

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 25 May, 1982

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Attorney-General

RETURN TO ORDERS

HON. R. PENNER: The Return on the Address for Papers and certain accepted motions, if I may.

On the motion of Mr. McKenzie voted April 19, 1982 from the Honourable the Minister of Agriculture.

On the Return to the Order of the House No. 2 on the motion of the Member for St. Norbert from the Minister of Agriculture.

A Return to Order of the House No. 3 on the motion of the Member for St. Norbert from the Minister of Agriculture.

A Return to Order of the House No. 4 on the motion of the Member for St. Norbert from the Minister of Agriculture.

Return to the Order of the House No. 5 on the motion of the Member for St. Norbert from the Minister of Agriculture.

No. 6 on the motion of the Member for Lakeside from the Minister of Agriculture.

Finally, a Return to the Order of the House No. 8 on the motion of the Member for Virden from the Minister of Agriculture.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. V. SCHROEDER introduced Bill No. 38, An Act to amend The Vacation with Pay Act; Bill No. 41, An Act to amend The Employment Standards Act; Bill No. 45, The Statute Law Amendment (Taxation) Act (1982) (Recommended by the Lieutenant-Governor).

HON. M. HEMPHILL introduced Bill No. 42, An Act to amend The Education Administration Act. Loi modifiant la Loi sur l'administration scolaire. (Recommended by the Lieutenant-Governor).

HON. V. SCHROEDER introduced, by leave, Bill No. 46, The Health and Post-Secondary Education Tax Levy Act. (Recommended by the Lieutenant-Governor)

INTRODUCTION OF GUESTS

MR. SPEAKER: May I direct the attention of honourable members to the gallery where we have 30 students of Grade VII and VIII standing of the Churchill High School under the direction of Mr. Jim Sinclair.

The school is in the constituency of the Honourable Minister of Economic Development.

There are 83 students of Grades VII and VIII standing of the Provencher School under the direction of Mr. Paul, Mr. McCarthy and Mr. Ogere. The school is in the constituency of the Honourable Minister of Health.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Community Services and relates to the removal of Mr. Douglas Wark as Manager of the Brandon Work Activity Project and I would ask the Minister why he is contradicting existing practice in the Employment Services Division and unilaterally creating an artificial new position at an administrative level in Westman region.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. L. EVANS: I can advise the honourable member that this government is putting a great deal of emphasis in various ways to bring in new programs to put welfare recipients to work. As the member knows, this Budget that we just passed, the Estimates of the department that we just passed, substantially increase the Budget for the Work Activity Projects and, indeed, in our Supplementary Budget we have another \$900,000.00. But, in order to get more productivity for the dollars invested, Mr. Speaker, it's absolutely necessary that we strengthen the management of all these work activity projects, therefore, several months ago, we made a decision to separate the management of the department from the management of the project itself and, in this respect Mr. Wark, who he refers to, was only a part-time manager. We think it's necessary, absolutely necessary, to have a full-time manager and, indeed, we have found one, a person who has had considerable business experience, a dynamic, bright person who knows the meaning of cost control. He is a well-respected individual in the community, Mr. Speaker, and among other things he's a member of the City of Brandon Police Commission. He's thoroughly familiar with staff relations, staff training and office management and after being interviewed by the department he was deemed to be most suitable for this particular position.

I don't know if the honourable member realizes or not but over the years, particularly the past two years when his government was in office, the costs of operating the Work Activity Projects have increased enormously. For example, in 1977-78 the average cost of a trainee in Westbran was \$5,581; the last year of the Conservative Government it had risen to \$12,031.00. Mr. Speaker, we have a staff ratio of 4.5 to 1. What teacher in this province would love to have four stu-

dents in the classroom and only four students to deal with?

Looking at these Work Activity Projects throughout the province we find there's been a decline in the past four years in the number of participants and certainly in the case of Westbran we have declined to an average participant level of only 56. As I indicated, Mr. Speaker, that gives you an average cost of \$12,000, that's not good enough and somebody has to speak up for the taxpayers of this province to look after their interests, therefore, it is our decision to separate the management in each and every case.

I think this is a right move and incidentally we're talking about contract people, we're not talking about Civil Service positions. If the Work Activity Projects cannot prove to be more cost-efficient in the future then we may have to consider phasing them out.

MR. L. SHERMAN: Mr. Speaker, I believe it's clearly on the record that the Minister has now said that this decision to separate the Work Activity Project Manager's job from the Employment Service Coordinator's job in each region was made several months ago. I want to ask the Minister, who made that decision and how widely does that apply?

HON. L. EVANS: Mr. Speaker, these decisions have to be made by senior management, including the Minister and the Deputy Minister. I can assure the honourable member that the year ahead will be a critical year because, if we can't get more cost-efficiency than the previous government, I say we should consider phasing out the Work Activity Projects and looking at other means to put welfare recipients to work, for example, Mr. Speaker, I believe we should look closely at what we're attempting to do on an experimental basis this year. As the Member for Fort Garry knows we've allocated, I believe, \$125,000 for Mother's Allowance recipients to be subsidized in industry, to be subsidized in business. It may be very well that what we should be doing is redirecting these monies to subsidize welfare recipients to be employed by industry, by small business, by medium-sized business. So this is the year of decision. If we can't, through a better systems approach, achieve that cost efficiency then I indicate to you, Mr. Speaker, that this change will have to be made.

MR. L. SHERMAN: Mr. Speaker, I believe the record will clearly show, either by direct statement or by evasion, that the Minister has confirmed that he has told the House the decision was made several months ago to separate the two functions in what has always been a dual position in all regions in the province, with the exception of Winnipeg region, where a different set of standards is in effect.

That being the case, Mr. Speaker, I wonder if the Minister can confirm to the House that an audit has been completed in his department, by personnel, of the dual position of Employment Services Coordinator and Work Activity Project Manager; that the position has been reclassified up, from HSS4 to HSS5, based entirely on the principle that it's a dual position and is to remain as a dual position. I wonder if he can confirm that, the reason for the audit and the reason for the reclassification.

HON. L. EVANS: Obviously, the member has access to certain staff that I don't have access to —(Interjection)— obviously, they're very anxious to talk to the member, I would gather. Mr. Speaker, I don't know the detail of the person's grade, whether he's a 5 or 6, a 2 or 1 or a 12, I don't know. But the fact is, Mr. Speaker, you can talk all the jargon you like about Civil Service classifications but the figures are here —(Interjection)— well, you don't like the truth.

Throughout the province the number of people in the Work Activity Projects has declined steadily; 1977, 882; 1978, 735; 1975, 591; 1980, 544, and in the case of the Westbran it's been a very very dramatic drop. In 1974-75, there were 396 participating in the Westbran Project; '75-76, 275; '76-77, 244; '77-78, 162, then down to 122; '79-80 up a wee bit to 145, but then finally to 85 in 1980-81 and this last year, only 56. We've got four trainees per staff.

We've got a situation that's simply too costly and how that member, that former Premier and that government, could sit there and say they're so cost-efficient with this happening throughout the Work Activity Projects of Manitoba, just will not wash. And I say it's time we got managers of these projects who are business-oriented, had had some experience in meeting a payroll and knew something —(Interjection)— yes, social workers are fine but sometimes a social worker need not necessarily be the manager of these projects; they make no apology for somebody with other experience being the manager of a project.

MR. L. SHERMAN: Mr. Speaker, is the Minister seriously telling this House, and telling his Leader, who has knowledge and experience of Mr. Wark, as three previous administrations in this province do; as a public servant of distinguished record who is considered probably the best Work Activities Project conceptualizer and administrator in Canada, certainly in Manitoba, and has set up a Work Activity Project that was a model for Canada, certainly Manitoba, is the Minister trying to tell the House and tell his Leader that Mr. Wark's qualifications are exceeded by the qualifications of a supporter of the Minister's who has never worked in the field, who got the job without having to be bulletined, without having to go through an advertising process, without having to be compared against other applicants; who got the job because he needed a job and because he is a political supporter and a political backer and political friend of the Minister's; that those qualifications exceed the qualifications of Mr. Wark who has done this job capably and well for more than a dozen years, is that what he's telling us, Mr. Speaker?

MR. EVANS: Mr. Speaker, I am telling the member that I have a responsibility to the taxpayers of Manitoba which he reneged on. —(Interjection)— Well the figures are here, the figures are here, the costs have risen astronomically in Westbran, and indeed, some of the other projects and we believe that the way to cope with this is not on a personality basis like the honourable member chooses to —(Interjection)— yes, he does choose to pursue that course. We say we have to change the organization and change the system and that's exactly what we are doing, we're changing the system. And I repeat, Mr. Speaker, if we can't

put people through this program for less than \$12,000 per person per year I say we've got to look at perhaps phasing out the Work Activity Projects or at least changing them drastically so that we can get more value for the taxpayers' money.

MR. SHERMAN: Mr. Speaker, in view of the fact that the audit done by personnel for the Minister in his department, reclassified the job as a dual position; in view of the fact that we went through the Minister's Estimates in this House one month ago without a word of any of this; in view of the fact that he says the decision was made months ago and Mr. Wark was summarily told on May 13th, move over and move out; in view of all those things and in view of the fact that this is a cost-shared program paid for by 50-cent dollars from Ottawa, is the Minister undertaking to develop five new administrative jobs - whether permanent Civil Service or contracts is neither here nor there, it's still on the payroll, it's still on the Budget - five new administrative jobs and trying to justify them in this House to cover up the fact that he has created a make-work project for his political friend, is that what he's doing?

HON. L. EVANS: Obviously, I'll never be able to persuade the Member for Fort Garry otherwise because he chooses to believe that. But I say this, Mr. Speaker - and for the Leader of the Opposition who is supposedly a cost-efficient type and I'm surprised he let his Minister get away with this - the fact is that this coming year is a year of decision and if this new system and new organization will not work, as I said, we may have to look at better ways of helping to put welfare recipients to work; that has to be a priority. And certainly this will be a priority in all the regions and, indeed, in the Estimates there were monies for additional people throughout the regions for more manpower counselling and I would be very remiss, Mr. Speaker, as Minister of Community Services in this day and age, if I didn't make this a top priority.

MR. L. SHERMAN: Mr. Speaker, could the Minister advise the House how Mr. Burke "applied" for the job? When was it advertised? How did he apply for it and would the Minister table in the House a copy of that application?

HON. L. EVANS: Because this is a contract position and can be terminated, in fact, Mr. Speaker, I tried to get across to the Minister the point that we don't want civil servants in these particular projects. They may be phased out and the fact is that most of them, 95 percent-plus, 98 percent, 99 percent are not civil servants, they are contract people. In some cases there have been advertisements but I'm advised in other instances there have been referrals and if you have someone who's competent, who's available and looks as though he can do a good job, then you utilize the person's services. But I repeat, Mr. Speaker, if this doesn't work out then we will look for somebody else.

MR. L. SHERMAN: Mr. Speaker, could the Minister tell the House how did Mr. Burke get the job - the job was not advertised. I'm asking the Minister how did Mr. Burke get the job.

HON. L. EVANS: Mr. Speaker, I don't know how many times I'm supposed to repeat myself. As I indicated to the member there was a policy decision made to make a change and there are some people that are available and those people (Interjection) - I can tell you that I didn't interview him, Mr. Speaker. He was interviewed by the department and by the Deputy Minister and he was deemed to be very suitable.

MR. L. SHERMAN: Mr. Speaker, my information - and the Minister can challenge it and repudiate it if it's incorrect - is that Mr. Burke was hired by the Deputy Minister, interviewed by the Deputy Minister under instructions from the Minister that Mr. Burke was to get that job. My question now, to the Minister is, is the Deputy Minister now the personnel officer in his department?

HON. L. EVANS: Mr. Speaker, the Deputy Minister and the Minister ultimately take the responsibility for what goes on in that department as, indeed, in any department. I'll take the flak at any time and the Deputy Minister has to share his load too. The fact is, Mr. Speaker, I would be very remiss if I did not address this particular problem of Cadillac operations, I'm sorry to use that word, but under the previous government this developed into a Cadillac operation; not a Volkswagen from Steinbach but a Cadillac operation and I might, if he's familiar with the ARM Industries operation in Brandon, it's a poor cousin compared to this, Mr. Speaker.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, Mr. Speaker, about 10 days ago a question was asked of me relating to an investigation of a senior member of the Department of Government Services. I wish to advise the House in response to that question. I advised at the time that there were investigations. This morning charges were laid against one Victor Stewart Butler, Chief Engineer with the Engineering Branch of the Department of Government Services and certain companies with which he's associated, charging, among other things, a conspiracy to defraud and unlawfully accepting a percentage of the value of certain contracts let by the province to certain firms who stand charged with him.

I would like to say that the inquiry was initiated within the Department of Government Services as a result of certain information received and brought to the attention of the Deputy Minister who - and great credit to him - immediately referred it to the Deputy Attorney-General who, in turn, immediately referred it to the Special Prosecutions Branch and as a result of investigations that took place over a period of time, these charges were laid this morning.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. S. USKIW: Mr. Speaker, I believe that, pursuant to that statement, it would be proper for me to then indicate to the Legislative Assembly what course of action is being undertaken by the department and I have here a few copies of a statement that I wish to present to the House, Mr. Speaker.

MR. SPEAKER: Order please, order please. Order please. Members will be aware that where a matter is before the courts in this province the matter is not suitable or proper to be the subject of a question at question period. I'm not sure now whether the Minister is asking for permission to revert to Ministerial Statements, but I warn him that where a matter is before the courts it is really not suitable or proper to bring it before the House.

The Honourable Minister.

HON. S. USKIW: Mr. Speaker, I appreciate the point that you are making. The nature of this statement has nothing to do with respect to the case but rather with the disposition of the individual that has been charged within the department for a period of time until those charges have either been dispensed with or until the person has been convicted. So I would like to give that statement to the . . .

MR. SPEAKER: Is the Minister replying to a question or is he making a Ministerial Statement, in which case then he needs leave of the House to revert back to that.

The Honourable Member for Turtle Mountain.

MR. B. RANSOM: On a point of order, Mr. Speaker, we would be prepared to revert to Ministerial Statements following the question period if the Minister of Transportation feels that it is necessary to make the statement at that time.

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Yes, that is satisfactory and I thank the Opposition House Leader for that suggestion.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Minister of Community Services. The Minister has stated publicly that he is "upset" with the manner in which this whole affair involving Mr. Wark and Mr. Mick Burke has been handled. I would like to ask him who handled it and who he's upset with?

HON. L. EVANS: Well, Mr. Speaker, the person who would handle it would be the Director of the Employment Services Division.

MR. L. SHERMAN: Under your instructions.

HON. L. EVANS: Mr. Speaker, the member asked the question and I've given him the answer. I believe there could have been better communication than there was. As a matter of fact, there was to be a formal statement on this but, through the questioning of the honourable member, the matter got out into the press but we wanted to make a formal statement on the organization and this was one additional detail.

MR. L. SHERMAN: Mr. Speaker, I'd ask the Minister whether he replaced the heavy majority of the board, some two weeks ago, of this classic example of a good work activity project, with his own appointees so that

Mr. Burke's appointment and a separation of those duties and the removal of Mr. Wark would not be questioned or not be impeded and so that he can revert to the practice for which he was widely known in the mid-1970s, during the Schreyer Administration, of tampering politically, intruding politically, in the Westbran Work Activity Project which was not under his department at that time.

HON. L. EVANS: Mr. Speaker, I would like to advise the member that the Work Activity Project Programs developed under the previous government - and I had some part to play in evolving these in this province, as a matter of fact, they are in many ways an offshoot of the Provincial Employment Program, this is where they had the seeds of germination. I'm pleased that I played a role in the previous government in establishing, including the one at Westbran. But the point I make, I'm very dismayed, Mr. Speaker, at the reduction throughout the province in the number of people covered by these projects and, indeed, it is a serious problem that there are many, many welfare recipients who are employable but who have not got jobs. This is meant to be a major effort to achieve that but I'm afraid it's becoming too costly and we may have to look at other options.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Mr. Speaker, I'd like to ask the Minister in charge of McKenzie Seeds a question. In light of his repeated statements in the House today that he is concerned about cost efficiencies - and those are part of the motivations in him making a decision - could he tell the Legislature why he fired the Board of McKenzie Seeds when that particular board had managed in the last couple of years to bring McKenzie Seeds, the provincial company, into a situation where, for the first time in many years, they showed a profit last year and that's the particular board that he fired.

HON. L. EVANS: Mr. Speaker, it was deemed advisable to have a much broader-based Board. As a matter of fact, Mr. Speaker, we put back on to the Board some of the people that the previous Minister in the previous government turfed out.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. D. BLAKE: Thank you, Mr. Speaker, my question is to the Minister of Highways responsible for Transportation. I wonder if the Minister could report to the House how long it's going to take to repair the culvert washout about seven kilometers west of the White Horse on No. 1 Trans-Canada Highway?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. B. USKIW: Mr. Speaker, I believe the situation was not a washout but rather the fact that a culvert has worn out and the completion date for construction is July 1.

MR. D. BLAKE: Yes, Mr. Speaker, just replacing a culvert, the thing has been out about three weeks now, the concrete is all in place. I just wondered if he could check with the department and see just what the big holdup is? It doesn't seem it's that major a job to re-route the traffic on such a busy artery at this particular time of the year. It would seem to me that there may be some engineering problem there that we're not aware of but I wonder if he would check with his department and see if that really is going to take until July 1 to do that very, very small job, as far as the motoring public is concerned.

HON. B. USKIW: Well, Mr. Speaker, I'm not certain as to whether or not this is an in-house job or whether this is a tender construction project. If it's subject to tender requirements then, of course, the usual time delays will take place. But, if it's an in-house operation I'm certain that we will do everything that we can to speed up the construction.

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

MR. G. MERCIER: Mr. Speaker, my question is to the First Minister. Does the First Minister support, in principle, Mr. Speaker, the position taken by the Canadian Labour Congress this weekend with respect to concessions and does he recommend that position, in principle, in public sector and private sector wage negotiations?

MR. SPEAKER: The Honourable the First Minister.

HON. H. PAWLEY: Mr. Speaker, this is a matter pertaining to collective bargaining, a matter that must, in each given case, be determined democratically and this is certainly not a position that this government or any particular government need take a position on.

MR. SPEAKER: The Honourable Member for Emerson.

MR. A. DRIEDGER: Thank you, Mr. Speaker, to the Minister of Finance. The Winnipeg Bible College Seminary located in Otterburne, which is one of the biggest employers in my constituency, operates basically on tuition fees and donations, can the Minister indicate whether the seminary is liable to the 1.5 per cent payroll tax?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, very clearly the Member for Emerson couldn't have been in the House in the last few weeks. I have stood here, it must have been 50 times, that I have said that the levy for health and post-secondary education applies to all employers in the province, that includes the particular employer he is referring to because all employers benefit from our health and post-secondary education system which is running at a cost of more than a billion per year in Manitoba. That cost has to be borne by someone; we have lost over \$700 million over the next five years in transfer payments for that purpose. This is our method of recouping a portion of that.

I should also point out, Mr. Speaker, that with

respect to that particular employer, as other employers involved in that field, they are receiving funds which are deductible from the taxable income of the individuals who make those contributions and I believe that's a point that he should be considering when he is asking these questions.

MR. A. DRIEDGER: Mr. Speaker, to the same Minister. Since the Winnipeg Bible College Seminary relies most heavily on donations and because of the poor economy is making fund raising very difficult, would the Minister consider exempting organizations like the Winnipeg Bible College Seminary from the 1.5 per cent payroll tax?

