaching various subjects in the various grades. I think this is desirable. We've had requests for this bibliography from other provincial departments of education. They are interested in it. The unique feature of it, I believe, is not that it merely compiles everything involved with Canadian content, but what it does is select and list those materials that have reference to particular grade levels. And I know that when I was being briefed in this particular project I went through it very quickly and said well, so-and-so's book is not here, and so-and-so's book is not here, and so-and-so's book is not here, and the staff very rightly pointed out to me that those books I was talking about were not books geared to the public school level. So they were not included. So it's a book of materials designed to enable librarians and teachers to purchase information that is available in Canada and for Canadians.

This same section negotiated the reissuing of Canadian materials which are out of print.

Frederick Phillip Groves material, for example, I am under the impression has been negotiated to be reprinted.

They've also put out some other rather unique material such as "Manufacturing in Winnipeg", which of course is very useful if you are teaching geography.

The same section initiated the development of a wide variety of Canadian material including multimedia kits and Canadian Studies Themes, a series of biographies of Manitoba personalities, a school broadcast on the Waterhen Area, and several community studies projects. And the people working in this area have promoted the use of Canadian materials through consultations with teachers, through in-services, and through visits to schools. That is just one area of the Special Programs and Projects Branch. I think they've done a commendable job. There are others here as well. The only point is, Sir, that their work is ongoing. It is continuous and it is in consultation with teachers in the field.

MR. MCGILL: Mr. Chairman, I gather then that there are no programs that would be considered as complete, that all the programs that are under way now are continuing on into the coming year.

Mr. Chairman, I wonder in view of the more than 100 percent increase in the requested appropriation whether the Minister could indicate what special new programs are contemplated in the coming twelve months. There is obviously some new work contemplated because of the amount of the appropriation, so perhaps he could tell us just what the extra studies are going to be.

MR. CHAIRMAN: Resolution 51(f)(1). The Honourable Member for Brandon West.

MR. MCGILL: Well, Mr. Chairman, I was hoping the Minister would be able to give some indication why twice as much money was needed to do the same work. Surely there is some additional work being proposed this year and I'm just asking him for some explanation as to what new programs are being undertaken, or does this mean that the present programs are going to cost twice as much.

MR. TURNBULL: Mr. Chairman, I offered to obtain a reconciliation of these figures. With the appropriate staff in and out, it should have been here — it's not. Staff have provided some notes. Rather than proceed on that basis, though, I would like to get it in very complete form for the member. And we can handle this appropriation in any way. I can read it into the record on some other vote, if you want, or we can leave this vote and pass on. But I would like to get it in as accurate form as possible.

MR. MCGILL: I accept that offer of information to come. Mr. Chairman, we might mention the career education project. I don't think the Minister mentioned that project as being one under active consideration. This project, in the beginning, was funded by the department as an innovative project. And it received \$13,000 in 1973, and \$16,000 in 1974. Materials were purchased and much teacher time and departmental staff time was devoted to the project. I wonder if the Minister could tell me how much money went into this project in 1975, and in 1976.

MR. TURNBULL: Mr. Chairman, I'll have to again take that question and get that specific information for the member, as well.

MR. CHAIRMAN: We could leave that item then, and agree that we go on and we come back to it after.

MR. MCGILL: Mr. Chairman, I had a series of questions relating to that information and some of it would depend upon the answers that the Minister would be able to supply, in terms of the money that was spent on these projects. I was going to perhaps leave that particular item and the Minister said he will get the information and perhaps ask him if he can tell me if this project, that is the career education project, was field-tested, and how extensively was this field testing done, and with what results.

MR. TURNBULL: Yes. I'm told that there were fifty kits published and twenty of them are now out in the field being field-tested.

MR. MCGILL: This program began in 1973 and has been carrying on since then and there were fifty kits and only twenty are out so far in the field, and have any results or evaluations come in from that rather less than 50 percent?

MR. TURNBULL: Mr. Chairman, this project is one that I understand has been worked on in conjunction not only with the teachers in the schools, but in conjunction with the Chamber of Commerce. And I assume that that means a fair amount of communication involved. I also understand that not only is the Department of Education involved, the teachers involved, the Chamber of Commerce involved, but the federal government is now also involved. And I think that, though I'll check this, I think that may be the explanation why the program appears not to have delivered as much to the children as one might expect. There is discussion under way though, with the federal Department of Manpower.

MR. CHAIRMAN: Order, please. In accordance with Rule 19(2) of our House rules, I'm interrupting the proceedings of the committee for Private Members' Hour and shall return to the Chair at 8 p.m. this evening.

MR. CHAIRMAN, Mr. D. James Walding (St. Vital): Order please. We have a quorum, gentlemen, the Committee of Supply will come to order. I direct honourable members to Page 5 in their Estimates Book, Resolution 10. You will notice there are two items under that, we may label them for convenience, (a) for Administration and (b) for Net Interest Cost. Resolution 10(a), the Honourable Member for Rock Lake.

MR. HENRY J. EINARSON: Mr. Chairman, I wanted to continue from last night on the main item on this resolution, The Manitoba Agricultural Credit Corporation. I wanted to ask further if this is going to be policy come the next election, as far as instead of leasing land you are now allowing these farmers to buy the land that you have already leased to them — if you are elected and the word is a big “if”, re-elected, what assurance have the farmers of this province got that you won't revert back to the policy that you had or that you have at the present time?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well first of all, Mr. Chairman, I think we should point out that there is no change in policy excepting that we are making it easier, within the same policy, for people to opt to purchase their land. The option to purchase is in the present lease agreements. The only thing that makes it redundant is the inflationary factors that have entered into the picture over the last three or four years. So that while the option is there in legal terms, in terms of the possibility or the ability of an individual to raise capital on the basis of inflated land values is an open question. So this simply removes that burden from that individual and allows him or her to exercise the option that was always there, in a more meaningful way. The option is part of the agreement now. It always has been.

MR. EINARSON: Then, Mr. Chairman, from the answer the Minister gives me on this point, it is still the intention of this government, if they were re-elected, to carry on the policy of buying up farm land if it is so desired by anyone who wants to sell to them?

MR. USKIW: Mr. Chairman, I would like to remind members, especially members opposite, that we have enunciated many many years ago that there is a need for some other option to be made available to people who cannot go the mortgage route, who are unable to finance themselves into agriculture. So this is merely another option and we believe that it is good to have at least two options. One is the mortgage route, the other is this route which would facilitate the needs of all of those interested in becoming agriculturalists in this province.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON: Mr. Chairman, I would like to ask the Minister: Would the buying terms be the same as in the original agreement, that all the money had to be raised in cash in six months?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: We have discussed this with the Federal Credit Corporation, the Farm Credit Corporation, and they see no reason why they could not facilitate a purchase under one of our agreements through their credit program. Their credit program is a little less costly interest-wise than what ours would be if we had one, so that it does make sense to integrate the two; that whenever a farmer under the Lease Program here opts to purchase, that he would do so and would be financed through FCC at a much lower interest rate.

