

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 6 April, 1981

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY — NATURAL RESOURCES

MR. CHAIRMAN, Arnold Brown (Rhineland): This Committee will come to order. 1.(a)(2) — pass — the Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Chairman, I believe my colleague has a few questions. While he's gathering his wits and his papers about him perhaps I can pose a couple of quick questions to the Minister and ask him with respect to the Fisheries since we were on that topic when we broke for the supper hour, if he has had any thoughts about any improvements or changes to the licensing policy regarding the issuing of licences to commercial fishermen in Manitoba and if so what policies or changes he's proposing.

HON. HARRY J. ENNS (Lakeside): Mr. Chairman, I've had thoughts over the supper hour about the course that the debate on the Estimates in the Department of Natural Resources are going and I really would ask members of the committee to consider the practice that's been established and laid out before us, that we proceed with the items as listed in the Estimates. I can see us getting into nothing but difficulty if we do otherwise.

MR. CHAIRMAN: 1.(a)(2) — pass; 1.(a)(3) — pass; 1.(a)(4) — pass; 1.(b)(1) — pass — the Member for St. George.

MR. BILLIE URUSKI: Yes, Mr. Chairman, dealing specifically with the Manitoba Water Commission, there have been requests and petitions and meetings held with respect to the flows of water from Lake Manitoba via Lake Pineimuta, Lake St. Martin and the Dauphin River into Lake Winnipeg, problems that have been raised in this last year or two were to the effect primarily of low water levels in the downstream lakes, Mr. Chairman.

The Water Commission a number of years ago held hearings with respect to the regulation of Lake Manitoba and if I recall generally, I stand to be corrected somewhat, but recommendations were that the range of elevations that Lake Manitoba was generally held at, were fairly fine-tuned in terms of a two-foot range. However the effects downstream were from time to time so severe that would cause and have caused a loss of productive land, loss of wildlife in terms of the flooding of nesting areas, muskrats, trapping areas, and as well in periods of low water, problems with fishing during the winter seasons and the like. If I recall, the Water Commission indicated that there should be a minimum flow of water that would be allowed through the Fairford Dam, but in order to maintain the regulation of Lake Manitoba within the range of 812 to 815, if memory serves me right, somewhere close to that 811 to 814, within that range, all right 811 to 813, that the effects could not be minimized.

Mr. Chairman, I attended a meeting last fall or early winter with respect to this very problem of low water levels on the lake. The Minister knows that there have been historically, requests from residents around Lake Manitoba that the mean elevations of the lake be dropped by some six inches, but regulated in such a way as to bring about a more uniform flow of water downstream. What I'd like to know, and I'd like the Minister's views and the department's views, as to whether that is accomplishable in terms of attempting to bring about a more steady flow or more adequate supply of water to the lakes downstream, and thus preventing the severe fluctuations that have occurred historically.

It's common knowledge that the structure of the Fairford Dam and the operations thereof are primarily for the regulation of Lake Manitoba, with very little regard for the downstream resources. So, Mr. Chairman, I would like to know what the government has in its plans in terms of a revision — I don't know if we need another review or another major study — whether or not there is consideration to allow a more uniform flow from Lake Manitoba in through the Dauphin River.

MR. ENNS: Mr. Chairman, the direct answer to the Member for St. George is that the department is not considering a change in the regulation of water levels on Lake Manitoba. I'm advised, and I'm certainly aware of the concerns that the member expresses, that the department has however managed, and certainly is attempting to better manage in the past year, to graduate the fluctuations somewhat finer than has been the past, where admittedly in order to maintain the levels within the prescribed heights of 811, 813, there were occasions where rather severe or fast draw-downs or build-ups were brought about. The director of Water Resources advised me that they have fine-tuned that to some extent to lessen the effect of the fluctuations to more gradually bring about the changes. Now whether that has any meaningful improvement or impact on the downstream areas that the member is expressing concern about, I suppose is perhaps questionable in the sense that it's difficult particularly at low flows to provide for that kind of steady flow of water that the member is talking about.

But the member is aware as I am aware that the study that was undertaken some two-three years ago, now is it or perhaps even more, four or five years ago I believe it was, among the many studies that have been undertaken with respect to that body of water, what we don't see or would likely see any reason for it producing any major deviation of the management that the lake is presently under, so we do not perceive any changes with respect to the operation of the Fairford Dam and/or the levels that have been established, or what the lake has been operated under for the last number of years.

MR. CHAIRMAN: The Member from St. George.

MR. URUSKI: Mr. Chairman, can the Minister indicate whether the contention that the lake — the

mean of the lake — if it was lowered by six inches within the parameters of 811 and 813, whether or not a more regulated flow could be achieved as a downstream effect through the Fairford Dam? If there was a bit more leverage, if I can use that term, or a bit more wider range that would be open to the branch in terms of regulating the locks at the Fairford Dam, whether a more meaningful regime could be implemented downstream, or is it simply a case that in order to minimize the downstream effects one would have to continue the regulation and go ahead with the long studied dam at the outlet of Lake St. Martin and onto the Dauphin River.

CHAIRMAN: The Honourable Minister.

MR. ENNS: I think the honourable member is aware and certainly I'm aware as the MLA for a good part of the people that are active and are concerned about the levels of Lake Manitoba, that in order for the department to maintain its commitment to the levels that — I won't say are totally agreed upon — but have been found as a result of studies, as being the reasonable ones. The only major improvement that could be considered for maintaining a better level of water in Lake St. Martin, would be to provide a further control structure, a dam of some kind, on that body of water. The type of information that the department gathers over the winter, the kind of runoffs that can be expected or cannot be expected, as is likely the case this year, preclude us from gambling if you like, with operating as a matter of set policy at the lower level of the permissible regime. We would stand a very serious problem of having Lake Manitoba operate under unacceptably low levels.

The advice that I receive from the department is that the solution to maintaining better lake levels on Lake St. Martin would call for some substantial capital undertakings at the outlet of that lake to in effect, regulate and store more acceptable water levels in that body of water.

MR. URUSKI: Mr. Chairman, by doing that — let's say that was an agreed upon solution, which I gather from some past knowledge was a fairly expensive solution in terms of the structures that would be required — can the Minister indicate the effect that it would have, a further structure, on the regulation of Dauphin River, where we know that we're dropping approximately 100 feet between the two elevations of Lake Manitoba, as to Lake Winnipeg? Where does the bulk of the gradient come in? Is it along the Dauphin River, or is it between Lake Manitoba and Lake St. Martin? What would be required to provide more adequate flows on Dauphin River, where we know that if there were not adequate structures provided, we know that the pickerel fisheries in terms of spawning grounds and the like, would be impacted on? As I understand, Lake St. Martin is one of the prime areas for the spawning of pickerel in the Interlake.

MR. ENNS: Mr. Chairman, I believe the member probably knows the answer to this longstanding concern that would probably involve, in addition to structure at the outlet of Lake St. Martin along with channel improvements to the Dauphin River itself. I'm advised that the major portion of the gradient

takes place on the Dauphin River itself but the member is also probably aware from his own knowledge that those are projects of substantial size in terms of capital dollars required and as I indicated to the member, are not being considered at this time.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Mr. Chairman, I'd like to ask the Minister in terms of, these projects are not considered in time, whether or not this item could be raised in terms of a federal-provincial context with respect that there have been discussions within the Tourist Association, within other groups in this area, in fact the Lake Winnipegosis-Lake Manitoba area, to look at the provision of a waterway for small craft; whether or not some interest between the two levels of government might produce some desirability for the channeling for small craft between the two major lakes within this province; whether or not some discussions along this line might be entertained with respect to the funding.

I would like to get from the Minister, if he would have them available to him, the Estimates that were available at the time for the works that would be required in order to regulate this area, what the costs were? If I recall, it was in the neighborhood of \$3 million or thereabouts, but that would be on 1975 dollars or thereabouts. I wonder if the Minister could confirm that.

MR. ENNS: Mr. Chairman, I believe in the first instance that the area was never under that type of intensive study that produced real and hard cost figures. I think the member is correct when he cites generalized figures in excess of \$3 million and certainly would be well in excess of that in 1981 or '82. As to the question of whether or not there has been any discussion in this area, possible federal government involvement, I would have to say no. That doesn't preclude that at some point in time that it couldn't take place.

I would have to put on the record though that there would be, in terms of priority of funds including federal funds under any shared agreements, there would be an emphasis and a concern with respect to resolving drought problems that, in areas where there has been a considerable amount of advanced study undertaken by organizations such as PFRA — and I'm referring specifically to some projects in the water-short southwestern part of the province — as well as some more immediate and current studies that are under way with the Federal Government, recently concluded or signed an agreement with the Federal Government that takes a particularly hard look at what can be done with the possible diversion of Assiniboine River water into the Carmen-Carberry aquifers and into the possibility of whether or not some additional surplus storage or reservoir should be constructed. What I'm trying to indicate, Mr. Chairman, through you to the Honourable Member for St. George, is that in the competition for funds at this particular time and particularly in lieu of the kind of weather conditions that we've been experiencing last year, and what with half of Saskatchewan flying over us tonight, are likely to continue to put pressure on that kind of prioritization.

MR. URUSKI: Mr. Chairman, I realize that no doubt from time to time that problems in other areas

create more difficult problems with respect to some other projects. With respect to the Water Commission, Mr. Chairman, what studies, what works has the Minister currently — I understand they are doing I believe some work on the Red River — could he indicate what he is proposing as their work for the next year? Are they looking at the diversions that he has spoken about with respect to irrigation and filling aquifers with good water and trying to see what impact that will have on water storage in areas that have less good water quality than we enjoy in the Interlake? What works has he in store for the Water Commission?

MR. ENNS: Mr. Chairman, the member is correct. The pressure that's developing on the department for up-to-date and reliable groundwater information is by far one of the most acute. The Water Commission is currently directed to study the matter; consultants have been engaged. We are receiving an unprecedented number of applications for the use of groundwater by farmers who are interested in irrigation farming, sprinkler farming. We have a number of situations where we have had to deny permits for the use of that water simply because we don't have the necessary information as to supply. It would be ill-advised on our part to encourage the investment that's involved in intensive sprinkler irrigation farming without that knowledge. So that is very much at the top of the list of priorities within the department and is engaging the activities of the Water Commission at this time.

MR. URUSKI: Mr. Chairman, I seem to recall, or I believe that the PFRA have done studies, or are in the process of doing studies, I believe have done studies, I'm not sure if in Manitoba and the Minister can confirm that, on the effects and projects of the nature that he speaks about. I'd like to know to what extent this information is available in Manitoba as to the potential and what specific areas is the Water Commission looking at, at the present time seeing as the PFRA have done some work — I've read about it but I'm going from memory as to what area they have looked at — so that there wouldn't be an overlap between the two agencies?

MR. ENNS: Mr. Chairman, I'm advised that there are two aspects to this, the study that I referred to that the Manitoba Water Commission is undertaking at the present time is a question of sorting out an appropriate licensing procedure, that makes available supplies to the potential users. The work that we are doing in co-operation with the PFRA is the technical exploratory work in determining what the resource is that's available to us in terms of groundwater.

I should draw to the attention of the members of the Commission that a recently concluded agreement with the Federal Government involved some \$9 million that hopefully will enable us to accelerate this exploration work, this technical work on the part of the department, and also lead to what we call "drought-proofing projects" of the kind that I mentioned a little earlier, whether it's the diversion of waters available to water-short areas from the Assiniboine, where there is the construction of additional surface storage reservoirs. This is the kind of activity that is taking place within the branch.

MR. URUSKI: Along with that of course would have to be, I would assume, further control works along some of the drainage systems, diversions and storages along the present drainage systems, conservation work like trees and the like in areas which are prone to soil erosion as well as ground erosion. Are those kinds of options being looked at?

MR. ENNS: I think a wide range of options are being looked at; some very specific, potential major projects are being looked at. It would be premature for me to indicate in greater detail inasmuch as it served no purpose to raise expectations if in fact, they don't prove out. But some of these projects have been looked at for some time. They are being updated. They are being looked at from the point of view of the kind of demands that modern agriculture is now placing on this resource.

The rapidity with which diversification in farm crops and farm planning methods are occurring in Manitoba are putting a very heavy strain on the resources of the department to come up with the answers fast enough. Mr. Downey is a very impatient man. He thinks that there's a pool of water like the size of the Pacific Ocean underneath our province, and we're not quite sure that's the case.

MR. CHAIRMAN: 1.(b)(1) — the Member for St. George.

MR. URUSKI: Yes, Mr. Chairman, I just wanted to get back to the Lake Manitoba situation. Can the Minister tell me whether the branch has studied and what their advice would be, on the impact of regulating the mean on Lake Manitoba within six inches less than what has been the range up till this date? What is the impact on the resources around Lake Manitoba and what would one expect if that water was available to be let through the dam at Fairford, whether or not a more satisfactory range of elevations or at least flow could be achieved, whether that would not be possible and what the impacts of that would be?

MR. ENNS: Mr. Chairman, that kind of a study has not been undertaken. It certainly could be, and I must admit to some interest in the matter myself coming under some of the same pressures that the honourable member comes under perhaps for somewhat different reasons, but from adjacent ranchers and farmers that are always looking for that extra six inches to cut an extra 180 acres of hay off around the edges of Lake Manitoba. However, I wouldn't want to leave the impression, that I think the concern the department has to maintain is that while even accepting the problems it may create in discharging the water to maintain the upper level, there is precious little we can do if we fall considerably below the accepted level, and the costs to other users and resources around Lake Manitoba have to be borne in mind. I'm thinking particularly of some of the wildlife resources, the muskrat farming, the fishing industry itself, although Lake Manitoba is not a year-round fisheries operation, but it is very important to those families and those people who do derive a reasonable amount of income during the short winter season.

MR. CHAIRMAN: The Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Chairman, I'll try and be very brief, but I think it's important to note that the work that is being done by the Water Commission is going to be work that will in fact give some direction to the department and the people of Manitoba.

There is a strong desire by people who live within the reaches of some of the underground aquifers, to buy irrigation equipment to further give themselves an assurance of moisture to produce their crops. In a lot of cases, people who have traditionally produced crops in these areas are now seeing what the actual advantages are through irrigation and I think it's important that a long-term policy in licensing program be put in place because of the amounts of dollars that have to be invested in the kinds of equipment that are available to them. It would not be fair to not have in place a licensing and in fact, a transfer mechanism of water rights and permits that would facilitate the ongoing use of the water. Although it may be limited use, it has to be able to be accommodated in those particular lights, so that we know for the farmers, that the farmers know that there's an availability of water and that will in fact continue to be available to the land.

Of course, we're all aware of the fact that if there aren't sufficient supplies, then we would be best off not to encourage those people to get into heavy financing of irrigation equipment.

MR. URUSKI: Mr. Chairman, I'll leave that topic for a minute with respect —(Interjection)— no, no, Mr. Chairman, with respect to the Minister of Agriculture's comments. I wanted to get back to the Minister of Natural Resources when he indicated that he would have some concerns what the impact might be on the resource users around Lake Manitoba should that six-inch range be modified to some degree. I think the Minister should check, and he may confirm, I recall the work that the Water Commission did and that goes back probably a decade now on Lake Manitoba and they were primarily interested in the regulation of Lake Manitoba with little regard, or at least their parameters of study were of little regard, for the downstream effects. Although they recognized the impact downstream the study, if I recall correctly, was to deal with primarily the modus operandi of the Fairford Dam in terms of how it was being handled, whether or not the dam operation was being operated in such a way as to maintain the range of levels. I think the Water Commission did conclude that because of the range of two feet that the operation of the dam was working relatively well with respect to maintaining the water levels on Lake Manitoba.

But, Mr. Chairman, while the Lake Manitoba range was being met very well within that two-foot range, the effects downstream from time to time were devastating. Although we are now, in Manitoba, in the second year of a potential drought, we did have some cause for concern in '77 I believe, there are those other periods. If I could convince the Minister to say that since he doesn't have the information of what impact there would be on the other resources and provided that this would have some beneficial effect of giving more of a stable flow of water downstream, that's really all that is being desired by the users of the lakes downstream is to try and move

away as much as possible from the fluctuations but yet try and have a greater flow of water on a continuous basis.

Mr. Chairman, farmers around Lake Manitoba, I believe the Lake Manitoba Flood Committee, historically have attempted to convince governments that at least during the period in June that the lake level should be drawn down that additional six inches, to permit the very things, the uses, that the Minister suggested such as hay-cutting and the like. At least their position was and one couldn't argue very much against it because by the end of June the hatching season had already passed and if the lake was drawn down the other resources would not be adversely affected in terms of that period of time. Later on in the fall there would be a possibility of drawing the lake back into the mean area with respect to the former mean and be able to possibly still maintain a better flow for the people downstream. That's really what I'm talking about and if the Minister indicates that we really don't have that kind of an assessment and that kind of information, I urge him to move ahead with that — I don't think it would take that much — in terms of work because some of the basic data was collected in the Lake Manitoba study. It would be a matter of updating that data, running some calculations and doing some simulations, maybe on the computer if those programs have been put on and be able to get some kind of an impact with respect to those levels. I would urge the Minister to move at least in that area.

Mr. Minister you've indicated that you have received pressures, both of us have as representatives of the east side of Lake Manitoba, and the representations that have been made and continue to be made bear enough merit for that further investigation, even if that data is not available, to at least be able to say, yes, we've looked at it, either it is possible or it isn't possible and the only alternatives remaining are the dam and that is done. But if this area has not been thoroughly investigated I urge you to undertake that review.

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

The Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Chairman, I believe that this would be an appropriate time to discuss the policies of the department with respect to the people who work within the department and indicate to the Minister that it has come to our attention that there has certainly been, over the last few years, a significant morale problem within the department. Mr. Chairman, I think that is evidenced by the persecuting of civil servants in the department who happen to express views that may be different from those of the Minister and/or the government. Now this particular department has had several Ministers in charge of the department and the present Minister has only been here a short time. However, I think that he has to bear responsibility for the policy of the government with respect to how civil servants within the department are treated.

I refer to a particular case where one of the departmental people was suspended for a week without pay when he was apparently accused of making comments as a member of the Manitoba Naturalist Society. Apparently he was told by the

Deputy Minister at that time to refrain from criticizing the branch, the department or its programs before any group organization or the news media. In effect, Mr. Chairman, he was I believe asked to withdraw from his association with the Manitoba Naturalist Society. I'd ask the Minister if is the policy of his government and his department to so order the lives of people who work within the government and public service, that they should not be allowed to be members of non-political organizations and be able to express their professional opinion while being members of those non-political organizations, even though at times perhaps in expressing their professional opinion they may be at odds with the particular direction in which the government may be going. I would ask the Minister if he could comment on his impression of that policy.

MR. ENNS: Mr. Chairman, the honourable member acknowledges that my stewardship of the department is relatively brief this time around and I'm not personally apprised of all the matters that he raises.

I am aware that it inevitably happens that when fairly substantial and major reorganization occurs that melds in, merges in different divisions, notably the Parks Division into Natural Resources, when these changes occur they are, can and do provide instances that are unsettling to staff.