HON. V. SCHROEDER: Mr. Speaker, I don't believe that it would be appropriate for any employee or group of employees to be exempted from taking the benefits of the health care system and the post-secondary education system in the province. The payment will come in all cases from the employers in the province. We believe that it is a fair and equitable manner of distributing that particular burden which has been placed on us and we are required to obtain those funds fairly from all employers in the province.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Thank you, Mr. Speaker, on Tuesday, May 11th, the Honourable Member for Emerson asked me questions dealing with the applications received by the Manitoba Agricultural Credit Corporation for agricultural loans and how many had been approved.

I'm advised from the period of November 30 until May 13, 1982, there have been 148 applications received by MACC. Head Office of MACC has approved 97, declined 30 and 21 are under consideration. The figures that I have given the honourable member do not include those applications that are in the field presently being processed and I'm advised that there are somewhere between 60 and 70 applications in process in the field.

MR. SPEAKER: The Honourable Leader of the Opposition.

HON. S. LYON: Mr. Speaker, the other day I had occasion to ask a question of the Minister of Finance about a legal opinion which he claims he has received from the Attorney-General's department or the Attorney-General himself. Could the Minister of Finance table the legal opinion which he referred to the other day which apparently tells him that the Legislature of Manitoba can impose a tax upon the Federal Government?

MR. SPEAKER: The Honourable Minister of Finance.

HON. V. SCHROEDER: Mr. Speaker, I had indicated I believe previously that the opinion wasn't in written form, but I am astounded that the Leader of the Opposition is getting on again, together with the Member of Parliament for Provencher, and continuing to bring this question forward as though Manitoba doesn't

have the right to tax in this form, although Quebec does. Quebec has done it for 10 years and there has never been a question, never a question from him when he was the Premier of this province. If he believed, if he seriously believes that the answer to his question is that the Federal Government shouldn't be paying that tax, then he has been extremely negligent as Premier of this province in not going after the Federal Government to ensure that that portion of income, which is deductible by corporations paying taxes in Quebec and in Manitoba, not be deductible in Quebec from tax payable in Manitoba because that Quebec tax has cost Manitoba taxpayers a lot of money over the years.

As well, Mr. Speaker, the Federal Government is making similar payments in the Province of Ontario where they are paying half of Medicare premiums and for an employer who has an employee with a wife or a spouse and two children, that amount is \$648 a year; half of that is over \$300 per year that the Federal Government is prepared to pay in the Province of Ontario. What the Leader of the Opposition is saying is, it's okay for Ontario to do it; it's okay for Quebec to do it, but for Pete's sake, Manitobashould allow those people to have those deductions and we should contribute toward those provinces. On this side, we disagree.

HON. S. LYON: Mr. Speaker, I'm aware and the public of Manitoba are growing much more aware that there are many fundamentals of the law and of the Parliamentary process which will astound the Minister of Finance which are commonplace to the rest of us.

I merely asked the Minister of Finance if he has a legal opinion, would he table it saying that the Province of Manitoba has the right to impose a tax upon the Federal Government; that's all.

HON. V. SCHROEDER: Mr. Speaker, I have said at least once before, but I will say again, that I have a verbal opinion. It may be that the Leader of the Opposition doesn't understand what a verbal opinion is. A verbal opinion is one that is not in writing. It just so happens that there are very many opinions given every day of the week that are valid opinions that are not in writing. This one happens to be, I believe, quite valid and not in writing.

HON. S. LYON: Mr. Speaker, is the Minister of Finance now telling this House that before embarking upon this new form of taxation in Manitoba, he did not secure a written, legal opinion as to the constitutionality of the tax? Is that what he's trying to tell the House?

HON. V. SCHROEDER: Mr. Speaker, it may well be that the Leader of the Opposition would like to get some legal work passed over to some friends of his, but it is my view and the view of this government that when you have provinces like Alberta, British Columbia, Ontario and Quebec entitled by long-time precedent to deduct those taxes, then we believe that we have the right here in the Province of Manitoba as well.

HON. S. LYON: Mr. Speaker, the House is becoming very accustomed to the flimflammy of the Minister of Finance which he uses, I'm afraid, Sir, as a conve-

nient substitute for his lack of erudition in the law and a number of other things. We can accept that in here because we know whereof we speak.

Is the Minister of Finance saying that he imposed this new payroll tax upon the people of Manitoba without the benefit of a written legal opinion from the Attorney-General's department saying that he, that the Legislature of Manitoba, has the right to pass a law which imposes a tax upon the Federal Government as employer?

HON. V. SCHROEDER: The Leader of the Opposition is again mumbling from his seat after he has asked his question for the fourth time.

I would point out that this particular tax is one which has been accepted by the Federal Government in the four most populous provinces of this country and in the four wealthiest provinces in the country, in fact. I should also say that the Federal Government doesn't have the difficulty in accepting this tax that the Opposition and Mr. Jake Epp do.

Mr. Jake Epp and the Leader of the Opposition may have difficulty accepting it. It may have something to do with changed federal-provincial relations since November 17, but the Federal Government has indicated very clearly that they are prepared to pay this tax in Manitoba and it seems as though the Opposition just really would love to see us and the Federal Government in the kind of gutter fights that they had for four years when that group was in office. Well, we're not prepared to fight. We are not prepared to fight. We think this is a fair tax; it is a tax that puts the Federal Government in a position where it's paying its fair share. Employers in the province are paying their fair share; the Federal Government has already indicated that it is prepared to pay it, they're not prepared to go to court to fight us on it. So I believe that the question is thoroughly hypothetical.

HON. S. LYON: Mr. Speaker, will the Minister, not having apparently already done so which was a prerequisite of a good tax law, will he now obtain from the Attorney-General's department an opinion which gives him some backing for the rather novel mouthings that he puts forward in the House about somehow or other a premium tax in Ontario being the same as a payroll tax in Manitoba? That flimflam may work on his side of the House; it doesn't work here. Will he now, after the fact, get an opinion from the Attorney-General's department as to the constitutionality of the tax?

I ask him to do this, Sir, because he gave notice today of first reading of the bill and I don't think the Legislature of Manitoba should be asked to pass this bill until such time as it has had a written, proper legal opinion from somebody other than his seatmate, a proper legal opinion from the law officers of the Crown as to the constitutionality of the law that he is going to be asking this Legislature to pass, vis-a-vis the Federal Government?

HON. V. SCHROEDER: Mr. Speaker, I have a few comments. It would be a strange notion, indeed, of justice in this country where a province like Quebec is entitled to deduct this tax from the federal payroll and has done so during the reign of the former First Minister and that we wouldn't be able to deduct the identical

levy at half the amount; that's number one. That would be a very strange circumstance in a Confederation like Canada indeed.

Number two, we have never said that Manitoba's levy is identical to Ontario's. Ontario's levy is regressive in that it is a full tax; it doesn't matter how much or how little the employee is earning, \$648 a year, every year whether they can afford it or not and the Government of Ontario says that more than 70 percent of that tax is taken out of employers. Well, if that is true, that's over \$500 per employee on the average in Ontario. So it's regressive and it is aimed at the employee; that's another difference. So we're not saying this one is identical to Ontario's, it has some similar properties. It is identical to Quebec's excepting that it is only at half the value.

So again I would like the Leader of the Opposition to consider why it is that the Province of Quebec has been able to levy this tax for a decade on the federal payroll without his ever raising an objection that I can recall and, when the Province of Manitoba does it at half Quebec's rate, that he wants to discover a flaw in this particular tax in order that what? He can cheer as our tax coffers are not filled as quickly as we expected; that we would have to cut back on programming or add other taxes. Is that what he wants? I don't think he wants that. Surely he wouldn't want that and if he doesn't, then I would ask him to stop asking these questions.

HON. S. LYON: Mr. Speaker, I won't stop asking questions because my honourable friend demonstrates day by day, week by week, that he doesn't know what he's doing. I merely asked the question for the benefit of the 57 members of this House who are going to be asked to pass a law brought in by this incompetent Minister, without the benefit of having a legal opinion as to its constitutionality. That's all we're asking.

The Honourable Minister may recall, Mr. Speaker, that this province had a law on its books since 1916 which wasn't challenged in the courts, which three years ago the Supreme Court said was ultra vires. I remind him of that fact before he makes too many firm opinions about the constitutionality of his law.

Will he provide the House with a legal opinion from the Attorney-General's department of this province as to the constitutionality of his new payroll tax? A very simple question.

HON. V. SCHROEDER: I don't know what has so exorcised the Leader of the Opposition to believe that somehow Manitoba isn't entitled to pass a taxation act that he, as Premier for four years, acknowledged by his inaction as being perfectly legal. He, himself, as Premier of this province knows full well that during the time he was in office that the tax in Quebec indirectly cost the taxpayers of Manitoba millions of dollars from corporations doing business throughout this country who could deduct their Quebec payroll tax from the amount of their taxable income and, therefore, their taxable income for Manitoba purposes was lessened by that amount.

Now when Manitoba institutes the same tax that he accepted as legal by his inaction for four consecutive years he is suddenly saying that we need a legal opinion to accept as being legal, a tax that he accepted by

his inaction as being legal for four years. I find that unacceptable.

MR. SPEAKER: Order please. The time for Oral Questions having expired, I believe the House had given its leave for the Honourable Minister of Government Services to revert back to Oral Questions.

The Honourable Minister of Government Services.

HON. S. USKIW: Mr. Speaker, as a result of charges being laid under the Criminal Code of Canada against the employee of the Department of Government Services, arrangements have been made to reassign him to another division in the department which is an area completely separate and unrelated to his former area of responsibility and activity. This reassignment is being carried out pending court proceedings. This employee will be directly responsible to the Executive Director of the Supply and Services Division and assigned projects primarily associated with that division.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HANSARD CORRECTIONS

HON. R. PENNER: Yes, I have two or three announcements. First of all, with respect to Hansard of Thursday, May 20, 1982, on page 2654, in recording the Votes on the subamendment, the amendment and the motion on the Budget, there is an error on that page. The counts on the amendment and on the main motion are reversed. That is, the Ayes are counted as Nays and the Nays as Ayes. It appears correctly in Votes and Proceedings but not in Hansard and I've drawn this to the attention of the Clerk and now for the record, I'm announcing it to the House.

COMMITTEE MEETINGS

HON. R. PENNER: Again there's an announcement, Sir. There will be meetings of the following Committees of the Manitoba Mineral Resources on Thursday, June 3, 10:00 a.m.; and Manitoba Forestry Resources, Tuesday, June 8 at 10:00 a.m.

I just remind the House that there is a meeting of Privileges and Elections to take place this coming Thursday, May 27, at 10:00 a.m. on matters referred, in Room 255.

Mr. Speaker, I now move, seconded by the Minister of Highways that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty, to say that Education is continuing in the House and the Attorney-General's Estimates in Room 255.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Flin Flon in the Chair for the Department of Education and the Honourable Member for The Pas in the Chair for the Department of the Attorney-General.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - ATTORNEY-GENERAL

MR. CHAIRMAN, H. Harapiak: Committee come to order. We are considering Estimates of the Attorney-General's Department. We're on Page 14 in the Estimates booklet.

The Honourable Attorney-General.

HON. R. PENNER: Thank you, Mr. Chairman. By way of introduction I would like to make a few brief remarks. First of all, overall you will note on Page 14 that there's an increase this year from \$46 million approximately for the year ending March 31, 1982 to \$57 million for the year to end March 31, 1983. That's an increase in dollars of approximately \$11 million. Virtually all of that, you will notice, is attributable to the increased cost of law enforcement, up almost \$8 million from previous years, due substantially to the increased costs of the agreement which this province has with the RCMP for provincial policing. The previous Attorney-General bargained long and hard and I believe came up with the best deal that he could in the circumstances. It had not yet been signed at the time that I took office, but I took a look at it and agreed that, first of all, we did have in the RCMP a credible, experienced police service that we could not duplicate, I believe, at that cost and that the best possible agreement had been attained. The particular increase, of course, will be reflected in the costs of this department through the next 10 years — it's a ten-year agreement.

The balance of the increase, in the main, is attributable to the following: new positions, 23.5 approximately, at about \$387,500 and I'll say a few words about those new positions. Salary adjustments, again in line with the scale increase and the annual increments of about \$901,600 and an increase in the fees paid to the private bar participants in our legal aid system of close to \$500,000.00. This was an increase long overdue that had been in the negotiation stage for 18 months - 2 years - and was consummated by the previous Attorney-General raising the private bar fee from \$25 to \$35 per hour. Again, considering that it was the only increase for a period of approximately eight years, it was a modest increase to the private bar and one that was certainly needed given the increase in overhead costs.

Then miscellaneous increases of about \$250,000; these totalling approximately \$2 million so the \$11 million year-to-year increase is attributable to those elements; there is nothing extraordinary reflected in those elements. There are no new programs reflected in those elements; they are increases which are the result in the main, as I say, of negotiations and some new positions.

With respect to the new positions, again really, I may say, minimal in terms of the overall complement of staff man years in the department of approximately 981. Of the 22, the increase of approximately 23-½ staff man years, five of them are really attributable to a one-year experimentation, experimental program, where we have five articling law graduates who are clerking with judges of the Federal Courts. Again, this was something that was in negotiations, at an advanced

stage of negotiations, with the previous Attorney-General and I thought a worthwhile program and something which ought to be tried. It's not expensive in terms of five articling students. Six of the 22 positions are attributable to the requirements in our Provincial Judges' Courts and are all clerical. The others are scattered throughout and will appear as we go from program to program through the Estimates.

Further by way of introduction, I would just like to indicate - and I think it's appropriate to indicate in looking at Estimates which are projected expenditures for a given year - as to where we are heading, perhaps in terms of new programs in the year ahead and in the years ahead. I'll just flag these up by way of introduction, perhaps anticipating questions which might properly be asked later on.

One program which will have some cost impact which is not within our control but we're preparing for will arise from the introduction of The Young Offenders Act to replace The Juvenile Delinquents Act, April 1st, 1983. It will be noticed that this was, in fact, passed in the House; it has to be passed in the Senate and it will come into force on a day to be set in the Act which, I am advised by the Solicitor-General, will be April 1st of 1983. That will have some cost impact on Manitoba. Not nearly as much as in those provinces which do not have, as we have, the juvenile age capped at 18 - some have it at 16 - and there may be considerable expenses in provinces like Saskatchewan and Ontario, on either side of us with the age at 16, where they may have to look at some extension of existing facilities to deal with young offenders. We're not caught in that bind.

We have the assurance of the Solicitor-General that there will be considerable federal input to the increased cost because it is attributable to Federal legislation. I wouldn't want to put that undertaking in the bank just yet but I have reason to believe that there will be some reasonable federal cash input in the increased cost there, but that's for '83-84, and I'm mentioning it now.

We have an implementation committee, representatives of my department, representatives of the Department of Community Services and Corrections, representatives of Legal Aid as well, looking at the impact of The Young Offenders Act.

Under active consideration, but I wouldn't want to put a timeline on it other than it will not be in '82-83, is the concept of the Unified Family Court. Members will perhaps recall that this was on the drawing boards in the mid-70s and was close to implementation but was never implemented and a report to me on Family Law by Robert Karasevich, I've just received but not had a chance to peruse, strongly advocates that we move ahead with the Unified Family Court and that may be something that we're looking at in '83-84. The Law Reform Commission will be reporting to me shortly on fusion of the two trial divisions with federally-appointed judges, i.e., the County Court and the Court of Queen's Bench and again, if this does take place it will be for '83-84.

Again I think, not before '83-84 in terms of implementation, we are - and I think this is well-known - looking at the enactment of a Law Enforcement Review Act which will provide a different kind of mechanism for the review of citizens' complaints against the police. I think in terms of the time that it

will take to have any draft bill thoroughly reviewed by all constituencies affected, police departments, police associations at the time of introduction into the House and passage; the time of recruiting persons for such a function, I think it would be reasonable to expect that there'll be no cost impact in '82-83 but if it is passed, there will be in '83-84. Those are some of the main programs that are a year ahead.

More immediately, I think it would be appropriate to refer to two or three things that are on the drawing board now as it were and may have some cost impact during this year, if implemented in this year. The Victim Witness Assistance Program, which was funded substantially by the Federal Government and was very successful, has been renewed with federal funding for '82-83 at an approximate cost of about \$75,000, but there's about \$55,000 of that Recoverable from Canada. So it's a low-cost program but it's a program that I believe is badly overdue.

It's a program which allows people who are, in the first instance, victims of crime and have to be witnesses; and secondly, witnesses generally who get lost often in the system. There's an office in the Court-house where special attention is paid to making sure that when persons come for trial dates they don't come and find that the trial date has been moved ahead and they've made arrangements to come off the job or anything like that and then find that, for reasons unknown to them, the trial has been cancelled or postponed or something has happened that they don't understand. They feel, particularly if they're the victim, already hurt by the fact of the crime, again hurt by the system. The Victim Assistance Program will not only provide victims and witnesses generally with that kind of assistance, but will be helpful to them in a counselling way to let them know what to anticipate in the court procedure; what faces them as they come in to the court process.

Further, consideration is being given, and when I say consideration is being given, I want to be very careful, no decision has been made at any level but consideration is being given and there is a potential cost impact for further development of a Human Rights office in Thompson. Now if that opens, it would open in the fall of '83 and would have an '82-83 cost impact of about \$36,500.00. Approval has just been given in principle to the development within the structure of Legal Aid of a Public Interest Advocacy Centre to mobilize resources within Legal Aid to more effectively represent consumer groups in certain very special circumstances, which groups want to make representations on their behalf as consumers with respect to things like utility rates, things of that kind. There's an anticipated cost for '82-83 of about \$55,000 there.

There will be instituted later this year a Fine Option Program and this will provide an option, a work option, for persons who are fined and given as the case usually is, a term of imprisonment in lieu of payment of the fine; persons who can't pay the fine — they don't have the money — end up at terrible cost to themselves and to the taxpayer in jail. The Fine Option Program will provide a program of community work; communities will be involved in this program and that will be implemented in '82-83. It is in the Supplementary Supply Bill at an estimated cost for this depart-

ment of about \$85,000 — I think it will be less, more like \$70,000 — but that \$85,000 is the outside amount. Half the cost of this program is borne by the Department of Community Services and Corrections.

Again, as a cost item not reflected in the Estimates, members will recall that under the previous government, Marshall Rothstein was appointed as a commissioner on the question of mandatory retirement and there was a budgeted amount not paid in '81-82 because the bill was not received in time. The bill for Mr. Rothstein's report has now been received at \$98,186.55. The debt will necessarily be a charge on '82-83 — this is \$85,000 under budget. There was budgeted for that report approximately \$280,000.00. This is not, let me say in fairness to Mr. Rothstein, a bill which is exclusively for his services, but encompasses the services of a special assistant and encompasses as well the services of office expenses, the costs of printing the report, miscellaneous costs of that kind, so that the total that will be charged against '82-83 is \$98,186.00.

Finally, just a few small items that will impact on this year's Estimates. Members will have noted that Legal Aid Manitoba has eliminated the user fee which was instituted in early '77, I believe - no, late '77 if I'm not mistaken — '77-78, that's right, and it's expected that this year's costs in terms of lost revenue for the elimination of the user fee will be \$50,000.00.

Finally, an unbudgeted item which, I think, will have some impact on this year's Budget will be some costs associated with constitutional questions that will not otherwise be borne by the Department of Civil Litigation. We have to anticipate now with the proclamation of The Constitutional Act 1982 on April 17th, that in accordance with the Constitution within one year there will be a Constitutional Conference. If that Constitutional Conference takes place earlier rather than later, then there will be counsel fees that will likely be associated with that conference in terms of the preparation of the province's position, particularly with respect to questions of Native and aboriginal rights.