MR. HENDERSON: In other words you have been in touch with FCC and a person could . . . but you want all your money paid out for the Provincial Government but it would have to be borrowed through FCC.

MR. USKIW: Well it would then become a mortgage arrangement under FCC.

MR. HENDERSON: And you set out term conditions of capital gain. How do they work if there did happen to be capital loss?

MR. USKIW: That is spelled out in that statement, Mr. Chairman. If there is a capital gain, at the end of twenty years, of course, the lessee or the purchaser has full rights to that capital gain. They have earned that gain in other words. If they choose to purchase any time below twenty years, of course, then there is a sharing of the gain as between the lessee or the purchaser and the Crown. So that the lessee earns his capital gain at five percent per year over twenty years.

MR. HENDERSON: Will this be done by having a caveat put on the title? Supposing FCC financed the money, would this go as a caveat on the title that would be . . .

MR. USKIW: I would imagine that would be the legal instrument although I am not certain of that. I would have to assume that. It would have to be binding in law, in one form or another. We haven't gone into that detail.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, through you, Sir, to the Minister, to refresh my memory. Under what authority was your legislation when you started this program, say about five years ago?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: It is under the Credit Corporation Act as it was then.

MR. EINARSON: An amendment was made.

MR. USKIW: No, the powers were there all along.

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MR. EINARSON: You still haven't refreshed my memory yet. So in other words, Mr. Chairman, I was wondering if the Minister had contemplated at all on bringing in a bill to introduce this authority that you have granted now to make a change in the whole program.

MR. USKIW: No, this is a policy statement, Mr. Chairman, it is not required that a bill be introduced. It could be done by legislation but it is merely a policy statement.

MR. EINARSON: Mr. Chairman, I would like to ask the Minister: Had he any intentions of bringing in a bill in regards to this policy?

MR. USKIW: It is a matter of policy and it could be done at some point in time but it is not necessary.

MR. EINARSON: Mr. Chairman, my question was: Had he any intentions, was it his intention to bring in a bill?

MR. USKIW: It was an option considered, yes.

MR. EINARSON: That being the case, what changed the Minister's mind?

MR. USKIW: Well I think that it is a matter of the legislative load for the session and there are much more important items. This would be looked upon as a housekeeping item. It is a matter of departmental priorities in legislation. It may come up at another time but not at this session.

MR. CHAIRMAN: Resolution 10(a) — pass? The Honourable Minister.

MR. USKIW: Mr. Chairman, I would like to deal with a statement that was made by the Member from Morris, although he is not here. Yesterday he raised the question of who has access to files of the Credit Corporation and was very indignant about the fact that somewhere along the way some people's files became public knowledge. A gentleman by the name of Mr. Klassen I believe was mentioned, if I recall it correctly. I would like to reply to the Committee on that one because I think it was insufficiently answered yesterday.

Whenever a client complains to the department or to anyone in the government, what follows from that complaint is a search of the file to determine the facts in order to be able to respond to the one who is launching the complaint. In this instance, this Mr. Klassen had phoned the Premier's office, had complained about the fact that the Corporation rejected his application for a loan of some six or seven hundred thousand dollars and wanted the Premier's office to intercede on his behalf. The Premier's office was not prepared to do that and subsequently his loan was rejected. So that is the only way in which that file would have found itself then to the Premier's office, only on the request of the individual who wanted to complain about the Corporation and went beyond the Ministry in charge, straight up to the Premier's office. I hope that answers my honourable friends as to why it is that that file was in the hands of the staff of the Premier's office.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: I have a question then, Mr. Chairman, through you to the Minister, to do with the leases of the Honourable Member for Lakeside and myself. There was information supplied to the newspaper and my information was that it came from the Chairman of that Board.

MR. USKIW: The Chairman of which board?

MR. FERGUSON: Of the MACC.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: MR. Mr. Chairman, I think the member should not be so sensitive about . . .

MR. FERGUSON: I am not sensitive at all.

MR. USKIW: . . . about the public knowing that the Member for Lakeside and himself happen to engage in lease arrangements with the Crown, because that particular report and file was tabled in the Legislature a year ago with all of the names, addresses and acreages of all leaseholders in the province, on the request of someone. I don't know who it was that wanted that information. That is public knowledge, there is no secret there.

Mr. Chairman, I would like to clarify one more point. It has nothing to do with the Credit Corporation, those leases are managed by the Crown land section of the Department of Agriculture. It has nothing to do with the Agricultural Credit Corporation.

MR. FERGUSON: Well, in any event, the information supplied was out about 1,740 acres. That was all I was interested in getting across.

MR. USKIW: Well, that is fair comment, I had no idea.

MR. CHAIRMAN: Resolution 10, the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I just want to thank the Minister for his response to the Member for Morris, but I think the Member for Morris was making a comment about somebody within the First Minister's department stating that he has access to private files and that is I believe the concern that the Member for Morris had. He was trying to find out, you know, on what authority this person was making such a comment. I think, Mr. Chairman, the Minister has not given us an adequate answer insofar as the privacy of an individual's account is concerned with the MACC.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, I have to respond by reminding the Member for Rock Lake that I fully

answered that yesterday, and that is that that information is not public information and can only be released by way of consent of the client, in which case it has been done once or twice in the Legislature in the last year or two' involving the former Chairman's son who had a loan with the Corporation. I believe that file was tabled in the Legislature.

Because of the intense questioning of the opposition we undertook to get permission from the client to table that file and I believe it was tabled. But that is the only procedure that is employed, other than when there is a complaint launched by the client, him or herself, then it's followed up in the normal way. The only way one can follow that up is by looking at all of the correspondence and transactions that have taken place.

MR. EINARSON: Well, Mr. Chairman, just one more further ejection on this particular point. I fully agree with the Minister that if a client wants to investigate this thing and is prepared to give information, that is one matter and I agree with him. But the point, as I understood the Minister to make — and if I misunderstood him I stand to be corrected — but since this particular client did not get the proper satisfaction from the Chairman of the Manitoba Agricultural Credit Corporation he then sought to go to the First Minister.

MR. USKIW: Right.

MR. EINARSON: I feel and my point is this, that by going to the First Minister doesn't give someone in his department the right to say that I have access to their files and can tell them all about it. That's the point I was making.

MR. USKIW: Well, Mr. Chairman, I am not in a position to know the kind of discussion that took place between that individual on the staff of the Premier's office and the client in question. My understanding is that there was somewhat of a shouting match going on as between a number of people and things were stated back and forth, and I really don't know that on the basis of that information that it's worthy of our time to discuss what was said one way or the other.

MR. CHAIRMAN: Resolution 10 (a)—pass. The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, could the Minister give us information as to the increase on this amount of money from \$1,309,000 to \$1,499,000?