There is a responsibility I believe within the department and the senior personnel people within the department are charged with that responsibility to ensure that there's a degree of equity in terms of job classifications, in terms of rate of pay, in terms of responsibilities and when a reorganization takes place some difficulties occur. To suggest, or to attempt to suggest to committee members that this did not happen within the reorganized Department of Natural Resources, would be less than candid.

I'm advised however that in a very relatively short period of time a large number of staff have come to recognize that within the reorganized department there has been a considerable expansion of improvement to their careers. I'm advised that in the past year or less some 50 promotions were made in this restructuring that occurred when different divisions or sections of government came under the umbrella of the Department of Natural Resources. I'm not suggesting that always happened with everybody's concurrence or to everybody's satisfaction. But I'm advised by senior staff that we are well on the way towards creating an effective department with a growing, heightened morale to carry out the responsibilities that the different employees throughout the department have.

MR. BOSTROM: Mr. Chairman, in that regard perhaps I could put the question directly to the Minister then. Is it the policy of the government or his department to disallow a member of the Civil Service or of his department to be a member of the Manitoba Naturalist Society or any such group or non-political organization? And while being a member of such an organization that they be disallowed to express an informed opinion of a technical or philosophical nature while being a member of that organization? Can the Minister perhaps comment on that and tell us what the present policy is?

MR. ENNS: Mr. Chairman, I'm not aware of and I don't believe there exist any such rules or regulations and certainly no such specific direction has gone from this Minister's office to any individual staff member.

However, I would be the very first to acknowledge that staff members have a particular responsibility to their department in assisting and in helping to carry out the policies of the day, the policies of the government of the day in such a way that they are not impeded, but that they are helped to a successful conclusion, a successful carrying out of those policies. Any action taken on the part of any civil servant that could be construed to be contrary to the interests of the department to carrying out a specific policy, would certainly be brought to the attention of senior staff within the department or indeed the Minister and commented upon. The individual would then have to examine his own position as to whether or not that kind of behaviour was acceptable in his long-term interests in carrying out his responsibilities within the department.

MR. BOSTROM: Is the Minister saying then that as far as he is concerned that members of the Civil Service are not disallowed from being members of non-political organizations while they're members of the Civil Service?

MR. ENNS: Certainly.

MR. CHAIRMAN: 2.(b)(1) — pass — the Member for Rupertsland.

MR. BOSTROM: The other question I have, Mr. Chairman, I would like to know if the Minister plans to continue and build upon the police image that seems to be imposed on the department. I refer by police image to the blue and white RCMP-looking trucks which have been introduced into the Conservation Officer Section.

I also ask him to comment on rumours that the department is considering the conservation officers using side arms and if such is the case, could the Minister expand on that and tell us what his intentions are with respect to that police image of the department?

MR. ENNS: Mr. Chairman, there's absolutely no foundation to any suggestion that our conservation officers should start carrying side arms. There's also no truth to any suggestion that because of the current impasse that the Attorney-General has with negotiating a new RCMP agreement with the Province of Manitoba, that our force of blue and white trucks should take over highway patrol or anything of that nature.

I must indicate to the honourable members though that quite to the contrary of any negative image that the enforcement arm of the department has created as suggested by the honourable member, we have received some very positive comments about their appearance on the scene.

I can suggest to the honourable members that the department now is receiving inquiries from federal parks people as to how to resolve some of their problems of rowdiness and unwanted behaviour in their park system because of the success quite frankly that the department particularly in the last

few years, last year particularly, has had in curbing this kind of activity in some of our parks.

MR. BOSTROM: Mr. Chairman, I wasn't talking about parks so much as I was talking about the conservation officer series and that section, Mr. Chairman, I am informed has developed somewhat of a police image the last couple of years, contrary to that which they were developing under the previous administration, that was an image of being more of a helper to the resource users than being a policeman of the resource users. I believe that is something which is not a good development. I believe that the conservation officers, parks officers should be people that are assisting the resource users and not coming around in a very policeman-like way and dealing with resources.

I believe that the conservation officers were taking very favourable to the role of being resource development people in a total sense rather than simply being policemen of the resources. They were enjoying the image of being friends of the trappers and the fishermen and the other users of the resource and going into the communities and working with the communities and the development of their resources, rather than the old cops and robber attitude of the fisheries officers and the conservation officers chasing after people at night with lights flashing and horns blaring and so on and so forth. I think the image of the department as being a policing department is not a good image. It would be much better if the department were organized along the lines of being an assistance to the resource users.

I note even in the Annual Report of the department, that in the first few pages where they are outlining the policy of the department, Natural Resource Administration Program, the objectives of the Natural Resource Administration Program are outlined. Something which is missing from that in my opinion, there is no mention about insuring to the people of Manitoba a maximum economic return from the resource. There is no mention about the department being an innovator and an initiator and assistants to developers of the resource and that is why I object to the attitude that the P.C. government seems to have towards this department and the attitude which seems to be developing of making policemen out of the development officers and the conservation officers and parks officers, rather than laying down a policy where they could be helping the people that are developing the resource.

MR. CHAIRMAN: 2(b)(1) — pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, being more specific along the lines that the Member for Rupertsland was commenting on, could the Minister indicate why there were layoffs of staff in the Interlake region of personnel while they were civilians working in the resource field, there were I believe two or maybe more people who had given service to the government and to this branch, one of which I believe in the neighborhood of 25 years and one heading close to 20 years, when the change in policy with respect to the conservation officer role that was changed, there were actual layoffs, although these people were not bona fide conservation officers, they

nevertheless worked with the officers in the field and had worked for over 20 years, and for some reason which they couldn't figure out, whether it was felt that their usefulness had gone out the window, that they were no longer useful to the branch, they were laid off. I'd like to know whether that was a policy just to not allow some of the members who may have been close to retirement or what's the situation with that? Have they been called back with respect to their employment, particularly that I was aware of, in the Interlake region with respect to the changes that my colleague has outlined?

MR. ENNS: Mr. Chairman, I'd be happy to take up any specific and individual cases and provide the precise answers to those cases. I am advised that there always has been with the department over the years a substantial number of what we would call seasonal staff, many of them were converted to full-time and permanent staff situations in the course of reorganization; whether or not in some of these instances seasonal employees for one reason or other felt they could not be accommodated, or whether or not it involved perhaps a change in residence or place of service and then brought about a parting of the way, I'd be happy to undertake to look into those situations for the honourable member.

But before I leave that, Mr. Chairman, I don't want to leave on the record the suggestion that the conservation officers have fundamentally changed their role and become police officers instead, that's simply not true. They are carrying out their traditional role as always has been the case. What has happened is that there has been a merging of responsibilities if you like, particularly with the advent of the parks division into the branch where the conservation officer has the dual responsibilities of helping and assisting the communities, managing the resource, but as well being part of the enforcement aspect that has always occurred. We may have and I think correctly so, have provided the enforcement aspect a somewhat higher image of the advent of vehicles and so forth but our perception of the need was, that that was what was required.

MR. DEPUTY CHAIRMAN, Lloyd G. Hyde (Portage la Prairie): The Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, my point was that the department in general has become very much the policemen of the resources, rather than the developer of the resources. In other words any development concept or development initiative of the department has given way to the priority that the government has set on policing of the resource. Whether it's in parks, or whether it's in resources administration by conservation officers, or whatever, the emphasis is on the policing of the resource and enforcement as the Minister has referred to, rather than the department being an assistance to people in using the resource.

The conservation officer series is really just a symbol of what has happened to the department under the P.C. administration and that is that any resource development programs have been either cut or watered down to the point where there is very little, if any, resource initiative taken by the department in terms of assisting people with

resource development. The entire emphasis has switched to the traditional role which the Minister refers to quite correctly, of being a police-oriented administration. That is something that was not the case under the NDP administration and it has reverted back under this administration.

MR. ENNS: Mr. Chairman, we will obviously disagree, and it's not for me to argue with the member's perception of the department, but let the record clearly show that the concerns that the honourable member expresses simply are not correct. There has probably not been another period in recent history of the department where on all fronts major developmental programs are being initiated, whether it's in forestry, in parks, fisheries. We can refer to them more specifically as we come up to those items in the Estimates, and the results are bearing fruit, Mr. Chairman, in a heightened level of activity and a greater return to the people of Manitoba from the management of these resources.

MR. URUSKI: Mr. Chairman, the Minister indicated that he would be pleased to look into the areas with respect to the staff. I'll be quite specific, Mr. Chairman. The staff individuals, I will give him the surnames of McKay, I believe he was stationed in the Ashern area; and an individual, Menkewich, I believe, he had been with the branch for a number of years, but stationed all over the province, the latter having I believe, over 20-years service, and the other just under 20-years service. I'd like to know, Mr. Chairman, what their services are; whether they've been recalled into the civil service; whether the layoff was just temporary as a result of the change. But nevertheless they were laid off last year, and most of those individuals, in the main, worked, if not the entire year service they were employed as assistants and the like, but predominantly most of the every year of service that they had, although they were not, as I indicated, not conservation officers or regular civil service employees. They would have been civilian employees in terms of probably term staff or the like, but nevertheless they had gained that much experience and seniority and service within the branch.

MR. ENNS: Mr. Chairman, I will undertake to provide that information to the member at tomorrow's session.

MR. CHAIRMAN: 2.(b)(1) pass — the Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, I hope the Minister does bring up specific examples of where his department has been innovative and showed initiative in development of resources because, in most of the areas that I'm familiar with, there has been little or no innovation or initiative shown by the department since the PCs have been in charge of this department. I referred to an example earlier today when we were talking about fisheries. I mean, here the Island Lake Fishery is going down the drain, and this government and this department is doing nothing about that. They're not showing any initiative there in terms of providing an opportunity for fishermen to harvest that resource through the provision of some assistance towards setting up a

processing facility and so on. They've maintained the status quo as far as the Fisheries Freight Assistance Program is concerned which we brought in, Mr. Chairman, under the previous administration, and they've watered it down as far as the Island Lake communities are concerned. They managed to anger most of the fishermen, if not all the fishermen in the province, with their proposed change in licencing policies.

As far as forestry is concerned, Mr. Chairman, there has been no real new developments. Earlier this session we talked about Channel Area Loggers, and I had assurances from both the Minister of Northern Affairs and the Minister of Resources that something would be done on the east side in terms of assisting Channel Area Loggers in their relationship with Abitibi, who is showing them very little if no cooperation in their attempts to make that company a viable operation. As far as I know, there has been no developments in that area; if anything, there are even more roadblocks in the way now towards making that company a viable venture.

The previous Minister of Forestry gave the administration of the forestry of a large part of the east side of Lake Winnipeg to Abitibi. They've taken it directly out of the hands of government; they've abdicated their responsibility as managers of the resource, and they've given that over to the administration of a private company. I think that's absolutely shocking and inexcusable.

As far as parks are concerned, Mr. Chairman, their record has been abysmal in that regard. It's taken over three years to come up with even a partial plan for the Whiteshell Park, in spite of all of the public uproar over the government's proposed condominium development in that area. In the area of more peripheral programs like the Wild Rice Program, although there's a line in the Estimates here for wild rice, I know for a fact that the government has pretty well removed itself from a development role as far as the communities are concerned. There was a wild rice plant in the community of Pauingassi which the previous government assisted in establishing so that they could get into the processing business directly at the community level. As far as I know that plant has been sold. There has been no attempt by the government to assist the communities to further develop the wild rice resource through planting programs or through water control measures and so on. If there has been they have been very few and far removed.

So these are all areas that I can refer to where there's been a lack of initiative by the government and an abdication of the responsibility as initiators of resource development in the Province of Manitoba. I'd be very pleased if the Minister could say that some of these things are improving or changing in direction because my primary concern, Mr. Chairman, although I'm a political animal, is that there be some things happen in terms of resource development, in particular in terms of those communities that depend on resources as a main economic base, and one which I believe could be more fully developed as an economic base for many people that could use the resources as employment opportunities.

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

The Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, perhaps as we go to each one of these sections here maybe the Minister could indicate why he's requesting the dollars listed. We may not have any specific questions, but I think it would be appropriate for the Minister to indicate why he's requesting the moneys.

MR. ENNS: Mr. Chairman, I believe that in most of these instances the normal salary increases and adjustments account for the slight variance of figures from last year over to this year. I think that holds true pretty well for the Administrative Services. In terms of staff man years in this vote there is no change. The adjustments in the vote call for the usual salary adjustments. Of the \$57,000 increase in this particular vote, \$40,000 is direct salary increases. Then there are some minor adjustments as a result of relocations of certain personnel; relocation of the section in a physical sense from the Norquay Building to the Wawanesa Building; and on site printers required, nor to prevent delays in the receipt of requested print-outs; some minor equipment purchases; but there have been no fundamental changes in either staff man years or moneys requested in this particular section of the appropriation.

MR. URUSKI: Mr. Chairman, which branch has moved to the Wawanesa Building?

MR. ENNS: The entire Administrative Services Branch section.

MR. DEPUTY CHAIRMAN: 2.(c)(1) — the Member for St. George.

MR. URUSKI: Mr. Chairman, could the Minister indicate when that transfer was made?

MR. ENNS: That transfer has just taken place within the last month or so. It began in January. Part of it was occasioned because of additional demands for some space in the Norquay Building, individuals that were previously in this building were being shipped to the Norquay Building and consolidation of the Administrative Services in that particular building was found to be advantageous to the department.

MR. DEPUTY CHAIRMAN: 2.(c)(1) — pass 2.(c)(2) — pass; 2.(d)(1) — the Member for Rupertsland.

MR. BOSTROM: The same question applies, Mr. Chairman.

MR. ENNS: This particular section provides the support to the administration in terms of being responsible for the library services; it coordinates the transportation requirements; it's responsible for the administration of the main departmental warehouse at 40 Muir Street; it provides and coordinates the general services, employee housing, inventory, credit card space, updatings, etc., etc.

Again, I'm advised there is no increase in staff man years here. The relatively minor increase in dollars is attributable to salary adjustments — some \$30,000.00.

MR. DEPUTY CHAIRMAN: 2.(d)(1) — pass; 2.(d)(2) — pass; 2.(e)(1) — the Member for Rupertsland.

MR. BOSTROM: The same question, Mr. Chairman, if the Minister could explain what this vote is for.

MR. ENNS: This is our Public Information Services division of the department providing the departmental pamphlets, brochures, for every branch within the department headed by Miss Carol Scott, is it? As you members would be aware we do a fair bit of radio, some television work, in the making up of informational advertisements with respect to usually the regulatory aspects of the department, wildlife, dates for seasons openings and closings, general information of that nature.

MR. CHAIRMAN: 2.(e)(1) — pass; 2.(e)(2) — pass; 2.(f)(1) — pass; 2.(f)(2) — pass.

Be it resolved that there be granted to Her Majesty the sum of not exceeding \$2,425,300 for Natural Resources — pass.

MR. URUSKI: Before it passes, I just want to make sure that I understood the Minister. There are no staff increases in this entire Administrative Services. Do I understand him correctly, the whole vote?

MR. ENNS: I'm advised that's the case to the Honourable Member for St. George.

MR. URUSKI: Were there any vacancies in the division that were approved in previous years and were not filled?

MR. ENNS: I'm advised that there are one or two vacancies in the division although the control in this aspect is reasonably tight and that vacancies are by and large filled as they become vacant. The division is not carrying a large number of unfilled staff man year allocations. My director advises me as little as one or two from time to time may be vacant.

MR. URUSKI: Could the Minister indicate between the Executive Administration and Administrative Services as of this fiscal year-end, how many vacancies would there have been in terms of staff complement within these two divisions?

MR. ENNS: Mr. Chairman, to be accurate I'd be happy to take that question under advisement and have staff provide the information specifically for the honourable member tomorrow.

MR. URUSKI: Mr. Chairman, then possibly it will save the asking of the question in other divisions, that can be done throughout the department in terms of the vacancy, the actual staff persons or the vacancies that are there because there's no doubt that the SMYs that are requested of course are not always filled and that makes it a bit of a difficulty in terms of looking at the statistics that are provided from time to time.

MR. ENNS: Mr. Chairman, we would be happy to undertake to provide that information. I'll ask the staff to summarize the situations with respect to SMYs and/or vacancies and have that prepared on a listing for you if you like, sometime tomorrow.

MR. CHAIRMAN: Resolution 100 — pass; 3.(a)(1) — pass — the Member for Rupertsland.

MR. BOSTROM: Well, the standard question, Mr. Chairman, if the Minister could outline what he's asking for?

MR. ENNS: Mr. Chairman, again, there is no change here. This provides of course for the operation of the offices of the Assistant Deputy Minister and Executive Director of Operations, support functions to the Assistant Deputy Minister's Office. No change in the staff man years. The dollar figure again reflects the adjustments necessary as a result of salary increases.

MR. BOSTROM: Has the Minister made any changes in the administrative organization of the department since the Annual Report was introduced?

MR. ENNS: I have been advised that there have been no changes made since the last time you considered these Estimates; Mr. McNairnay being the Deputy Minister, Mr. Surrendi the Assistant Deputy Minister. I think honourable members are reviewing for themselves the organizational chart of this section and there have been no changes made to that chart at this time.

MR. CHAIRMAN: 3.(a)(1) pass; 3.(a)(2) pass; 3.(b)(1) pass;
The Member for Rupertsland.

MR. BOSTROM: Just by way of introduction of this section perhaps the Minister could outline what he's asking for.

MR. ENNS: I didn't get the question.

MR. BOSTROM: Mr. Chairman, the question is basically the same as I've asked for the others. What is the Minister requesting in terms of this section, if he could explain it?

MR. ENNS: Mr. Chairman, this is the Operations Administration. The senior staff official one Mr. Frank Berry and the objective is to provide for the administration and co-ordination of the field delivery of the department's programs. The division consists of the following branches: Engineering & Construction, headed up by Mr. Bill Newton; Regional Services and Surveys & Mapping. Delivery services are provided in response to programme requirements of the resource branches.

The separation that took place during the time of the departmental reorganization separates, perhaps most graphically depicted in the Water Resources Department from the Water Resources Planning, to the field delivery of actual provision of the services, the digging of the drains, the building of the bridges and/or the actual field work that is carried out in the parks. That comes under the Executive Directorship of this branch entitled Operations Administration and the delivery then flows out from this branch. This appropriation covers the cost of that administration.

MR. URUSKI: Mr. Chairman, in this area, the delivery of the operations, do I understand from the Minister that the engineering services that is being provided now for both Water Resources and Parks Branch is handled by the same individuals within the same branch?

MR. ENNS: That is correct, Mr. Chairman.

MR. URUSKI: Mr. Chairman, how and who does the prioritizing with respect to the splitting off of the services that are to be provided to the various departments, Mr. Chairman?

MR. ENNS: Mr. Chairman, the different directors prioritize their programs, the Parks Director at the outset of the year in the preparation for Estimates prioritizes his programs, development programs, that he would like to carry out within the park system; likewise the same is done in the Water Resources Branch. Those are established, the priority of programs are established by the directors, approved through the Minister's office in the Estimate process and the delivery of the programs is then carried out by this branch, this organization.