Finally, on that item there's a constitutional case involving the significance of Section 23 of The Manitoba Act which, not too strangely, as is often the case, arises out of a parking ticket being fought by a young man by the name of Bilodeau which has great constitutional significance for the Province of Manitoba involving the validity of our statutes. That case will be heard, it is anticipated, later in the year in the Supreme Court of Canada and special counsel is being retained on that question because of its significance. There was not, when the Estimates were prepared and committed to print, an item that encompassed these two constitutional costs that I'm estimating — optimistically perhaps — but estimating is all I can do at \$50,000.00.

There is a total here in these items that I have mentioned which will likely have a cost impact in '82-83 of \$420,000.00. I should say that there may be two offsetting items, one has to do with the Canada Legal Aid Cost-Sharing Agreement; we expect a federal announcement on that some time within the next few weeks. It's our hope from what we've learned to date that there will be some increase by the Federal Government in its share of the cost of Legal Aid. Again, because of changes that have taken place in the way

in which the trust funds kept by lawyers bear interest, because there's been a change that will increase the amount of such interest, and under The Law Society Act that interest is shared between Legal Aid and the Law Society Educational Program, usually but not necessarily in a ratio of 75 percent to 25 percent, that there may be a substantial increase. It's quite possible that the total amount of interest that will be earned on the trust accounts in '82-83 will be closer to \$1.5 million than the hitherto \$1.0 million. If that is so and if the division takes place in the same way, we might anticipate an increase and it goes into Consolidated Revenue although attributable to the Legal Aid Program of about \$375,000.00.

Those then are some of the programs which are developing and are not reflected in the Estimates outside of the Victim Witness Assistance Program which is reflected in the Supplementary Supply Bill now before the House.

My final comment, by way of introduction, is that in preparing these Estimates for submission to committee and through committee to the House, I worked from the Estimates that had been prepared through the various departments and commissions and pretty well stuck to those Estimates, cutting approximately 22 positions that had been asked for, and reducing the original asked amount by about \$880,000 and have now come forward with the Estimates that appear in print with some additions that might impact during '82-83 as I have indicated. That much by way of introduction, Mr. Chairman.

MR. CHAIRMAN: Would the Member for St. Norbert like to respond to this point or do you want to get into the Estimates?

The Member for St. Norbert.

MR. G. MERCIER: Before I make a general comment, Mr. Chairman, perhaps I could ask the Minister a question. The Attorney-General is reputed, shortly after having been appointed Attorney-General, to have said that he got tired of trying to earn an honest living and got into law with Joe Zuken's firm. Would he now admit, Mr. Chairman, that since he is the Chief Law Officer of the Crown, this is the most dishonest living he has ever earned?

HON. R. PENNER: How can you say that of a job that keeps somebody occupied from 7:30 in the morning until 11:30 at night for less money than I was earning before I came here?

MR. G. MERCIER: Mr. Chairman, many of the references the Attorney-General has made are — understandably so in a transitional year — to items which were under active contemplation by our government and I refer to, for example, the Fine Option Program where we had passed the legislation, I believe, at the last Session of the Legislature and a program was under way and discussions under way in order to implement that program in this coming year. The Victim Witness Program, I think, was under active consideration as was The Law Enforcement Review Act, the amalgamation of courts question had been referred to the Law Reform Commission and, hopefully, we will be receiving a report from them shortly.

The Minister did refer to a number of matters under which we can raise questions, I think, as we get to the individual Estimates in departments. A couple of questions though, Mr. Chairman. The Minister has referred to 23 new staff person years and has referred to where 11 of those are located. It would be helpful, I think, if he could indicate at this stage where the balance of the positions have been allocated. He has also referred to special counsel for the constitutional case, the Bilodeau case. I wonder if he could indicate whether he has changed counsel. Thirdly, it was the practice for a number of years, Mr. Chairman, when I had the privilege of carrying through these Estimates, I think at that time, for the then Member for St. Vital, our now Speaker, to undertake when we got to Salaries, to have some officials present from the Liquor Control Commission in view of the Attorney-General's responsibility for the Liquor Control Commission in order that he would be in a better position to answer some questions at that stage. If he would be kind enough, we would like to follow that practice, particularly in view of the Budget and the large increase in revenue that the Liquor Control Commission has been asked to provide to the government. We would like at that time to get some indication from the Commission as to exactly how they propose to raise that amount of money and some comparison of prices with neighbouring provinces. If the Attorney-General is in a position, perhaps he could answer those few questions now.

HON. R. PENNER: Thank you, yes. With respect to the new staff, they are as follows. So I'll give you the overall breakdown and then we can look at the exact positions as we come to each one of the appropriations.

In General Administration, it's 1.39 — one staff man year, 39 weeks — Civil Litigation, 2; Criminal Prosecution, 26 weeks; Law Reform Commission, 26 weeks; Manitoba Human Rights, 1; Land Titles, 1; Queen's Bench — these are the articling law grads, it should really be Queen's Bench, County Court and Court of Appeal, 5; Provincial Judges' Courts, 6, and as I intimated, these are all clerical spread throughout the system; Sheriff's Office, 2; Legislative Counsel, 26 weeks; Public Trustee, 2; Legal Aid, 2; Personal Property Security Register, 13 weeks. That's a sub-total of 24 staff man years and 26 weeks.

There's a reduction re the Chief Medical Examiner because of the arrangement where that person is now appointed as a faculty person and we'd buy back some of the time so it's not a staff man year. So the net total is 23 staff man years, 26 weeks.

With respect to the Constitutional case, no, I have not changed counsel. The same counsel will continue. What I have done is I have retained strictly on a consulting basis on some of the constitutional aspects for an opinion, Professor Dale Gibson of the Faculty of Law at the University of Manitoba who has given us an opinion that counsel, Kerr Twaddle, has welcomed. We have, in fact, a departmental working group, given the significance of this case, that has been working very closely and very well. That includes Mr. Tallin, Chief Legislative Counsel, myself, the Deputy and the Assistant Deputy, Mr. Twaddle, Mr. Gibson and Roger Turenne, the Chief Co-ordinator of Language Services.

With respect to the request to have officials of the Manitoba Liquor Control Commission at the time the Minister's salary is discussed, by all means, with the General Chief Executive Officer and the Chairman of the Commission.

MR. G. MERCIER: Mr. Chairman, I think the general manager is sufficient.

HON. R. PENNER: Okay.

MR. G. MERCIER: Mr. Chairman, on constitutional negotiations, has the Attorney-General any plans in mind as to whom he would retain for advice outside of his department or other government departments?

HON. R. PENNER: Yes, I have retained for an initial opinion, Mr. Colin Gillespie of the law firm of Taylor, Brazzell, McCaffrey — whatever, it goes on forever sometimes — Carr. Mr. Gillespie is specializing in Native and Aboriginal rights questions and I've asked him for a preliminary opinion on the significance of the Native rights in Manitoba, the extent of treaty rights, what Native rights there are outside of treaty rights, what are the parameters of Aboriginal rights in the Province of Manitoba and I'm having that kind of input from Mr. Gillespie at this time.

MR. G. MERCIER: Mr. Chairman, has the Federal Minister of Justice established a time schedule or a schedule of meetings on this subject?

HON. R. PENNER: Not to my knowledge.

MR. G. MERCIER: Mr. Chairman, just one other specific question. Does the Attorney-General plan on introducing any amendments to The Builders Lien Act at this Session of the Legislature?

HON. R. PENNER: I have in fact been working with the Legislative Counsel on that and with the special advisors to the Legislative Counsel, Mr. McJannet and David Newman, and there are some imperfections in The Builders Lien Act which is I think quite understandable in a new Act. There is not unanimity between counsel or among counsel on some of the best means of resolving those problems.

It was my hope to be able to introduce the amendments in this Session. I am still aiming to do so, but I should say that a lot will depend on how members generally feel as to the length of the Session. It's not easy legislation and what I would propose to do is once I've had a look at the draft in final form is, in fact, discuss it with the Opposition House Leader and the Member for St. Norbert to see whether it's possible to expedite its passage.

MR. G. MERCIER: Mr. Chairman, the Attorney-General referred to a possible recovery of costs from the Federal Government with respect to the implementation of The Young Offenders Act. I take it that question has not been resolved yet.

HON. R. PENNER: There is a general undertaking on the part of the Solicitor-General. I'm not so sure that undertaking is the right word, but it certainly has

stated that accepts in general the federal responsibility to assist the provinces financially because of the cost of implementing this program. I accept the Solicitor-General at his word, but between the word and the deed falls the shadow of federal-provincial politics. I'll believe it, I guess, when I see it, not being from Missouri but from Manitoba, which has somewhat the same problems.

MR. G. MERCIER: Mr. Chairman, could the Attorney-General indicate what his plans are for dealing with provincial offences in young offenders? Does he plan to bring forward legislation before the effective date of April 1, 1983?

HON. R. PENNER: Yes. As I mentioned earlier, we do have an implementation group that have representatives from the Juvenile Court system — Judge Kimelman, for example, Chief Judge of the Juvenile Court — from the Community Services, from Legal Aid, and one of the responsibilities with which that implementation group is charged is to review whether or not there is, in fact, a gap that will be created with the implementation of The Young Offenders Act. Well, there will be a gap because as the Member for St. Norbert knows there are a number of what are called status offences in The Juvenile Delinquents Act. That is they are not offences if committed by an adult but only if committed by a juvenile, and The Young Offenders Act will only accept jurisdiction over a young offender if that offender is charged with a crime as defined for adults. So that will leave for consideration, what do we do with some of the things that have hitherto been charged under The Juvenile Delinquents Act simply because the person was a juvenile? For example, that ill defined and perhaps undefinable amorphous entity — sexual immorality — the type of thing, I suppose, which one judge said he knows it when he sees it but he can't define it. One wonders what he was looking at when he made that statement, but there are problems here.

My own opinion is that there are a whole number of the status offences which we'll likely not want to treat as offences, nor is it the intention to create a sort of provincial juvenile court. The thought is that some of the matters that were dealt with under The Juvenile Delinquents Act that may require attention, but not in a criminal law correction system, but perhaps under the provisions of The Child Welfare Act for example.

MR. G. MERCIER: Mr. Chairman, the Attorney-General has been quoted and reported upon with respect to the Charter of Rights on a number of occasions and perhaps he can attempt to clarify his position. He issued a news release on January 29th of this year in which he indicated that Manitoba will implement fully all provisions of the Charter of Rights expected to be entrenched in the Canadian Constitution.

In a news article subsequent to a speech he gave, the report indicates that he was forming a Departmental Task Force to propose changes to any Manitoba statute which conflicts with the Equality Rights section of the new Charter of Rights. He has appointed Professor Gibson, the Chairman of the Human Rights Commission, to conduct a study into the impact of the

new Federal Charter of Rights and Freedoms on Manitoba law, particularly in areas of possible conflict between the two.

Subsequent to that announcement, Professor Gibson is quoted as saying that: "Hundreds and perhaps thousands of sections of Manitoba statutes are void under the provisions of the new Charter of Rights and Freedoms." It is reported that Professor Gibson said: "The government can take several courses of action to deal with nonconforming legislation. It can refer the statutes to the courts for an opinion, wait for an individual to argue a case before the court or invoke the notwithstanding clause in the Constitution."

The Attorney-General has indicated in the House that he expects to receive a report, perhaps not the full report but at least an interim report by the end of the summer and has undertaken, I believe, to distribute that report to members of the Legislature when he receives it.

Is it the Attorney-General's position that he and this government will never use the notwithstanding provisions contained in the Constitution and that he will amend all provincial legislation to conform with the Charter of Rights and judicial decisions. That appears to be the posture that the Premier and the Attorney-General have taken. If it is, I would say to him, it may not be the wisest decision to make because he may very well find there will be judicial decisions that will be made in the future interpreting the Canadian Charter of Rights and its effect on Manitoba law that will not be acceptable to his government and he may wish to use the notwithstanding clause provision in the Constitution. I wonder if the Attorney-General could indicate his position on that question.

HON. R. PENNER: Yes. First of all, with respect to the Departmental Task Force headed by Professor Gibson and employing some Faculty of Law students over the summer, certainly that report when ready will be tabled. I believe it will indicate that there are, I'm not so sure thousands, but certainly many provisions of general statutes which are possibly offensive to the Charter of Rights. It would not be possible for that Task Force to review all of the public statutes of the Province of Manitoba. I've asked that it concentrate on the main ones, the ones that affect most people most of the time and that is those who come, in a sense, into conflict with the law, so that high on the list of priorities for examination will be The Highway Traffic Act, The Liquor Control Act, just to use these as examples.

Now, in the event that the report says that Section 132 — and that's a fictional number — of a certain statute offends a certain section of the Charter of Rights, that is true, there are two courses. One is to say okay, we know that, thank you very much, and wait until someone raises it in the court and let the court decide. It seems to me that I would not want to be that passive and I would not want the government to be that passive. Where I've come to the conclusion after consultation within the department that the opinion is right, that the section clearly offends, I would rather be in the position of amending the statute so that we're not caught in a sense after the fact, that someone has to go through the whole expensive business of litigation and the expenses, both that of the individual alleged offender and the province, to estab-

lish something which is fairly clear on its face.

Sometimes, the kind of amendment which might be necessary to make a statute conform to the Charter would be relatively minor. It might have to do something with improving — and I'll use this as an example because it does creep up in many provincial statutes — improving the standards required for the issuance of search warrants or the conditions under which search warrants might be required and where they might not.

Now, with respect to the notwithstanding clause, the position I have taken is this — and let me just summarize it very, very briefly — let us suppose that a court says that a certain section offends the Charter of Rights, and the charter after all is a charter of fundamental rights and freedoms, and if that's clearly established let's say at the appellate level, it might not have to go to the Supreme Court, that that is so. Then for a province, any province, to say notwithstanding that it has been found at an appropriate judicial level that this law offends fundamental rights and freedoms, we're going to have it anyway, I really don't think that is an appropriate step for a province to take if the province is committed, as this province is, to the notion of the Charter of Rights as being a constitutional Charter of Rights and qualitatively different than the Statutory Bill of Rights.

You have one or the other to try and live in some nether world. Some limbo in between means that you have neither, you don't know what the law is, and certainly one of the principles of legality is certainty. We should know what the law is and not have a situation where any government so minded can do an end run — I've used that term before — around the charter. You see, and I'll conclude — and I hope this hasn't been too long an answer — with this observation.

Section 1 of the charter does say, "subject to such reasonable limitations as are acceptable in a parliamentary democracy." Now, that assumes something about our legal system and about our parliamentary system which I think is right: namely, that we do recognize certain reasonable limitations. That's part of our legal and political heritage. I don't think that we're going to have, as is anticipated, a number of wild decisions that carry our political and legal system to some kind of world of judicial and political horrors. I don't anticipate that. I think that what will happen is that courts will look at the reasonable limitation.

I'll use one example. Someone might come and argue that for a condition with respect to the imposition of bail that the person — let's say in certain circumstances — has refused bail, that constitutes violation of the mobility rights in the charter. Well, no court in my view, and certainly no Appellate Court, if a lower division court were to hold so, would sustain that notion. They would say, well, it is a reasonable limitation on one's freedom of movement that if a person is charged with a serious crime, and bail — let us say in a homicide case — is refused, I think that will be held as a reasonable limitation.

So I really don't see the need, first of all, given Section 1 of the charter for enacting the notwithstanding clause; secondly, if a province says it's prepared to do it as, indeed, has the Province of Quebec, it tears the charter into shreds and tatters. It makes it a nonentity and I'm not prepared, nor the Premier advises is he

prepared, to take that position at this time.

MR. G. MERCIER: Mr. Chairman, I'm not advocating at all, similar legislation to that of the Province of Quebec. I'm trying to determine whether the Attorney-General in this government will reserve the right in the future to use the notwithstanding provision of the Charter where there is a judicial decision that is not acceptable, but any legislator who deals with legislation in the rights of competing groups, they must balance the rights of one group against other rights. The Attorney-General seems to be saying that he's prepared to let the court make that final decision on social issues.

Let me ask him a question. Let's suppose the courts struck down the first-contract legislation that the government is proposing as violating one of the fundamental freedoms. Is the Attorney-General saying that he and his government would accept that decision and would not in that case use the notwithstanding clause although they with their philosophy, their political philosophy, felt that first-contract legislation was the right thing to be done in Manitoba?

MR. DEPUTY CHAIRMAN, A. Anstett: The Honourable Attorney-General.

HON. R. PENNER: Well, first of all, on the general question with respect to the spectre which is raised and been raised most forcibly, not only in this province but, I think, nationally of the courts making a final determination and the implication there is that is unusual in our system and ultimately a thing to be abhorred.

In fact, we have a constitutional system and there have been important pieces of social legislation struck down by the Federal Government on the grounds of unconstitutionality within a framework that we know—namely, that the particular Act whether it's federal or provincial is ultra vires, that is, beyond the power of the particular enacting jurisdiction. That has taken place.

I'm sure that the Government of British Columbia, for example, when it in the late '60s, early '70s passed a bill with respect to LSD which was not then dealt with by federal legislation; it was a new phenomenon. Who had ever heard of it? They passed some amendment to The Provincial Health Act purporting to deal with it as a health problem but, in fact, providing penalties because of its concern that the Federal Government had not acted. The then Government of British Columbia thought that this was a very very important piece of social legislation, and I don't pass judgment on whether they were right or wrong. But the B. C. Court of Appeal and ultimately the Supreme Court of Canada struck down that legislation as being ultra vires, that in fact, it was in essence criminal law and only the Federal Government could pass criminal law. So this is nothing new in our legal tradition, nothing new at all. We've had pieces of social legislation in Manitoba dealing with the question of special needs under the Canada Assistance Program struck down at the Appellate and Supreme Court level, if memory serves me, as being ultra vires, beyond the power of the Provincial Government, so it's nothing new.

The question is asked more specifically, what would

the province do if a particular piece of legislation such as the first-contract legislation were held to be in violation of fundamental freedom? I just can't imagine that happening. But let's suppose that a particular piece of legislation which represents a firm commitment on the part of this government were to be struck down by the courts as being in violation of the Charter of Rights. Well, for a court to do that at the appellate level, to go higher, the court would have found that, in fact, what we have done was a violation of fundamental freedom. I think we would have to examine that legislation and try to re-enact it in a form which was not offensive as found by the court. That's part of the political cost of accepting the notion of an entrenched charter. I admit that it can create difficulty. They've lived with it for a couple of centuries in the United States and, although the United States is often cited as a horror story, it's just as often cited as an example of good government. I think that by and large the assessment of the effect of the first 14 Amendments of the U.S. Constitution, their Bill of Rights, that the overall assessment of its impact has not at all been ruinous to the fabric of a democratic society.

MR. G. MERCIER: Mr. Chairman, hopefully, to conclude this subject, is the Attorney-General indicating that there's not the slightest chance that they would use the notwithstanding clause in the Constitution?

HON. R. PENNER: It's not for nothing that the Member for St. Norbert has a reputation of being a good lawyer. They say on a clear day, you can see forever, but never is too big a word for political life.

I think I would have to say that one can conceive of possibilities where a government might want to consider the notwithstanding clause. Quite frankly, I can, given the reasonable limitation clause, but I don't think that I want to put myself in a position of foreclosing all future governments in this province from the kind of extreme situation which was utterly unforeseen and for which no apparent remedy exists other than the notwithstanding clause. Now that is a bit of an equivocal answer, but you see, it's not for nothing that I've been a lawyer for a long time either.