MR. USKIW: Yes, there's a \$45.8 thousand increase in salaries; and there's 19.9 in operating. This is something perhaps that members are not aware of under the new Corporate Capital Tax Act, this Corporation now pays \$179,000 in taxes to the Crown under the Corporate Capital Tax Act passed a year ago. So that's an item of expenditure.

MR. EINARSON: Would it be appropriate to ask, Mr. Chairman, under this heading, it gives the loans for Farm Diversification. Can the Minister indicate how many farmers are under the Farm Diversification Program in the Province of Manitoba today?

MR. USKIW: The number under the FDP Program is 2,415. That's as of February 28th, 1977.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, under Administration is there any cost in the way of farm management on these farms that the government buy and lease back, or is it just in the buying up the land, the writing up of the agreements and the follow-through on that? Is there any administration charges? Do they do any farm supervision of the different places?

MR. USKIW: Those charges are not passed on to the client, they are absorbed by the Corporation as they do in credit arrangements and so on.

MR. HENDERSON: So they'd come into a small extent under Administration as I thought.

MR. USKIW: That's right. Yes.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, under this particular program I recognize it deals with possibly a very worthwhile attempt in bringing fairly marginal farm operations with the help of the diversification counselling and grants and loans, hopefully bringing sub-marginal farm operations into the viable farm operation field; and as such undoubtedly you're undertaking a considerable risk. Could the Minister with the help of his staff give us some indication, some evaluation of the program:

(a) Into some rough terms your success and failure rate in this particular field. In other words you have given us in response to the Member for Rock Lake a figure of the number of farmers or loans currently under the program, have you got any further information as to the number of instances where the program hasn't succeeded? You know, I'm couching this in the language cautiously because I recognize that you're dealing in an area where your risk factor is pretty high. I understand the program, basically, constitutes an outright \$2,000 grant.

MR. CHAIRMAN: The Honourable Minister on a Point of Order.

MR. USKIW: Mr. Chairman, what we are now debating is on the next page under Farm Management. Now the credit component is only the response side from the Credit Corporation to the program under Farm Management, and the Member for Lakeside is debating the program not the money.

MR. ENNS: That's fine, Mr. Chairman. I would only indicate that perhaps if by the time we get to that particular item on the Estimates his staff will have time to have some figures before us. . .

MR. USKIW: That's what they are doing.

MR. ENNS: . . . questions that I've asked now.

MR. CHAIRMAN: Resolution 10 (a)—pass; Resolution 10 (b), Net Interest Cost—pass. The Honourable Member for Lakeside.

MR. ENNS: Would the Minister indicate the substantial \$1 million reduction in that Interest Cost on this item as noted?

MR. USKIW: Mr. Chairman, we did that yesterday. I indicated that we played down the volume of purchases last year which, in essence, meant that we didn't utilize all of the capital which we had budgeted for; and since all of it would have been subsidized interest had we utilized it obviously there is a reduction in our cost there.

There's also a half million dollar reduction due to the adjustment in the interest rate after five years of two percentage points. Then there's also repayments that are flowing in which does not require us to go back to for new capital advances.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: I missed that point there. What was the low interest rate for, was it for three years or five years?

MR. USKIW: Yes' if you're talking about the under 35 age group it's five years at a discount rate, two percent below the norm. After the fifth year the rate is adjusted to where it should be.

MR. HENDERSON: Five years at five percent, then.

MR. UWKI USKIW: No, no. Mr. Chairman, the member is confusing the Loans Program with the Lease Program. The Lease Program is five percent for three years, and then it's adjusted.

MR. HENDERSON: Five to three, that's right.

MR. USKIW: That's right. Under the Loans Program for young people under 35 they get a break on the interest rate for the first five years, after which it gets adjusted.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Before we leave the item of the Manitoba Agricultural Credit Corporation, Mr. Chairman, I wonder if through you the Minister, could indicate to us what is the total amount of moneys over the periods of years that the Corporation has been incorporated, what is the global figure that is standing out in credit to the Manitoba farmers? The second part of that question, roughly, what kind of a cash flow is coming back in terms of repayment on long outstanding loans in an annual layout — rough figures - just to give us an idea of the amount of money that the corporation has to date loaned out to Manitoba farmers?

MR. USKIW: Mr. Chairman, to give a rough answer to that, the 60 outstanding amounts are somewhere in the order of odd millions of dollars. The repayments on an annual basis are running at about \$6 million. Now, we can get very precise figures for the Member for Lakeside if he wishes.

A MEMBER: What's your percentage on arrears?

MR. USKIW: Percentage of arrears? The total authority to date is 80 million but it's not all used. With respect to the arrears situation I believe it's around 25 percent at the moment. That's in total — (Interjection)— Yes, the arrears show up dramatically in November and then they fall off very quickly after that point. —(Interjection)— Yes, your due date is in November.

MR. CHAIRMAN: Resolution 10(b) —pass; Resolution 10 — the Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Chairman. I think now my question is probably pertinent to the one that I asked earlier with respect to farm diversification loans or are we still . . .

MR. CHAIRMAN: We haven't passed Resolution 10 yet. Resolution 10 is still before the Committee.

Resolution 10 - Resolved that there be granted to Her Majesty a sum not exceeding \$2,299,200 for Agriculture — passed.

Resolution 11, Farm Management (a) Regional Division (1) Salaries, the Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, I am somewhat reluctant to raise the question for the third time but are we in order, at this time, to talk about the farm diversification program? I would appreciate from the Minister an evaluation of that program in terms of either percentage figures or numbers figures, success and failure programs.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: That specifically is 4(c) Canada-Manitoba ARDA but I have no problem in trying to discuss it at the moment.

The total applications are 2,415, that is accepted; total processed were 3,241; applications rejected 826; applications accepted 2,415; graduates 593; number of withdrawals 207; number of loans 959; amount of loans \$7.3 million roughly; farm conversion grants \$3.4 million and training workshops just under \$800,000.00.

Now in terms of the success of the program, we have asked for an evaluation of that and I believe we can get that data. It reflects itself in productivity per unit and in the increase in income per unit.

That is sort of a measure that we are trying to apply to determine its success or failure. And as I recall it by and large most of the people have increased very substantially their productivity and income position under the program. But, perhaps we might be able to get some precise statistics on that. Some evaluation has been carried out. I don't believe it was on all of the clients but on a sample of clients.

MR. ENNS: Let me use another way of getting at this question, just a direct question. In how many instances has the grant been made available under this program to individuals who are now, within say the last 12 months or since the inception of this program, no longer involved or engaged in any farming enterprise.

MR. USKIW: I'm not sure that I can supply that information. In other words how many people have retired from agriculture.