MR. URUSKI: Mr. Chairman, that's my very point, the delivery of the services that is to be carried out, Mr. Chairman. We know that the Engineering Section now is in a bit of a dilemma with respect to the carrying out of services to the two various branches. Prior to the reorganization the Engineering Section carried on their mandate dealing with the water resources and the planning and detailing out of projects throughout the province. Now they have an added responsibility, and I'm not saying that they shouldn't have, but the fact of the matter remains is who sets the priority whether or not we go and work on departmental priorities of drainage or do we deal with the parks. Mr. Chairman, I bring to the Minister's attention, we had the same situation in the Minister of Northern Affairs Branch with the changing policy of having the Department of Highways do the actual construction of road work in Northern Affairs Community Council areas. Mr. Chairman, it really came down to the fact that the department, while they budgeted for certain sums of money that projects would be undertaken, Highways did their own thing, they had their own priorities, Mr. Chairman. While the staff in the branch were saying to the councillors, community committees in the field, yes there's adequate money, but you couldn't get the Highways Department, because of their own workload, to do those projects, Mr. Chairman. Those projects happen to always have to be left when the branch had time. It appears to me that this type of reorganization in this instance would come out in the same way, where someone has to make a decision whether we're going to deal with priorities of this branch or that and leaving both in a likelihood of an unsatisfactory situation, Mr. Chairman.

MR. ENNS: Mr. Chairman, it's entirely possible I suppose, particularly in the first year of any reorganization that from time to time something can fall between stools, as the saying goes. But on the other hand the whole rationale for the reorganization is to prevent and to do away with costly duplication of services. What in effect was developing, the example you used, was that Northern Affairs was busily creating a miniature Department of Highways when it could be questioned, the question could be asked whether or not that was their mandate and were they the best department to provide that delivery?

Similarly, in the situation that we had where a fair amount of road work or other engineering type work

was being carried out, was necessary in the provision of services in parks, was to some extent, in our judgment and I don't expect necessarily for honourable members opposite to concur with me, but nonetheless it was the judgment of the government of the day that greater efficiencies within the government services could be provided by the types of reorganization that was undertaken. I believe as we move into the second and third year of these organizations that they're proving out to be right. The priority setting of course, perhaps unlike the time that honourable members were government, is still very much the role of the elected officials, your members of the Cabinet and we intend to carry out those responsibilities.

MR. URUSKI: Mr. Chairman, I certainly like the comments of the Minister of Natural Resources. I'm pleased to receive his comments and how dedicated and supportive he is of this kind of a change, Mr. Chairman. The type of change that we have evidenced, Mr. Chairman, and I think his predecessor who had much to do with these reorganizations can be described as reorganization to do nothing. If you want to create the image that — and you did when you were elected, you had the big Task Force on government reorganization and to bring about efficiency of service — like in the Minister of Northern Affairs Department you made a Budget and you said yes, we're going to spend X-numbers of thousands of dollars to do road building or whatever services that we're going to provide to our communities and then the delivery of the services were to be put into other departments who had their own priorities so at the end of the year, Mr. Chairman, if the jobs didn't get done the deficit position of the Minister of Finance of the day could be lessened. Although you said you had ample Budget room and you had provided ample financial assistance the moneys nevertheless were not moved out.

Certainly, Mr. Chairman, in a reorganization of that nature you could reinvent the wheel any day of the week and make reorganization for the sake of reorganization. Whether you're going to have an effective delivery system that's really the essence of the exercise. Mr. Chairman, that remains to be seen whether or not the delivery system in that department is proving as efficient as the Minister has lead us to believe. It certainly isn't evidenced in some other departments, Mr. Chairman, and that remains to be seen in his own department.

MR. ENNS: Mr. Chairman, I suppose I should leave well enough alone by agreeing with the honourable member, that remains to be seen. But let me do what I know I shouldn't do and invoke a debate at this particular time. But to suggest that some of the efficiencies that have occurred aren't as clear as a crystal ball the honourable member is hiding his head in the sand. I have nothing against social workers but they don't happen to make good water systems work. When we took over the Department of Northern Services provided a water system delivery to 20 communities, 19 of them didn't work after the one year. So you ask yourself when you have in the Department of Government Services, or in this case in the Department of Agriculture, a division that over the years has provided water systems for

communities large and small across the width and breadth of Manitoba, why should that group not be the ones called upon to provide and build the water systems in the northern communities, which they are now doing and the water systems are now working. I cite that one example of a very apparent efficiencies in the kind of reorganization that have been carried out.

I acknowledge that I suppose there's always a desire on the part of a department to run or do as much of the activity on it's own, but I think what we are demonstrating or what this government is demonstrating is a far greater awareness of the utilization of the best resources within total government to be applied to a particular resolution of our problem. We believe it's being done daily and monthly in Manitoba in a way that is providing better service, very often for the same or fewer dollars, and serviced by people who are best equipped to provide that service, whether it's building highways or roads, whether it's providing engineering services in our parks, or in any other aspect where reorganization has occurred.

MR. BOSTROM: Yes, Mr. Chairman. The Minister makes some grandiose generalizations. But when you get down to the specifics I would like to ask him to consider for a moment the organizational chart which he has to work with for his department, where he has a number of directors of various branches. I might say they could be called client groups because you have the Wildlife Branch, Forestry Branch, Fisheries Branch, each of which deal with very specific client groups within the Natural Resources field, as well as the Lands, Waters and Parks Branches. They each have their particular ax to grind when it comes to developing particular programs for their client groups. What I would ask the Minister is how do these programs, that are developed by each branch and approved by the ministry, become a priority of the Field Services Branch which are laid out here as a completely separate branch altogether, one which has a Regional Services Branch Director who I assume in the Civil Service hierarchy would be approximately the same level as each of the directors of the client group branches that I referred to.

So given that situation where you have people more or less at the same level, each pursuing what they may consider to be very important priorities, how do those get sorted out in the process so that the necessary programs of the government are effectively delivered?

MR. ENNS: Mr. Chairman, the Director of the Field Operations plays a very integral role in the mapping out of the department's coming year's activity. A director in any one of these other disciplines suggests or prioritize a particular service; the director of field operation's responsibility is to tell us what is required in terms of dollars, what is required in terms of staff, what his capabilities are in delivering that program; that then is all married together with the overall resources of the department and then at the senior level within the department the hard priority decisions are made. The director of field services in each instance tells us, if we wish to embark on an aggressive drainage program in the coming year — a program which in this year, by the way, is going to

have to receive some additional attention — we have already served notice that there may be considerably more clean-out work that will have to be done this year because of soil erosion that has taken place over the winter. The director of resources, and if that becomes a matter of concern, a priority item with me as the Minister as related to me and is pressed upon me by members of my Caucus, members of my Cabinet, I then pass that on through the chain of command to the director of Field Services. He'll very quickly tell me I can do that but only at the expense of something else, unless I'm provided with the additional support or dollars to carry out that program. That's a fairly normal procedure which both honourable members who have served in the Treasury Bench are aware of in terms of prioritizing your workload with the dollars that you have available and with the priorities as the individual directors can place them in front of the Minister for consideration.

MR. CHAIRMAN: 3(b)(1) pass; 3(b)(2)
The Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. Well, I brought this up not as an issue for debate but something for the Minister to consider. As I look at the organizational chart I think, with my experience, I can see all kinds of problems there with respect to the interrelationship between the various departments and their ability to co-ordinate the activities and programs of government and I know that that has been a continuing problem in that department and one that I'm sure this Minister will be addressing as he gets further into the administration of the department. I don't see it as a political partisan issue, it's simply one of getting the most effective delivery of programs and I only bring it to the Minister's attention for his consideration.

MR. CHAIRMAN, Morris McGregor (Virden): The Honourable Minister.

MR. ENNS: Mr. Chairman, and I certainly accept it in that light. I would indicate to the honourable members that it's entirely within the realm of possibility that some additional changes, particularly at the senior level of the department, may well have to be effected to provide the kind of balance that the honourable member refers to and to ensure the kind of flow of programs that we look for in the department.

MR. CHAIRMAN: 3(b)(1) pass; 3(b)(2) pass; 3(c)(1) pass.
The Member from Rupertsland.

MR. BOSTROM: Yes, Mr. Chairman, as the previous question, if the Minister could outline what this section is proposed to do in the fiscal year that he is demanding funds from the people of Manitoba.

MR. ENNS: This, Mr. Chairman, is essentially the planning unit within the department, has as its objectives to formulate broad departmental programs in such areas as outdoor recreation, scarce resources, multiple resource allocations, to prepare departmental positions in respect to land and its use. Specifically some of the activities they're

undertaking: the Outdoor Recreation Plan, they are a group that is heavily involved in such things as the Whiteshell Master Plan; Environmental Assessment and Review Processes; Ecological Reserve Technical Advisory Committee; Tourism Licencing Advisory Committee, we play a role, that is the Department of Natural Resources, even though the Department of Tourism does the actual licencing of lodge operators or tourist facilities, they do so only upon the advice received from this planning group; Departmental inputs under The Provincial Planning Act called upon by other departments to voice an opinion as to land allocation or land use, applications that are made under The Provincial Planning Act; has a heavy input into the Indian land claims working group; Resource Allocation Review; Monitoring Co-ordination; and the Northern Agricultural Study Committee. Some of the immediate areas of concern by this planning group are: the sale of Crown lands, tourism resources and development and use, and the Indian land claims. There are no changes in the SMY requests in this division. The \$28,000 increase in moneys for the division reflect the changes in the salary vote.

MR. CHAIRMAN: 3(c)(1) pass; 3(c)(2) pass; 3(d)(1) pass.
The Member from Rupertsland.

MR. BOSTROM: The same question applies, Mr. Chairman.

MR. ENNS: Mr. Chairman, this as indicated in the appropriations is an evaluation group within the department to evaluate the effectiveness of the programs in terms of attempting to meet their objectives. Specific activities undertaken under the direction of Mr. Wayne Fisher, who is the senior official, involve the Wildlife Branch Aerial surveys; they review the Department of Tree Nursery Operations at Birds Hill and at Hadashville; they review the department's reforestation efforts; comprehensive review and analysis of the Park Branch activities; park campground survey related to roudiness; preparation of line of questioning for Fire Review Board hearings; evaluation of a Wild Fur Development Program, all these new initiatives that this department is involved in; preliminary work related to departmental equipment review; review of opportunities for contracting out certain activities and/or leasing equipment now owned; review of the effects of special ARDA grants on fur production and review of the Fire Detection Program. Mr. Chairman, that gives the honourable members an overview of the activities of this division. There is no increase in staff man years requested in this division. The increased cost of some \$15,000 again reflects the salary adjustments in this year's vote.

MR. URUSKI: Mr. Chairman, it was interesting, the Minister indicated one of the program evaluations was done with the leasing of equipment rather than purchasing some equipment. To what extent was that evaluation done and what areas, what type of equipment are we talking about and what were the background of the study and the recommendations flowing therefrom?

MR. ENNS: Mr. Chairman, I don't have specific details but I would make the assumption and would

ask staff to provide them for me tomorrow; but I would assume that in a department such as: Natural Resources that has a substantial amount of equipment in its inventory receives of course the usual amount of requests from individuals, operators, or the people that have equipment available for hire from time to time, much as it occurs in some other departments, particularly for some of the occasional type work that is required. The policy probably directed most specifically towards the Water Resources Branch, and that is their Field Operational Branch, where we do contract out for hire at certain levels of jobs. I believe the figure is \$25,000 and less where we have been shown that it's just good business to go on an hourly basis, rather than through the normal tendering process.

MR. CHAIRMAN: 3(d)(1) pass; 3(d)(2) pass.

Be is resolved that there be granted to Her Majesty a sum not exceeding \$650,500 for Natural Resources pass.

4(a)(1) pass; 4(a)(2) pass.

The Member from St. George.

MR. URUSKI: Mr. Chairman, with respect to the long term. I presume this is the time that the Minister distributes the program with respect to, normally speaking, with respect to the Water Resources Construction Program?

MR. ENNS: Mr. Chairman, I'm advised that takes place under the Acquisition/Construction Physical Assets portion of the Estimates and we will have them available to the honourable members at that time.

MR. BOSTROM: Mr. Chairman, seeing that we are moving right along expeditiously in the Estimates here, I wonder if the Minister could undertake to provide the members of the committee with copies of his program in advance of our arriving at that section so that members who are interested, as long as they are available, say first thing tomorrow so member could ask questions on it.

MR. ENNS: Mr. Chairman, I am being advised that we are moving ahead expeditiously, not just in these particular set of Estimates but generally as the consideration of Estimates of the government spending for the coming year is being considered, that we've been perhaps caught somewhat short on time. The Director of Water Resources indicates to me that they will be available on Wednesday. I would undertake, in my usual generosity of dealing with members of the committee, not to take any undue advantage of that and to provide all members every opportunity to discuss those plans and the allocations for dollars in the various projects and indeed, if need be, revert back if we should tonight happen to pass the entire Estimates of the Department of Natural Resources.

MR. URUSKI: Mr. Chairman, the Minister really loves to tell good stories and tonight happens to be one of those evenings. The reason that we've raised the question of course, while one can make all kinds of requests and statements with respect to various problem areas that come up, all that can be really impinging on the time of the committee if these

requests and discussions take place, when we know that the project is within the program for construction in specific areas, Mr. Chairman. So that's basically the reason that we've raised it, would make it much simpler. That's the reason, Mr. Chairman.

MR. ENNS: Except, Mr. Chairman, I appreciate the member's concern but the items that we're dealing with here again are those associated with the issuance of water power and water rights licences, designated area permits, flood forecasting, provision of grants to conservation districts, this is the Water Resource Planning Section, Division if you like, of the department, again as we come to the Acquisition portion of the Estimates, that would still provide an appropriate moment to discuss those matters as well as I suppose when we come to the field services in terms of the actual programming of carrying out various water related projects.

MR. CHAIRMAN: 4.(a)(2) — pass; 4.(b)(1) — pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, earlier on we discussed the matter of Water Licensing. Is this the area that deals with The Water Power Act with respect to the licensing and issuance of permits for Manitoba Hydro and the changes that have taken place? Could the Minister outline those changes that have taken place in the Water Power rental rates and the kind of revenue changes that have resulted from those changes?

MR. ENNS: Mr. Chairman, again, not in any way to avoid the question, but those changes brought about at the direction of the Department of Finance essentially viewed at this juncture as a straight revenue question for the Province of Manitoba as opposed to the original granting or not granting the licence in the first instance.

We are dealing now with water licences granted to Hydro some many years ago not affecting any changes in the operation or the regulation of those licences but, I am generally aware of them as is the member, having had changes I think of the order of doubling the water rentals that the government through the Department of Finance now charges the Hydro utility. I haven't got, and I don't believe my staff has the dollar figure associated with them but that would certainly be available through the Department of Finance's Estimates and I could undertake to provide them for you as a matter of courtesy tomorrow, but it is a revenue matter at this juncture.

MR. URUSKI: From the Minister I am assuming that Finance does all the bookkeeping on the revenue matter orders. No? Well, Mr. Chairman, I see the staff within the department do the bookkeeping and I would ask that the Minister provide the details on that matter although as he has indicated, the move was a government move and Finance being the collector of revenues, but if the administration of the record keeping is within his department I would like that information if I could, Mr. Chairman.

MR. ENNS: I'm advised, Mr. Chairman, that the amounts in question are roughly an increase of some

\$7 million from the \$5 million prior to the recent changes for a total revenue of some \$12 million.

MR. URUSKI: Mr. Chairman, is that an annual figure, fiscal year to fiscal year, or is that from July when they were implemented, to the end of this fiscal year? What is the annual figure of revenues that accrues to the province on an annual basis? If that's provided for tomorrow that will be fine.

MR. CHAIRMAN: 4.(b)(1) — pass — the Member for St. George.

MR. URUSKI: Well, . . .

MR. ENNS: Mr. Chairman, I think I'd be advised to provide that information as accurately as I can tomorrow morning. I am now being advised that the total figure for this year is \$7.7 million but whether or not that is on a full calendar year or because it was only applied half-way through the year or three-quarters of the way through the year, let me undertake to provide you with that information. If the staff will make a note of that question we will endeavour to provide you with the information tomorrow.

MR. URUSKI: Mr. Chairman, have there been any changes in any of the licences that have been issued to Manitoba Hydro with respect to their operations on any of the bodies of water that they require?

MR. ENNS: Mr. Chairman, I'm advised that there have been no changes.

MR. URUSKI: Mr. Chairman, we had discussions earlier in the evening dealing with the licensing and the requests for water licences to deal with irrigation and the studies that are being undertaken by the Water Commission and the department to look at the extent of the resource and how best can this resource be put to the fullest use without any long-term harmful effects on the water supply of this province. How many permits have been issued, say, in the last year and a breakdown that the Minister might have with respect to the departments? I presume there would be departments applying for permits and individuals that deal with applications for water supplies and areas that we are talking about. Are there areas that there have been more applications and I'm presuming the irrigation area — we're talking about the Assiniboine River, the Portage la Prairie area and possibly some other areas — that there have been requests?

MR. ENNS: Mr. Chairman, I again would have to have staff tabulate the actual numbers of existing temporary licences because that's all that we have at the moment. I can indicate to the honourable members as I suggested earlier the kind of pressure the department is under.

From one area alone, the Carberry area, we have applications for some 138-139 requests for groundwater sources, new requests and that, I think members will appreciate, places a lot of pressure on the department and we have to be extremely careful about the decisions that are made. These are operations that often involve many thousands of dollars in the expensive, pivotal, sprinkler-type irrigation equipment that is required.

Understandably, money providers, whether it's MACC or banks that are loaning or providing the farmers with the necessary capital for this investment, ask a very immediate question, what kind of tenure do you have on your source of water? For this reason, the Minister of Agriculture has been unrelenting in his pressure upon this little Minister about coming to some resolve of this question and I have been equally unrepenting in my pressure on the Director of Water Resources here in coming up with the answers because agriculture is an important industry in this province and cannot book being stalled on this important matter.

MR. URUSKI: Mr. Chairman, while the Minister's flowery words may impress some people, nevertheless, if the branch is not aware of all the implications of issuing those permits, have there been requests — and he indicated some 130 in one area — were all those requests granted last year with respect to the demands on water and how many requests would have been turned down?

MR. ENNS: Mr. Chairman, I perhaps should remind honourable members about the opening statement that I made in the introduction of the Estimates where I indicated the Manitoba Water Commission's particular assignment in this area of dealing with the issuance of licences and let me separate the two.

The study that they are undertaking as to how to equitably handle the requests that are being received by the department and how to ensure that we can provide interim licensing, perhaps to bridge the gap but without endangering the resource, the technical aspects of this study are being undertaken as I mentioned earlier with the co-operation of PFRA and the resources of the department to do the necessary studies to determine capacity in this area.

Mr. Chairman, again, the Director of Water Resources indicates to me that we will have an up-to-date tabulation of actual requests, the numbers that we have been able to accommodate, the numbers that are outstanding. It's not simply related though to groundwater resources as well, the request for irrigation is such from some surface streams as well — the La Salle River particularly coming to mind — where again we've been unable to meet the numbers of requests. Particularly again, the year that we face again with the reduced runoffs, the possibility exists as we had to do I think on two previous occasions, supplement the flows of the La Salle River with pumping operations from the Assiniboine simply to provide adequate water for those existing operators that are now operating and drawing water from the La Salle River.