MR. DEPUTY CHAIRMAN, P. Eyler: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, could the Minister indicate whether new legislation that has been brought into the House, say, at this Session, in particular the Rent Control Bill, is there a procedure for reviewing new legislation prior to its introduction in the House in order to determine whether, in the opinion of those who review it, it complies with the Charter of Rights and Freedoms?

HON. R. PENNER: It's a very good question, and to be very frank about that, in my view, we have insufficiently developed the mechanisms, so far, for scrutinizing legislation as it's coming up the legislative pipe to make sure, insofar as we can, that sections of it do not offend the charter. Let's take that particular example, The Rent Review Regulation Act, that if there are concerns of that kind that are expressed, as I am sure they will be, if they are there at Law Amendments or

whatever committee the legislation comes before, that I not only hope, but I expect that we will take a very close look at such concerns and make such changes as may be necessary if we are convinced that, indeed, there is force to the argument. We're certainly not going to be dogmatic about any particular section of any legislation and say, well it's ours, therefore it must be good, in that sense, and if representations are made, cogent representations, that there's a potential breach with the Charter of Rights, we'll certainly have a very good look at it.

MR. G. MERCIER: Mr. Chairman, I wonder if the Attorney-General would, perhaps as a small test or experiment, be prepared to request Professor Gibson's Committee, or whatever committee he wishes, to look at Bill No. 2 - and we haven't seen the details of the first-contract legislation - but to look at that bill also and provide a copy of their report to Members of the Legislature before they are dealt with at the Law Amendments Committee stage in order to determine whether or not, in the opinion of the group that looks at them, they comply with the Canadian Charter of Rights and Freedoms.

HON. R. PENNER: I'm quite prepared to do this. I'm not enamoured of the particular mechanism being proposed, the idea that is being suggested of very close vetting of legislation, particularly new legislation, is a good one and I accept it. I am prepared to have a very good look at the '3R' Builder and Regulation Review Act, or is it the Rent Review Regulation Act? The 3R Act - could we refer to it as that? - with respect to a number of provisions that may be problematic even before it comes before Law Amendments and if I'm of the opinion or members of my department share that opinion with me that they're potentially offensive, to discuss it with the Minister.

MR. G. MERCIER: Did the Attorney-General indicate he would provide a copy of the committee's report to members of the Opposition?

HON. R. PENNER: Which committee?

MR. G. MERCIER: We really haven't determined which committee would look at it. I had referred to Professor Gibson's Committee because that was the only one that I was aware of that the Minister had in place to look at Manitoba Legislation.

HON. R. PENNER: The undertaking I have given is, first of all, with respect to the Gibson Report; we'll call it that or the Gibson Task Force. The Gibson Task Force is not and will not be looking at the 3R Bill; there will not be time. I have undertaken to take a look at the 3R Bill myself to see whether there's any advice I can give to the Minister, but that would not be the type of advice which I think would be the subject of a report to be tabled in the House. I am sure that if I give advice to the Minister that there is, in my view, a section which violates the charter, that there would be little difficulty in the Minister taking a good look at that particular section, together with Chief Legislative Counsel, to see what alternatives might be proposed. But there has to be a certain level, when we're working at the

Cabinet level, of the exchange of interdepartmental and Cabinet memos that are not the subject of reports being tabled in the House.

MR. DEPUTY CHAIRMAN: The Member for Springfield.

MR. A. ANSTETT: Mr. Chairman, with regard to the question discussed earlier, the constitutional discussions both last year and this year, I wanted to ask the Attorney-General if he has, at this time, or if he can obtain during the Estimates, the cost to the taxpayers of Manitoba of the representations, counsel, travel, etc., associated with Manitoba's role in the constitutional negotiations over the last fiscal year '81-82?

HON. R. PENNER: Yes, if you'll bear with me, I have those figures and facts. The total constitution expenses 1981-82, are \$144,267.24. Of that sum, approximately \$96,977 was lawyer fees. There were other professional fees; printing and stationery for \$20,000, postage, phone and telex, the high price of communication, I suppose, \$18,000, and miscellaneous, making a total expended on the constitutional exercise of '81-82, of \$144,267.24.

MR. A. ANSTETT: I would like to thank the Attorney-General for that information.

The next question relates to corollary to the constitutional discussions and that is the cost to Manitobans of the Supreme Court appeal and our representations, additionally, on the appeals by certain other provinces in which we enjoined. What was the amount of money involved in that or is that represented in the earlier figure?

HON. R. PENNER: It's contained in the earlier figure; I haven't got a breakout of the cost at various levels. Don't forget there was an appeal before the Court of Appeal in Manitoba and then before the Supreme Court. I don't have a breakout on a court-by-court basis.

MR. A. ANSTETT: Thank you very much, Mr. Chairman. One other question with regard to the discussion in The Young Offenders Act. Will these changes that are being proposed affect the Voluntary Probation Officer Program in which Judge Kimelman was involved with certain community groups, whereby young people were provided with obligations to perform community service? I think, perhaps, specifically in my constituency, operating out of the Beausejour court, assignments were done with community groups in the RM of Springfield, particularly in Cooks Creek, a very, very successful program and I'm wondering if the whole funding under The Young Offenders Act is going to affect this in any way, whether it will enhance it or whether this is going to be diminished because of that. I know there have been concerns both ways about that program.

HON. R. PENNER: I agree that has been a very good and a very successful program and I don't think it will disappear. Certain programs of that kind hitherto associated with the Juvenile Court will be maintained but be of — this is not a nasty word — a bifurcated

jurisdiction, a split jurisdiction. That is, some things will be run under The Young Offenders Act and some things will be run in whatever mechanism we have for dealing with persons below the age and not in conflict with the law in the sense of having committed a criminal act. The implementation committee to which I referred earlier is looking at programs now existing and what programs can successfully be transposed between one system and the other.

MR. A. ANSTETT: Mr. Chairman, the Attorney-General very specifically addresses my concern. I understood that there was going to be some splitting of responsibilities and essentially a program with different components. I guess my concern that I would like on the record, and appreciate the Attorney-General's comment upon would be, that this particular program which I personally feel has been very successful not fall by the wayside during that period; in fact, that it be viewed as something which could become an essential component and have a useful role to play under both sections of this bifurcated program, if we can describe it as such.

HON. R. PENNER: Yes, there is no reason at all why this program should fall by the wayside and, in fact, I see if anything an increased need for it.

MR. DEPUTY CHAIRMAN: Are there any other questions on the opening statement?
The Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Chairman. I just have a question or two for the Honourable Attorney-General dealing with the translation services and our relatively slow approach to translation within the Legislature. I wonder if the Minister would be able to provide us with a breakdown of what costs on translation are apportioned to the Department of Legislation. What part goes to actual court costs and what part may, in fact, go to another department such as the Department of Cultural Affairs?

MR. DEPUTY CHAIRMAN, A. Anstett: The Honourable Attorney-General.

HON. R. PENNER: All translation costs are under the Department of Cultural Affairs. The Department of the Attorney-General bears none of those costs. They're all allocated to the Department of Cultural Affairs and there is a translation section, a translation unit presently housed over on York Avenue, I think it is, that has the responsibility for, in the main, to aspects of translation.

Let me just deal with French-English as a particular example. One has to do with the legal side and the other, general. With respect to the legal side, there are persons employed as legal translators, but that is in that department and those are the ones who primarily have the task of translating statutes which, as you will have noticed already in this Session and in the previous Session, come forward to the Assembly in both languages.

MR. H. GRAHAM: A supplementary question then. Dealing with the operation of the Law Courts in gen-

eral which have always in the past provided translation services to varying degrees, I would like to ask the Attorney-General if there has been any significant increase in the costs of translation services since the Supreme Court decision?

HON. R. PENNER: No, there has not, not within the court system itself. The increase in cost has been with respect to the translation of statutes.

MR. DEPUTY CHAIRMAN: Any further questions on the opening statement? I take it actually we're on 1.(b) Executive Management (1) Salaries—pass; 1.(b)(2) Other Expenditures—pass; 1.(c) Administrative Services (1) Salaries, \$583,800—pass.

The Member for St. Norbert.

MR. MERCIER: Mr. Chairman, I'll ask a question that could be asked here or probably later. I wonder if the Attorney-General could indicate the status or progress of any of the computerization program that has been looked at for a number of years — promised.

HON. R. PENNER: Yes. As the former Attorney-General knows, the Department of the Attorney-General is uniquely suited to the development of Data Processing Systems. There's an immense amount of data which is fed into the system and all of it, well most of it, is of considerable value in terms of it being stored and readily accessed. That has to do with such things as the Personal Property Registry System, the family maintenance system, accounting systems. Our record with the systems and this, under the former Attorney-General, certainly has been a good one. The tracking of family maintenance payments between spouses and the initiation of enforcement action has been enhanced enormously by the Data Processing System we have in place there.

The Personal Property Registry System which was introduced by Mr. Sinnott, who is with us today, is the registration of security interests in property other than realty has more than paid for itself.

In terms of accounting systems, we have in place a pilot system now at 207 Donald, that's the Provincial Judges Court office, to handle rural court fine collections and distributes these through the accounting records.

With respect to development plans, here again under the leadership of Mr. Sinnott, we had approved recently at Treasury Board level some developmental plans for the Land Titles system and that will be at the beginning a selective automation of certain functions to improve the security, the accuracy, the efficiency of the Land Titles system. The first phase of that automation will be the general register which has been, as any lawyer who practises any kind of conveyancing knows, a horror and the cost is both to the province and to individuals.

Again, the developmental plans include a system called "Promise" which is an acronym for something I wouldn't even hazard a guess but that, I know, is an automated case tracking system to be installed initially in the Provincial Judges Court and the Criminal Division. The benefits of that will be the automation of some of the tremendous amount of paperwork, improved scheduling of court dates and the improved

reporting of statistical data. Again, as one, who in years gone by, practised in the criminal courts as I did in the civil courts, the question of being able to get a handle on statistical data, of who it is that is appearing before the courts, with what regularity and what crimes. We have general statistics but they are far too general and it is our hope that the "Promise" system will access more of that information.

Now there is some delay encountered in instituting the "Promise" system. We're waiting for an amended version of the program. We now have finally accepted delivery of the latest version and that will be available in Manitoba; we may be the most up-to-date system in North America on that and the installation work is expected to start very shortly. Court accounting systems are in the developmental stage that will provide for certain automatic accounting functions to increase the efficiency of court operations. There are a number of other small applications that are being developed.

MR. DEPUTY CHAIRMAN: Item 1.(c) Administrative Services (1) Salaries \$583,800—pass; (c)(2) Other Expenditures \$89,000—pass; (d) Canada-Manitoba Gun Control (1) Salaries \$47,900.00.

The Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Chairman. I would like to ask the Attorney-General if he has been receiving as many letters from concerned citizens as many of the MLAs have, regarding a possible or proposed change in gun control legislation at the federal level? If he has been receiving it, what advice is he giving the various concerned people?

MR. DEPUTY CHAIRMAN: The Attorney-General.

HON. R. PENNER: I guess I'm usually the last person in the world to hear about these things, but I haven't received one letter of concern about anticipated changes in gun control legislation and I will freely admit my ignorance in this regard, but in no other. I haven't even heard of anticipated changes in federal legislation with respect to gun control.

MR. H. GRAHAM: Well, Mr. Chairman, I've had representations from various sporting groups and individuals in society. Most of them, I believe, are referring to a private member's bill being proposed in the House of Commons by Warren Allmand. I was quite surprised that the Attorney-General hasn't received any complaints from individuals and groups in society, because they seem to know our names anyway and are sending us their concerns on seemingly a fairly regular basis.

HON. R. PENNER: I haven't. I now understand the reference a little better if it is as indicated by the Member for Virden. I thank him for the information — a private member's bill — then its chances of seeing the light of day are pretty slim and I don't expect that there will be any significant change in gun control legislation for some time. I say that, given the rather sorry record of the passage of legislation particularly criminal legislation through the House of Commons. The Young Offenders Act, about which we were talking a short time ago, was first mooted in 1974. I partic-

ipated in some of the early discussions on that bill; it was a White Paper on young persons in conflict with the law when I was a member of the — (Interjection) — in the late 60s — you see, I'm younger than I thought, or is it older? I'll settle for either. But it's taken an unconscionably long period of time for that legislation to, as it now has, been enacted and so too, with other Federal Legislation.

In any event, to the Member for Virden, there is no anticipation at all of any change of that kind.

MR. DEPUTY CHAIRMAN: (d) Canada-Manitoba Gun Control, (1) Salaries — the Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I wonder if the Minister could simply indicate on this item whether or not he has had occasion in the six months since he's been in office to make any representations to the Federal Government with respect to this program.

HON. R. PENNER: No, I haven't, but I am in receipt of information from the City of Winnipeg that the City of Winnipeg is most unhappy with respect to the cost to the City of Winnipeg of this program. The City of Winnipeg does feel that its cost is far exceeding the revenues, that the revenues that were anticipated from the program were somewhat exaggerated — by whom I don't know or in what way I don't know — and, indeed, as recently as a couple of hours ago today, I was discussing this question with representatives from the City of Winnipeg and simply took their concern as notice with a promise to representatives from the City of Winnipeg as an undertaking I will give to the Member for St. Norbert that, indeed, I do want to look at this particular operation. I have not had the opportunity to do so hitherto, but if there is some sense that the costs are outstripping the revenues, then there is a case to be made to the Federal Government for increased federal contributions.

MR. DEPUTY CHAIRMAN: Canada-Manitoba Gun Control (1) Salaries \$47,900—pass; (d)(2) Other Expenditures \$8,300—pass; Item 2. Legal Services (a) Civil Litigation (1) Salaries 1,045,200.00.

The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, the Attorney-General indicated there were two additional staff man years in this department. Are they lawyers?

HON. R. PENNER: There is one Legal Counsel 2 and one Administrative Secretary 3, are the additions in that program.

MR. G. MERCIER: Mr. Chairman, I think this is an appropriate place as a number of others to raise this question. Shortly after the Attorney-General's appointment he indicated that he was keeping the CFI case open and is reported to have said that in both the civil and criminal actions, the government will be checking its expenses to see if they are warranted. We are still ahead on a cost-benefit basis, but on both matters we are scrutinizing each step. I wonder if the Attorney-General could indicate, perhaps just to conclude the whole subject, the status of the civil and criminal prosecutions and whether or not he's made

any judgment on these matters or any change in procedures.

HON. R. PENNER: I had hoped to be in a position to make recommendations to Executive Council sooner than now. The matters, of course, as the previous Attorney-General knows, are extremely complex. I would expect that, certainly, we will be carrying forward the civil action against the A.D. Little Company, at least for some time. I'm having that file reviewed now very carefully and am expecting an opinion within the next four to six weeks as to the next steps to be taken.

With respect to the criminal action, I've instructed counsel for the province to examine some documents which have recently come to light in Switzerland, so that a full opinion might be given to me as to the status of the actions in Switzerland, which are potentially against three persons there, Ricer, Zingre and Wuest, and I expect that the report that I will have on the status of those actions might have some bearing on whether or not any further proceedings will be taken against the principal involved namely, Alexander Kasser. At the moment the situation with Kasser is that the court in Innsbruck has, on the indictment there, found no case and it's dormant in Austria. Whether or not there is any basis for it being carried forward, I'm not yet in a position to say.

MR. DEPUTY CHAIRMAN: Civil Litigation (1) Salaries, \$1,045,200—pass.

MR. G. MERCIER: Mr. Chairman, perhaps just one question again. Some of these questions can be answered under courts or under this section. Perhaps I could ask one fairly brief question.

As a result of the decision of the Supreme Court case in the Polglase decision from British Columbia—and this may be more appropriate under courts, if the Attorney-General wants to refer to it there, fine—but could he indicate whether there has been an increase in applications in family matters to the County Court and the Queen's Bench away from the Family Juvenile Court, as a result of that decision? Has it been significant?

HON. R. PENNER: I can only answer the question, as I say, anecdotally and impressionistically. That is, I don't have the numbers, but I have been told by persons who practise Family Law actively at all three levels, that is, the Provincial Judges' Court, Family Division; County Court and Court of Queen's Bench, that indeed the number of applications coming before the federal courts have increased significantly since the Polglase decision.

I may say that the Federal Minister of Justice and indeed, as I understand it, all provincial Attorneys-General seem to be agreed on the need for some change to Section 96 of the Act, to give wider jurisdiction to provincial judges. I am meeting with the Federal Minister of Justice in early July to discuss that question with him and some other questions as well, but that one particularly, and hope to be able to urge upon him the steps to be taken to amend Section 96, so that provincial judges do have the wider jurisdiction.

MR. G. MERCIER: Mr. Chairman, the Attorney-General is correct. I think there's unanimity on the question of amending the Constitution to give provincial appointments the power to deal with family matters. In view of the significant change in matters coming before the federal courts as opposed to the provincial courts in family law matters as a result of this decision, has the Attorney-General given any consideration to — and he may have and it may have been rejected — to suggesting that the Federal Minister of Justice appoint provincial judges in order to give them the jurisdiction to deal with all of these family court matters at the present time until the Constitution is amended, so that there is no significant transfer of applications from provincial courts to the federal courts?

HON. R. PENNER: Yes, perhaps this may be the last question before "committee rise."

One of the alternatives that has been looked at is a possibility — I believe it's used in one other province, perhaps Newfoundland — of making provincial court judges local judges of the federal courts so they can in fact deal with these matters which are then sent up almost as a report through a federal court judge to say, okay — I'd rather not move on that because of the significance of taking that step without first conferring with the Federal Minister of Justice, but it is obviously something to be considered.

MR. G. MERCIER: Mr. Chairman, it seems to me even though there's unanimity, perhaps that the process of constitutional amendment will still be quite slow for other reasons. It did seem to me and does seem to me to be an interim step that could avoid a lot of problems and a lot of transfer of jurisdiction between the courts. So perhaps it is something that should be given some serious consideration, particularly if other provinces are experiencing as they probably are, similar transfers of applications from the provincial courts to the federal courts.

HON. R. PENNER: I agree.

MR. DEPUTY CHAIRMAN: Civil Litigation: (1) Salaries, \$1,045,200—pass; Other Expenditures, \$87,900—the Member for St. Norbert.

MR. G. MERCIER: Could the Minister indicate how much — I believe it would be within this department — is included for retention of outside counsel? I think there's been a practice of including \$50,000 per year, is that simply maintained?

HON. R. PENNER: I believe that in a fit of unbridled optimism, again, in preparing these Estimates, there was no sum provided for the retaining of outside counsel. I'll check into that and —(Interjection)— \$10,000 for the record.

MR. DEPUTY CHAIRMAN: The hour being 4:30 p.m., I am leaving the Chair in accordance with Rule 19(2), for Private Members' Hour. Committee will reconvene at 8:00 p.m. this evening.

Committee rise

SUPPLY - EDUCATION

MR. CHAIRMAN, J. Storie: This Committee will come to order. I direct members' attention to Page 46, the Estimates of the Department of Education, Item No. 4.(b) Curriculum Development. We are continuing with Item 4.(b)(1), Salaries. The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Chairman, I think that we had all of our questions answered on that and, in fact, were about to pass the item when time expired, so perhaps we can pass that item. If I'm not mistaken, the Minister gave us the latitude to discuss Curriculum Services under the same item, and so actually that one can be passed as well. We can go through (b) and (c) and then get to item (d) if we would.