MR. ENNS: I raise the point, Mr. Chairman, because it's been brought to my attention from observing the program in the actual field application and from discussing it with various Agricultural Representatives throughout the province that in many instances the concern was expressed to me that a great deal of time and a great deal of manpower is expended in this direction as one could well understand but the actual success ratio was very disappointing. In many instances after having spent a great deal of time with some of the clients under this program, having been advanced capital grants of \$2,000 or perhaps additional credit, the initial grants of \$2,000 plus the additional credit available through him up to a maximum of \$10,000 I believe under the MACC only to find eight months later or ten months later or six months later the person who the ag rep spent a great deal of time with in counselling and in attempting to improve his farm situation finds that the person for one reason or another decides to leave farming entirely. Really what I'm after is accountability on the part of the Department of Agriculture; some accountability in terms of the public money being spent in this manner as to what kind of losses have we encountered in this particular program. Now the Minister can refute that that's not the case, I'm merely reporting what my observations have been in the field.

MR. USKIW: Mr. Chairman, I think first of all we should set the program in perspective. The program was set up to upgrade a large number of our rural population who were really in a low income position and many of whom lacked in farm management abilities and so on. When we launched the program we sort of accepted the theory that we would be completely successful if 50 percent or more of our clients sort of made the program or graduated successfully. That was sort of the bench-mark that we thought we would be satisfied with. I'm led to believe by the analysis people that it's running about 80 percent or somewhere between 75 and 80 percent successful. So that while we have numbers of people who have not benefited a great deal they are relatively small in number. There are one or two glaring cases in which it's obvious that the whole effort was a waste of money and time but by-and-large the program is successful; much better than what we had anticipated that it would be. Now we can give you statistics on that but I don't have them handy at the moment.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, it's interesting to hear the Minister say that if 50 percent of these people who are being assisted through the diversification program are successful then the department is satisfied. I wonder of the 2,415 that he mentioned can he indicate at all how many of those never had any farming experience when they first took on the program.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: I don't know that there would be any without any farm experience, very unlikely, very unlikely.

MR. EINARSON: Mr. Chairman, probably I could indicate some information to the Minister that I have actually seen for myself: a program of trying to improve a pasture land, trying to improve pasture land, Mr. Chairman, whereby the farmer used a corn planter to sow grass seed on native soil, that is wild grassland. Furrows were made to put the grass in and I was wondering if this grass came from McKenzie Seeds and is the program money that was totally wasted. I say, Mr. Chairman, to the Minister that it was an absolute total loss and I wonder just where was this particular farmer getting his advice from the Department of Agriculture. It's a case where I guess they were trying to improve the grass situation because this man was in the dairy business. It was a total loss, I can report to the Minister. I was just wondering . . .

MR. USKIW: I think I did point out to members that we did have a few bad cases like that. I don't know anything about that one in particular but there is a selection process that one has to give some recognition to. The selection committee is composed of the regional director of the department, two farmers from the area, an ag rep, a farm credit corporation representative and the Manitoba Agricultural Credit Corporation representative. That's the selection committee that deal with the applications to the program so it's a fairly representative committee and every farmer is interviewed before they are accepted and evaluated so that one has to rely on some process, mechanical means of going through the applications and selecting what is considered to be reasonable candidates. There is no doubt that it's not perfect but it's about as close as we can get it in my opinion.

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MR. CHAIRMAN: Resolution 11(a)(1) — pass; (a)(2) Further Expenditures — pass; (a) — pass. Resolution 11(b) Economics Branch (1) Salaries, the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I would like to ask the Minister a question in regards to the Economics Branch. I understand that the Economics Branch have played a major role in the setting up in 1975 of the Manitoba Indian Agricultural Program and has one director on the Board of this corporation contributing to the promotion development of Indian farming operations in Manitoba. I would be interested in hearing, Mr. Chairman, whether or not there was any success and probably give us some explanation as to what this program is all about.

MR. USKIW: Well, Mr. Chairman, I know that we are involved in the program although it is a Federal program in which we are participating as an agent. Well, we're not participating financially but we have been involved, I believe, on a committee. Again, I would indicate to the Member for Rock Lake that we are not in charge of the program whatever, although there has been some liaison between the federal people and our department. One of our departmental people has resigned from our department to take on a position with the federal government in charge of that program. It is really not something that we are funding. It doesn't appear in our Estimates. It's a federal program.

MR. EINARSON: Well I just refer to your report, your annual report in the Department of Agriculture . . .

MR. USKIW: Our people were instrumental in helping them put it together but that's as far as it has gone.

MR. CHAIRMAN: Resolution 11(b) (1), the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I would like to ask the salaries indicated here, this year \$215,200, is there no relationship on the salaries paid here in regards to the various Indian reservations in the Province of Manitoba.

MR. USKIW: No.

MR. CHAIRMAN: Resolution 11(b)(1) — pass; (b)(2) Other Expenditures — pass. Resolution 11(c) Canada Manitoba ARDA Agreement (1) Salaries. The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, it's likely not the appropriate place in the Estimates at this time but I would like to make some comments about the ARDA-FRED Agreement which honourable members of the committee may or may not be aware is concluding right about this time. It is a program, I believe, of some historic significance in this province, one that I have had a great deal of interest in, in being part of and in watching its conclusion and its operation under the present administration. I remind the honourable members of the committee that it is a program that was launched with some considerable fanfare and public headlines, the \$85 million development program for the interlake area, one of three such development programs entered into by the federal government and provinces, the others being in the eastern townships of Quebec and in New Brunswick. I would like to ask the Honourable Minister that in light of the scope of this program whether or not he would not consider to at some point in time, either in the summation of his comments on his Estimates when we deal with the Minister's Salary or perhaps at some later date in the House consider providing members of the House and the general public with a final update or evaluation of this program. I only know it's a program that certainly challenged the imagination of all departments throughout the ten year history of the program. It probably was a program that co-ordinated individual departmental efforts in more succinct and clear way than any other program that has been endeavoured in in the province of Manitoba. I as a resident of the Interlake area and there are other members of the committee here that are resident of the Interlake area speak from experience as to the impact of this program.

MR. USKIW: Mr. Chairman, I have to interject . . .

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: We passed that item yesterday under Item 1(g) Resolution 8. I don't mind responding but . . .

MR. ENNS: Sir, I'd like to find out if the Minister is prepared at this time to respond. I'm really serving notice that it seems to me that a ten year \$85 million program should not be allowed to simply whimper to a close — not in front of this committee. I know that the individual appropriations for the ARDA or FRED program are interspersed throughout the Estimates and it may well be, as I see on the preceding page before that we could have talked about it but in any event, Mr. Minister, what I'm really trying to do in the spirit of Christian charitable, or you know brotherliness, to make up for any unkind remarks that I might have made to you yesterday, to give you an opportunity to demonstrate to all of us how well you have carried out a good Conservative program initiated by the Liberal administration in Ottawa at that time in co-ordination with the Conservative administration of 1967 in Manitoba; a program that you and I have never had much dispute about, Mr. Minister, through you, Mr. Chairman, and whether or not there isn't either some printed data that is being made available either some final reports that are being made available by the department that sum up the ten year experience of the FRED Development program in the Interlake. Thank you Mr. Chairman.