It also impresses upon us the urgency of studying as we are, the possibility of a diversion from the Assiniboine under controlled circumstances to the La Salle. There are problems that could be associated with that, that have to be investigated to see whether or not it's feasible, as to whether or not we can ensure a quality of water that's acceptable. There are some difficulties with salinity in the area that could do the reverse. So while there is extreme pressure on the department to provide the water, we have to know and hope the department will come up with the answers relatively soon.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. The study that the Minister has indicated in his opening statement of some approximately \$9 million over a three-year period, that's the study he is referring to I presume and how is that cost-shared with the Federal Government?

MR. ENNS: I'm advised it's on a 50-50 basis.

MR. URUSKI: The 50-50 would be of \$8.95 million or \$17.5 million?

MR. ENNS: \$8.95 million, I believe. yes.

MR. URUSKI: So then the provincial share would be \$4.5 million approximately, Mr. Chairman. What areas have been targeted when he indicates the Turtle Mountain-Carberry-Southwestern, is that the extent of the study or are there other areas that are being investigated other than the general areas of Southwestern Manitoba, Carberry and Turtle Mountain?

MR. ENNS: Mr. Chairman, those areas that the honourable member just mentioned are the specific areas where intensive groundwater studies will be carried out. The other areas that have been identified for possible surface diversion or storage of water include the areas immediately south of Portage to the Hespeler area down to the Morden area. Some work is being done immediately north of the Portage area, in the so-called vegetable belt area. A possible combination of a storage of a new major reservoir somewhere along the Assiniboine between Brandon and Portage, these are some of the projects that are being considered in that area. It includes the La Salle River as well.

I suppose one of the major aspects of it is the potential diversion provided that adequate supply is provided through some other means to the south to the Hespeler area and towards the Morden area of the province.

MR. URUSKI: Mr. Chairman, what is the distance — and I don't have the map in front of me — that is being contemplated with respect to Assiniboine-LaSalle possible diversions? What are we really talking about?

MR. ENNS: Mr. Chairman, it's not a large distance. It would not be a major capital project in terms of dollars. I think the channel required is in the order of a couple of miles, two to three miles.

There are other concerns, nature, the soil conditions that we would be bringing this diversion about, the possible tapping of undesirable ground water supplies with high salt content, etc., that cause us our concern, that make it prudent for us to study the matter before we simply dig the channel. The obvious solution would be to dig a channel as quickly as possible. We have now spent, or perhaps my colleague has spent some \$120,000 in temporary pumping measures, and when you consider that projected project costs of that kind of an operation is perhaps in the order of \$500,000 or \$600,000, it becomes apparent that the sooner we can satisfy ourselves that this is a feasible alternative, that we should get on with the job of undertaking it.

MR. URUSKI: Mr. Chairman, what about the waters of Lake Manitoba, in terms of while you have now a

diversion to take away excess water from the Assiniboine into Lake Manitoba, I believe historically there have been discussions at one time or another of the possibility of water in reverse from Lake Manitoba, is that part of the entire process as well? While no doubt it will raise grave concerns in some areas along the lake, nevertheless is that being looked at?

MR. ENNS: Mr. Chairman, the Honourable Member for St. George just doesn't give up, does he? He does want to get those six inches off Lake Manitoba one way or another.

But I'm advised, seriously, that it is a possibility that has some merit, and while it hasn't received the intensive study, but certainly is being locked away in the overall planning of our water resources.

MR. CHAIRMAN: 4.(b)(1) — pass; 4.(b)(2) — pass; 4.(c)(1) — pass; 4.(c)(2) — pass; 4.(d)(1) — the Member for St. George.

MR. URUSKI: Mr. Chairman, can the Minister explain the section of Water Management?

MR. ENNS: I thought we just passed that a little while ago. The kind of activities involved in this division calls for planning studies for provincial water resource development, interprovincial and international water resource studies. We are involved in several of them, the major one being with our friends in North Dakota while we hear only of the Garrison concerns of course, but we are actively pursuing some accommodation, some resolve to the Pembilier-Aux Marais and Buffalo Lake area that's near and dear to the heart of my honourable friend, the Member for Rhineland, planning and prioritization and feasibility studies for drainage systems development.

This really is as distinct from the field operations, and I know that honourable members are familiar enough with the branch, there has been this separation of the two operations; Mr. Newton being responsible for the operations in the field; Mr. Weber being responsible in the planning and carrying out of the studies, the prioritization and the feasibilities of the different systems; water resource report; multidisciplinary studies; water resources and planning support to conservation districts and planning districts; flood damage reduction studies and feasibility studies for flood control projects; review of subdivisions, planning schemes and planning statements as they relate again to The Manitoba Planning Act; regulation of all provincial dams and flood control works; coordination of construction and maintenance of all water control works; development of construction and maintenance standards for water control works; dam safety program — that's a dam fine program — studies to provide physical impacts of projects; suspended sediment studies. That's a range of the activities of this division, Mr. Chairman.

The main issues of concern — if I can just indicate to honourable members, there's always some that are on a little hotter burner than others — are the continued problems that we have at the Rock Lake regulation as well as the Dauphin Lake regulation. We have much the same kind of issues and concerns, it seems, wherever there's a substantial

body of water as to marrying the interests of the different groups, cottage owners versus ranchers and farmers versus trappers, and so forth.

MR. URUSKI: Mr. Chairman, there's been some considerable discussions between your branch and the town and the R.M. of Gimli and the LGD of Armstrong, dealing with flood protection works for the community of Gimli. I'd like to ask the Minister, where is that situation at and what's happening to that program of flood protection that was announced?

MR. ENNS: Mr. Chairman, we are currently gathering additional information, hopefully to satisfy our federal counterparts to cost-share in that program. It is a combination of that program. I believe a similar program in the community of Ste. Rose as well as the more major one perhaps, in Carman, that the government has for the past number of years hoped for some federal participation in an overall flood reduction program to be carried out in these three communities.

The initial reaction from the Federal Government has not been all that favourable, and particularly in the instance of Gimli the request for additional data that would assist in the cost benefit studies required to bring about federal participation. However, I want to make it very clear, particularly the Gimli project is one that I'm personally aware of, having been involved in the situation on a few occasions where flood damage occurred, and one that the department considers very high on the priority.

MR. URUSKI: Mr. Chairman, the announcement for that project, I believe, had been made. I wonder now why the Minister would have proceeded with making the announcement or else his predecessor making the announcement, and now holding back on the project, in view of his present statement, Mr. Chairman. I wonder if the Minister could explain that to me.

MR. ENNS: Mr. Chairman, the announcement that was made, in fact the action that was taken by having money allocated in our Estimates last year for the project, indicates the province's very sincere desire to proceed with that work. It was however, done with the anticipation and hope that we would be able to, as we have on other projects, successfully negotiate some federal sharing on this and the two other particular projects that I've indicated, Ste. Rose and Carman.

MR. URUSKI: Mr. Chairman, can the Minister indicate the extent of the negotiations that have taken place prior to the announcement being made last year? How far did you get, or are you prepared to go ahead now since you've budgeted for the money last year, notwithstanding any approval or non-approval or concurrence from Ottawa? I mean, you made the announcement. How far were you with your negotiations?

MR. ENNS: Mr. Chairman, the announcement was the willingness and the preparedness of the Government of Manitoba to proceed with this project, subject to the cost-sharing. More than that, dollars were allocated in last year's Estimates.

A similar situation occurred, if the honourable member will recall, there was discussion of some length about it in the House during last year's Estimates with respect to the somewhat more substantial work that is required for the community of Carman. However, we have indicated to the Federal Government that we are prepared to proceed with a less than usual share, if the cost benefits do not trigger or match federal participation. These are the kinds of negotiations that are taking place.

In the case of Gimli, however, as distinct from Carman, it was a matter of not having sufficient information to satisfy Environment Canada as to their participation and we are in the process of accumulating that data, and hopefully we will have that in place for this year's construction program.

MR. CHAIRMAN: 4.(d)(1) — pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, contrary to some of the news reports that have come out in the press from time to time with respect to the non-agreement between the two councils of the R.M. of Gimli and the LGD of Armstrong, these would not be any of the factors that would have held this project up, is that correct, Mr. Chairman?

MR. ENNS: That is correct.

MR. URUSKI: Mr. Chairman, if the Minister recalls and I think his staff recall going back to the latter part of '77, I corresponded with the branch on behalf of people within the Fraserwood area who would have been in the upper reaches of the Gimli floodway or the drainage system that flows into Gimli, requesting that some of this water in this area be diverted into the north branch of Willow Creek. Does this proposed diversion of the waters — it would be in Township 19 range — in any event, approximately within the LGD of Armstrong in the area of about seven to 10 miles west of Lake Winnipeg along the Provincial Road 231 to the northwest of there, would there be any difficulty of the LGD proceeding with their planned or at least approved projects, of sending water into the north branch of Willow Creek as was approved by the branch and your former colleague in '77, wherein the LGD of Armstrong will be advised — and I'm quoting from a letter of November 22, '77 — "that it will be in order for them to proceed with the construction of the drain in the upper reaches of this watershed, using the Willow Creek drain as an outlet".

I gather there was some dispute, or at least some disagreement between the two councils, or at least it was indicated, that if this water was not allowed to continue to go its present course, that it might change the feasibility or the impact of the proposed flood protection works around Gimli. Is that a consideration that has now changed from '77 or whether the LGD of Armstrong still has that approval to proceed with their works to the north branch of Willow Creek. Is that still approved?

MR. ENNS: Mr. Chairman, I am advised that is the case that the two are not contingent upon each other. It's a question of we're seeking federal participation in a flood protection measures as

opposed to carrying out what we would describe as a normal drainage program for which we don't expect and don't await federal participation. I'm advised by the Director that approval that was granted to the areas that the honourable member mentions still stands.

MR. URUSKI: Mr. Chairman, I thank the Minister very much because there seems to, at least in minds of some people in the area, rightly or wrongly, that: 1) that the Gimli diversion or the flood protection works for some reason have had an impact or would have had an impact on the LGD of Armstrong having their waters to be sent into the north branch of Willow Creek. That being the case that there is no problem there of the approval as given in '77, I think that probably should, from the comments that were made to me, should put many minds to rest and I thank the Minister for that information.

MR. CHAIRMAN: 4.(d)(1) pass; 4.(d)(2) pass
The Member for Rupertsland.

MR. BOSTROM: I just had one question here, Mr. Chairman, that is with respect to the department's efforts in the area of researching the underdeveloped power in Manitoba. I note from the Annual Report that there's an estimated four million of continuous horsepower available with . . .

MR. ENNS: Could the honourable member indicate the page of the report that he's reading from?

MR. BOSTROM: I'm looking at Page 144, Undeveloped Water Power in Manitoba. There's some in excess of four million estimated continuous horsepower available on a number of rivers in Manitoba that are at the present time undeveloped or at least this particular horsepower is undeveloped. I'm wondering if the government can indicate, seeing the Minister indicated earlier that he was interested in new initiatives and innovations, I would ask if they are looking at researching these rivers further or other rivers further, particularly with respect to the use of this natural flow being utilized in an innovative way, perhaps with smaller generating plants which could be run by hydro power for the purposes of powering industrial sites or small communities, etc.

MR. ENNS: Mr. Chairman, the function of the department in this instance is to provide the statistical information to potential users. We of course in the Province of Manitoba have only one potential user if it's the generation of hydro power involved. This information gets passed on to the utility in a regular updated manner and they then have the water information, the hydrological information on which they can base future development, future expansion of the hydro-electric system in the Province of Manitoba. Our role here is again to provide the kind of basic data, in terms of the water flows, the historical record, the kind of base information that has to be fed into the computer systems first before any project is even dreamt of.

MR. BOSTROM: Perhaps the Minister could answer the first part of my question. That is, what other rivers are being investigated and what rivers are

proposed to be investigated as to their horsepower availability along the lines that these rivers have been investigated?

MR. ENNS: Mr. Chairman, with the substantial reserve of this kind of unused water power that is available to the province along the systems that we are well familiar with, essentially the Nelson, there is no active investigation going on in other lesser streams at this time. The direction is fairly clear as to where the next developments with respect to hydro plants will occur.

MR. CHAIRMAN: 4.(d)(1) pass; 4.(d)(2) pass.
The Member for Rupertsland.

MR. BOSTROM: I note that the department in the past has certainly looked at the capacity of various rivers as indicated in the Annual Report and I'm wondering how they came to actually estimate the availability on these rivers. What statistical technique have they been using?

MR. ENNS: Mr. Chairman, I'm advised that this information comes principally from ongoing hydrometric studies that the department and the province co-operates with the assistance of the Federal Government in providing us with this kind of information. I would have to say principally again on the rivers and streams that we're familiar with.

MR. BOSTROM: In relationship to the other question which I asked. The Minister seemed to indicate that the only agency that could potentially develop a water power site would be Manitoba Hydro. Now I'm not familiar enough with the Act to know if that's prohibition on anybody else attempting to develop a site for their own use, for community use or for industrial use. I'm wondering if the Minister has entertained any applications from individuals or groups or companies that may want to look at the possibility of developing a small site for community use or industrial use and if that would be possible under the present regulations and laws of Manitoba.

MR. ENNS: Mr. Chairman, it would certainly be possible as far as the regulations that this department is concerned with, the division of water resources concerned with. I too must acknowledge not having full knowledge of all the clauses of The Manitoba Hydro Act as to whether that precludes anybody from developing their own power resources. I suspect rather not. It may preclude them from using the distribution network or system of Manitoba Hydro in a way that could I suppose be competitive with Manitoba Hydro. Whether or not an individual installation to service a particular plant or a need is precluded is an interesting question, one that I will take up with the Minister responsible for Hydro or invite the honourable member to take up with him. But the Director of Water Resources indicates to me that we would provide the same statistical information with respect to water flows on this or on any river system in the province to an applicant. He also advised me we have not received any such application.

MR. CHAIRMAN: 4.(d)(2) pass; 4.(e)(1) pass.

The Member for St. George.

MR. URUSKI: Mr. Chairman, could the Minister indicate this branch in terms of regional management. Would that deal in drainage systems within regions?

MR. ENNS: The activities taken by this division of the department essentially enunciate and relate policy to local governments. Official branch representation for example to conservation districts and Federal-Provincial project committees, articulation of local concerns to the branch, guidance to long-range planning, development of yearly regional maintenance and construction programs, again regulation of water control works and liaising with other government departments, local government councils and boards and provides the ongoing interface with the Engineering Construction Branch with respect to branch programs.

Some of the particular areas of concern are: In the southwest region the Souris River flooding; the Whitemud River flooding; Pelican Lake regulation; Rock Lake regulation; beaver problems adjacent to the Riding Mountain National Park; in the Interlake region; the Council of the Rural Municipality of Gimli in the Town of Gimli are of course concerned about the flood protection which we've already dealt with; in the eastern region we have major studying and negotiations taking place with the newly developed Cooks Creek Conservation District involving the resolution to some of the drainage problems in that area of the province; in the southeast region we are working with the south lateral drain with the RM of Hanover; the Town of Emerson is concerned that improvements are required with respect to their dikes in that community; the RM of Macdonald is impatient, it's required to get on with some diking in the Brunkild community. In other words, it is the division that works with the various regional concerns, with the local governments, the LGDs and with the five Water Conservations Districts that we presently have operating in the province.

MR. URUSKI: Yes, thank you, Mr. Chairman. I have some specific questions dealing with, it would be I presume the Birch Creek Watershed District in the LGD of Grahamdale, and that deals specifically with areas of what are known as the fishline drain area where the community of Moosehorn has been flooded annually. 1980 during the period of drought one would, by looking at these pictures that I have received from some of the residences there, would say that we have a beach and a lake where the round bales are half in water — the big round hay bales. Mr. Chairman, that drainage basin has long given this area many problems with respect to backups and flooding of vast areas of land. I'm sure the branch is probably at certain times almost sick and tired of the amount of letter that I have written on this subject. There was some work started on a portion of this drain last year on what is known as the Dog Hung Creek portion of —(Interjection)— that's just about as bad, Mr. Chairman, on that portion of the drain.

I wonder, Mr. Chairman, and I ask the Minister whether there will be some further works on this drain. There are many residents in the community of Moosehorn and all the farming population along the

roads and drainage in this area were flooded and have been flooded — I would say in the last five years probably three out of the five years have been severely hit. I could show the Minister some of the pictures that were given to me of the floods of August 21 of 1980 where the vast tracts of hay land and crops were inundated as a result of the rains and the backup of water that this system could not handle. I ask the Minister specifically whether this drain will be, or at least the beginnings of this drain will be, upgraded this coming year.

MR. ENNS: Mr. Chairman, we intend to proceed up Dog Hung Creek in a deliberate fashion and we have allocated an additional \$75,000 towards that project in the coming year. I can appreciate the honourable member's concern having visited that area, after what I'm sure he will admit, unprecedented rainfall, particularly this fall in a very few hours. I doubt very much whether drainage in many parts of the province could withstand that kind of unprecedented rainfall; however, I don't disagree with the honourable member that area doesn't generally need some drainage improvements. I think I can only indicate to him that in the overall priorities of the program, the areas receiving some attention — that we can discuss perhaps more fully when we get to the capital portion of the Estimates — but I can indicate to him now that some additional work is being planned in that area.

MR. CHAIRMAN: 4.(e)(2) — pass; 4.(f)(1) — pass; 4.(f)(2) — pass; 4.(g)(1) — pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, in terms of the Flood Reduction Agreements, are there other communities that the branch has on record with respect to flood reduction in terms of priorities, in terms of costs and damages that have been done in the past?

MR. ENNS: Mr. Chairman, for the member's information, the title on this section of the appropriation may be somewhat misleading to the honourable members. This is a program that's carried out by the branch that covers a large number of the communities in Manitoba in the mapping, surveying and identifying the flood plains, flood areas, throughout the Province of Manitoba.

There are some 45 Manitoba communities involved to date; five communities have been designated. These are the Towns of Melita, Wawanesa, the City of Winnipeg, the Town of Souris and Elie. Negotiations are taking place with the Federal Government for an agreement respecting additional flood forecasting information. This is not the flood reduction program that I think if I'm correct that the honourable member is referring to, that is the raising of buildings or the removal of buildings and/or the provision of individual dikes where that's called for. I may be wrong but I assumed that perhaps was the program that the honourable member had in mind.

MR. URUSKI: Yes.

MR. CHAIRMAN: I wonder, Committee, if I could back up just a little bit. I missed calling 4.(f)(3), if we allow the Chairman to 4.(f)(3) — pass; and back on to 4.(g) — the Member for St. George.

MR. URUSKI: I'm saying as we were back there, Mr. Chairman. . . .

MR. CHAIRMAN: It's got to be the mistake of the world.

MR. URUSKI: I thank you for the opportunity, Mr. Chairman, could the Minister detail the grants from the conservation districts and possibly explain whether there is any change in the grant structure dealing with the funding of conservation districts in terms of the drainage construction and maybe he can bring me up to date on the percentages of costs that are now shared under the present program?

MR. ENNS: No, Mr. Chairman, I'm advised that there has been no change to the program as originally set up. The sharing arrangements continue to be the same; there are some different classifications, 70-30, as between the province and the districts.

MR. URUSKI: On No. 3 drains?

MR. ENNS: On No. 3 drains. That's right.

MR. URUSKI: And down?