MR. CHAIRMAN: If that's the understanding, (b)(1)—pass; 4.(b)(2)—pass; 4.(b)(3)—pass; (b)—pass; 4.(c)(1)—pass; 4.(c)(2)—pass; 4.(c)(3)—pass; 4.(c)(4)—pass; (c)—pass; 4.(d) Native Education, (1) Salaries — the Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Chairman, under this item the Member for Roblin-Russell had brought up a situation that exists in a number of school divisions in his area and, in fact, I believe exists throughout the province in a number of situations in which services are being provided to Native students on a shared-services basis with a number of divisions. Would this be the appropriate place to discuss that item?

MR. CHAIRMAN: The Honourable Minister.

HON. M. HEMPHILL: It doesn't appropriately come under this category and, in fact, we have perhaps passed the category that it would have come under, which was Grants to School Divisions. I'm quite prepared that any questions that were missed, because we didn't know or realize the appropriate area that we would handle at another time, we might just continue with what is, in fact, in the Native Education Branch and deal with that at the end of the session and any others that were missed.

MR. G. FILMON: In that case I would just simply ask the Minister, in view of the fact that there does not appear to be any major increase in the funding given under this section, \$461,000 versus \$484,000 this year, are there any new initiatives that are carried on in that section?

HON. M. HEMPHILL: Mr. Chairman, I think the initiatives for the coming year are the completion of activities that were under way. There were a number of major programs, a Native Studies Program that was being developed for Grades 7 to 9 which is in the process of being completed; programs for Native languages in Cree, Ojibway and Dakota, levels K to 7; revising the K to 12 Social Studies curriculum and making recommendations to the Social Studies working party. I think in this area, we are maintaining and finishing up the existing programs and we are completing a series of K to 6 language development teaching units for August.

Major thrusts for the Branch over the next few years will be the provision of consultative inservices support to assist teachers in the use of materials that we've been focusing on developing for the last couple of years. A lot of the materials are now ready and it's helping teachers get them in to the existing curriculum that we will be concentrating on.

MR. G. FILMON: Mr. Chairman, I'm familiar with some of the initiatives that are being carried on and I believe they include more or less a development of materials that will assist teachers and educators in various areas in dealing with the special needs of Native students and developing sort of attitudinal programs that will help them in integrating within the school system and placing special emphasis on their differing needs and differing social circumstances and so on. So if this is the case, then perhaps we can pass along to that and then I would, at the end of this item, just ask the questions about the shared use of facilities and the funding that is being given to divisions in order to accommodate Native students.

MR. CHAIRMAN: 4.(d)(1)—pass; 4.(d)(2)—pass—the Honourable Member for Tuxedo.

MR. G. FILMON: I wonder if the Minister could just indicate if there are concerns or problems on the horizon with respect to divisions that currently are accommodating Native students on almost a contractual basis with various Bands threatening to pull out and therefore leave the division with excess facilities, short of resources and whatever have you, as a result of it.

The Member for Roblin-Russell indicated a number of divisions in his area, students in the Rosssburn area and so on, Pelly Lake School Division, in which they are threatening to pull their students out of the Division and form either their own educational facilities, or whatever have you, and that has implications on the public school system in the area, whether or not the Minister has people working with these groups to try and if not mediate, certainly discuss the options so a decision will be made that doesn't hurt the students or those who are involved in their education.

HON. M. HEMPHILL: Mr. Chairman, I think I mentioned when we discussed this item previously that we are aware and watching what is going on in a number of areas and that these are legal contractual agreements between schools, between the Bands and the Federal Government and the school division. It is our understanding that in the particular case raised by the Member for Roblin-Russell, negotiations and discussions were still under way and that we're hoping that they will be able to be resolved between the parties who are the ones that should be resolving the issue.

We're going to have to, I think, recognize - and I mentioned this too - that we're in a period of transition where there are changes being made and most of us are encouraging more involvement and activity and participation by the Native people in their own affairs and things that are very important as the education of their children. So, it's going to take a lot of cooperation and a lot of concern by all of the levels that are presently responsible so that the children aren't in the

end, the losers.

I have written the Federal Minister, Mr. Munro, and indicated that in terms of the tripartite agreements that are presently required, that at the provincial end we are prepared to change the legislation so that school Bands are under the category of institutions that can directly negotiate contracts and will not require agreement by the three levels. We're prepared to do that in the next Session to eliminate some of the problems.

MR. CHAIRMAN: Continuing with Item No. 4.(e) Vocational Education; 4.(e)(1) Salaries.
The Honourable Member for Tuxedo.

MR. G. FILMON: Mr. Chairman, there was a Co-operative Vocational Educational Project commenced in 1981. Is the government carrying on with this and what intentions does it have with respect to this particular area?

HON. M. HEMPHILL: Yes, Mr. Chairman, we do intend to continue with the program that was initiated last year. Twenty-six students have already completed the program; 17 of them in mechanical repairs and 9 in metal machinery.

The Member for Tuxedo will perhaps notice that there was an increase in staff man years. That was to allow for two additional people in this Co-operative Vocational Program. The two existing areas that I mentioned are metal machine and mechanical repairs and we were looking at developing a dental assistant program. These people have not been hired. We are not yet sure, I think, if we are going to be able to develop the program in time for implementation in this Budget year. There are a number of things related to the planning, I think, that we may have to look at and those people may not be hired, in fact. It doesn't mean that we're not prepared to continue the program; it just means that it's not quite ready to go into the third program of activity this year.

MR. G. FILMON: In the field of Vocational Education, and I know this overlaps with the area of teacher development, but does it continue to be a problem to be able to hire and develop teachers who are adequately qualified in the field of Vocational Education?

HON. M. HEMPHILL: No, it does not, Mr. Chairman.

MR. CHAIRMAN: Item 4.(e)(1)—pass; 4.(e)(2) Other Expenditures—pass; 4.(f) Measurements and Evaluation; 4.(f)(1) Salaries.

The Honourable Member for Tuxedo.

MR. G. FILMON: This was an area that was developed, set up under the previous administration. Is the Minister satisfied with the functioning of this section and what are her intentions for the future with respect to the Measurement and Evaluation section?

HON. M. HEMPHILL: Mr. Chairman, the present plans for this section are to do business as usual, I suppose, might be a way to describe it. They have been in the process of evaluating about two programs per year and allowing school divisions to decide whether or

not they want to test the whole class and use the information at the classroom level which is an additional benefit, I suppose, to the provincial information that we get.

We have no changed plans. We're continuing with the assessment. We had writing in '79; reading in '80; science in '80; mathematics in '81 and chemistry in 1981; health this year and writing is the course that's coming up in the next year.

MR. CHAIRMAN: 4.(f)(1)—pass; 4.(f)(2) Other Expenditures—pass; 4.(g) Bureau de l'Éducation Française, 4.(g)(1), Salaries.

The Honourable Member for Tuxedo.

MR. G. FILMON: The Chairman did an admirable job on the pronunciation there. I wonder if I could just ask the Minister if we could have the latitude to discuss under this all-French language training with respect to whether it be core or immersion or questions which will come up, because I've more or less indicated to our members that this would be the place to discuss it. Then we could, I think, have a little easier time of covering all our questions that way.

I wonder if the Minister could perhaps begin by giving us some indication of growth, which we all know exists in French language training throughout our provincial education system, giving us perhaps the numbers of people who are now enrolled in Française, immersion, core French and other similar programs in the province at the moment?

HON. M. HEMPHILL: Mr. Chairman, the Member for Tuxedo is quite right when he talks about, I think, significant increases in numbers of students taking these programs in the last couple of years. With English as a second language, the Immersion Program now has about 6,000 students and that is an increase of about 40 percent within the last year from about 4,500 students to about 6,000 students. The conversational French is 75,000 students and that is a fairly stable student population in Conversational French. The Core French, which was introduced by the previous government as a pilot project and is in its second year, has had a very significant increase. It started out with 1,300 in the first year, 2,200 in the second year and will be up to 3,500 students. The Native French is a fairly stable population, French as a first language, about 6,000 students.

MR. CHAIRMAN: The Member for Tuxedo.

MR. G. FILMON: The reference to Native French is Française, where that is their primary language?

I'm also familiar, Mr. Chairman, with the fact that a good deal of the money, the funding, that is available in this area does come from the Federal Government. I wonder if the Minister could give us some indication of breakdown in funding for the various types of instruction, and how it is allocated?

HON. M. HEMPHILL: In a general summary, out of the \$4.2 million in 1980-81, the revenue from Canada, we received about \$2.6 million which was approximately 62 percent. In general, I think it's fairly accurate to say that we always recover 50 percent and that

because of our ability and the ability of our staff people in making sure that we get our fair share, number one, get everything that we're entitled to; but number two, take advantage of money that is available for special programs. We often recover more than the 50 percent, up to 60 percent; I think we do very well in that area.

MR. G. FILMON: I wonder if the Minister could indicate which of the program areas will be emphasized, and which of them appear to be going to be giving some major cause for expansion in the future, or is it all of them? The Minister has given us some indication in the last few years on each one although I'm not sure if she gave us the figure for Française other than the \$6,000 this past year, how it has grown as well, and just give some indication of projections for the near term on those.

HON. M. HEMPHILL: Mr. Chairman, I think the two areas, the Native French is a fairly stable population, there isn't a major expansion there and the Conversational French seems to be staying fairly stable. I think if we had to guess or if we had to project, since we shouldn't be guessing, our projections would be that there might be a decline in the Conversational French as there is an expansion in the Core French, because they would be moving out of the one into the other. The Core French Program, we expect to increase the numbers coming into the program this year at the same level as came in last year. There were, I think, 2,200 additional students in the program last year and we are accepting an additional 2,200 students into the program this year. Immersion is growing significantly and I would say that the Immersion Program and the Core French Program are the two areas where the major movement is. To give you an example: Immersion went from 1,840 students in '77-78 to 2,476 in '78-79, to 3,086 in '79-80, to 4,327 in '81 and we're projecting 5,915 in '82. Core French and Immersion are the two . . .

MR. G. FILMON: I wonder if the Minister could discuss to some extent what problems she foresees, firstly, in finding qualified teachers to teach all of the various specialized subjects in the French language. As a parent of a couple of children in this area I know that to be a problem. And secondly, what that the expansion of the immersion Programming and the core French programming, what affect it will have on unilingual English teachers seeking employment in the future within the public school system?

HON. M. HEMPHILL: Mr. Chairman, I think I remember in the discussions we had earlier talking about teacher supply and talking about the ways that we meet the areas where the high demands are. One of them is that we do have annual discussions and meetings with the presidents of the universities and the deans of the faculties of education to communicate expansion of program and program needs that we are finding in the field so that they do get annual information on what the major areas of need are. Secondly, the study that the Research Department did for us when they looked at how teachers were being utilized in the field, I think clearly showed that our problem is not always one of

having trained teachers but using them for the specialized training which they have. That a number of teachers might have been, I wouldn't say misplaced, but may have been teaching programs or courses totally unrelated to their area of knowledge. One of the major areas identified was the ability to teach French, that there were a fairly large number of teachers who communicated academic skills, training, a feeling that they were capable of teaching in this area and yet were not being used to teach the programs at all. So perhaps we continue with those things and we improve the training, but we certainly should look at the utilization of existing trained people.

Also, I think it's becoming fairly clear to students who are going into the field of teaching, they are getting good information about where the heavy needs are, where the demands are not just when they leave school, but earlier on. This is being identified as an area where there will be expansion and need and, therefore, we hope that more of them will go into that field.

MR. G. FILMON: Yes. The root of the question that I was getting at was the difficulty, I believe, that exists and will continue to exist until an adequate source of supply is developed for the teachers in an immersion program or even in a Française program to go into specialized areas, such as somebody who can teach Grade 11 Biology or Grade 11 Physics, who is fluent in French as well and can teach it in that language. That seems to be the difficulty as I have seen it in the experience that I have had and others have communicated to me.

So I guess I'm saying, as this expansion carries on, you are not only going to need to find a handful or a small number of competent teachers in these various specialty areas, you are now going to need to find great dozens of them to go throughout the various divisions in the province where they are implementing French immersion, core French, or Française programs. As I see it, we're having to bring these teachers in from outside the province to a large extent to satisfy the need. Certainly many of those who I have met in the course of the experience have been ones who have been brought in from outside the program. Are we working to develop them from within the province to fill these needs?

HON. M. HEMPHILL: Mr. Chairman, I now understand what the member is getting at. Yes, I quite agree. I think that when a program takes off perhaps as this one did and increases far beyond our ability or our expectations to predict, then there is going to be a lag time and there's going to be a period where we may have to go outside, but that isn't the way we would prefer to go. Now that we are a little more aware of the degree of movement, I think our wish would be to do everything we can to identify our own people, to help our own people to improve the training programs in our universities so that we're supplying our own needs.

MR. G. FILMON: Is the Minister assured that these needs are now going to be met in the future, that through the Manitoba sources of teacher development, we will have these people who can teach all of

the specialized areas because it brings two problems to the fore.

One is that in going into an immersion program at the upper levels, let's say in the high school levels, the number of options that can be offered tends to be limited because of the fact that there are only teachers available to teach certain of these subjects in the French language.

Secondly, of course, it also causes a problem in terms of enrolment. The more limited numbers of options that you have to offer, then the fewer that interests certain students. So certain students tend to drop out; so it's a self-defeating kind of thing.

As an example, my daughter, when she reached Grade 12 was only able to take one option in the French language in a presumably immersion program. Well, that certainly isn't an immersion program if only one subject is in French, whereas throughout the system as it built up through the grades, there were a variety of options, but the higher they got, the fewer the options. It's wrong for one to speak of one's personal experiences because you tend to then maybe use that as the general and maybe it isn't. Maybe that's just a particular problem that they had in the particular school, but I have heard of similar problems from others. So I think it is important that the department, if it is going to continue to stimulate and work towards expansion of French language training, is going to have to address itself to this as a priority in looking at the development of adequate teaching staff.

HON. M. HEMPHILL: Mr. Chairman, one of the things I can tell the Member for Tuxedo that gives as an example of our movement to try and have enough people to meet the needs, is that we have given more than 100 teachers summer bursaries for professional development in French and that is in one year. So we are working along the lines that I suggested; taking people that are there, people that have training, giving them some additional support, trying to identify them all so that we're not losing resources that perhaps we have spent a lot of money training ourselves and are not getting the benefits from.

In terms of his particular situation with his daughter, there isn't any total immersion program at the high school level. It's about 50-50. So you may not be getting 50, but it isn't as if there is immersion in all courses at the high school.

MR. G. FILMON: Just to clarify. Throughout Grade 10 and 11, my daughter was able to take all of her subjects in French. So it obviously was there and available. but by the time she got to Grade 12 because of primarily options being more and more limited in availability, it wasn't possible to carry on that way. The whole point, I guess, is getting back to the discussion that we had under teacher development, that of matching resources available to needs in the system. If we have a situation whereby we have not enough jobs available for graduating teachers throughout the system in general but in particular sectors of the system, we don't have enough qualified people to take them. So we have to bring them in from outside the province. You can understand that has a demoralizing effect on those who are taking their education training in Manitoba universities and colleges. Therefore, I

think it's incumbent upon the department to, as nearly as possible, match the needs to the positions to the people available.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before the Honourable Minister answers the question, I'd like to direct members' attention to the gallery where we have a group of 11 visitors from the Quebec Immersion Program sponsored by the University of Winnipeg under the direction of Mr. Dan Bedard.

On behalf of all members, I'd like to welcome you here today.

No further questions? The Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: Mr. Chairman, my question is to the Minister about textbooks. One of the things that I understand was a bit of a problem or a concern, I guess rather than a problem to the high school teachers, was the teaching of subjects like Western Canada History and things that are more related to the culture pertaining to Western Canada, that these texts and, I guess, subjects were harder to come by. Is this a particular problem because of the publishing of books or are we doing anything in Manitoba to help this particular situation?

HON. M. HEMPHILL: Mr. Chairman, I wasn't sure if the question from the Member for Kirkfield Park was related to materials for the French program — it was. I suppose the problem there is keeping pace once again with a burgeoning program, first of all; but secondly, one where all the curriculum and materials have had to be developed since the program began, whereas we've been developing the other materials slowly. We have recognized that and have in this Budget year given a significant amount of money for the development and availability of materials, books and resources that will then be made available to all school divisions. So I think it's been an area of some deficiency, partly because when you start a program and you're developing curriculum from scratch, they simply have had to do that literally, develop everything from scratch including resource, textbooks and things that go along with it. So (1), I think that our resources have improved quite considerably in the last few years, there's been a fair amount of attention paid to this; (2), I think that in this Budget we have, as I said, beefed up the library services and support services for the curriculum and for this branch, recognizing exactly the point that you're making.

MRS. G. HAMMOND: Mr. Chairman, as far as the textbooks are concerned, is there a firm in Canada that is publishing these books in, say, the limited amounts that we would be needing and what would be the extra costs related to this?

HON. M. HEMPHILL: Whenever there are special materials created that are not required en masse but are required on what we might say limited edition, whether they are done in French or English, there is a significant increase in what that will cost, anywhere from 22 to 50 percent. It would be the same for devel-

oping unique text for the French language as in the English language. There are several firms in Canada that we turn to in the supply materials.

MRS. G. HAMMOND: In the Immersion Program, I noticed in a couple of divisions that the late entry Grade 4 that they are now talking if someone enrolls their children, if you come up with your 23 students that are required, and if the enrolment is dropping in Grade 5 and Grade 6 they are mentioning that they will be dropping these programs. How is this going to affect the students in the particular programs if they're starting in Grade 4 and due to dropouts the program stops in 5 or 6?

HON. M. HEMPHILL: Mr. Chairman, the children do not lose out in a situation like that. If they have the existing numbers when the program starts and it drops down a little as they go through their subsequent years, the program will not be dropped, it will be maintained.

MRS. G. HAMMOND: Mr. Chairman, I wonder then — this seems to be unclear — in a couple of divisions and I'll mention two, I'm sure I read of Assiniboine South and I was watching a Channel 13 program where St. James-Assiniboia were saying that they wouldn't be maintaining a program if it dropped under a reasonable level as far as the late entry Grade 4 program was concerned because they couldn't afford the costs. You wouldn't keep up an English program either in those cases and they were talking about dropping, say, under the 15, 14 level in those cases.

HON. M. HEMPHILL: Well, Mr. Chairman, I think there are a number of things to look at here. First of all, if the numbers drop down, there are a number of alternatives that a school board could look at. Students could be grouped, they could be grouped within a school or if they really wanted to maintain the program, there is some possibility of having them tie in, I suppose, with programs that are taking place in other schools that are the same. I was responding to our willingness to continue the funding, the support for the students if the program continues, but the decision on continuing the program will be a board decision. I'm saying that the money will continue to come from the province to continue providing the program for students that start the program, that school boards have a number of options to consider that are not just a number of different ways of maintaining the program for the students. They have the authority to consider those and make their decision; we just continue to make the support available.

MRS. G. HAMMOND: Mr. Chairman, if, as in these two divisions — I think there is only one classroom of late entry 4 — there isn't a possibility of regrouping within the divisions, I suppose there is the possibility of sending the students to, say, Winnipeg 1 or another division. However, if they don't have room for them, you have another problem again. It looks like this is a problem that's going to have to be faced very shortly because the divisions are looking at it very seriously, so they are seeing a dropout rate at this level. I'm wondering if the department should be looking at this

particular phase because I don't think it's a good situation for students to start off in a program which they're not going to be able to complete.