MR. CHAIRMAN: Resolution 11(c) . . .

MR. USKIW: Mr. Chairman, I would like to just respond briefly by pointing out that had we dealt with it at length yesterday the Member for Lakeside would have been informed that indeed that is being undertaken at the moment. There is an evaluation study under way. It should be complete by the end of this fiscal year, fairly soon, in a matter of weeks, and hopefully will be tabled in the Legislature at some point in time. I would like to make the observation however that the Conservative Party has really no edge on progressive programs and programs such as the one in the Interlake, an attempt being made to upgrade the economy of the region and the living standards, that is much less than a Conservative program which we would endorse very much and which the Member for Lakeside has criticized me for only last year, when we tried to implement it province-wide and what he referred to as a whole host of welfare programs in the Department of Agriculture. I just remind him of that.

MR. CHAIRMAN: Resolution 11(c)(1) — pass; (c)(2) Other Expenditures, the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, on 11(c) I would like to ask the Minister if he could indicate what programs are increasing the costs under Other Expenditures? Pardon me, I guess we would have to wait for (c)(2).

MR. USKIW: It is really not a fair comparison to last year, Mr. Chairman. Last year we had that item covered by capital, this year it is in current. That capital was actually transferred out of current in the two previous years since it was unused. So that is how we ended up using a capital supply source last year for the FBP program. It is now back in current so it is really not an increase — it shows up as an increase.

MR. EINARSON: Yes, well that's why I posed this, from 664,000 to 1,757,500 . . .

MR. USKIW: That's right, yes.

MR. EINARSON: . . . which is a substantial change.

MR. CHAIRMAN: Resolution 11(c)(2) — pass; (c) — pass. Resolution 11, resolved that there be granted to Her Majesty a sum not exceeding \$3,319,000 for Agriculture — pass.

Resolution 12, Livestock Production, (a) Regional Division, (1) Salaries, the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, it is rather intriguing to me, on this Livestock Production, which states an "Increase output of livestock and livestock products to meet domestic and export markets." I wonder if the Minister could explain this particular statement. It is rather interesting to note we have an over-production of beef in the province and the problem which it has been, the major problem is to why we have reduced prices and I am wondering if he would like to explain that headline, as to why it is put that way.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well I am not sure, Mr. Chairman, whether that is traditional or what it is. I would argue the point with the Member for Rock Lake, that there is a surplus of beef. We do not have a surplus of beef in Canada and have never had a surplus of beef in Canada, and we suffer from what happens outside of Canada rather than from what happens within its own boundaries.

MR. EINARSON: Mr. Chairman, then is the Minister indicating to us that he is critical — I would like his opinion as to the Federal Minister of Agriculture's actions in recent years insofar as our beef industry is concerned.

MR. USKIW: Well I am not sure that my opinion of the Federal Minister has anything to do with the Estimates of my department, Mr. Chairman. I happen to have a very high regard for the Minister of Agriculture of Canada at the present time.

MR. EINARSON: Mr. Chairman, the Minister having made that statement, then is he looking forward to this vote being an overwhelming success for him so that he can get this province into supply management with the Federal Minister?

MR. USKIW: Mr. Chairman, I don't know what this Estimate has to do with the referendum. When we get down to the Manitoba Marketing Board we can talk about the referendum.

MR. CHAIRMAN: Resolution 12(a)(1) — pass; (a)(2) Other Expenditures, the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, it is interesting to note — could he indicate — there is a reduction here and it is always interesting to see a reduction if it is reasonably so.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, there is a livestock technician in the southwest region, I believe it was, that was reassigned to the Crop Insurance Corporation, it is a staff-man-year position that was transferred out; also a contract admission under the Grassland Society program which is no longer required. There are no further amounts being spent on a Copper Deficiency Study which is a \$20,000 reduction. Then we have a reduction in line with the 1976-77 restraint program of \$78,000 which is continuing. In other words, we are continuing to hold the line on spending. Part of the restraint exercise of last year is going to continue into this year's budget.

MR. EINARSON: Mr. Chairman, I just want to make sure, I hope I didn't hear the Minister

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incorrectly — did he say that the Director for the Grassland Program is no longer . . .

MR. USKIW: No I didn't say that.

MR. EINARSON: Okay, that's what I wanted. He mentioned something about the Grassland . . .

MR. USKIW: Contract technician.

MR. EINARSON: Oh, I see.

MR. CHAIRMAN: Resolution 12(a)(2) — pass; (a) — pass. Resolution 12(b), Animal Industry Branch, (1) Salaries — pass; (2) Other Expenditures, the Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, could the Minister indicate the increases on this particular expenditure, from 560,800 to 569,300?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, there is a salary adjustment of 28,000, price increases of 2.5, relocation of the Sire Index Station 50,000 — that will be in a grant form; then there are some decreases. That is 81,000 in total of increases and then the reductions are the elimination of our scale policy 22,000, program reduction with respect to sheep transportation 4,000, and reduction in other expenditures of 18,000 which is the continuance of our Restraint Program from last year; and there is allowance for staff turnover of 39 which is a continuing restraint exercise from last year.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, maybe the Minister would like to tell us about the state of affairs in the Artificial Insemination Program. The Animal Industry Branch is just about here, I think you ought to tell us . . .

MR. USKIW: That comes under the next item.

MR. ENNS: The next item, Veterinary Services? All right.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, he mentioned something about the Sire Index Station — moved from where to where?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Yes, Mr. Chairman, my Deputy advises me that a location was selected but there are some environmental problems and therefore there is a review under way as to where that station will be built. We are not certain at this point.

A MEMBER: Possibly between Beausejour or Selkirk.

MR. EINARSON: Do I understand, Mr. Chairman, from the Minister, that it is being moved from Douglas?

MR. USKIW: Yes.

MR. EINARSON: Could the Minister indicate why this is being done?

MR. USKIW: This is at the request of the association, it has nothing to do with the department. I gather that the intent is to move it a couple of miles, I am not just sure where. It is still at Douglas but I am not sure as to the location. It is going to be on Crown land apparently, that is the latest information.

MR. EINARSON: Mr. Chairman, whose decision was this again?

MR. USKIW: This is a local decision. We are merely giving them a grant to help them do this.

MR. EINARSON: I see.

MR. USKIW: It has nothing to do with the control of it.

MR. EINARSON: Okay.