MR. ENNS: 70-30 on all of them, all of them, I'm told.

MR. CHAIRMAN: 4.(f)(3) — pass — the Honourable Minister.

MR. ENNS: Pardon me — the other question the honourable member asked — there's been a general increase to take into account the increased costs of providing these works of some \$121,000, somewhat in excess of 7 percent, 7.5 percent. It's a concern to me, the capability of the conservation districts to maintain the level of their programs.

We have found that we have been able in some instances, some of the districts that had been in the program for a longer period of time have been able to do with somewhat less — although I don't believe any district actually is receiving less dollars — but we have for instance allocated to some of the newer districts, the Cooks district for instance receiving in excess of this amount because of the fact that they are just coming on stream and have a great deal of work to do.

MR. URUSKI: So therefore, roughly \$800,000 increase in the grants would take into account these increased works that the Minister has spoken about.

MR. ENNS: That is correct. Mr. Chairman, before we leave that though and I'll just touch on it now, not to enter into a discussion about it, in addition to that there has been a federal-provincial agreement signed involving drainage. This was undertaken by the Department of Agriculture in their value-added program which is being directed again in specific areas.

One of the areas under consideration is the conservation district that we're just now discussing in the Cooks Creek area which, if satisfactory final negotiations can be concluded, could considerably increase the availability of funds in that area.

MR. URUSKI: Mr. Chairman, have any projects that have been requested by districts, have any of them had to be put back because of provincial funding not being available, the matching up?

MR. ENNS: Mr. Chairman, these are grants that are provided annually to the districts. They then make the decision as to how they are applied and on to what projects within their districts. We do not predetermine for them as to their application.

MR. URUSKI: Yes, I realize that the program is a grant but I am assuming — and the Minister can correct me — is that the branch that deals with the conservation districts is the same branch that provides the grants and also provides the engineering advice to that district, so that basically it's a hand-in-hand operation I would assume unless the Minister is telling me that these districts are hiring their own consultants and their own engineers to do their work. I am assuming that the branch would be involved very closely with the districts and that it would really be a matter of recommendations to the local board by the engineering services and then the decisions would be made as to what extent the local municipalities can participate in, in the size of project that they decide upon. I'm assuming that's basically the process that is undertaken by the boards.

MR. ENNS: I think the Honourable Member for St. George described the program fairly well, Mr. Chairman.

MR. CHAIRMAN: 4.(f)(3) — pass — the Member for St. George.

MR. URUSKI: Then, Mr. Chairman, the Minister did not answer my question. Have there been requests for funding that have had to abide by the district board that were not undertaken as a result of the level of funding that is provided from the branch?

MR. ENNS: Mr. Chairman, it would be highly unusual if districts such as these did not have a shopping list considerably greater or longer than what a government, any government, can respond to in any given year.

I'm advised that I believe this year their requests were in the order of some \$375,000 additional moneys. We were able to come up with \$121,000 additional increase to meet that request. So a short answer to the honourable member is, yes, there have been projects that have had to have been delayed for lack of money.

MR. URUSKI: The Minister indicated there are five conservation districts that are now in operation. Are there any others that are near the fruition stage anywhere in the province at the present time?

MR. ENNS: No, Mr. Chairman. I should indicate that it was the hope of my immediate predecessor, and continues to be my hope, of bringing into force a revised Water Management Act. It may still be possible for me to, if not pass it through this session, but to table the legislation if I can get it to that point.

The legislation calls for a fairly substantial change in the relationship between the Provincial

Government and municipalities in how to carry on with the provision of an overall water management in their areas. It has some difficulties in terms of water being what it is, that the contributing municipality isn't always faced with equal costs and I would want to have a substantial amount of discussion between municipal and local government districts prior to the introduction of any new and fundamental changes to Water Management policies in this province. I cite that only because that possibly has been one of the reasons for lack of further development of conservation districts. I will leave any other speculations to the Honourable Member for St. George.

MR. CHAIRMAN: 4.(f)(3) — pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, we'll allow (f) to pass. I'm sorry.

MR. CHAIRMAN: 4.(g)(1) has passed; 4.(g)(2) — pass — the Member for St. George.

MR. URUSKI: Mr. Chairman, there have been numerous delegations and requests from the Village of Riverton with respect to some further flood protection for that community. The community was flooded as a result of the diking system not extending far enough beyond the community as a result during the high waters a number of years ago. The flood waters were able to come around the diking system and flood a part of the community including the high school and a number of residences.

There have been requests for either a diversion which would probably prove very costly or an extension of the diking system from the community to PTH 8, a distance in some areas of about a mile but not all areas would have to be diked, it would only be the low-lying areas where the floodwaters did jump the river bank. I wonder whether the Minister and his branch have any intentions of further extending the requests for diking around the Community of Riverton.

MR. ENNS: Mr. Chairman, Riverton is one of those areas that has been designated in the Canada-Manitoba Flood Reduction Study Plans and that really should be acknowledged as the first step towards some greater attention to it. The mapping and surveying can be undertaken under this program and then places us in a better position to have the necessary data available to us to, in the future, apply for assistance under the Flood Protection Program; but Riverton is an area that has been so designated.

MR. URUSKI: Mr. Chairman, since it has been designated, to what extent is the study being undertaken this year? Is Riverton one of the communities that the necessary preliminary work will be undertaken in terms of determining to what extent and what the alternatives are in terms of providing adequate flood protection for that community?

MR. ENNS: I'll have to undertake to get that information for the honourable member, it's not available to me at this time.

MR. CHAIRMAN: 4(g)(2) pass; 4(h)(1) pass; 4(h)(2) pass; 4(j) . . .

The Member from St. George.

MR. URUSKI: Mr. Chairman, under (h) there has been a deletion of the expenditure under the Prairie Provinces Water Board, Water Demand Study, can the Minister explain the reasons for that?

MR. ENNS: Mr. Chairman, I'm advised that the study is to be completed this year and therefore not additional funds are being requested.

MR. URUSKI: Mr. Chairman, can the Minister outline briefly for me what the study was about?

MR. ENNS: The objects of this program are to do an inventory and evaluate available data on water requirements and usage in the Saskatchewan-Nelson River basin; to determine current water demands and use in the basin; to analyze the built-up of uses and how they occurred; to identify weaknesses and inaccuracies in existing . . . information, collection and retrieval systems and to recommend improvements.

MR. CHAIRMAN: 4(h) — the Member for St. George.

MR. URUSKI: Mr. Chairman, the study dealing with the Nelson River Basins, were there recommendations that the government has acted upon from that Study Board?

MR. ENNS: Mr. Chairman, it has to do with demand and supply. The first study identifies the available supply and we now are in a position to marry that to the demand, particularly with the interprovincial passage of waters dealing with the Saskatchewan-Nelson River basin. The current activities will be incorporated into the water provinces, annual operating budget, of which Manitoba is responsible for paying one-sixth. The Water Resources Branch, at the request of the Board, has also undertaken, or has arranged for all required studies in Manitoba with respect to municipal and industrial water supply water used for power generation, environmental considerations, agricultural water use, and recreational water use.

MR. URUSKI: Mr. Chairman, there would be marrying up and there were no shotguns involved I'm assuming in what the Minister was speaking about. Would the requirements of a project like ManFor be involved in that study?

MR. ENNS: Very much so, that would come under the heading of the industrial potential, you know, current water users and/or potential water users.

MR. CHAIRMAN: 4(h)(2) pass; 4(j)(1) pass.
The Member for St. George.

MR. URUSKI: Mr. Chairman, could the Minister explain the specifics of the expenditures? Is that primarily dealing with the Cooks Creek area that he mentioned before in terms of the value added, or are there other projects involved in this?

MR. ENNS: The specific projects that are under review in this value-added problem is to demonstrate

improved drainage and water management technology for the Almasippi wet sands area, to develop optimum drainage plans for selected watersheds having potential for value-added crop productions — and that involves the Cooks Creek district, that involves the La Salle . . . The moneys for these projects are under the capital Acquisition/Construction Assets, these are again are the studies and there is an area, in the Portage area, referred to as the Overhill drain. There are about three specific areas that are involved. Is that right gentlemen?

MR. URUSKI: Mr. Chairman, how does this type of study differ from what the branch presently does in terms of determining the cost-benefit analysis of any drainage program that they now undertake? How does this type of program vary from what they now presently undertake?

MR. ENNS: Fundamentally there is no difference in the approach to any other drainage undertaken, the cost benefits are established. The difference here, the additional input here is the value of the crops that these particular lands or sections of the province have been identified by the Department of Agriculture. In other words, with the application of more intensive drainage, potential application of sprinkler irrigation in some instances, to specialized diversified crops, that is added to the formula in arriving at the cost-benefit figures that are then applied and eventually play a role in the determination of whether or not the project can or should proceed.

MR. URUSKI: Well, Mr. Chairman, I hope I didn't hear the Minister correctly. I'm hoping that the Minister is, and I will ask him, is he indicating that type of an analysis of the value of crops in a particular region, when drainage is being improved, is not now being undertaken, when a drainage is to be improved or not or actually built?

MR. ENNS: No, Mr. Chairman, that observation is a correct one. That consideration is always and generally applied to the establishing of cost-benefit ratios. These are, however, specific zones in the province that have been identified by the Department of Agriculture for being particularly suitable for the application of special crops. It could be the question of increasing corn production in certain areas or increasing certain vegetable production in certain areas and it's a combination of identifying, marrying the soil base, kind of agricultural diversification that can take place. Great program, Mr. Chairman, again one of those innovative efforts on the part of this government that Manitoba farmers have come to expect from it.

MR. CHAIRMAN: 4(j)(1) pass. The Member for St. George.

MR. URUSKI: Mr. Chairman, just so that I understand the Minister correctly, this program varies no differently from any other assessment that is being done, other than a governmental priority in terms of designating specific area agreements?

MR. ENNS: Mr. Chairman, I want to exercise some caution here because the determination here does

not dress solely within this department. The Department of Agriculture is heavily involved and the determination of the soil base is a very important determining factor in selection of these zones. I would want to assure the honourable member that politics play no part in this designation if that's what is concerning the honourable member.

MR. URUSKI: No, Mr. Chairman, I mean, I hope the Minister himself is enough of a politician that he does make political decisions in terms of what programs receive higher priority and which don't and he has already indicated, through our entire discussions this evening, some areas receive greater priorities than others, a decision has to be made. I'm not knocking the government for making those decisions. There will be people who will argue that they would like other decisions made and, recognizing that I accept the very fact that will occur, even in these type of agreements and projects that are being embarked on. That's the only point that I am making.

MR. CHAIRMAN: 4(j)(2) pass; 4(k)(1) pass. The Member for St. George.

MR. URUSKI: Mr. Chairman, can the Minister explain this area.

MR. ENNS: The Canada-Manitoba Water Development Agreement involves, again in the specific studies related to drought, drought sensitivity, to the formulation of long-term strategy based on data not previously available, to study analysis of means of supplying water to the Assiniboine-South Hespeler area, this is part of that \$8.9 million recently signed agreement . . .

MR. URUSKI: That's this year's share.

MR. ENNS: . . . that we've already discussed? The other major part of that is of course again related to groundwater studies.

MR. CHAIRMAN: 4(k)(1) pass. The Member for St. George.

MR. URUSKI: Mr. Chairman, part of the Federal-Provincial Agreement, all these funds would be part of that 8.95?

MR. ENNS: Covered on an averaging basis on a 50-50 basis, although I am advised that some individual aspects of it the sharing ratio can be different.

MR. URUSKI: All these funds are related to that agreement?

MR. ENNS: That is correct, Mr. Chairman.

MR. CHAIRMAN: 4(k)(1) pass; 4(k)(2) pass; 4(m)(1) pass; 4(m)(2) pass; 4(m)(3) pass.

Resolved that there be granted to Her Majesty a sum exceeding \$10,229,500 for Natural Resources pass.

Committee Rise.

SUPPLY — EDUCATION

MR. CHAIRMAN, Abe Kovnats (Radisson): This Committee will come to order. I would direct the

honourable members to Page 47 of the Main Estimates, Department of Education, Resolution No. 52, Clause 3, Financial Support — Public Schools, Clause (a) School Grants and Other Assistance.

The Honourable Minister.

HON. KEITH A. COSENS (Gimli): Mr. Chairman, when we adjourned at 5:30 I was in the process of answering a question that had been posed by the Member for Fort Rouge in regard to what action we were taking to ensure that all Manitobans regardless of handicap, physical, mental condition who were of school age, would have the opportunity to attend school and receive appropriate programs. I was in the process at that time of answering the honourable member by referring her and other members to the dramatically increased funding for Special Needs that we have put in place this year, some \$15 million additional to support the services that school divisions across the province are endeavouring to provide and by so doing, Mr. Chairman, enabling school divisions to provide these without placing additional burdens on the taxpayers of their respective divisions.

Having said that, Mr. Chairman, I'd like to spend some time responding to the comments of the Member for Seven Oaks, a gentleman who has had some experience with school finance and finance generally and whose knowledge and concern in that area is one that I respect so I listened very carefully to what he had to say, Mr. Chairman. I was somewhat surprised at some of the particular attacks that he took in regard to the new Finance Program because surely in some instances he was speaking with tongue in cheek, because he criticized certain aspects of the program, Mr. Chairman, that I know that he must believe in. He, of course, dates his tenure in this House back to the point when the Greater Winnipeg Equalization Levy was brought in and he did speak for some time on that particular levy and I wasn't too clear on whether he was espousing it or whether he was trying to justify it. On the one hand he thought it was necessary in certain circumstances; on the other hand he saw this wrong with it and that wrong with it. I came to the conclusion, Mr. Chairman, that the Member for Seven Oaks, if I listened closely enough to what he was saying really felt that at this point that particular levy was not serving its purpose.

In looking back at what effect it had on the people of this city, I certainly can support that view if in fact that was the view he was taking. If we go back to 1976 for instance, Mr. Chairman, people in Winnipeg School Division No. 1, the homeowners, and many of them reside in the honourable members constituencies, the homeowners in 1976 in Winnipeg School Division No. 1 were paying a total school mill rate of 63.3 mills. That was the highest mill rate in the City of Winnipeg. The lowest mill rate in the same city was 39.7 mills — a tremendous discrepancy, Mr. Chairman, between the highest and the lowest and you could move from Seine River which was 39.7 to Transcona-Springfield which was 48.1. At the same time as people in Winnipeg School Division No. 1 owning the same type of home, valued at the same price with the same assessment, were paying 63.3 mills. That was in 1976. In 1977 it didn't improve, Mr. Chairman. In Winnipeg No. 1 the homeowner was paying 67.3 in total residential school tax where at the same time the homeowner in

the portion of the Seine River that lies within the boundaries of the City of Winnipeg was paying 37.9 — a difference of 30 mills, Mr. Chairman. In Transcona-Springfield that same year they were paying 43.7 mills. So in other words again the homeowner in the City of Winnipeg was again subsidizing to a great extent. We can go through the years following 1977. The pattern is still there, that huge discrepancy between what they were paying in Winnipeg No. 1 and at the lower end of the scale — again for the same type of home with the same assessment within the boundaries of the same city. Mr. Chairman, in 1980 if we look at the discrepancy it was still there. Winnipeg homeowners were paying 84.7 mills and in Seine River they were paying 43.7, the portion of Seine River again within the boundaries of Winnipeg. In Transcona-Springfield they were paying 69.7 — a difference of 15 mills between Winnipeg No. 1 residents and Transcona residents.

Now, Mr. Chairman, that was under the Greater Winnipeg Equalization Levy. I'm not too clear even though as I say I listened rather closely to what the honourable member had to say, whether he was advocating that state of affairs should last forever, in perpetuity — that the Winnipeg homeowner should forever be subsidizing the homeowner with the same type of home in other parts of the city. Perhaps he wasn't saying that, but if he was advocating the GWEL, in fact that is what resulted. Of course, I say to you, Mr. Chairman, and to honourable members, that there may have been some justification during the transition year or transition years into Unicity or something like the GWEL. I understand that in those early years it did not amount to the huge discrepancy in mill rates that we've seen in recent years, but certainly the justification beyond that early transition period is one that I find hard to make, Mr. Chairman.

Now if we look at 1981 under the new program, which the honourable member is very critical of in many respects, Winnipeg No. 1 homeowners will pay a total school tax of 67.2 mills. At the other end of the scale, Mr. Chairman, we find the homeowner in Transcona-Springfield paying 77.4. There is still a discrepancy there, Mr. Chairman, that's granted. The discrepancy now is much less. Of course at the other end of the scale, we also find Seine River, that portion within Winnipeg, paying a homeowner's total school tax rate of 53.7 mills. If we are to subtract the highest and the lowest, the 77 take away the 53, we find that there's a discrepancy between the two now, of some 24 mills. That's a great difference, Mr. Chairman, from the days of 40 mills in discrepancy between the tax rate for the same homeowner, a person with the same type of house, valued at the same price, with the same assessment.

I only point that out, Mr. Chairman, because I don't think that the honourable member sincerely believes that the removal of the GWEL was a harmful thing, and certainly I would hope that in the light of the effects of removing it and the attempt now to bring the mill rates closer to a common denominator is something that he would support.

I thought it was interesting, Mr. Chairman, just in glancing through different papers, I noticed in September 26th of 1980, a discussion paper on property tax and public school finances that was

issued by the Honourable Howard R. Pawley, advocated certain reforms in school financing. He said all property tax revenue could be equalized so the school board would still reflect local concerns in setting the mill rate, but extreme variations of mill rates would no longer exist. It seems to me that is one of the things that he's talking about there. He mentions certain other things that in fact are included in this program, Mr. Chairman, but the last item on the list is, a wider reform will likely include abolishment of the Greater Winnipeg Equalization Levy. Now this was on September 26, 1980, that that was issued by the Leader of the Honourable Member for Seven Oaks' party. I thought it was rather interesting, Mr. Chairman.

The Honourable Member for Seven Oaks went on and seemed to take great issue with the equalization process that we have brought into this particular program, which has been widely saluted as one of the most significant features of the program, Mr. Chairman. In fact, I have to again quote from a press release by the Honourable Howard R. Pawley on January 23, 1981, where he said: "The equalization provided by a major increase in the provincial property tax would be welcome in most parts of Manitoba, and was the most positive change, in his opinion." Yet the Member for Seven Oaks seems to take rather great issue with that equalization. In fact, I think, if I can quote him correctly, he said "that it is nothing more than milking the City of Winnipeg." He went on to suggest that what we were doing was taxing the people of Winnipeg to provide school funding for the people of the rural areas.

Mr. Chairman, I'm not going to get involved in that particular debate because I happen to believe that the different sections and sectors of this province are inter-reliant. They rely on each other. The complement each other, whether they be the remote, the rural or the urban part of this province. For one to think that it exists without the other, that it doesn't need the other, I think is being exceedingly parochial, particularly a philosophy that espouses that kind of idea. The idea even of a city state, Mr. Chairman, I find that rather strange, because I'm sure that the Member for Seven Oaks believes that the provincial equalization is the right way to go. As I say, he is the first person who I have heard who takes exception with the concept at all, and his leader in his press release in January saluted this as the greatest aspect of the program, the most positive aspect, in his view.