HON. M. HEMPHILL: Mr. Chairman, first of all, I might suggest that the problem to date with the program generally is one of tremendous expansion in keeping pace with the large numbers of children that want to go into the programs. I have been advised by staff that the problem you are raising, the issue that you are raising, is a fairly recent one and it isn't clear how serious or if it is a serious problem. It has just come to our attention that there are some divisions looking at this issue. It's something that we will keep in close touch with in terms of seeing if it is becoming a problem. The decisions though on whether to have co-operation between schools or whether to have co-operation between school divisions for the delivery of the service is best going to be handled between the divisions themselves and our role would be to provide support and resources for the children that are in the programs. Unless we get additional information that we don't have presently that it is a recent problem that some wards are facing but it is a matter of some consequence, then we would certainly want to take a look at it.

MRS. G. HAMMOND: Mr. Chairman, I am particularly talking about the late entry Grade 4 Immersion Program. This is probably not affecting the Kindergarten or Grade 1.

The next area that I would like to ask the Minister about is where exactly is the Core French Pilot Program sitting? Is it continuing to be a pilot program or are they considering making it permanent?

HON. M. HEMPHILL: Mr. Chairman, it was begun as a pilot project. It is in its second year. We are continuing with it on the basis that it was established; we consider it to still be a pilot project. It is presently in place in I believe 14 school divisions who entered the project when it was established. They are still all participating and we have agreed to receive additional students in the same number that entered into the program last year, the 2,200, into the program this year from those participating divisions. We have 135 classes, 55 professors in 56 schools and 14 school divisions participating.

MRS. G. HAMMOND: Mr. Chairman, in the area of the Core French there seems to be quite a great demand from parents to have this. I know in the St. James Division, in the area I represent, there is quite a demand to have the Core French be put in. Everyone wants — and when I say everyone, I'll qualify that — almost everyone would like their children to be learning French. They would like them to have the Core French Program because it looks like it's been a good program. It gives them, I think, 40 minutes a day and I think the one thing that they're feeling that is lacking is the lateness, that it just starts in Grade 4. Most people that I talk to that have their children in Core French would like them to be starting at the Kindergarten level and continuing through. There are a lot of people that don't want to put their children into French Immersion and yet it's not because they don't want

them to learn French; they do and they see the importance of learning French.

I think that is an area that certainly many English language parents would like to see expanded and see it expanded fairly quickly. It serves the needs of some of the communities much better than the French Immersion and so that the two can work side by side, I think that it's a help for parents who really are anxious that their children get into the French program and yet they do not want an immersion setting. So I really would urge the department to quickly help them develop these programs because it's very important to many of the parents and take some of the pressure off them as far as feeling that maybe they should be putting their children into immersion so they don't get left behind and yet this is not really the way they're wanting to go.

HON. M. HEMPHILL: Mr. Chairman, I recognize the points that are being raised by the Member for Kirkfield Park. There is an alternative. I'll mention a few things, I think. When they planned the project, there was a decision made on where to start and how to start it. The purpose of the pilot project is so that we will get significant additional information about the teaching of language through this method, through the Core French, with the amount of time starting at the grade levels that they decided to start at. It's very difficult and I'm not sure a good idea to expand or change significantly a pilot project when you are in the middle of it, when you have not yet done the studies and gathered the information that is going to help you make some of the decisions and give you some information such as you were suggesting is important.

There is conversational French and large, large numbers of children in the province are exposed to conversational French and some of it takes place in some school divisions, they have conversational French at the Grade 1 level. While there are and we would expect, I think, that there would be advantages to the Core French Program which has doubled the amount of instructional time, you would expect that there would be some differences in what they could achieve. I think that we shouldn't assume that the conversational French does not expose the children to some of those other things. There is an effect in the development of positive attitudes towards language and the learning of language with children that are participating in the conversational French. There certainly is some learning that takes place related to the language, so that large numbers are involved in the one program, a fairly significant number of children going into the pilot project, and I think that this will give us a reasonable amount of information to decide where and when to expand. There is not agreement, I think, presently among highly skilled, qualified professional people on what is so-called "ideal" in terms of the teaching of language, that there is an absolutely right time to expose children to language and the best time. I suppose the best of all worlds would be that they learn as they're learning when they're babies, when they're very young. They seem to be able to handle that with less problem than anything else but that's, of course, not practical. So I believe that the design of the pilot project was based on the best information that we had from our professionals and

experts, who I believe are highly qualified and skilled, who made the decision on how, when and where to implement the program. I'm prepared to support the way they set up the program on that basis.

MRS. HAMMOND: Mr. Chairman, I just have one final comment to make on the Core French and I don't doubt for a minute that the experts and the professionals had the best intentions and certainly thought they were putting up the best program.

I guess what I'm finding here is that this is an area where parents are feeling the need. There is a lot of pressure in communities these days — now that the country is bilingual — they are wanting their children to be bilingual. They do not necessarily want them to be in the immersion program and they would like their children to have more French. Although I can't say this for all areas, I would assume that most areas are feeling the same way in the city that they don't want their children to be left behind. Grade 4 — their feeling is that it's too late as far as their concerned.

So although I can understand the professionals and the experts, I think that maybe this is one of the times to listen to the parents and give the children the French at an earlier age, not just the conversational which certainly our division in St. James-Assiniboia is giving the children. They are having French from Grade 1, but I think that parents have every right to expect — there probably is much concern — I think they're feeling a bit left out. There is so much emphasis being put on the immersion that they're feeling a bit left out. They would like to see their children into a Core French or whether it's called core, but they want more French for the children starting at Grade 1. They want it uniform so that they can come from one school to the other. When they hit junior high, they're all at the same level; when they go into high school, they're all at the same level. This seems to create many of the problems. When they reach one level of development, when they go through their elementary school, each school is teaching something different. Then they get into junior high, they're all at different levels and this is where you get such a dropout rate.

I think the parents should be listened to in this specific instance. I don't doubt for a minute that the professionals have come up with a good course; I know they have. I think the Core French Program is very good, but I would like to see them take the extra time now, get into the divisions and get a course that more parents are wanting for their children.

HON. M. HEMPHILL: Mr. Chairman, if I understand the member correctly, she is supporting the Core French as an alternative to going into immersion programming, saying parents want this. They may not necessarily want an entire immersion program, but they don't want their children to be left behind and they want something like that available between the conversational which may not seem to go far enough and the immersion which they may not be prepared to go into.

I think we quite agree on that point and we have to recognize that when we're bringing in programs for the first time, they don't get implemented overnight. The fact of the matter is that even if we wanted to implement tomorrow Core French Programs across

the province, we could not do it because we do not have the resources and the capability. I think that, accepting one of the indications that I and I think the previous government even were on the same wavelength as the member opposite, is they allowed a tremendous significant expansion in a brand new program and in a new pilot project to accommodate the tremendous pressure and the increase in the number of students that wanted it.

As I said, we're looking at 35, 40 percent increases per year, far beyond expectations. They met them with money even though they didn't expect those numbers last year; we're continuing to allow the same kind of increases this year.

The other point there is that we must get information. It was put in as a pilot project for a reason; that is, that even recognizing the points that the honourable member makes about the benefits and the demand, we want to get good information about the program we put in place before we take it out of pilot project stage and make it available on a total provincial basis.

In terms of balance, I think we're moving fairly quickly in expanding the program. Any program that's expanding with significant dollar increases, expanding 35 to 40 percent in a year and is being funded, the resources and the personnel are keeping pace with that kind of demand, I think we're probably realistically moving as far as we can in a given year, but indicating a commitment to (1) get more information; and (2) continue to support the increased demand and the program in the future years.

MR. CHAIRMAN: The Member for Tuxedo.

MR. FILMON: Mr. Chairman, I wonder if the Minister could indicate to us the numbers of SMYs in this section and some chart of the structure or at least perhaps indicating who are the senior people within that section of the department.

MR. CHAIRMAN: The Honourable Minister.

HON. M. HEMPHILL: Mr. Chairman, in summary I can indicate that there are 36 SMYs in the Bureau this year and that is up from 32 SMYs last year, that other than replacement for Dr. Duhamel and a resignation, those four SMYs are in the secretarial support category. While it's a significant increase in staff man years related to the overall increase of the Department of Education for staff, the ratio of support staff to professionals was very low when we looked at it. In other words, the curriculum development people, the professional people that were working, had a much lower secretarial support staff than did other departments in the other areas in the Department of Education, so it was to bring them up to the same level that those four people were put in. Otherwise, the staff are all the same.

We presently have Mr. Guy Roy as acting Assistant Deputy Minister of the Bureau.

MR. G. FILMON: I'm sure he'd notice it in his next paycheque, Mr. Chairman. But I wonder if the Minister could indicate who are some of the senior people, just so the Minister is aware, I have not had any previous exposure to the department and so I'm not familiar at

all with its personnel. If she could just give us the structure - there's an Acting Assistant Deputy Minister, if there's a director or whatever - just some of the senior staff levels and maybe the names of the people who currently hold positions.

HON. M. HEMPHILL: Mr. Rosset is Acting Director for Curriculum; Mr. Gosselin is Director of Special Services and Mr. Hullen is Administrator. Those are the top administrative people in the department.

MR. G. FILMON: I wonder if the Minister could enter into some discussion about the overall question of best utilization of resources in French language training in the province. I'm thinking particularly with respect to the utilization of certain facilities and classes strictly for Français instruction versus other facilities for immersion training and so on, my point being that as students go up through the years in immersion training one of the problems that they face - as I say, with the declining numbers because there is a dropout and also the declining numbers of options that are available to them in the French language - they reach a certain point at which their facility in the language is such that they could possibly be taking all of their training, if not certainly the majority of their training, in French language, and yet it appears that because of either administrative choice or sort of educational philosophical decision making we're keeping them apart. In other words, a number of school divisions in particular and I think in general terms it may well be the policy of the department, I'm not sure, that those who have come through in immersion training are not allowed at some point to merge with those who are in a Français milieu. As a consequence, I believe that there is not a great enough educational opportunity available to the Français students. I wonder if the Minister could give us some discussion on that matter.

HON. M. HEMPHILL: Mr. Chairman, I think that the decisions that are being made are difficult ones because they're compounded by the declining enrolment problem and the numbers that people have, particularly as they get up to the high school level. I think that the present legislation has school divisions responsible for the determination of a program and the use of facilities, and I think they are in the best position to make those decisions, as difficult as they are, they wouldn't be any easier for anybody else to make. I think that working closely with the communities and, with the support of the department, I expect those decisions will continue to be made by school divisions; the utilization of existing school space and the distribution and allocation of programs to that space.

MR. G. FILMON: Well, then does the Minister believe that there needs to be totally separate schools available for those who are taking instruction in French language in the province?

HON. M. HEMPHILL: Mr. Chairman, I think that what was described by the Member for Tuxedo is the practice at the present time and was the practice during the entire period of the former government, so there has been no change lately in that. I think there are

some suggestions that the two can be blended. I suppose this question is something that is going to be one of the ones that we are continually looking at and examining.

MR. G. FILMON: As the Minister may be aware, students who come through the immersion program have at some point an opportunity to prove their facility in the language through an oral examination which gives them an additional credit in high school and, I think, tacit recognition of their ability to function in the French language.

If that situation or some method of determining to the satisfaction of educators allowed for them at some level to prove their facility in the language, would the Minister believe that there is some justification for saying then that they should be allowed to take their training in the same classroom as, and in the same milieu as, Français students at some point in time with the objective perhaps of maximizing use of resources and maximizing use of the building, the facility and the instructional capability that's made available to them?

HON. M. HEMPHILL: Well, Mr. Chairman, I just reiterate, I suppose, that those decisions are board decisions and we described what the present practice is. I suppose it's possible that they have to date been separating what they consider to be two different client groups and, I suppose, recognizing the fact that the French minority believes that the separation of the programs are required or give better programming. It's something that school divisions are deciding and we will continue to look at. I don't see an immediate change.

MR. G. FILMON: Well, recognizing that the department is certainly a partner with the divisions in terms of the funding that it provides for the divisions and recognizing as well that like the problem of declining enrolment, in which the Minister saw some need for a central departmental response to a common problem, this, too, will not be a problem that is going to be unique to only one division. It is being faced at the moment by a number of divisions, perhaps a small number but it may indeed be faced in the future by many more divisions.

Would the Minister not believe that having a structure in place such as the bureau, which I believe serves as a resource, as a consultative force, to all divisions in the province to look at problems on a common basis to develop programs, curricula and so on on a common basis, would be a vehicle by which the Minister and her department could be of some value in not forcing each division to make a decision based on its merits within its own division, but rather have some guidance and some recommendations and some ability of a general nature to bring to bear on the problem? It would help everybody so that each division doesn't have to reinvent the wheel and we may, in fact, find that, because of certain community pressures, divisions adjacent to each other make entirely different decisions based on the same criteria and set of facts and surely there's got to be a way in which the public in general can benefit most by her department looking at the problem and coming up with some

recommended way of going.

HON. M. HEMPHILL: Mr. Chairman, I certainly agree with the point made by the Member for Tuxedo when he talked about the importance of and the need for the Department of Education to provide support on critical issues like this. I also agree with him when he suggests that this is not unrelated to the position that I took regarding the declining enrolment issue, where I said this is not just a local issue, this is not just a problem for school divisions but it is a provincial issue and one where we take some responsibility and will provide some direction and some support. However, even in stating that I did not at any time suggest that the province would get into or take over control of the effects of declining enrolment or of the decision making that school divisions presently had and the problems they were grappling with related to declining enrolment. What I suggested is that we have responsibility to give help and support and resources to meet a difficult issue and a responsibility to provide departmental resources.

I do believe that the Bureau is responding very well presently. I must say that they are responding to the individual divisions who are faced with decisions and coping with them and making plans for their programs, that there is a co-ordinating body for French Immersion Programs and that there is staff in the department and that they are providing, I think, very reasonable support and help to school divisions.

It is very difficult, and having been a school trustee for a number of years I know that there are unique factors to every case and that they are unique to schools and numbers of children, who they are, where they are and where your teachers are, and that it is very difficult to come in with a program that is very simple and says, for instance, below a certain size — just arbitrary decisions that this is the way you will develop your programs, this is where you will have them, this is how you will design them and this is how you will implement them.

I'm not sure that's a very good way to go. I think the balance that we've had to date between provincial authority and local authority has been reasonable and while it has problems, as do all other situations, I think it probably gives us the best of both worlds.

MR. G. FILMON: Well, Mr. Chairman, if we can assume that we are still in the fairly early stages of the burgeoning of French language training in Manitoba, and judging by the rapidly increasing enrolment figures that the Minister has given us, I think it's still fair to say we're on the up-slope. If there is an opportunity for the Minister through her department, through the bureau, to have an impact on the quality of educational experience that is given to the students, the enrichment of the program, the ability to offer the very best possible educational experience by a combination of resources and shall we say, almost, a philosophy towards the education of students in the French language, is there not a place for the department, whether it be through the bureau or whatever other vehicle available, to evaluate what's happening and see whether or not we can improve it by virtue of recommendations in terms of development of this training from the department — no differently than the

department makes recommendations on the development of curricula, of course material, of standards whatever? What I'm saying is that if it's a question of evaluating a level of training at which French Immersion students are considered to be capable of taking all of their instruction and all of their educational experience in French in combination with other students who are French speaking and come through the process stream, and by that kind of combination are able to have the benefit of taking many more options in their high school program, thus, maybe, preventing or forestalling the high dropout rate that is currently occurring as students go through the various grades in their French Immersion training, is there not a place for the Minister to take a look at this, whether it be personally, through the bureau, through a special task force that she might wish to appoint, but to help in all ways possible that this experience and this development of education in French language be the best possible for all concerned?

HON. M. HEMPHILL: Mr. Chairman, yes. I agree with the point the Member for Tuxedo is making when he suggests that we should — well, first of all let's remind ourselves that the bureau was just established in, I think it was, 1975-76 and there has been, as we also communicated, a tremendous and unexpected increase in these programs in the last couple of years so that it goes without saying, I think, that we should be taking a very close look at what is being done and how it is being done and the effects.

One of the reasons for putting the pilot project into place in the first place was to study the ways of teaching, the methods of teaching and the timing of teaching language. We will be looking at not only the information we get from the pilot project, but any other information that we can get from our own researchers or from other researchers who are studying the teaching of language, the entry points, the timing of teaching, the best utilization of all the resources that we've got for the greatest number of children.

My feelings are that this is probably one of the areas where we have the most to learn. We have a great deal to learn because we are all putting the programs in place in a short period of time and are going to learn from the experience so that our minds are open in terms of looking at any additional or new or information about how children learn, what they need to learn and the benefits and the timing of learning a second language.

MR. G. FILMON: With respect to French Immersion training, my understanding is that certain portions of the funding are available through the Federal Government and they are, in effect, special grants. What is the Minister's position on the busing costs for students who are in immersion programs? Why should that not be paid through the special extra grants that are available for people taking this type of training?

HON. M. HEMPHILL: Mr. Chairman, the present regulations indicate that you can only receive support for transportation if you go outside or you send the children outside of your existing division. I can indicate that the whole question of transportation is up for study, as the Member for Tuxedo knows, because it is

a major component and will be in the Educational Finance Review. I also think, I want to go on record at this point of saying that it is an area of considerable concern to all of us because of the tremendous increased costs in transportation. It is becoming almost alarming in terms of what some of these additional costs are and while I don't want to exaggerate, it seems to me that with some of the figures that I'm looking at, it will soon cost us more to put kids on a bus to get them somewhere than it's going to cost us to educate them after we get there, so that expanding the criteria and opening it up beyond that which presently exists is a very serious question. It's something that we're going to have to look at closely because the potential increase in costs are not only significant but perhaps even horrendous.

When you look at a school division like Winnipeg School Division No. 1, which, my recollection is, has a transportation category, a budget of \$1.5 million to transport kids and the increase last year was nearly \$350,000 for transportation costs — that is really quite significant. If you look at a rural school division like Hanover which has a transportation budget of nearly \$1 million in their budget for transportation of kids and which had an increase in their budget of \$80,000, that's a lot of money when we look at all of the requirements and costs related to education.

We recognize the concern; we recognize the fact that there is a significant increased request and demand or hope that transportation will be expanded. We're going to have to look at that whole question, I think, very seriously in the review.

MR. G. FILMON: I think the Minister will agree that rightly or wrongly, French Immersion training has been used as a method of dealing with declining enrolment in terms of keeping certain schools viable. In other words, as divisions have seen a school declining to a point of nonviability, they've put in specialized programming not necessarily always immersion, although it's become the principal one in recent times as their response to the declining enrolment in that school, therefore giving it sufficient number of students to keep open. What this has the effect of is that it means invariably when you choose a school in one area of a division and if you have a large urban division such as St. James or Assiniboine South or whatever, you're faced with the obvious need to transport students to that school in order to take the immersion training program which has been centred there.

It seems to me that if you do not have the opportunity for them to get their costs of busing paid for, then you do set up a situation whereby in order to achieve equal educational opportunity, they have to have the money and there may be people who, because they cannot afford it, the busing aspect of it, cannot send their children to immersion training. There seems to be a need to look at the equality of this situation if everybody is to have an equal educational opportunity.

HON. M. HEMPHILL: I quite agree with the Member for Tuxedo when he talks about the need to look at it. I think the only thing I was suggesting is that it's a very difficult question and we're going to have to look at it very, very closely and very, very seriously because it does have the potential for adding in a very significant

and in some ways uncontrolled, because of the tremendous increase in costs of all forms of transportation. We're going to look at it not in isolation, but we'll be looking at it very seriously and from the point of view that the Member for Tuxedo suggested, which is related to access and equality.