MR. CHAIRMAN: Resolution 12(b)(2) — pass; (b) — pass. Resolution 12(c), Veterinary Services Branch, (1) Salaries, the Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, just briefly, there has been — and I don't raise it facetiously — I just would like to hear from the Minister how things are faring with the Artificial Insemination Centre. It was a matter that caused considerable debate over the past number of years; I haven't heard too much about it lately. Are we inseminating a lot of cows, Mr. Minister? Is the program working and has the disputes that used to centre around the industry at that time with those firms involved in the private distribution of insemination been satisfactorily resolved? I suppose the most important thing is: Has the concern of individual farmers, particularly those who felt very strongly about access to whatever strains of cattle they wished to pursue in their breeding program were available to them. Is the centre handling all the semen in the Province of Manitoba, or is the semen still being provided by other sources as well? Those are some of the questions, Mr. Chairman, that I put to the Minister at this time.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Mr. Chairman, first of all I would like to inform the Member for Lakeside that the most vehement opponent of the setting up of this facility is now working within the program. I don't know whether that tells anything but anyway that is an indication as to the support of the program. We have had no confrontations or questions raised over the last year that I am aware of. We have had very good discussions with the committee; some adjustments have been made in the program. The centre

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is the sole distributor today of B.C. AI services as well as Western. In other words it is the agency through which they funnel all of their product now and that is a voluntary arrangement. The only outstanding one is, I believe, American Breeders, they are not yet in that position with the centre but it has moved a long way in that direction. There are fourteen studs that are supplying the centre.

MR. ENNS: I just get tired thinking of those fourteen studs.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. FERGUSON: Thank you, Mr. Chairman. I would just like to ask the Minister: How many clinics are operating in the province — I will just ask about two or three questions and he can answer them all at one time — what percentage of the Vets are non-Manitobans, and how many Manitobans are participating in the Veterinary Colleges at Guelph and Saskatoon?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: There are 30 clinics throughout the province. I would have to assume that once they are in Manitoba, they are Manitobans, either as citizens or landed immigrants. I don't believe that there is any point in trying to determine where they are from or whether they are citizens or not. There are about eight or so, I believe, from out of the country. We have 60 rural veterinarians at this point in time in the program. That compares with 26 before we got the program under way, so it has certainly moved forward a long way. We have 29 students at the Saskatoon Veterinary College.

A MEMBER: Saskatoon, not at Guelph.

MR. USKIW: Not at Guelph, no. Oh, I am sorry, there are two at Guelph; 31 in total.

MR. FERGUSON: Are all the clinics operating that have been established?

MR. USKIW: There are three that are still looking for a veterinarian, St. Lazarre, Ste. Rose and Ethelbert, they still don't have veterinarians.

MR. FERGUSON: Did these places open and then close up or have they not been able to get vets since they were established?

MR. USKIW: In two of the three the veterinarians moved away to other locations. One went back to Quebec and one relocated within Manitoba, so we are trying to find replacements for those two. The other one has yet to be filled.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Yes, Mr. Chairman, I am interested in knowing just how the utilization is, insofar as these clinics are concerned. Are they using them to the potential that was anticipated when they were first established?

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: I am advised by our Director that two-thirds of them are using them very very effectively and a third are somewhat less.

MR. EINARSON: Two-thirds and one-third are not. One-third sounds like a fair number when we talk about the number of clinics — say 27. Any particular reason why these are not being utilized?

MR. USKIW: Well I think it has to do, Mr. Chairman, with the fact that many areas of the province had no service whatever for many many years and were simply not accustomed to using that kind of service, not fully appreciative of its value and so on. It takes some time to develop that.

MR. EINARSON: Well, is the Minister indicating to us that there were farmers in this province some years ago that had no access to a veterinarian or had no access to anyone to look after a sick cow and they just merely died?

MR. USKIW: Yes, very much so, Mr. Chairman.

MR. CHAIRMAN: Resolution 12(c)(1) — pass; (c)(2) Other Expenditures — pass; (c) — pass. Resolution 12(d) Canada - Manitoba ARDA Agreement, (1) Salaries — pass; (d) — pass. Resolution 12, resolve that there be granted to Her Majesty a sum not exceeding \$3,672,500 for Agriculture — pass.

In accordance with Rule 19(2) I am interrupting the proceedings of the Committee for Private Members' Hour, to return to the Chair at 8:00 p.m.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Private Members' Hour on Tuesday is Private Bills, then Public Bills, then Private Members' Resolution.

SECOND READING — PUBLIC BILLS

NO. 9 — AN ACT TO AMEND THE BRANDON CHARTER

MR. SPEAKER: Public Bill No. 9, the Honourable Member for Brandon West.

MR. E. MCGILL presented Bill 9, an Act to amend The Brandon Charter, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, it seems to be a regular and annual duty to bring to the attention of this Legislature some amendments to The Brandon Charter, and I do in this case present to you a very

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minor amendment, one which I think truly can be classified as somewhat of a housekeeping Bill.

It is occasioned by the fact that the City of Brandon is now in the process of a downtown core redevelopment program, sometimes known as the Downtown Mall Project. In developing this program and considering all aspects of it the city has been examining its authority to provide parking areas under a local improvement by-law. Mr. Speaker, they are advised by their solicitor that the present Charter may not cover that provision of parking areas under a local improvement by-law so they bring to the attention and we solicit the support of this Assembly in this amendment which will ensure that this is covered by the Brandon Charter.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. URUSKI: Would the honourable member submit to a question? Is the honourable member familiar with the terms of the agreement that he's discussing that the city wishes to involve itself in?

MR. MCGILL: Mr. Speaker, in response to the Minister's question, the terms of the agreement have not been discussed with me. I have not been party to those discussions. The city is one party to the project and they wish to ensure that if and when these parking areas are required, that there will be no impediment in their Charter to providing such.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW: Mr. Speaker, I move, seconded by the Member for Churchill that debate be adjourned.

MOTION presented and carried.

RESOLUTION NO. 7

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN: Mr. Speaker, I beg to move, seconded by the Member for Morris that WHEREAS the current provisions for levying taxes on personal property assessment in rural municipalities as they apply to sand and gravel pit operators are not working effectively and efficiently, and

WHEREAS the current system of taxation is excessively awkward and creates difficulties in payment by sand and gravel pit operators, and difficulties in collecting by the municipality, and

WHEREAS the taxes are not equitably levied on all those involved in the industry,

THEREFORE be it resolved that the Government of Manitoba consider the advisability in consultation with rural municipalities of the province of changing the existing taxation system to a Royalty system.

MOTION presented.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. I introduced this Resolution, Mr. Speaker, to get some dialogue and maybe the ball rolling with regard to the problem that was brought to my attention by, not only the municipalities in my area but by the local gravel contractors, the local gravel pit operators.

The present system is quite cumbersome and I think is very inadequate in many places. It causes, as I mentioned, both problems for the municipality as well as the operator and I should stress that the people on both sides of this particular problem, the operators and the municipalities that are encountering problems, that it's not a one-sided affair.

I have been in consultation with both groups and I can assure the Minister that they both want to see changes in the present system. What are we talking about, a lot of people say when you're talking about changes of this kind? Well, we're talking about the present system of assessing equipment at pit sites. In other words, loaders, crushers, drag lines, in short, construction equipment which is movable. In other words, that it's not a fixed part of the local personal property.