The Member for Seven Oaks went on to state that all the money was being taken from the City of Winnipeg and given to the rural area, but I'd point out to him that in 1980, the total revenues that were accruing to Winnipeg School Divisions amounted to \$128 million. In 1981, under the new program, Mr. Chairman, those total revenues that will accrue to Winnipeg School Divisions will amount to some \$233.5 million, which is about \$105 million of an increase. That hardly seems to rest well with his contention that all of the money is being milked from the City of Winnipeg to provide the poor relatives in the rural areas with educational funding.

Mr. Chairman, what the equalization has done is provide a sum of money greater than we have ever had, that we have been able to distribute equitably among the school divisions of this province, much

more equitably than we have done before, or that we have ever seen in this particular province.

The member then went on, and I was rather shocked to hear him espousing this particular concept. He said: "Not only are they taking it all from the city, giving it all to the rural area, but what they have done is favoured their friends in business, the commercial and industrial sector, sometimes called 'the other' as opposed to the farm and residential." He said, "Look what they've done, they've gone from a 5.4 mill rate, the Foundation Program to a 36.3 in the new program; that's for farm and residential, look at the increase and then he said look what they've done with the industrial, the commercial, the other category. He said, have they increased it as much? He said, after all, from 5.4 to 36.3 — seven times. No, he said, they didn't increase it as much; they only went from 37 mills to 75. Well, perhaps the honourable member is advocating that we should have taken seven times the mill rate that existed for "other" under the old program and that would have been the sensible thing to do.

He knows full well, Mr. Chairman, that what happens in this particular program is that a certain amount of money has to be raised from assessment, whether it be other or farm and residential, and we have attempted to maintain that proportion that is raised from farm and residential under proportion raised from "other" or commercial industrial and this particular mill rate of 36.3 for farm and residential and 75 for industrial does just that without increasing the proportion unduly in either area. Of course, I think the proper measuring stick on this, Mr. Chairman, is not how much one has increased over the other, but what the exemption is between the two.

In 1980, the exemption between the farm and residential and commercial industrial was 30.9 mills. In 1981, it's 38 mills. Now someone says, what does he mean, the exemption? That's a differential between the mill rate levy on farm and residential and the mill rate levied on commercial industrial. It's called an exemption because as the Member for Seven Oaks knows they could all be levied at 75 if it wasn't for an exemption of some 38 mills for the farm and residential, so it's a term that has long been used in this regard.

Furthermore, Mr. Chairman, when we look at the portion of the Education Support Levy that is being paid by commercial and industrial we find that some \$68 million of that \$148 million is indeed accrued from the levy on commercial industrial property. In other words, 48 percent of the ESP levy, Mr. Chairman, comes from the other classification, the commercial industrial; and that other classification that provides 48 percent of that total levy has 30 percent of the assessment. So 30 percent of that assessment that assessment that is in the commercial and industrial category provides 48 percent of the funds in the ESP levy, which I would suggest, Mr. Chairman, is counter to what the Member from Seven Oaks would lead us to believe. He was, I think, trying to espouse the idea that for some reason we were being very gentle with the business sector and we were being too difficult, incurring hardship on the homeowner. You know, that is just contrary, Mr. Chairman, to what we have

seen happen in this program; because we have seen that the residential person, the homeowner, has in fact experienced in the majority of school divisions some decrease in his school mill rate, the total school mill rate, the special levy plus the ESP levy. I don't think we have seen that as dramatically in the category of the commercial and the industrial. In fact in some cases there, there has been an increase in divisions where in fact the residential mill rate had decreased. So really the evidence does not support the contention of the Member from Seven Oaks that for some reason we have been particularly kind to the commercial industrial segment in the levying of the education support levy.

Now the member also suggested that the program was going to work against those who were experiencing an increase in enrolment and he said this is because everything is frozen on a 1980 base. Everything is frozen, I don't think that was the term he used but that is what he implied. Well, in fact, Mr. Chairman, it isn't. There is only one aspect of the Education Support Program that is based on 1980 and that is the basic operating units or the basic operating support that is based on 1980.

In each succeeding year, all other factors change within the program and of course the enrolment is taken into account in each particular year and of course the components of the basic support program such as the special needs components, the transportation, the textbook, the immigration, the ESL, the vocational components; all of these change along with increases in enrolment if they take place and of course decreases to some extent. But the members seem to be concerned with increases in enrolment, that's not a characteristic that we have been really bothered with to great an extent to this point, but really that particular argument, Mr. Chairman, is not there, because there is only one aspect of the program that will not change from year to year. I reiterate and that is the basic operating unit and the support that is provided there of some \$87,400 per unit, that is frozen, 75 percent of the eligible enrolment, but certainly that guarantees that any school division that is suffering declining enrolment will not see a decline in that basic support and we don't anticipate that any school division will fall below that 75 percent level in the three years of the program.

I might also mention, Mr. Chairman, that all school boards and I say all, have signified to me that they are pleased with the increased support under this program. They are pleased with the increased support, all of them. Of course in fact, Mr. Chairman, every school division has received higher grants under this program. I only make that point because I see the Member for Elmwood raise his eyebrows when I say that all were pleased with the additional support. Yes, even the Transcona School Board has signified to me that they are pleased with the additional support. They have a problem about the Greater Winnipeg Equalization Levy but they are pleased with the program and the support provided therein.

Mr. Chairman, I wanted to comment on those remarks of the Member for Seven Oaks. As I say I respect his opinion but I feel that in this case either he has not looked closely at the program and all aspects of it; that may be the reason that in fact he

really shows a lack of understanding of two or three of the major points in the program.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Chairman, the last remarks of the Minister I think were the most interesting, mainly that he felt there was certain substantial support by the school boards for his position. In fact, when one looks at some of the letters sent to him, that position can be sustained, although within some of those same letters serious problems are raised and I intend to deal with those very shortly. But I think that it is not going to be the ultimate cry of the school boards perhaps which changes the opinion of the government as it will be the roar of the crowd at the municipal level. It'll be the municipal men and particularly the Winnipeg Council which will very shortly recognize what is wrong with the Minister's program. When they do they will set up a cry like Gabriel's trumpet that will bring the walls tumbling down or is it Joshua's trumpet.

Mr. Chairman, I have spoken to several people who have municipal experience in relation to the Minister's program. These people are within the Perimeter Highway so they are not necessarily representative of the entire province; but the position taken is simply that as expressed by my colleague, that the Minister is going to bleed the City of Winnipeg. He's going to kill the goose that laid the golden egg. I feel that as someone who has a particular interest in the City of Winnipeg, who was born and raised here and represents a portion of the city, both Elmwood and the traditional older section of Winnipeg and East Kildonan in the suburban area, that the capital city is in trouble. This is because we're being subjected to a two-fold attack.

Over the last three-and-a-half years we're being bled by the exodus of people who are leaving the province, being attracted by growth centres in Western Canada and in Toronto due to the economic stagnation of the government. Now the Minister of Education tells us that he's going to take not only the cream from the municipal tax base but most of the milk as well. I think that this message has not yet been recognized by the people of Winnipeg and by their municipal representatives. I think it was first and most strongly said by the Member for Seven Oaks today. That was just the first shot however, Mr. Chairman, and I think there will be much more heard especially in the months ahead and in the provincial election campaign and in the next year or two as City Council wakes up to the realization that the Minister has done something which is going to damage them in the long run because he's loading the property tax base. In particular he's going to hurt the homeowners in the City of Winnipeg.

Winnipeg needs, Mr. Chairman, a lot of expensive renovation projects, new projects. We need, for example, there may be a new aqueduct which will cost a substantial amount of money. There's a need for a multi-million dollar replacement of the Amy Street steam plant. There's the roads and the sewers and so on and so on, and the social problems which are not only unique to the City of Winnipeg School Division No. 1 but are also unique to the City of Winnipeg, which is a magnate for people from all

over Manitoba — to a lesser extent to people from across Canada, simply because of the fact that as fast as some of them come into Winnipeg others leave for points west.

Mr. Chairman, I believe that the impact of this program in terms of its negative effect will be felt first and foremost on the City of Winnipeg at the municipal level and secondarily within certain divisions within the City of Winnipeg. So I spoke to somebody with a municipal background in addition to my colleague and he said what they're doing is they're going to take the municipal tax base largely from the City of Winnipeg and sprinkle it around the province.

So I think the Minister will have to speak more than once in this regard, not only now but he'll have to carry part of his message around the 29 ridings in the next provincial Legislature that are located within the City of Winnipeg. Because it's my contention, Mr. Chairman, and I believe the Member for Seven Oaks as well, that the Minister is bleeding the City of Winnipeg. So I don't know what illusion I should use as an example of the Minister, whether I should refer to him as Keith the Knife or Keith the Ripper or use that other metaphor of Sweeney Todd who was the demon barber who attracted people into his barber shop, gave them a shave and a haircut, slit their throat, slid them down into the basement where his female associate ground them up into hamburger and resold them on the streets of London. The starring role in that Broadway musical was none other than Len Cariou, who is a Winnipeg boy whom I know, and probably is well known to other people in this Chamber. So I don't know whether the Minister is going to take that on at the next season of the MTC, with the City of Winnipeg being the one that has its throat slit and then the proceeds of the sale are distributed throughout the rest of the province.

Mr. Chairman, the Minister appears to fail to recognize those special needs of the City of Winnipeg. In attempting to solve some of the special needs of the school division, he seems to on the other hand, take money away from the municipal level which also requires special attention. My colleague made, I think, three powerful points. I repeat them to the Minister, that it appears that the suburbs may be subsidizing the old city; it appears that Winnipeg will be subsidizing the rest of the province, and it appears that the taxpayers, the property owners, the homeowners of the City of Winnipeg are going to in effect, be subsidizing the commercial industrial component and that the homeowners' percentage is going from 25 to 50 percent, and the commercial industrial is going down from 75 to 45 percent.

So I say to the Minister, as a person who represents an urban riding, I say to the Minister, is he going to recommend to the Minister of Urban Affairs that a larger share of growth taxes now be given to the City of Winnipeg to offset the damage done by his new Educational Support Program? That's the main question I put to the Minister, because if he's going to weaken the municipal base, is he then going to do something to counter that particular imbalance, or that injustice? I think he's going to have to answer that question. If he won't answer that question, then we'll put that question to the Minister of Urban Affairs. I think that is really the

obvious need and the obvious problem that has grown out of what the Minister has done.

So he's attempted to tackle certain problems, and what he's done in the process is, he's given us a new set of problems. I guess it's like the domino theory, and we have to decide what we're going to do now. He solved one set of problems by creating a new set of problems.

Mr. Chairman, having talked about the general picture, particularly in the city, I want to get into some of the specifics of the impacts of the Minister's new financing arrangements in terms of the northeastern section of the City of Winnipeg. In particular, I would like to deal with those divisions of Transcona-Springfield, St. Boniface and River East, and St. Vital.

Mr. Chairman, I represent an area which is three-quarters within the Winnipeg School Division, and probably about a quarter within the River East School Division, and I've taught in both of those divisions, as well as in the Minister's old division as well as in the Emerson consolidated area of Manitoba. One of the concerns expressed in the brief that was given to the Minister on March 16th by Transcona-Springfield is contained within that brief. One of the concerns that comes right at the beginning of that submission and is one of the conclusions of that particular submission, is the question of whether or not as a result of the Minister's programming and his attempt to solve certain problems, whether the guaranteed result, the inevitable logic is that there will be one school division within the perimeter.

Now I don't know if that's what the Minister wants. I don't know if this is either a desire that he has or whether it's a conclusion that he isn't afraid to confront or accept. But the people, the trustees of Transcona-Springfield, reiterate in their brief that local autonomy will become nonexistent, and that the establishment of one school division is inevitable. So I think that is something that the Minister will have to comment on, whether this is something he chooses to avoid, but hasn't thought of or hasn't addressed himself to, or whether it is something that he is in fact attempting to bring about. My colleagues in the front bench, like the Honourable Member for St. Johns and others who were regarded as the fathers of the Unicity legislation, perhaps the present Minister sees himself as the father of a single division within the perimeter. I think he should be explicit about his particular attitude and his position on that particular question.

The trustees of Transcona-Springfield have argued, I think very effectively, that the new legislation shifts the problem from Winnipeg to other school divisions. In attempting to deal with the assessment problems and with the special needs, the unique position of Winnipeg No. 1, that the problems have been shifted to some suburban school divisions and created a severe imbalance among the urban divisions. The example, Mr. Chairman, is very clear. The net effect of the new program has such a different hit that in one case, there's a drop of 17 mills, and in another an increase of 11; so that the difference between high and low is some 28 mills.

Mr. Chairman, the trustees of Transcona, supported by the other main divisions in that quadrant of the city feel that they are being saddled

with the debt of the whole City of Winnipeg. They say, well, if we're going to share in the obligation to retire the debt, then we should have a right to share in the assessment for school purposes.

I'd like to read a couple of quotes from the middle of the brief that the Minister received a couple of weeks ago. One is on Page 6, "Provincial equalization of up to 80 percent does not eliminate either the need or the commitment for partial sharing of assessment amongst the 10 urban school divisions in the City of Winnipeg for the remaining 20 percent of the divisions' budgets." Mr. Chairman, they still have to levy for that portion of their budgets. The second quote, "That the City of Winnipeg is a single municipality with a common municipal mill rate drawn from all the citizens of that corporation. While the City of Winnipeg is a homogeneous unit for municipal purposes, it is not a homogeneous unit for educational purposes." So the partial sharing that's being done for educational purposes within the City of Winnipeg is unique in the Province of Manitoba. When you look at the examples, for example, the commercial assessment, two-thirds of the commercial assessment is within Winnipeg School Division and Fort Garry No. 5 — two-thirds. But one-third of the students are in those same divisions and that's where the problems lies in this whole debate between those school divisions that are dissatisfied and unhappy with the new educational support system and the Minister himself.

I refer to what is probably the key chart and the key area in this submission, the balanced assessment per pupil, which means that when you levy, Mr. Chairman, that you get a different result when you levy on the basis of the assessment per pupil. If you levy in Transcona-Springfield, you can get 11,500 per pupil, but if you levy in Winnipeg on the same basis you get double that amount; you get 23,000. The same holds true for Fort Garry.

So here is where the problem is, Mr. Chairman, in layman's language. If you have a high commercial-industrial area, a large amount and a lot of tax potential, and you have a low number of students, you will have low taxes. You will have a high amount of revenue coming in and a declining or a low amount of students, therefore when you levy you get a lot of money and your taxes essentially can be low. When it's the reverse, when you have a poor or low industrial-commercial base and a large number of students like in a suburban area, like in Transcona, then the result is that you cannot draw these revenues. When you have a growing number or a holding number of students, your situation will deteriorate in the long run. Now if they are both high, then you're okay and I suppose if you're both low, then you're okay in terms of your tax base and your number of students. So the concern here is for the divisions that have a weaker commercial-industrial base and property base and have a large number of students, they are the ones that are going to get badly hurt in this particular debate.

I'll just make a couple more points to the Minister, Mr. Chairman. One is that perhaps the operating costs per pupil is an indication of efficiency. I don't know if the Minister would buy that argument that if you divide the number of students into operating budget then —(Interjection)— well, that's part of the problem. That is part of the problem. The Special

Needs students that are contained in the City of Winnipeg; that is a problem. But I'm saying that if you took an average division of number of students or pupils into operating and you came out with a certain set of figures that could be a relative indication of efficiency. If it is, and the Minister would maybe want to comment on that, if it is and Transcona-Springfield comes out as the most efficient and I think that's something that the Minister might want to comment on. But on the other hand, if you take the mill rate without sharing or redistribution, then Transcona-Springfield gets hit the most. They get the highest mill rate in the City of Winnipeg, so those seem to be two of the areas that when you connect them, it seems to be hurting certain particular divisions within the province.

I quote a concluding comment from Transcona's brief to the Minister on Page 14 in which they say as they did at the beginning, "That the Education Support Program quite apart from its being improper and unfair in principle, solves Winnipeg's dollar problem but it is creating survival problems for the other urban divisions, some falling by the wayside sooner than others and ultimately leading to the dissolution of the 10 locally autonomous school divisions." Mr. Chairman, I simply make those points to the Minister and I would be interested to hear him respond.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, I'd be pleased to respond to the honourable member's remarks. He was assigning particular names to me in his initial remarks, I think I'll have to give him one, perhaps Russ the Switch would be the appropriate title, because last year, Mr. Chairman, in these same Estimates, the same Member for Elmwood stood in his place, and his tune was much different. At that time he was deploring the lack of financing for the School District Winnipeg No. 1, and he pointed out all the unique problems of that particular school division, special needs, immigrant children, native children, all the special programs that had to be in place to deal with those.

Now this year he has forgotten about all those special needs, of that particular school division and he has become a municipal man, Mr. Chairman, he has made the big switch, because now he's not interested in education anymore, he's concerned about the municipal people. Now certainly that's a legitimate concern, Mr. Chairman, and in its place I suppose should be discussed, but he says that the municipal people will be critical. Well, the only criticism I've received from municipal people to this point is that they have told me privately; they said, "We're not very happy with you, because in the past when we sent out our tax notices, we could always blame the schools for causing a rise in the property tax and this year we're not able to." The particular gentleman that was speaking to me at a conference of municipal officials says: "You know, we're going to have to find some other excuse this particular year." So, if he says they will be critical, then certainly there is that criticism, but I don't mind that criticism at all, Mr. Chairman.

He says again — he's singing the same theme as the Member for Seven Oaks — that we'll bleed the City of Winnipeg, and I think I refuted that earlier

when I was responding to the remarks of the Member for Seven Oaks when I pointed out the amount of money that is accruing to the Winnipeg School Division through the new program; I believe it's \$105 million more than last year, a rather significant amount. I think he is going to have problems substantiating that particular idea, Mr. Chairman. In fact, it's ridiculous. He keeps talking about hurting the homeowners in the City of Winnipeg.

Well, Mr. Chairman, why doesn't he look at the facts. Last year those same homeowners in Winnipeg School Division No. 1 paid 84.7 mills, this year 67.2. Does that hurt, Mr. Chairman? Does that hurt? But, the honourable member says: "Oh, it's hurting the homeowners". We can go through several of the divisions and see that same type of hurt that he refers to. Mr. Chairman, I can't really understand his particular point and he has certainly switched, and I'm not sure just what particular horse he's riding now. He says we're taking money away from the municipal people. Well, we're not taking money away at all. Where the mill rate is lowered, Mr. Chairman, then I suppose that the municipal people can avail themselves of the opportunity of perhaps filling that gap as I see happening in some cases, where they say now that the school tax has dropped a certain number of mills, and we can perhaps increase the municipal tax, but I don't see it as taking money away from municipal people. It is perhaps giving them an opportunity in many of the municipalities across the province to add on a few mills that they may have been holding back for several years because of the school tax, Mr. Chairman.