MR. CHAIRMAN: There being no further questions, 4.(g)(1)—pass; 4.(g)(2)—pass; 4.(g)(3)—pass.

4.(h) Manitoba School for the Deaf, 4.(h)(1) Salaries — the Honourable Member for Tuxedo.

MR. G. FILMON: I note by the Estimates that there's been a rather minimal change in the Estimates. Are there any new thrusts in this particular section?

HON. M. HEMPHILL: Mr. Chairman, the Member for Tuxedo is quite correct when he suggests there aren't any major changes in terms of the Budget. The salary increase is 4.1 percent and that's really mainly an incremental change.

Other Expenditures increased by about \$55,000 or 16.1 percent and that was due to general increases and significant to the discussion that we just had. The large part of it is from increased transportation costs, but large numbers of these students are day students. The older children take ordinary buses wherever possible, but the younger children or the handicapped are all transported. The contract that we had with H & S Transport doubled, went up 50 percent, when the new contract came up and that gives some indication that when you go up 50 percent cost in a contract in one year it gives you an idea of the tremendous effect and potential of increased transportation cost.

There is some change in direction, not perhaps in direction but in movement, in terms of having children handled or having them participate in what we might call off-campus or in-programs away from the School for the Deaf. We presently have 14 students taking Maths and Science in Laidlaw and Tuxedo Shaftesbury, 10 students at R.B. Russell and there are off-campus classes at Grosvenor School where the children are being integrated. We must comment on the fact that's due I think in large measure to support by administrators, teachers and parents to work out very closely together that kind of integration.

The enrolment is staying reasonably stable, so that even though there is an attempt to integrate children wherever possible into the regular system, it appears that there is a limit with the multihandicapped and profoundly deaf children. There's still a fairly solid core whose main program is being delivered through the School for the Deaf. Although we will encourage the integration and the movement out into the regular system as much as possible, we're I think continuing the program as it was, perhaps looking a little bit more closely at the multihandicapped child and needs beyond perhaps just the education, but the whole question of the social problems that are related to children who have many handicaps. I think we presently have a program where we are recognizing that there is a high incidence, I think, of behaviour problems. We're looking at a program with psychiatry, psychology and medicine where we ventured into an agreement with the University of Manitoba where some of these services, psychological services,

through a part-time student are being given to the School for the Deaf.

MR. G. FILMON: Was it at the Manitoba School for the Deaf that the Diagnostic Support Centre was established or was this under another section for Rural Children with Learning Disabilities?

HON. M. HEMPHILL: It was under (j). It's Child Development and Support Services.

MR. CHAIRMAN: Are there no further questions?

Item No. 4.(h)(1) — the Honourable Member for Kirkfield Park.

MRS. G. HAMMOND: How many students and what is the age group for the School for the Deaf? What ages are mainly at the school?

HON. M. HEMPHILL: I'll give you the enrolment figures for the last four years. It was 113, 115, 123, 127, so there hasn't been very much change in the numbers of children being accommodated. The range of age is from four to 20.

MRS. G. HAMMOND: What grades does that encompass?

HON. M. HEMPHILL: Nursery school to 12.

MRS. G. HAMMOND: What happens, is there a program at the university level for the deaf?

HON. M. HEMPHILL: In Manitoba, we have some accommodation for deaf students at Red River Community College and it's the Gallaudet College in Washington, D.C.

MRS. G. HAMMOND: Mr. Chairman, does the government supply funding for them to go to the States to that College?

HON. M. HEMPHILL: Mr. Chairman, we do through the Student Aid Program.

MR. CHAIRMAN: If there are no further questions, 4.(h)(1)— the Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you very much, Mr. Chairman. Just a couple of questions to the Honourable Minister and I don't know whether I should ask the questions in sign language or speak right out.

I have started a course in sign language and I was just wondering whether there are any funds available for government members to continue with a course in sign language so that they can communicate with the deaf.

MR. CHAIRMAN: The Honourable Minister.

HON. M. HEMPHILL: There are evening courses at Red River that the member could participate in.

MR. A. KOVNATS: I wasn't that concerned about where the courses are because I had started in a particular course at I think it's the — on Sherbrook, right

by the Health Sciences — Kinsmen Centre I think it is. At my own expense I had purchased a book and I think it was somewhere around \$15.00. The course wasn't really that expensive except that there were some costs involved. I started the course when I was the Deputy Speaker and I was going to give anybody who wanted to come and speak in sign language the opportunity to speak in the Legislature which they've never had before and they don't have now. I hope that sometime in the future they will have the opportunity to speak in sign language when they come to make a presentation. That was my intention at the time, but now that I am no longer involved as the Deputy Speaker, I would still like to continue with my course and finish off the course. I was just wondering whether there's any funds available, not where I could go to, because at that time it came out of my own pocket as all of these courses do. I'm not against it, but if there are any funds available I'd like to take advantage of the opportunity.

HON. M. HEMPHILL: Mr. Chairman, there presently is not any financial support for the member to continue with his studies.

MR. A. KOVNATS: Well, now as a recommendation I would say that maybe the Honourable Minister could make some funds available and I don't think it would have to be great funds available, but some funds available. There are people in the employ of the province - I don't say that because they're an employee of the province - that are able to communicate by sign language, that they should give up their time, but I think some extra remuneration. It would be putting people who have the disability of lack of hearing or lack of communicating who could be the teacher because two of my teachers at the school were both speechless and without hearing. I think that there would be an opportunity for those people to gain employment by allowing people without the disability to participate. I guess it's a little bit selfish because I am getting a little bit hard of hearing; maybe I'm looking to the future. The same thing, I'm wearing glasses; I had to give up football officiating because I couldn't see. So I think that these opportunities should be presented and — (Interjection) — That's right. Most football referees, I think it's a qualification you've got to be blind and deaf anyway, but not in my case, Gary.

I would hope that the Honourable Minister would seriously consider getting some funds for people. — (Interjection) — Oh, I could give you the sign language, but at this point I wouldn't want to embarrass anybody by showing off my talents. There are some people working here in the building who are deaf and mute and I'm able to communicate with them to some extent, but I would like to do it at a better level and I think that there should be some funds allocated to the Deputy Speaker and Chairman of Committee so that if a presentation is ever made by anybody who is speechless they could come and make the presentation by sign language and be understood the same as the Francophone can make his or her presentation in the Manitoba Legislature and be understood.

MR. CHAIRMAN: Order please. The hour being 4:30 I am interrupting the proceedings for Private

Members' Hour.
Call in the Speaker.

IN SESSION

ROYAL ASSENT

DEPUTY SERGEANT-AT-ARMS (Mr. Myron Mason): Her Honour, the Lieutenant-Governor.

Her Honour, Pearl McGonigal, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne:

Mr. Speaker, addressed Her Honour in the following words:

MR. SPEAKER: May it please Your Honour.

The Legislative Assembly, at its present Session, passed several Bills which, in the name of the Assembly, I present to Your Honour and to which Bills I respectfully request Your Honour's Assent:

No. 4 - An Act to amend The Garage Keepers Act.

No. 6 - An Act to Abolish Certain Actions Concerning Status of Individuals. Loi abolissant certaines actions relatives aux droits de l'individu.

No. 9 - An Act to amend The Insurance Act.

No. 10 - The Reciprocal Enforcement of Maintenance Orders Act. Loi sur la réciprocité d'exécution des ordonnances alimentaires.

No. 12 - An Act to amend the Family Maintenance Act.

No. 16 - An Act to amend The Fatality Inquiries Act.

No. 17 - The Proceeds of Contracts Disbursement Act, 1981.

MR. CLERK, Jack Reeves: In Her Majesty's name, Her Honour the Lieutenant-Governor doth assent to these bills.

Her Honour was pleased to retire.

PRIVATE MEMBERS' HOUR

RES. NO. 7 — TAXATION ON FUELS FOR FOOD PRODUCTION

MR. SPEAKER: Order please. Private Members' Hour. The first Resolution before the House is No. 7. The Honourable Member for Pembina.

MR. D. ORCHARD: Mr. Speaker, I move seconded by the Honourable Member for Morris that,

WHEREAS farm production of food requires substantial use of oil and natural gas energy; and

WHEREAS Canada's National Energy Program has placed substantial federal taxation on oil products and natural gas; and

WHEREAS these additional costs to the Manitoba farmer through federal energy taxation ultimately are passed on to the consumer through higher food prices; and

WHEREAS this increasing federal taxation is contributing significantly to the cost price squeeze faced by all farmers and to higher food prices for all consumers; and

WHEREAS the Government of Manitoba has exempted from taxation fuels consumed for farm pro-

duction of food;

THEREFORE BE IT RESOLVED that this Legislative Assembly urge the Government of Canada to remove federal taxation from all oil products and natural gas consumed by the farm industry for the production of food.

MOTION presented.

MR. D. ORCHARD: Thank you, Mr. Speaker. I've introduced this resolution today because over the past six months, I've had a rather timely opportunity to review my own farm situation due to an event some six months ago that relieved me of substantial duties and created a little extra time.

In analyzing the costs of operating a farm today, I come upon some fairly significant increases that have occurred over the last two years in particular. Now, to give a brief history to members of the House, I think it's fair to say that farming as an industry has kept pace in terms of efficiency with all other industries in Canada in keeping the costs of the farm production down to the consumer. There's only one other industry that has even matched the efficiency of the farm industry and that, of course, is the electronics industry through the microchip technology and the latest electronic innovations, so that farming and agriculture as an industry has been extremely efficient in terms of costs of production.

Food prices in real terms have not been increasing as rapidly as the costs of other commodities commonly consumed in the marketplace. For the last two years, and today particularly, less than 18 percent of an individual's disposable income is spent on food. That is one of the lowest disposable income percentages spent on food in the world; only the United States is somewhat lower. The farm sector is a consistent contributor to the gross provincial product, to the gross national product, and as well as feeding our nation the farm sector has contributed in excess of \$2.5 billion to the balance of trade payments in net exports of food products. That is in addition to feeding the nation. Today, the average farmer feeds over 60 people through his efforts on his individual farm.

Now, how has this been possible as the number of farmers have been declining? How is it possible for farmers to achieve this kind of production efficiency to keep consumer costs down and to feed ever-increasing numbers of people?

Well, first of all, as farm numbers declined the farm size increased and this led to increasing mechanization as all members in the Opposition and on this side in the government know. This increased mechanization was necessary to farm greater tracts of land. Continuous cropping came in as a normal cultural practice in Manitoba over the past several years with the elimination of summer fallow. As a result, farms have become quite energy intensive. Farmers are major consumers of oil and natural gas energy. The mechanization to accomplish farming larger tracts of land has been accomplished through larger and more efficient tractors, combines, etc., all of which run on diesel fuel and/or gasoline. Continuous cropping has led to the farm industry becoming very energy consumptive on two standpoints.

First of all, with continuous cropping nitrogen must

be supplemented by commercial applications of nitrogen fertilizers. Nitrogen fertilizers, as all members know, today in the majority, the commercial fertilizers are made via the Haber process which involves the synthesis of natural gas to produce anhydrous ammonia, so that when continuous cropping farmers must add commercial nitrogen which indirectly consumes natural gas which is subject to federal taxation.

Also in continuous cropping, weeds and insects become a problem and farmers have had to rely on greater use of herbicides and insecticides for both weed control and insect control to be able to maintain the yields in continuous cropping.

Also with fewer farms, distances to the farm service centres have been increasing substantially. This is not by choice of the farmers but is actually a function of what has happened in the rationalization of not only the farm industry but the farm supply sector in rural Manitoba. Farmers have to travel greater distances for their fertilizers, their chemicals, to deliver their grains, to deliver their products to market, to buy their machinery.

Now in the farming industry at present, there is no alternative to oil and natural gas as an energy source for the farm community. You cannot make nitrogen fertilizers out of any other product than natural gas at the present time. Also, the tractors, the combines, the mechanized machinery of the farm cannot run on anything other than oil products, either gasoline or diesel fuel. You cannot electrify a farm tractor or a farm truck. The advent of compressed natural gas, CNG, as an alternative fuel in the cities is not available in rural Manitoba because vast areas of rural Manitoba are not serviced by natural gas. Farm alcohol is not efficient at the present time in terms of the production cost to produce it.

There is no mass transit in rural Manitoba to avail the farm community of travelling on mass transit or public transit to and from their marketplace and where they do their business.

So that for the immediate and foreseeable future farming will remain very energy intensive and rely on oil and natural gas for fueling the farm economy.

Now this resolution was introduced, on the basis that it has been traditional ever since fuels were taxed by the province, that farm fuels, the dyed fuels, the purple diesel, purple gasoline have never been taxed by the Provincial Government and that includes no sales tax and no user tax.

I wish to seek the support of the House and the members of government in urging the Federal Government to simulate what the Provincial Government has done over the past number of years in exempting farm consumed fuels from federal taxation. I would ask members opposite to give their support to this resolution.

Now exactly what taxation are we talking about with farm fuels? And I'll deal with four fuels only, that being dyed purple gasoline, dyed purple diesel fuel, natural gas and propane as being the four major fuels that are consumed directly or indirectly on the farm. Now there are as many as seven separate taxes on gasoline imposed by the Federal Government, and there are as many as six separate taxes imposed on diesel fuel, dyed diesel fuel, consumed on the farm. These taxes range from excise tax, federal sales tax, to import

taxes and include also a levy on all fuel consumed in Canada as a check-off to pay for Petro Canada operation and acquisitions, so those are the types of taxes that apply to diesel fuel and gasoline.

For dyed or purple gasoline, the current total of federal taxation is 60 cents per gallon. That 60 cents per gallon is accumulative of seven taxes, seven different tax structures in the Federal Government. Purple gasoline, for all members to know, is used primarily today in farm trucks to deliver commodities to market, to pick up fertilizer, machinery parts, etc., etc.

Dyed purple diesel, Mr. Speaker, is currently being taxed by the Federal Government at the rate of 53 cents per gallon, and to put that into perspective, diesel fuel currently costs about \$1.28 a gallon on the farm, so that taxation represents approximately 43 percent of the farm delivered price of purple diesel. A significant portion of the cost is federal tax. Diesel fuel is used primarily for fueling tractors, combines and some farm trucks are now going to diesel because of the obvious efficiencies.

Propane is now currently taxed at more than 7 cents per gallon and currently sells to the farmer at around 88 cents a gallon, so that represents about a 10 percent tax rate on propane. Propane is used mainly for heating livestock buildings, such as hog barns and poultry barns, layer barns for hens for egg production, and also for crop drying — for corn and other crops which require drying, propane is the main fuel sources.

Natural gas, as I've mentioned, is used indirectly on the farm through the consumption of nitrogen based fertilizers, which are produced by the Haber process using natural gas as the feedstock. Currently natural gas is taxed at the rate of 60 cents per 1,000 cubic feet, and to give you an idea of the size of that taxation as it relates to the farm fertilizer bill, one metric tonne of ammonia requires approximately 40,000 cubic feet of natural gas to produce that one tonne of ammonia, so it's 60 cents taxation per 1,000 cubic feet. That means that tonne of ammonia, which is selling for around the \$300-and-some mark is taxed at the rate of \$24.00 per tonne.

In fertilizer plants they take anhydrous ammonia and upgrade it into various dry and liquid fertilizers and, in doing so, the cost and the use of ammonia increases so that ammonia is the most efficient nitrogen source in terms of utilization of natural gas.

To give you an idea of the taxation per pound of nitrogen used, per pound of actual nitrogen used, anhydrous ammonia is taxed at the rate of 1.33 cents per pound of actual nitrogen used in anhydrous ammonia, and goes up to 1.55 cents per pound of actual nitrogen used when something like nitrogen solutions are your nitrogen source. The range is in from 1.3 to 1.5 cents per pound of N. Now with application rates of upwards of a hundred pounds of actual N utilized in the continuous cropping program, one can see \$1.30 to \$1.50 per acre easily emerging as a direct federal taxation cost to the farmer.

I want to briefly demonstrate the impact of this federal taxation in three ways. I want to refer members to the 1980 Yearbook of Manitoba Agriculture, and specifically, I want to go to page 43 where it demonstrates for 1980, which is the last current year that we have — the 1981 book is not out. On page 43, the use of nitrogen fertilizers by type is listed. I have gone

through the calculation on that page 43, basis the natural gas taxation component of those various fertilizers, and it is found from that book that approximately \$5.25 million of natural gas taxation will be paid in 1981 by farmers consuming those volumes of commercial fertilizers for the production of a normal Manitoba crop; that's \$5.25 million of federal taxation on natural gas.

I would refer members to page 45 of the same book in which it lists fuel for machinery as a second expense. Once again, it's 1980 figures, so I'm assuming that the volume of consumption is the same for 1981, that it hasn't increased, and I think it's a fairly logical assumption to make. I based the taxation of the fuel at a rate of 56.5 cents per gallon, which is the average between the 60 cents on gasoline and 53 cents on diesel fuel to arrive at 56.5 cents per gallon. On the basis of identical consumption in 1981, there were consumed in 1980, Manitoba farmers paid over \$62 million of federal energy taxation on fuels consumed to produce food that we eat each and every day in this province. The total for the province, just using fertilizer and natural gas taxation and direct taxation to gas and diesel fuel, comes to \$67.25 million for 1981. That represents, for the 32,000 farmers that we have in this province, an average of over \$2,100 per farm of natural gas taxation and oil taxation that farmers in Manitoba have paid. It's a sizable bill, on average, for each and every Manitoba farmer.

Developing the second area of comparison, I developed three crops; namely, wheat, rapeseed or canola, as the modern terminology is, and corn. I've used Manitoba Department of Agriculture Central Region figures on the amounts of fuel consumed and the amounts of fertilizer consumed to produce an average yield of each of those three crops; I've used the average fertilizer recommendation from the field crop recommendations and I've used the updated 1981 fuel consumption for those three crops. It takes almost 5.5 gallons of fuel, gasoline and diesel, to produce an acre of wheat. The taxation on that is \$3.06 per acre and the recommended fertilizer rate, on average, is 50 pounds of nitrogen, which is a further 73 cent tax via the natural gas used to produce that fertilizer, for a total tax of \$3.79 per acre for an acre of wheat produced in the central region of Manitoba.

Rapeseed consumes six gallons of fuel. The taxation on that for the diesel fuel and gasoline is \$3.39. Eighty pounds of actual nitrogen are used to produce that average crop of rapeseed for a taxation on natural gas of \$1.17, for a total per acre tax in 1981 of \$4.56.

Corn is a major consumer of fuel. It takes 18.9 gallons of gasoline and diesel to produce an acre of corn. That is \$10.70 per acre of taxation on diesel fuel and gasoline. As well, corn is a high user of nitrogen and requires 100 pounds of nitrogen on an average. That is a further \$1.46, on an average, taxation for the natural gas to produce that nitrogen, for a total taxation bill on corn of \$12.16 per acre.

This, ladies and gentlemen, is taxation, not total fuel cost but only federal taxation per acre. Now if you add for corn, the cost of drying corn, and I didn't do this because propane is the fuel source and it is taxed as well. I didn't include that in the corn figures because there's quite a variation in the efficiency of grain dryers, but on average one could assume that it takes 20

gallons of propane to dry an average yield of corn per acre, 20 gallons per acre, and at 7.3 cents tax per gallon it works out to approximately \$1.50 of tax paid to the Federal Government on the propane consumed for drying that corn, for a total taxation on that acre of corn of in excess of \$13.50 per acre.