The taxation of this property is a must as far as the municipalities are concerned, because the moving of gravel, which is a fairly heavy commodity, causes a lot of problems on the municipal road system. The contractors realize that and the municipalities, of course, are forced to have some substantial expenditures when it comes to maintaining that particular road system. The cost of road maintenance, of course, is growing and as most people know the increase on weight restrictions, the heavier equipment that we are starting to use, is all adding to the cost of maintaining that road network.

I would like to deal just briefly with the experiences that we're having now. An assessor will go to a pit site and assess the equipment there. Now should it happen that some of the equipment is not at the pit at the time, or that for instance a loader has been taken away, he does not assess that particular property. Now this causes problems to not only the assessors because it might require repeated visits there to find out exactly what equipment is operating there, but it also causes a lot of problems in that very often they are unable to assess the property that is in there because of the nature of the type of contract that the contractor might have. He might have a stock-piling contract with the Department of Highways for 50,000 yards and he moves in for two weeks, and then he's gone, which means that the municipality is out that particular money involved in that operation. Again, as I mentioned, a lot of

damage to the municipal roads and the municipality has no way of getting at the contractor.

The other problem, of course, that happens is that the assessors come in and assess all the equipment in the pit. It's put on the tax rolls of that particular municipality, and even if that operator has only been in that particular pit or quarry for a month, he is assessed for the total year. This means that come Court of Revision day the operator then goes to the Court of Revision and you've got a hassle there.

The other thing that should be pointed out, the municipality is out money on an instant like this because the assessment is put on the tax rolls, of course, which the schools use to strike their millrate. So in this particular case it's a direct cost to the municipalities — in other words the ratepayers of the province or of the municipality with regard to that problem.

As I mentioned before, there is a certain amount of loss of revenue because the assessors can't go ahead and catch all the people that are moving in and out of the pits all the time. So it does definitely mean a loss of revenue for the municipality.

Now, the other side of the coin, Mr. Speaker, is that — and I'd like to quote two examples which just happened this past year in my own riding — for instance I had a very small operator who is selling only a few yards of gravel a year. He's sold something like 800 yards of gravel this particular year and yet he leaves his loader parked in the gravel pit. The assessor comes in and assesses the loader and what happens is that the cost per yard of gravel sold during that time was something like — just for the assessment of that loader — was something like 50 cents a yard. Now, what he could have done, and the Minister probably realizes that, is if he drives the loader home every day the municipal assessor wouldn't have caught the loader there and he would not have been assessed anything. Now because it wasn't economical for him to do that he left it in there overnight. So I think there is a certain problem, that we're levying taxes on certain people that are not getting returns on their investment.

Another incident where it just so happened that a particular contractor was not hauling out of that pit for that year, the same thing happened. He only hauled about 500 yards out of a certain pit and he was assessed a substantial amount of money for the equipment that he did have in the pit. Again, the cost per yard, it just doesn't make the operation viable at all.

Along the same lines, somebody could move in and get a stock-piling contract from the Manitoba Highways Department of 100,000 yards, moves in with his equipment and again is maybe not assessed the full amount, and has done their damage to the roads.

Another problem that this is causing is that it's causing problems for the contractors of submitting competitive bids. I think it would be much more of a benefit to them if they knew exactly what their input costs are with regards to this particular charge having to do with gravel. It would also, I imagine, put them on equal footing as far as the competition for bidding is concerned.

Another problem that arises from the assessment with this personal property tax and also the assessment of gravel pits is that the adjoining agricultural land, because of the relatively high assessment of the gravel pits, also is assessed higher which causes a certain amount of hardship for the farmers in the area, and again causes problems for the municipality at the Court of Revision Hearings.

Most of the municipalities in my area face this problem, Mr. Speaker, maybe when I speak to the Member for Rhineland I think maybe he wishes he would have this problem because they're hauling gravel a much further distance and it's costing them a lot more. But I would draw to the Minister's attention that the problem has been raised at the meeting of the union of municipalities. They realize there's a problem here. I think they've also petitioned the Minister for a hearing with regards to the problem. The Assessment Branch, I think, is really frustrated by this particular development that has happened over the last couple of years. As I mentioned, they're having problems assessing the right people at the right time and then having to delete and add on tax rolls as they see necessary. So there's a problem with the municipal assessment branch which is further compounded when the municipalities have problems collecting from certain operators and then the Department of Municipal Affairs of course gets involved. So that there's another department that is having certain problems with this system.

I have been in touch with several other municipalities. The municipality that sponsored a resolution at the Union of Municipalities was the R.M. of Springfield and the Member from Springfield's own riding. They've got quite a problem out there and they'd like to see certain changes made also.

The approach that we have tried to use in this resolution, Mr. Speaker, is one in which we could possibly tie in an agreement with the municipalities which would be tied into the present royalty payments made on a per yard basis. This seems to be an acceptable means of collecting the money as far as the municipalities and the operators are concerned. It would be based on a system where, I guess in consultation with the municipalities, the Minister would have to sit down and figure out a system whereby he could use that remittance that all pit operators are making right now in regards to the royalty payments for the gravel and base the whole network on a per yard basis. Now to arrive at the amount of taxation that would be involved I suggest that maybe each municipality could

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undertake to possibly provide the department with a certain amount of information as to the assessment that it is presently involved with so that we could come out with some kind of costs that are involved with the particular road construction right now. In other words, that they would provide to the government the revenues which they are roughly receiving now and which they feel should be coming to them, and then the cost per yard could be worked out on that basis. I would like to see that the amount of monies collected from any jurisdiction was returned to the municipality involved. As I mentioned, it's a system that would have to be worked out with the municipalities in conjunction with them and I think the Minister has received certain requests from them with this regard and also if the Minister would further care to sit down and contact the construction people, the construction industry, to work out a proper formula which would be agreeable to all.

As I mentioned before I have spoken to both municipalities and the private sector. They seem to agree that a per yard levy would be the thing that they were after. The mechanics of it I leave to the Minister and to his staff but, at this time, I would like to conclude by saying that it is causing problems not only for the municipalities but for the operators, for the Assessment Branch, for the Municipal Affairs Department. I believe they're all not happy with the way the system is working and I would ask the Minister to see what he can do with regards to clearing up this particular problem.

MR. URUSKI: Thank you, Mr. Speaker. I appreciate some of the comments that the Honourable Member from La Verendrye has made on this resolution that he has presented. I want to say that I am aware of some of the difficulties mentioned by the honourable member in presenting his resolution on this subject of assessment and taxation of sand and gravel pit operators in municipalities. As I understand it, the practice for some years has been to levy a tax on the personal property of the operator, and I want to say without any exaggeration there's no doubt that we acknowledge that this is not satisfactory, nor does it reflect the capital investment which is made in such an operation.