This idea of one school division within the Perimeter Highway, Mr. Chairman, is certainly an idea that I do not subscribe to at all and I can't see the reasoning of the honourable member when he advances that particular point. Certainly, if he talked to many of the school divisions within the Perimeter Highway, they're very happy with the new program, very happy indeed and they know that for three years they will be receiving a certain level of support, the first time that they've ever had that particular assurance, they can now plan for three years. This is something that never existed before. To suggest that they are all going to be lumped into one and that there's some diabolical plan being put forward by myself or someone else, this is absolutely ridiculous, Mr. Chairman. Everyone of those divisions know that next year they will receive support equal to the CPI increase and, of course, that again will be taking into consideration increases in enrolment. If they have a decrease they don't suffer at all under this particular program, Mr. Chairman. There's no severe problem with declining enrolment at all, the program certainly directs itself to that particular point and addresses it very effectively. So the suggestion that they will suffer is something that I can't subscribe to at all, nor does the evidence support it. The member then goes on with this idea that some are being treated differently than others and that we have taken away the equalization concept. Mr. Chairman, in fact, we now have for the first time a much increased equalization formula across the whole province and that is certainly the purpose of the 37 mills and the 75 mills. That is the equalization that accrues to every school division in the province, and for some

reason the honourable member likes to ignore that particular equalization aspect, although his leader in his press release said it was the most positive aspect of the program, the most positive aspect. But the honourable member doesn't seem to agree with that, in fact, he ignores it.

He then talks about operating costs per pupil and I have to correct him Mr. Chairman. He mentioned, I believe, it was Transcona-Springfield as having the lowest operating expenditure per student. Mr. Chairman, I answered a question in that regard in this House a few days ago when I pointed out that in 1981 the operating expenditure for Transcona-Springfield per student will be some \$2,430.00. That is the 1981 operating expenditure and that is the fifth highest, Mr. Chairman, and that is the expenditure that will have an effect, of course, on the building, because those expenditures are reflected in school board budgets. Remember that budgets are being increased by some 10.7 percent this year across Manitoba. Any school division that's been able to stay within that 10.7 area is not seeing an increase in their school property tax, and the majority have stayed within it, Mr. Chairman. I think I mentioned the numbers who were experiencing an increase earlier this afternoon and they are a mere handful.

Now, Mr. Chairman, as long as we are going to have autonomy in school boards, and I support that, then they do have the option, if they so wish, to increase costs beyond that CPI increase. Certainly they can take that particular option and go beyond it and in a particular year there may be unique costs where they choose to do that, but if they do that, Mr. Chairman, then of course they have to tell their local taxpayers that they are going beyond the eligible expenditures and beyond the CPI increase and as a result their tax rate will increase.

We will see the same thing next year Mr. Chairman, across this province. School boards in any particular jurisdiction will have the options, if they so wish, to go beyond the provincial support of whatever the CPI may be a year from now. If they do, then their local taxpayers will experience an increase in mill rates. If they are able to stay within that CPI increase as the majority have this year, the vast majority, they will see no increase, Mr. Chairman, next year or the year after. But, certainly they have that particular option if they so wish; they have that autonomy; it is within their responsibility to make those decision and I certainly would not be one to deny them that particular option if they so wished. There may well be projects; there may be certain unique situations that they want to address that go beyond what would be the basic support, the eligible expenditures, and if they wish to embark on that particular route, then that is well within their jurisdiction, Mr. Chairman.

I have to reiterate that for those who have been able to stay within that particular increase, that CPI increase across the province, they are not experiencing any tax increase at all.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Yes, Mr. Chairman, I believe that this has been a very interesting debate and I think furthermore, Mr. Chairman, it shows that George Bernard Shaw was able in a single phrase to

succinctly state more political philosophy than persons who have written volumes and volumes on the same subject. Bernard Shaw, said, Mr. Chairman, "any government that robs Peter to pay Paul will always have the support of Paul."

It appears, Mr. Speaker, that in this debate we are getting back to the question of who is taking from who and the New Democratic Party when in government had to face that very squarely, more squarely than the Minister is now facing because in 1971 when Unicity was created, we said that for municipal service, Greater Winnipeg had to be considered as one geographic economic area, that we couldn't ask people who lived in the suburbs to make use of the central core and at the same time resist paying the cost of the central core. And, we said, Mr. Chairman, that there had to be a responsibility by all of the people who lived in geographic Winnipeg to maintain a fair share of all of the expenses of geographic Winnipeg and the fair share at that time of municipal services was not being paid by the outlying areas and the central core was taking an inequitable share of the expense. And when we were doing this, Mr. Chairman, there were two areas where we realized that to be fair to everyone and not to be merely trying to give an advantage to the people within Winnipeg Proper or the City of Winnipeg as it then was, we had to look at where the situation was to reverse and there were two areas, Mr. Chairman.

One was with regard to the amount of industrial and commercial taxation available to Winnipeg as a school division as against that which belonged to the suburb, and we said if we're going to equalize one way, we have to equalize the other way. Secondly, Mr. Chairman, we found that the people in the City of Winnipeg proper were paying roughly 80 percent of the price of Hydro that was being paid by the suburbs and we said, Mr. Chairman, and we said quite clearly, that if a resident of Winnipeg is paying \$8.00 for Hydro and a resident in the suburb is paying \$10.00, which was the approximate difference, we would see to it that both paid \$9.00 and we said that it was the City of Winnipeg that had to equalize the Hydro rate within the City and both would pay \$9.00.

Now, Mr. Chairman, the City of Winnipeg called the councillors, the majority of whom were of the ICEC strike, saw in 1973 a great opportunity to try to smash the New Democratic Party Government, and they set up, Mr. Chairman, a trio to travel, the travelling trio; they were going to go from riding to riding to sell this story. One, of the Greater Winnipeg Equalization Levy, how it was costing the residents of Winnipeg money and that the New Democrats were doing to their own constituents and secondly, Mr. Chairman, they pulled a fast one on the Hydro and they claimed to the public, which was an outright lie — and I'm glad that there is a councillor sitting here, today — they claimed to the public and went around trying to say so, that the province required us, required them, the municipal councillors to raise Hydro rates from \$8.00 to \$10.00 and they took the extra dollar and put it into the Treasury, Mr. Chairman. We said if the City of Winnipeg people were paying \$8.00 and the suburbs were paying \$10.00 they should charge everybody \$9.00. But the City of Winnipeg councillors, —(Interjection)— oh,

there are two of them. The Member for St. Matthews; was he not a councillor? —(Interjection)— Oh, yes, this one here, she was one of them, Mr. Chairman, absolutely, and I blame her for it. They thought, boy, what mileage we can make out of this. We will go to the City of Winnipeg residents and say that because of the Government of Manitoba we are forced to charge you 20 percent more in Hydro rates and took the extra dollar and put it into the City of Winnipeg Treasury, rather than equalizing the rates and went to try to sell that story.

Mr. Chairman, I went to my constituents and I said, I cannot say that you will have the advantage of the Hydro rates and you'll have the advantage of Unicity, and I cannot say that you will have the advantage of the school revenue from industrial taxation and you will also have the advantage of the suburbs now being part of Unicity. I can't operate that way. Maybe the Member for St. Matthews, who always says that he is going to get something at the expense of other people but, Mr. Chairman, I can't do that. I want you to know, Mr. Chairman, that when I was on Metro Council, that for years they had been trying to eliminate the zone fares on buses. There used to be a zone fare; you used to have to pay an extra nickle to go to Transcona. That's right. You had to pay an extra nickel to go to the university and a metro councillor, Mr. Chairman, you could never eliminate the zone fares because there were always at least five councillors who paid no zone fares, and if there were a total of ten, and those five decided that they are going to maintain the zone fare, then you couldn't eliminate the zone fare.

Now, Mr. Chairman, in my division there were no zone fares, and when I was on Council, we eliminated the zone fares and I voted to eliminate the zone fares because I said that I regarded people all over Winnipeg should be able to travel on the Transit System at the same rate. Mr. Chairman, of everything that has been said here today, and I'm not going to maintain that the Greater Winnipeg Equalization Levy is the answer today. My friendly Minister says, you're not saying that you'd go back to it? But I would vote with the system of equalization, if that formula was no longer working and it certainly worked at the time and it was intended, Mr. Chairman, to have an effect only until something broader can be devised. One of the things that was thought of and let's not hide it, one of the things that was thought up was that Greater Winnipeg at least for taxation purposes would be one school division and it was even suggested that the community committee structure would apply much more satisfactorily to the school division. In other words, the existing school divisions would operate as community committee school divisions but they would all be entitled to the same share of Greater Winnipeg taxation as any other division within the area and, Mr. Chairman, who really can argue with that? Who really can argue with that?

When we talk about the City of Winnipeg and the core area and the old city, we talk about it as if it's the city that pays the taxes. It's not the city that pays the taxes, it's the people that pay the taxes and chances are, Mr. Chairman, that everybody who now lives in the suburbs used to live in the City, not everybody, but a great number of people and that when they were yelling when the city should pay less

taxes they didn't know that two weeks later they were going to buy a house in Norwood and find that they've argued themselves into more taxes. Or they've got children, Mr. Chairman, who live in other areas, or they've got relatives who live in other areas and what could be more sensible than the Minister's own principle that people in the province should have a similar responsibility towards the payment of education taxes?

I must say, Mr. Chairman, that of everything that has been said trying to push for the advantage of the suburbs or the advantages of the inner city or for the advantage of the rural people or for the advantage of the City of Winnipeg, in my respectful submission, and I listened very carefully because I certainly didn't know as much about it as the Member for Burrows, but the Member for Burrows presented a very imaginative suggestion. He said effectively, as I understood it, that the province will pay 80 percent and they will pick that up through the normal consolidated revenues. The Member for Burrows said that he would like the recommendation of the trustees as to where 10 percent of that 80 should come, but effectively it would be provincial revenues. But we don't say in the City of Winnipeg that you pay 5 percent for education sales tax in the City of Winnipeg and 6 percent in the rural areas. That 80 percent after all is equalized. We do not distinguish between a citizen in the suburbs and a citizen in the rural areas with respect to the 70 percent of the education taxes that are now paid. Is that not correct? It is paid out of provincial revenues. You say that you are picking up 70 percent. Are they picking up 70 percent? If that's the case, that 70 percent we recognize that all citizens in the Province of Manitoba and we do not have a fight as between rural and urban and Winnipeg and Transcona; we say that they pay for it equally. It was once the position, Mr. Chairman, of the New Democratic Party, it was once the position and I can document it for you, that services for people should be paid for by people and that 100 percent of the cost of operating the school systems should be paid for by provincial revenues and taken off the municipal taxes. That was the policy of the New Democratic party.

Things change. One of the things that changes is that you come into government. Another thing that changes is that you find that there are different ideas with respect to this. For instance, some people claimed that this is necessary in order to maintain autonomy in school boards, that the school boards want their autonomy so badly, that they want to levy 20 percent on real property in order to maintain their autonomy; that they consider their autonomy to be worth much more than having all of the taxes paid out of municipal revenue. So the Member for Burrows has said, and it's imaginative, and I think that the Minister did agree . . .

Let us assume, Mr. Chairman, that you had one school division with many students and no commercial — excuse me, no students — let's assume that you had a locality with very very few children. (Interjection)— The Member for Seven Oaks said Tuxedo before Unicity. They had a very very small share of school taxes to pay, and they happened to have a big industrial revenue from the cement plant. So the ideal situation that the Minister

is pointing municipalities to . . . The Member for Elmwood talked about a modest proposal; get rid of the children and build cement factories; no school taxes. That is the direction; if it's not the direction at least it's the advantage. The advantage of the Minister's program goes to municipalities with few school responsibilities and very high industrial assessment. If one had a very high industrial assessment and few students, you are living the best of all worlds with respect to that share of the program that has to be paid for out of municipal taxes. The Member for Burrows said that and the Minister didn't deny it.

Presumably, and this is a problem with regard to planning, if the City of Winnipeg planning authority wanted to plan so that most of the commercial industrial development took place in the center core, they would be penalizing immediately the dormitory constituencies, and that's the problem that we had before. Whereas if a community wanted to stay relatively dormitory and didn't want industrial they would be penalizing themselves by virtue of their lack of commercial assessment for the school division.

The Member for Burrows' suggestion is so logical and so simply understood that there must be something wrong with it because otherwise I don't see why it would not be immediately adopted.

A MEMBER: There's a catch.

MR. GREEN: Well, yes, I would like to know what the catch is, and the Member for Burrows has asked for the catch on numerous occasions and nobody has suggested it. He said, figure out how much money is being spent by property owners, how many mills is that, and levy a mill rate over the province. That portion of the taxes that has to be levied by property will be 40 mills in Transcona, 40 mills in Winnipeg, 40 mills in St. Norbert, 40 mills in Churchill, 40 mills everywhere; and that that has to go on commercial property will be 65 mills everywhere; just as sales tax is the same everywhere; just as income tax is the same everywhere in percentage points. By the way, Mr. Chairman, is this so unusual? I mean, is this wild? That's the way we finance the hospitals and medicare. You don't say that one municipality that has high industrial assessment will pay less for their hospitals and the other one will pay more and the same with doctor bills. We have decided that we pay it all through the province.

Now the problem is this local school board autonomy and, Mr. Chairman, I don't want to — in other words where is the incentive to do differently? If they are all going to pay 40 mills, where is the incentive to do differently? Where is the incentive to try to save a dollar? Mr. Chairman, maybe they should be looking for a different type of incentive. Maybe if we are talking about per student grants and a school board does better or worse, not by virtue of how much they have available for taxation in their municipality, but how well they use the money that is given to them, and that there should be much more diversity within the school divisions and there is more now than there was and I am not denying it, but that the school trustees, their importance is measured not by how much they are able to get out of commercial or residential property, but what imagination, and this is where the block grants which you apply to

municipal councils should actually be applied to school boards.

If you want to talk about block funding on the basis of per student grants, the same I suppose as you do for the private schools — the private schools get money in accordance with students, per student grants I gather or something to that effect — that the imagination of the school trustee would be much more taxed in the program that they provide with the funds available and if some can provide a better program with the same funds that somebody else has and doesn't do as well, that is the competitive feature of a group of trustees trying to provide a better school system for the children that happen to be in their area.

Mr. Chairman, I am not suggesting that there has been an answer found, but I have to think that there has been a direction suggested. The direction suggested is almost fundamental, that we citizens of the Province of Manitoba, as a whole, have an interest in the education of children in the Province of Manitoba no matter where they reside, that's in the interests of the people of Inkster Constituency that the child in Churchill receives a good education just as it is in the interests of the people of Inkster Constituency that the child in Churchill is looked after by a doctor; that therefore the entire province is going to accept that responsibility, and you do it. You do it to the extent of 70 percent. The problem is that in the balance of the 30 percent, which is now on real property, the opportunities are unequal, depending upon the demography of the municipality, not the intelligence and imagination of the school board, but whether there are many children and a high industrial base upon which money is available to be collected.

I think, Mr. Chairman, that the Member for Burrows has tried his best to impress the Minister and other members of the House with at least the philosophy of what should happen and it's accepted 70 percent with regard to education and it's accepted 100 percent with regard to health.

The Member for Burrows has indicated, and the Minister has indicated, and it cannot be challenged that the accident of finances now depends upon how many children. The less children, the better off you are; the more commercial development, the better off you are. Is that the criteria by which children in Manitoba should be educated, that they happen to live in an area where there is much commercial development and a fewer amount of children, because I don't think that's satisfactory to the Minister? He says it's not satisfactory to the extent that he has equalized 70 percent. There is a problem with regard to the balance that is based on real property and I think that the Member for Burrows has better than I pointed it out on several occasions and I think that the Minister is not going to be able to answer that now, but at least he should be looking in the direction that has been pointed out.

MR. CHAIRMAN: (a) — pass — the Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Thank you, Mr. Chairperson. I have some specific questions to ask on the Manitoba Textbook Bureau, Mr. Chairperson.

So far we have been talking more about the general funding, but I understand that this is the time

to ask about the MTBB. Particularly, I wonder if the Minister could explain to us what the fundamental purpose of the Bureau is, what the costs are representative textbooks and library books if the division purchases them through the Bureau, compared with the cost if the division purchases them directly from the publisher and why there are surcharges of 5 and 10 percent put on all orders. I understand that where the distributor pays the shipping, there's a 5 percent surcharge on all orders and 10 percent on other orders. Whether the Bureau passes on publishers' discounts to the division which purchases the material and, if not, who gets those savings?

I point out, Mr. Chairperson, that school divisions used to be able to get substantial discounts, up to a third on volume purchases and remainders from the publishers, but these deals don't get passed on and there are complaints to the effect that the Manitoba Textbook Bureau also does not move fast enough to take advantage of some of these, the remainders, for instance, which go quite quickly.

Also, Mr. Chairperson, I wonder if the Minister can tell us why the funding to the divisions was changed so that library purchases must now be made through the Manitoba Textbook Bureau. The purpose of the Bureau should be, I understand, to provide the textbooks at less cost, yet it appears that the changes that are being made could reduce the power of library development dollars by as much as 43 percent.

MR. COSENS: Mr. Chairman, just responding to the questions on the Textbook Bureau, as I understand it, the four western provinces have adopted this method for some years with the idea that bulk purchasing, bulk buying, will result in benefits to the school divisions across the province and I think, in fact, that has occurred. Now, the member may be able to establish some instance where a large school division perhaps might go to a publisher, under certain circumstances, and be able to derive a better deal once, perhaps twice, but the purpose, Mr. Chairman, very simply, is the idea that a bulk purchaser purchasing large numbers of any particular title or titles can achieve a better price than someone purchasing a very small number. It's as simple as that. The Bureau makes sure that its prices are such that they take into account the operating cost of the Bureau and, as I understand, they do this and they are able to balance their accounts each year. I feel that over the history of the Textbook Bureau, and I know it's been there for a long time, that it has provided a valuable service to the schools of Manitoba. Particularly the smaller school divisions certainly have benefited from it, Mr. Chairman. It is quite possible that two or three of the larger divisions may have felt at times that they could do as well in their purchasing, I don't know. I haven't seen comparative prices nor have I been advised as to what takes place in that particular type of purchasing. But generally, the Textbook Bureau has acted as a bulk purchaser for the benefit of achieving lower prices to the many school divisions across this province and, in particular, the smaller divisions, which certainly would operate with a certain handicap in that area, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Chairman. There have been some remarks made by the Minister and by the Member for Crescentwood with respect to the new system of education financing and especially the elimination of the Greater Winnipeg Education Levy and the replacement with the new program. I want to assure the Minister that we on this side are in full support of any program which will provide more assistance to children with special needs. Certainly that aspect of the program is one which we do support.

We are somewhat unhappy about the fact that it is limited, for instance, as I mentioned previously with respect to English as a second language program, we find it wrong in principle that immigrant children would qualify for it and locally-born native children do not qualify.

Now, we have heard a fair amount about the Greater Winnipeg Education Levy and the effect of its elimination. When it was first initiated, as the Member for Inkster indicated, it was to in some way provide a certain amount of fairness in education financing throughout the City of Winnipeg. We would be the first to agree that over the years, it became less fair than it was at its initiation. However, we have certain concerns — certainly I have certain concerns with respect to the way the new program is operating and I speak as a member representing a suburban riding and a suburban area which is going to have to pay considerably more in property taxes as a result of the new program. I am advised by my School Board, River East, that approximately a 12-mill increase will result. I am also advised that had there been no new program and no \$40 million extra put into this program, had we just had the old system, in my particular school division, property taxes, or education taxes, would only have gone up by one-half of that amount. So for my particular area, we are getting hit with an increase which is double what we would have had, had this \$40 million extra not been spent. But that \$40 million extra is coming just as much from the people of Rossmere as it is from other areas of the province, so in addition to that extra 12 mills, there is an extra \$40 million which we will, in my constituency, have to bear the brunt of 1-57th of it, assuming that we pay approximately as much income tax as other areas and probably we pay more and therefore probably we are getting hit with more than 1-57th. (Interjection)— I haven't heard the Conservative president, who is writing a column in our local paper, I haven't heard him comment on this at all and I certainly would be curious to hear what his response to this is.