I want to finally use some actual costs on a farm which is 550 acres and grows only grains and oilseeds and no corn. The actual gasoline and diesel fuel tax paid on fuel consumed in 1981 was \$2,240 which is averaging a little over \$4 per acre and on actual nitrogen applied to that continuously cropped farm, the taxation was \$660 for a total cost per acre of almost \$1.20. So that on that actual 550-acre farm continuously cropped, the federal taxation on diesel fuel, gasoline and natural gas consumed in the production of fertilizer was \$5.25 per acre on average. Now on a 40-bushel crop of wheat, that represents 13 cents.

Now, ladies and gentlemen, the taxation of farm fuels has always been exempt provincially and I have used only the fuels that are consumed most directly by the farm. For instance, I have not included in my figures the taxation by the Federal Government on oil and natural gas, for oil and natural gas consumed in the production of the herbicides that farmers use, that would add greater tax per acre. I have not included the taxation on clear gasoline used by farm families to commute to and from town, nor have I included the taxation on the fuels consumed by the trucking industry bringing commodities in and out of the farm communities so that what I have drawn to your attention is the most obvious taxation rate; it is \$5.25 per acre for 1981.

I would urge all members of the House to seriously consider the recommendation in this resolution in asking the Federal Government to give consideration to exemption of farm consumed fuels from their taxation regime as we do provincially because the farm industry has been one of the most efficient in keeping the costs to the consumer of food at an affordable level, less than 18 percent disposable income spent by the average Manitoban on food. Farmers cannot stand this kind of increased federal taxation on their food production operations. It has to eventually show up in the consumers which each and everyone of us represent in this House as MLAs.

As food prices must increase to cover off the cost of the taxation by the Federal Government on fuels consumed for the production of food, I think it is incumbent on each and every one of us to agree with the recommendation that I have put down in this resolution to ask the Federal Government to give serious consideration to removing, if not all of that taxation on natural gas used in fertilizer production, diesel fuel and gasoline used in the farm operations as dyed fuels, if not to remove the entire taxation regime, at least to remove a portion of it and mitigate the extreme impact on the farm community of federal taxation on energy to an industry which has no viable energy alternative - and I have to stress that - there are no other fuels that the farm community can use in undertaking production. They must use diesel fuel, gasoline; they must use fertilizer which uses natural gas. Those products are under fairly substantial taxation by the Federal Government and I would urge all members to give serious consideration to supporting

this resolution in an attempt to alleviate and remove some of that taxation burden from the farm community so that food prices do not have to rise inordinately to recover that cost of taxation on the operations which produce the very food we eat.

Thank you, ladies and gentlemen.

MR. SPEAKER: The Honourable Member for River East.

MR. P. EYLER: Thank you, Mr. Speaker. Let me begin by saying that we on this side do sympathize with a lot of the sentiment that is expressed in this resolution. We do feel that there is room for the Federal Government to possibly remove or rebate some of the taxes on farm energy, but I do have a few concerns and I'm happy that the member seems to have presented this resolution more as a topic for discussion than as a hard and fast resolution which we must pass in its present form.

I have a few concerns about some of the wording, some of the logic which is expressed here and also how acceptable it is under the rules of order in this House. First of all, let me say that I find it somewhat odd that the Member for Pembina premises his resolution on a statement that the energy taxes are passed on to the consumer through higher food prices. I find that odd because just last Thursday when he was talking about the provincial diesel tax, he said the farmer can't pass those additional costs through to the marketplace. Further on, he refers to an industry that has no ability to pass those costs on to the consumer and no negotiating power. Now, Mr. Speaker, I find it odd that provincial taxes are solely on the farmer and that the federal taxes are passed on entirely to the consumer. That probably was just that he got carried away with the heat of the Debate and I can accept that, Mr. Speaker, I believe that he really feels that most taxes on fuel are basically levied on the farmer. I can agree with that, Mr. Speaker, therefore I don't think that this particular clause really belongs in this resolution.

Second of all, in the Resolved clause he refers to all oil products. He asks that we ask the Federal Government to remove the taxes on all oil products used in farming. Mr. Speaker, I think this would impinge on the revenue generating capacity of the province if we had any sort of resolution which asks for a reduction in sales tax or any other tax on a product which we currently tax on an ad valorem basis. If we're placing a tax on a tax, then it's going to reduce the income of the Provincial Government; therefore, I would say that as the member seemed to concede in his closing remarks that we would have to go more or less for a reduction or a rebate in federal taxes levied on the fuels which we don't presently tax, i.e., gasoline and diesel.

Third, on the production of food, I was rather unsure as to what exactly that meant. I think that we all agree that agriculture has a problem and yet not all agriculture is involved in the production of food. I'm not sure if the member would want the same concessions for barley produced, for gasohol production, or flax straw, or flax for linseed oil, or if he's interested in rebates on crops for malting barley or corn for the distillery. There is a lot of agricultural products that are not basically food production.

Fourth, Mr. Speaker, I don't think we should be leaping into a carte blanche request of the Federal Government to reduce these taxes if we don't know exactly what the impact is going to be. We've already had a certain amount of experience in this province with tax rebates, say on gasohol, and they got a little bit out of hand so I don't think that we should leap into something before we look at where we're going.

Finally, Mr. Speaker, I think the most important feature in this is the National Energy Policy which comes in the second WHEREAS clause and I think we have to look at what the real goal is behind the Energy Policy and what the alternatives were. Now the National Energy Policy basically has three types of taxes. There is the tax at the wellhead; tax at the refinery entry gate and the tax at the refinery exit. The first two of these tax levels, Mr. Speaker, are those which are earmarked for the National Energy Policy and their primary raison d'être is to serve as equalization between east and west, to use the western taxes to subsidize the cost of imported oil in the east. That gives us all a lower price than the world price and I think that's very significant that this is a major feature of the National Energy Policy because if we look at the alternatives, the conservative alternative, Mr. Speaker, we find that the prices for oil would be much higher.

I would refer to the position statement of the former Premier made a little over a year ago on March 4, 1981 in which he stated: "The position adopted by the Government of Manitoba is precisely the same position that was endorsed by the six major nations of the world meeting at the Tokyo Conference, all of whom agreed that the price of energy in each of these countries had to move toward the world price." If we go a little bit further I'm sure that what he's really referring to is the Federal Conservative position and if we look back at the Crosbie Budget we would find that according to Crosbie by 1982 the price of oil in Canada would be 75 percent of the world price, that's higher than it is right now, so if by some fluke of fate the Conservative Government had survived, we would today have higher oil prices in Canada than we do have now under the Liberal Government. Furthermore, Mr. Speaker, by 1984 the price would be going to 85 percent of the world price. All of this is predicated on an increase in the price of oil of \$4.50 a barrel per year.

Now the Canadian Federation of Agriculture has estimated for the Opposition that an increase of \$1.00 a barrel on the domestic price will increase the average cost to a farmer of \$350 a year. So at an increase of \$4.50 a barrel per year under the Conservative energy projections that would have meant a cost to the average Canadian farmer of over \$1,500 a year. I find it kind of odd that this party would now come to us and ask that we ask the Federal Government to reduce the price of oil for farmers, to remove some of the taxes from the farmers, to lower the price, when in fact if the Crosbie Government were still in power I wonder if they would come today and ask Imperial Oil to reduce its price to the farmers, a selective price decrease by Imperial Oil for the farmers. I don't really think they would do that and I'm surprised that they would come forward with this sort of a resolution now although I can see that there is considerable discontent at the grassroots level in the farming areas. So possibly they have moderated their positions and no longer agree

with the Federal Conservative policy. If that's the case, Mr. Speaker, I would certainly welcome that.

The third level of taxes which the Federal Government levies, Mr. Speaker, is at the refinery exit and here there are two basic taxes, there's the Federal Excise Tax and the Federal Sales Tax. The Federal Excise Tax of 1.5 cents a litre, I'm sure the Member for Pembina knows, is rebatable to farmers. All they have to do is go to the Post Office, get their information brochure and their application form, so this resolution can't apply to the Federal Excise Tax. The Federal Sales Tax, of course, is a different issue entirely. The Federal Sales Tax is 2.7 cents a litre and based on last year's sales in Manitoba of purple gasoline of about 287 million litres, that would be a rebate of approximately \$4.3 million; that's for the 1.5 cents if it was applied for.

The potential rebate of 2.7 cents a litre on gasoline and diesel, Mr. Speaker, would net \$13.7 million in rebates to Manitoba farmers and that's a significant amount to many farmers although I think as far as the overall cost of farming goes it's not really all that great. If there are 10 million acres of land in production for crops in Manitoba that means \$1.37 an acre. I realize there are going to be disparities between whether you're growing corn or wheat or oats or whatever, but on an average that's \$1.37 an acre.

The Free Press in early May of this year estimates the cost of producing wheat at \$171 an acre so really we're only talking about a decrease of about 8/10 of a percent in the production costs of farming. I can see where that would probably be useful this year but next year when the price of oil goes up where are you? The costs are still climbing and you haven't really solved the problem. So whether or not it's significant is the key to this, Mr. Speaker, and I would refer to Barry Wilson's "Beyond the Harvest" which came out last year in which he says: "Across the Prairies the largest input cost is machinery with \$783 million spent in 1976 followed by interest payments and fertilizer. Although few bills were higher during the decade fuel as a percentage of total costs declined steadily while fertilizer, agricultural chemicals and interest payments increased."

Mr. Speaker, obviously fuel is a problem and energy costs are a problem but I don't think that we can address the real problem by cutting the taxes on them. The real problem is going to be at different levels, this government has done what it can to help for interest rate relief. We have a program for interest rate relief for farmers who are most needy. We are taking an active role in Ottawa, whereas the previous government was passive, to help bring down interest rates so, Mr. Speaker, I wonder is it really significant? I don't think that this in itself is significant but I think it will help and therefore I am quite prepared to support an amended resolution which would read . . .

Well, Mr. Speaker, I move, seconded by the Member for Riel that Resolution No. 7 be amended as such that:

1. The second and third Whereas clause be deleted.
2. The fourth Whereas clause read: AND WHEREAS increasing federal taxation of farm fuels is contributing to the cost price squeeze faced by all farmers;
3. The Resolve clause read: THEREFORE BE IT

RESOLVED that this Legislative Assembly urge the Government of Canada to review immediately federal sales tax on all farm fuels consumed in food production to determine their impact on farmers net income;

BE IT FURTHER RESOLVED that this Legislative Assembly urge the Government of Canada to consider rebating federal sales tax on all farm fuels consumed in food production.

MR. SPEAKER: The Honourable Member for Virden on a point of order.

MR. H. GRAHAM: Before you make a ruling as to whether or not this proposed amendment is in order, could I have a copy of the proposal of the honourable member?

MR. SPEAKER: I believe additional copies are being made available. The proposed Resolution by the Honourable Member for Pembina. It has been moved by the Honourable Member for River East and seconded by the Honourable Member for Riel. Do you wish the resolution read?

The Honourable Member for Pembina on a point of order.

MR. D. ORCHARD: Mr. Speaker, if it's in order, I'd like to speak to the amendment. Thank you, Mr. Speaker.

Well, Mr. Speaker, I appreciate the amount of support that the Opposition has seen fit to give to this Resolution. I have to admit though, I'm a little disappointed in some of the arguments put forth by the Member for River East. He mentioned in his speech that just the other day I criticized the payroll tax as being one of those costs that's an additional cost to the farmer and it can't be passed through. He saw that as being something of an anomaly when it applies to the diesel fuel tax which delivers goods to the — (Interjection) — if you might sit down I can clarify what you're worried about.

MR. SPEAKER: The Honourable Member for River East on a point of order.

MR. P. EYLER: Mr. Speaker, on a point of order. I was referring to the member's comments on the diesel tax, not the payroll tax.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. The Member for River East indicated that I criticized the diesel fuel tax imposed by the latest Budget of the Provincial Government as being a cost that could not be passed through by the farmer to the consumer. In the short run that's quite correct. That is why we, on this side of the House, were extremely alarmed that this government saw fit to hit the farm industry with two taxes that today cannot be passed on, namely, the payroll tax and the diesel fuel tax as it applies to the trucking industry delivering goods and services to the farm community.

But if the member would carefully read the third "WHEREAS" in the original resolution. It says "AND WHEREAS these additional costs to the Manitoba farmer through federal energy taxation ultimately are

passed on to the consumer through higher food prices."

Right now, he's quite correct, as I was quite correct on Thursday when I spoke to the Budget, the farm community is in such a cost-price squeeze right now that with few exceptions, they cannot pass through additional taxation through the energy taxation of the Federal Government or through the taxation imposed by this new government in their first Budget via the payroll tax or the diesel fuel taxation. Right now they cannot pass those costs through. But in the system we operate in, unless we believe that we can get by without any farmers left to produce the food; unless we really believe that in this House and as MLAs elected to this Chamber, then ultimately all of those taxation costs are going to be passed on to the consumer because the farmers are not going to sustain production at a loss, exasperated by expenses which have increased because of taxation by the Federal Government and the Provincial Government for more than a short period of time - maybe one or two production years. The farmers that remain will remain because those costs through taxation will be passed on to the consumers. That is why the third "WHEREAS" said, "ultimately are passed on to the consumers."

There is no taxation that a productive industry like agriculture can sustain for long without ultimately passing it on, through the price of their beef and their grain and the other food products they produce on their farms. So I still maintain my position on Thursday is correct as it is correct today. Ultimately all this taxation, this 60 cents on gasoline; the 53 cents on diesel fuel; the 60 cents a thousand cubic feet on natural gas, will ultimately all be passed on to the consumer, to you and I as individual Manitobans.

This government has consistently said that they want to make sure the least advantaged people in society have the fairest chance of surviving at a reasonable standard of living. Well, that's the main reason why I brought this Resolution in, because the people who earn \$50,000 a year don't have to spend a great deal more for their basic food staples than what the person who earns \$10,000 per year. Every individual needs so much food and the taxation by the Federal Government, and to some extent by the Provincial Government, not nearly the extent, that is part and parcel of the production costs of the farm community and ultimately will be passed on to those consumers that this government is so concerned about protecting.

The member also drew out an issue that I knew would become part of the debate on this Resolution, that being that whilst we were government we were not opposed to the prospect of energy pricing that would get Canada on a self-sufficiency basis in terms of oil production. The formula that was most likely to succeed in that goal of oil self-sufficiency in Canada was the formula of something like 75 percent of world price as the base price for a barrel of oil.

Well, Mr. Speaker, I submit to the Member for River East that position was entirely different from the position put forward in this Resolution because there is no farmer worth his salt in Manitoba or Saskatchewan or Alberta who cannot pay the costs of energy, diesel fuel, natural gas, gasoline, and compete on the world market paying the farm costs of fuels priced on the basis of 75 percent of the world price on oil. What the

Federal Government has done, Mr. Speaker, and this is the whole purpose and intent of this Resolution is, they have not taken the per barrel price of oil in Canada up to even three-quarters of the international price to encourage production and new finds in Canada, but rather they have left the price of oil per barrel lower than the international market and they have introduced a layer of taxation, seven layers of taxation on gasoline, six on purple diesel fuel, and it's taxation that has brought the cost of farm-consumed fuels so high today. It's not the cost of bringing the oil out of the ground, or finding new oil to make Canada self-sufficient in the long run, but rather it is the taxation regime that the Federal Government has seen fit to put in place as a method of generating revenues so that they can buy the Petrofinas in the world at double the market price and a few other whims that the current Federal Government has.

They also use energy taxation in a major way to offset their deficit. It's energy taxation that I am objecting to in this Resolution because the taxation, in very small part, is going to lead to the increased activity in the oil patch of Western Canada, Eastern Canada, Northern Canada; it's going to make Canada self-sufficient in oil by the year 1990. We see the oil industry being driven out of Canada; not encouraged to come into Canada. Yet farmers right now in Manitoba, are paying more for their farm fuel than their American counterparts are and they are paying more than their American counterparts whose price is based on a higher dollar value per barrel than what we are paying in Canada.

The reason Canadian farmers are paying a higher price than their American counterparts today is because the Federal Government has seen oil and oil products as a method of taxation and revenue generation to pay for their deficits; plain and simple. That is what this Resolution was addressing and asking the Federal Government to consider alleviating, that taxation imposition on the farm community because the farm community is not able to absorb from profits, additional oil and natural gas taxation imposed by the Federal Government. They must ultimately pass that on to the consumer of food products in Canada.

So, Mr. Speaker, that's why I want to speak to this Resolution because I think it has taken away from the intent of the Resolution. It has laid some information on the record which really is not quite correct as it applies to the Resolution and I would hope that, with those few explanations, that members opposite might see fit to not further justify that kind of an amendment.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Virden.

MR. H. GRAHAM: Thank you, Mr. Speaker. I've listened to the remarks of the Honourable Member for Pembina. I've listened also to the remarks of the Honourable Member for River East in his proposal in an amendment to a Resolution. I would suggest to the honourable member that when he is amending a Resolution he make his amendments somewhat clearer than what he did when he put forward his proposal because, when you read his proposal, he does ask that the second and third clauses of the Resolution be deleted. He doesn't ask that the fourth clause be

deleted but he says the fourth WHEREAS clause should read: "And WHEREAS increasing federal taxation of all farm fuels is contributing to the cost price squeeze faced by all farmers," he has, in effect, deleted the fourth clause. He has also done the same thing with the RESOLVE clause, but without saying that he has deleted it.

So I tell you, Mr. Speaker, that I suggest to the honourable member that if he is going to continue to amend resolutions that perhaps he should put a little more work into correctly wording the amendments that he is putting forward, and that way it makes your job that much simpler.

However, Mr. Speaker, there was one thing that did concern me about the remarks made by the Honourable Member for River East, and he suggested that the cutting of taxes will not help to solve the problem of the farmer. That obviously showed me one thing, that the member has never in his life talked to a farmer about farm problems. He has a total ignorance of the problems that the farmer faces because I know the farm community and the farmer is constantly talking. Why don't you cut taxes? Give us a chance. If you'd just cut taxes and leave us alone we will be able to operate a good, efficient farm operation. So it's very obvious that the Honourable Member for River East has no knowledge of farm problems, no knowledge of the farm community, and very little knowledge of how to amend a Resolution.

Thank you, Mr. Speaker.

QUESTION put, MOTION defeated.

MR. A. ANSTETT: Yeas and nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

The motion before the House is the proposed amendment by the Honourable Member for River East and seconded by the Honourable Member for Riel.

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

YEAS

Messrs. Anstett, Ashton, Bucklaschuk, Carroll, Corrin, Cowan, Mrs. Dodick, Messrs Doern, Ms. Dolin, Messrs. Evans, Fox, Harapiuk, Harper, Mrs. Hemphill, Messrs. Kostyra, Lecuyer, Mackling, Pawley, Penner, Ms. Phillips, Messrs. Santos, Schroeder, Scott, Mrs. Smith, Messrs. Storie, Uruski, Uskiw.

NAYS

Messrs. Banman, Blake, Brown, Driedger, Enns, Gourlay, Graham, Mrs. Hammond, Messrs. Hyde, Johnston, Kovnats, Manness, McKenzie, Nordman, Mrs. Oleson, Messrs. Orchard, Sherman, Steen.

MR. CLERK, Jack Reeves: Yeas 27, Nays 18.

MR. SPEAKER: The amendment is thereby carried and when we next reach Resolution No. 7, the Resolution, as amended, will stand before the House.

The Honourable Government House Leader.

Tuesday, 25 May, 1982

HON. R. PENNER: Yes, I move, seconded by the Minister of Finance that this House do now adjourn. It's my understanding that Committees will continue tonight at 8:00 p.m.

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