As I see it, there are two problems with the present assessment legislation. Firstly, as pointed out by the resolution, there is no practical way in which the assessor can determine the value of a gravel pit. That is true. It depends on the quality of the aggregate, the amount of the deposit, the amount mined in any year, and the market in any given year. Municipalities therefore have resorted to a personal property tax which is applied upon the machinery used in gravel pit operations. Since this machinery is generally used for only a few months of the year, the assessment is a difficult process and the taxes which a municipality reaps from this source is in most cases negligible.

Secondly, the gravel pit operations generally cause municipalities a great deal of difficulty with their road systems. I think that's been probably the greatest complaint that we have received or that has been brought to my attention, is that the gravel pit operations in a rural municipality, that an operator moves in, hauls out several thousand or several 10,000 cubic yards of gravel, wrecks the first nuer of original miles of municipal road, pulls out, and he's gone and they don't know who was in or who was out. There have been, I want to say, during the past couple of years we've had discussions with some municipal councils and more particularly those municipalities around the City of Winnipeg which have large gravel operations, and we have tried to explore different ways in which the municipalities could obtain a more realistic tax on these operations and could also safeguard damage to the municipal road system.

Recognizing the difficulty of placing a proper assessment and valuation on the gravel pit operation, one of the alternatives which has been tentatively looked at is that the, as the member suggested, levying charge at the provincial level which would be turned over to the municipality in compensation for the depletion of the resources and also for any damages to the municipal road system.

I want to say that municipalities are aware now that under **The Highway Traffic Act** they are the legal authority dealing with the municipal road systems within their jurisdiction so that they in effect could set up a type of a permit system and be able to have operators that move into their areas contact them if they want to use a municipal road system, although again I have to admit that it becomes a problem of enforcement as to whether or not they can operate.

I'm not sure whether the province *per se*. . . I've been doing some thinking of the gravel pits that are situated in my immediate area and some of them are on Crown land, whereby although the Crown does attempt to collect permits from individuals going in to take the gravel, I think for over the years the Crown has also had a problem of enforcement in those gravel pits because I do know that most small operators who may be hauling a load or two in our area for driveways and the like, who may be doing some contracting, it is very difficult to maintain a count or be able to assess the amount of yardage that that operator pulls out. There may be five or six in an area and although when you go and measure the pit, you might be able to ascertain that certain numbers of cubic yards have disappeared since the last sort of assessment by the Highways branch who do the local checking of pits on Crown land was made, you are then put into a predicament as to whether you tag the last fellow who was in the pit with the assessment for the entire removal of gravel, so that the method of enforcement is still a problem whether it be municipal or provincial.

I want to also say that there have been resolutions presented at the Union of Manitoba Municipalities convention dealing with this problem and we have had discussions, in fact, I have met at one occasion with councillors and the Reeve, I believe, of the RM of Springfield and they have indicated the problem that they have with the damage to the road systems.

The Member for La Verendrye indicated that his colleague, the Member for Rhineland, would probably welcome some of the problems associated with having that type of a resource in their area. Their municipal costs for their municipal roads get extremely high if they have to haul in excess of 20 miles or maybe longer distances of gravel for their highways.

There is no doubt that I think I would be prepared to try and assist in working out some type of a solution which may be able to cover up some of the problems, but I'm not sure whether we will be able to come up with a solution that will be acceptable to all or be able to be enforced and be acceptable to all. But I'm certainly prepared to discuss and further look at the ramifications of what the honourable member is proposing because we have had discussions and we are prepared to look at that further. Speaker, Mr. , with that I would like to move, seconded by the Honourable Member for Radisson, that Resolution 7 be amended by striking out all the words after "resolved" in the fourth paragraph thereof and substitute the following. It would read,

THAT therefore be it resolved that the Department of Municipal Affairs convene a meeting of such rural municipalities as are known to have significant deposits of sand and gravel and the Department of Mines, Resources and Environmental Management to examine such other measures as may be possible for rural municipalities to collect levies from operators of sand and gravel deposits.

QUESTION put.

MR. CHAIRMAN: The Honourable Meer for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, , there are a couple of things I want to say on this resolution, particularly now that the Minister has amended it to indicate that the government is prepared to provide for convening of a meeting to look at the issue of gravel and sand pits. I think that there is an issue that has not been examined in either of the addresses that we have heard this afternoon on this resolution, that I preface my own remarks by saying that the Member for La Verendrye brings to this House attention to a useful issue that I think has been of some source of grievance to certain municipalities, but I don't think he extended the consideration far enough to look at the problem that the sand and gravel pits themselves may have in terms of the total ecology in environmental areas in municipalities in which they are placed. This is not an issue that too often aggrieves this House unfortunately, but I would think that at least the Minister of Municipal Affairs and perhaps from time to time the Minister of Environmental Affairs would take a look at the problem that is increasingly occurring of the abandonment of a number of gravel and sand pits. —(Interjection)— Well, that's what we are really raising, is to find out that when we get down so that the regulations themselves may be of some use, but what we are talking about is to what degree are the operators responsible for refilling and reconverting those areas which they have used into an area so that we can see exactly what the use will be.

The issue that I would really raise with the Minister is whether in the convening of that meeting whether the royalty arrangements that we're talking about should not be providing revenue for that kind of conversion problem. I think that that would be really the simple point that I wanted to raise, is that when we are talking about transferring into a royalty system, that those royalties in fact could be dedicated, as we require many other kinds of dedications for these kinds of uses for the conversion of these pits into recreational or whatever purposes. I think that that should be part of the instruction that might go in as part of these amendments to ensure that there would be not only a more equitable system of collecting revenue from the operators themselves, but that the revenue themselves would either go to - I believe the regulation now has a bond that's posted, is that the regulation as it now stands - that in addition to that bond itself, that the revenue that is required from royalties would be an ongoing source so that work could be taken up while in fact the pit is being used, while the royalties are being collected, and they could be circulated back in to redressing remedial measures during that period of time as opposed to simply having a bond that's posted and then when the operation is finished then some correction is taken.

It would seem to me that that becomes a fairly important measure to maintain an ongoing and current program of remedial retrenching in terms of the pits that are being opened up. So I would think that if the Minister is prepared to convene a meeting to discuss that royalty, we might also look at the purposes for which the royalty would be dedicated. I think the dedication should go to repairing whatever damages occur on an ongoing current account basis which such a royalty system would provide.

QUESTION on the amendment put and carried.

MR. SPEAKER: Resolution as amended.

QUESTION on the motion as amended put and carried.

RESOLUTION NO. 1

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MR. SPEAKER: Next Resolution is Resolution No. 1. The Honourable House Leader.

HONOURABLE SIDNEY GREEN, Q.C., Minister of Mines, Resources and Environmental Management (Inkster): Rather than have somebody present a Resolution which he probably didn't think would be coming up today, unless there is some other suggestion, I would call it 5:30.

MR. SPEAKER: Very well, in that case the House will recess now. I shall leave the Chair and the House will reconvene at 8:00 p.m. in Committee of Supply with the Deputy Speaker in the Chair.