It seems to me that we do have a bit of a problem here in that Winnipeg is the only city in Manitoba within which industrial or commercial taxes are being hived off to specific sectors. That is, if you take Brandon, it doesn't matter whether you live on 28th Street or right in the heart of the industrial district, everyone in Brandon benefits from the industrial heartland taxation in Brandon, because there is one school division and therefore there is inequality there. Here, because of the fact that we have — what is it, 14 school divisions or something like that in Winnipeg, when you bring in this type of a program, which lessens the amount of revenue sharing, we wind up, I believe, with a problem. Now,

we have heard about the house on Boyd Avenue as opposed to the house on some other avenue, and that is something on which I would agree with government members, that that is unfair, if the mill rate on Boyd Avenue is higher than the mill rate on some street in East Kildonan or North Kildonan. If it's higher than there, then I would agree that that is somewhat unfair.

I would hope that we can devise some kind of an alternative for Winnipeg and I am just wondering whether the Minister looked at this when he came up with this program, under which, at least, there would be equalization throughout Winnipeg of the commercial taxation because a person living on McLeod Avenue in East Kildonan is, in fact, as much a part of the city and should have just as much of a right to collect or share in some of the benefits of Trizec as a person living on 26th Street in Brandon shares from McKenzie Seeds. It seems to me that there is nothing wrong with that position as a proposition of equity.

So I think that is something that the Minister should be looking at. The person on McLeod Avenue is, in fact, paying for these new commercial buildings, that is, in property taxes. When we upgrade property services, when we upgrade firefighting services, which the person on McLeod Avenue certainly doesn't have the same need for as the commercial district downtown, but we pay equally and we are not objecting to that; we are not objecting to that. We pay equally for higher policing costs of the commercial district downtown, but when it comes to getting the benefits from those very same commercial districts, including places like the airport, suddenly we are told that no, that's not ours, we shouldn't be able to share in that. We are told we're going to give more of that to Winnipeg. Now that doesn't mean — again I want to repeat, that doesn't mean that Winnipeg shouldn't have extra funds for its extra problems.

We've heard about the special needs of the Inner-city and we agree that we can surely, as a city or even as a province, agree that there would be a pool which should be payable for those kinds of problems, but it should be done on the basis of fairness, not simply on the basis of where a particular smoke stack happens to have been located. I would point out that when it comes to industrial development, at least Brandon has some kind of a choice. You might be able to say to Brandon, "well, you should have done a better job of getting industry to locate in Brandon; one of the reasons you don't have as good a tax base as Portage la Prairie is maybe you didn't do as good a job of attracting industry, or maybe you didn't want industry and this is the down side of that decision." But you can't say that in Winnipeg, where the River East School Division or the Transcona School Division surely isn't set up for the purpose of attracting industry. So we have bedroom communities, which we have all deliberately chosen to be bedroom communities; we have city councillors who make decisions as to where industry is going to locate and since 1971, since Unicity, these councillors have never had to face the issue of different communities now, as we probably now will have vying to get industry. Just like the good old days, just like when we had Canada Packers moving

from Logan Avenue or someplace in Winnipeg to St. Boniface for a tax deal, and now for the first time, I may feel tempted to phone my city Councillor to say, could you possibly work to see whether we can get an industrial development out in the Lagimodiere area, or someplace. (Interjection)— Well, an abattoir is suggested and of course, the Chairman has discussed abattoirs, possibly it might not be a bad idea, providing it's down wind and providing we get the input of the Chairman on . . .

MR. CHAIRMAN: The next one goes to Transcona.

MR. SCHROEDER: But whatever, this does bring in a new concept, and the suggestion that there is the same kind of sharing as there was in the past, is of course wrong.

What the Minister has done is, he's taken \$40 million beyond what he probably would have put into education this year, in order to give us this pill to swallow for now and he has cut down on the amount of sharing which Fort Garry is required to get into. It used to be that the Fort Garry area shared more of its industrial taxation with the rest of Winnipeg, than it is now sharing with the rest of Winnipeg and the whole province, and that is why you have nice letters from the school trustees in Fort Garry saying the Minister of Education has done a fine thing. Certainly, property taxes will go down in Fort Garry; they have McGillivray Boulevard area of industrial sites, and the University of Manitoba and other areas and so naturally, they will have a decrease in the property tax payable. But for the Minister to suggest for one second that he has created sharing, is an absolute illusion and falsehood, because he has in fact decreased sharing.

Not only has he decreased sharing from Fort Garry, one of the rich areas to the rest of the city, he has diluted that to take it into the rest of the province so that he could manage to try to save the necks of some of the Tories, who are going to be in trouble in the next election because of the economic policies of this government, and in all, the shell game, I would suggest, will not wash. I have been in communication with Agassiz School Division, I am told, contrary to what the Minister just finished saying, I was told by the division office in Agassiz that the farm and residential taxes are going to be up by a half a mill, which is minimal, half a mill though in Springfield, commercial is going to be up 9.9, in Springfield municipality.

Now it seems to me that with the addition of the extra \$40 million, that is substantial. In St. Clements, it'll be up by 5.2 and 14.8 respectively and in the R.M. of Lac du Bonnet, 2.2 percent up for farm and residential and 10.8 for commercial.

I don't know where the Minister gets his figures from, but I would like to see him table those figures, because he has been quoting figures, he's been mentioning that there's 31 divisions going this way and there's four on the other plane and that sort of thing. Well, I would like to see the Minister table all of the figures that he does have so that we can see whether his figures compare to the figures that we have been provided with, and in so doing, I would also like the Minister to comment on the idea that he is in fact creating sharing, when I suggest that he is cutting down on sharing.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, I have no problem at all providing the honourable member with a copy of the mill rates based on balanced assessments for divisions across the province and they will in fact illustrate what I mentioned earlier. The member seems quite concerned that the school mill rate has gone up half a mill in one particular locality and I suggest to him that is hardly viewed by most people as a significant increase. However I will make a point of getting that information to him, in regard to the mill rates, based on balanced assessments and they do support the figures that I produced earlier this afternoon.

The Member for Rossmere comments that he's disappointed about programs for native students not being located in the support program itself, and I can tell the honourable member, that in fact the support program does make provision for all sorts of special programs, and if he looks at the particular segment of the educational support program called Extra Operating Grants, that it is in that particular section that those divisions that do have programs for native students in particular, will benefit from the support program. They have not been ignored, certainly they have not been categorized, if that is what is concerning the honourable member, but the extra support is there to meet programs such as he is mentioning.

He did mention something about River East School Division, saying that if things hadn't changed, that they would have seen a much diminished mill rate. Well, Mr. Chairman, I can tell the honourable member that the effect on the city per portion of that school division, if the grant increases for this year had been, as they've usually been in the 8 percent area, and if the former grant program had been enforced and the Greater Winnipeg Equalization had been retained, that on residential property the total mill rate in that school division would have been 81.3 mills.

Now as I understand the mill rate under the new program is some 77.3 mills, Mr. Chairman, four mills less than it would have been, had the old program remained in place, and I wanted to mention that to the honourable member. He talks about Brandon's industrial assessment; he said that certainly benefits Brandon. Mr. Chairman, he misses the whole essence of the program. In the equalization, that assessment in Brandon, the industrial assessment benefits all Manitobans, and he mentions Trizec Development and he said that should benefit all Winnipeggers. Mr. Chairman, I think we have to think beyond the Perimeter Highway a little bit, as the Member for Inkster has done. The Trizec Corporation's assessment is something that under this program benefits all Manitobans, and that's a point that the honourable member seems to miss and certainly not one that the Honourable Member for Inkster has missed, because he advocates this type of equalization across the province.

The only thing, Mr. Chairman, is that he carries it, if I'm correct to the point where he says, this idea of school boards having the responsibility and the right to levy on local taxpayers, is not something that's essential, that's paying too high a price for autonomy and that should be removed.

Well, Mr. Chairman, that is not what we have heard from school boards over the last few years,

nor is it what we've heard from municipal people across this province, who say that particular concept should be and must be retained, and we have retained it in this particular program.

The Member for Inkster also says, that the less children the better off you are in school divisions. Well, I don't think the facts support that at all, Mr. Chairman. The program takes that into consideration; it takes it into consideration and the more funding that you need will accrue, as long as you have those basic units of students, and it's as simple as that, Mr. Chairman, the funding increases by the number of students. So to say that the less children, the better off you are, I have some problem with that particular . . . When the member mentions George Bernard Shaw maxim about robbing Peter to pay Paul, Mr. Chairman, if there ever was something that illustrated that maxim, it was the Greater Winnipeg Equalization Levy; if there ever was anything that illustrated it. What it was was a partial equalization that existed in this province partial, didn't do the job, only benefitted a certain segment of the province. We in turn have put in place something that's been advocated by every educational group in the province, whether it be teachers, trustees, school superintendents, school business officials, municipal officials.

We have put in place a province-wide equalization, and of course the honourable members may still say, well that's robbing Peter to pay Paul, I suppose you could still find instances where you might say, well, this area of higher assessment is paying out for this area over here that is of lower assessment, but the Member for Inkster says, but we accept that; we feel that a child in Churchill is entitled to an education, the same as in any other part of the province. I think we all accept that, and accept that there will be a certain element of robbing Peter to pay Paul in any equalization program. But at least, Mr. Chairman, an equalization program that exists across the province, and as the Leader of the Opposition said, in his January news release, the most positive aspect, he said of the new program, is the equalization that will apply across the province. Actually, Mr. Chairman, it seems to be a point that he has either had second thoughts about, or some of his members do not subscribe to it at this time. Now whether they're suggesting that we should depart from that provincial equalization, that it's not the right thing to do, I'm very interested, Mr. Chairman, in hearing what their position is on that, because they seem to be saying, oh, provincial equalization is wrong. What we need is just an equalization within the perimeter. Well, Mr. Chairman, this equalizes right across the province, whether it's within this particular city, whether it's within Brandon, whatever. It is provincial equalization, it seems to be a concept that the honourable members have some problem with, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. WILSON PARASIUKE: Mr. Chairman, I've been trying to determine the logic behind the Minister of Education's statements. He seems to completely misunderstand the concept of Unicity. We're talking about local taxation, and he talks about equalizing across the province, but he misses out the concept

of Unicity; he misses out the quid pro quo that was established at that time, and when he says that we're equalizing benefits from Trizec across the province, does he then say that the entire province should be contributing to the municipal costs associated with providing municipal services to Trizec? He would, of course, say you are talking about apples and oranges, one of these municipal taxes and I'm only talking about school taxes. But the point is The Unicity Act requires people in the suburbs, requires people in the Transcona-Springfield School Division as local taxpayers within the City of Winnipeg to pay for municipal costs associated with Trizec, to pay for municipal costs associated with the Underground Concourse, to pay for the upgrading of downtown sewers, to pay for those things to make Winnipeg a better city. They assumed that by doing that they would continue to have access at least to the commercial assessment in the city for purposes of equalization with respect to this special levy, and that is what this government has done away with.

The Minister can try and duck that issue as much as he can, but it won't wash, it certainly won't wash in those areas. I don't know why he tries to keep confusing that aspect. Should he ask the people, is he implying that the people of Transcona-Springfield should withhold paying extra amounts of municipal taxes because of Unicity? Should they subtract the amount that they are now being required to pay as an extra so that they can be better enabled to pay their school taxes? He's just trying to duck the whole relationship between municipal taxes and school taxes which affect local taxpayers. This isn't a theological exercise. We are not trying to get into esoteric debating points about how many angels there are on the head of a pin. We are talking about the practical realities facing local taxpayers who thought that they were part of a fair deal when Unicity was brought in. A fair deal that has been undone by the Conservative Government of Manitoba, it would appear for blatant political purposes, because the greatest beneficiary of this change is not the City of Winnipeg, which has always had special costs and special needs, and people haven't objected to that, the greatest beneficiary of this blatant political move is the area of Fort Garry which doesn't have special needs, hasn't had special needs, and has three Ministers —(Interjection)— and a Minister too afraid to run in his particular riding and running out in St. Norbert.

That's the political reality of Conservative fairness, and if the Minister thinks that the people on the east side of the river will not remember this, he should go ask the present Chairman how the people of Radisson will react. He should go ask the president of the Conservative party of Manitoba, who I gather wants to run in River East, how the people of River East will react to blatant Conservative politics with respect to fairness in education funding. He doesn't have to go to Transcona to find how the people of Transcona will react. They have found that the statements of the Minister have been either misleading deliberately or misleading by ignorance. When the Minister gets up and tries to imply that Transcona is a high spending school division and that the reason why their taxes are going up so much is because they are big spenders, he either hasn't learned much in three years as Education Minister, or he is practising deliberate deception.

If you look at the records that he conveniently forgets to bring into play and to make public, you will find that for four years, going back to 1976, the operating costs per pupil in Transcona has been very low in comparison to Winnipeg and Fort Garry — 1976 operating costs per pupil: Transcona, \$1,181; Fort Garry, \$1,468; Winnipeg, \$1,579. 1977 operating costs: Transcona-Springfield, \$1,333; Fort Garry School Division, \$1,562; Winnipeg School Division No. 1, \$1,700. 1978 operating costs per pupil: Transcona-Springfield School Division, \$1,469; Fort Garry, \$1,675; Winnipeg School Division, \$1,947. 1979 operating costs per pupil: Transcona Springfield School Division, again at the bottom, \$1,663; Fort Garry, third highest, \$1,906; Winnipeg School Division, \$2,183. 1980 operating costs per pupil: At the bottom, Transcona-Springfield School Division, \$1,903; Fort Garry No. 3, at \$2,333; Winnipeg School Division, \$2,612.00.

These are the major school divisions within the City of Winnipeg, and when the Minister gets up and then tries to give the impression that a school division that has conscientiously tried to keep its costs per pupil down is some type of profligate spender, let me tell you what the people of Transcona will say to him. The point is that they started off trying to talk facts with the Minister, they presented briefs, they never got one particular response from him, and when the Minister gets up and says I've had consultation with Transcona and other school divisions in the formulation of his educational funding program, again, he is either practising deliberate deception or he is misleading us through ignorance, because he did not consult with them, he did not sit down with them over the last four months that this education funding program was developed and say this is how my changes will be effecting your budget. Does this impact you; does this impact you in a negative way? If it does, because you might be in the midst of certain programs, is there any adjustments we can make. That would have been a fair and reasonable way in which to operate, but it's obvious that this Minister had to get himself out of a political box where he made a statement last year that he would bring in a new education funding program by the end of the year. He didn't do that, he was behind schedule, so he frantically put together this package very late in the year, providing no flexibility for school divisions, he has locked himself into an inflexible rigid position in the same way that his Premier always locks himself into a rigid inflexible position. He won't make any adjustments and to save face he tries to make Transcona-Springfield as a particular school division a scapegoat. That type of politics won't work; it will boomerang badly.

The Minister should tell us what proportion of the population lives in suburban school districts with lower assessment and what percentage of the school population lives in those school districts that have a low assessment. The figures I have indicate that two-thirds of the school population live in the suburbs, one third live in the city and in Fort Garry. Yet two-thirds of the assessment is in the City of Winnipeg and in Fort Garry and only one-third is in the rest of the city, where two-thirds of the school population live. The Minister says that by abolishing any type of sharing for the special levy that he has created some system of fairness, and he's wrong.

A MEMBER: The foundation system.

MR. PARASIUK: The foundation system doesn't deal with the special levy and that's the whole point, and if he says — the special levy is on 20 percent. We are talking about the special levy that local school districts have to raise. These school districts consist of taxpayers who also pay the extra municipal taxes for Unicity services. (Interjection)— They don't get subsidized by the inner city. Now we have another expert coming into the fray and I wish he would get up and speak on the issue if he wants to.

A MEMBER: You have got to sit down first.

MR. PARASIUK: I wouldn't mind, I will pretty soon.

What you are getting is suburban taxpayers paying extra costs for underground concourses, and they do so. They feel they should have access to the assessment for school purposes, and the Member for River Heights is saying that the municipal costs in Transcona are greater than the municipal costs on an average basis for the downtown part of the City of Winnipeg. It's interesting, that holds true for police service, fire protection, that's not the information that we've received from the other people. Now if the Minister wants to contradict the other councillors, fine, he can do so, but that's not the information that we've received.

No one has ever denied that with respect to education purposes that Winnipeg has special needs. Those in fact are special needs that I think the entire province should recognize and pick up through consolidated revenue funds, not through levies on property. We have a lot of special problems in the city, but in order for us to deal with the special problems in the City of Winnipeg do we have to change the financing system in such a way that the greatest beneficiary is probably Fort Garry, which doesn't have special needs. Is the Minister going to say that the needs in Fort Garry, the special needs of students, are as great there as they are in Winnipeg School Division No. 1? I'm pretty sure he wouldn't say that, and yet they are great beneficiaries.

I come to the points raised by the Member for Rossmere about the future, because what we have right now is a gilded pill. We have a fairly large infusion of provincial money for one year, but the system itself isn't particularly good. I wonder what is going to happen in the future. We have certain school districts that have no power at all over industrial location, over future commercial assessment, and these are the ones that in a sense are held captive by Unicity decisions as to where future commercial assessment will develop. What he will do is build up pressures for the destruction of Unicity or conversely, and this has been told to him by other school divisions, he is going to build in a lot of pressures for one school division. There are a lot of problems right now with parents feeling they don't have a close enough relationship as it is with school districts, and school boards, and school divisions.

Now if that's the type of policy the Minister would like to bring about he should get up openly, honestly, and tell us yes, he feels that there are a number of advantages to a unified school division, and he should proceed on that basis.

But he shouldn't tie both hands of certain school divisions behind their back and then criticize them

for big increases. He should look at the history of the way in which the city has developed, where the commercial assessment has developed in the past, what the prospects are for the future, and explain what he is going to do to compensate those school divisions within the City of Winnipeg who have very little prospect of commercial assessment increasing in their particular areas, but who are also faced with the prospect of fairly large increases in school-age population. He hasn't answered that question. There was, in the creation of Unicity, some basic concept of sharing with respect to municipal services and there was an expectation that there would be a return sharing with respect to education services. That has been changed by this government. That has benefited some school divisions in the short run; it's hurt others in the short run. I predict it's going to hurt many more in the longer run, and the Minister remains rigid, inflexible with respect to this particular dilemma brought about by his quick changes in the Education Funding Program over the course, of between the months of November and February.

The rules themselves were changed. He has to admit that the rules he brought out in January changed the ball game pretty substantially without much notice. Now, you know, if a government — if it was a New Democrat government that brought about those changes with respect to mining royalties, could you imagine the howl and cry of the Conservative government about that? But when they bring in those types of quick changes, catching school divisions in mid-program, mid-budget, they do so in a very callous, hard-hearted, inflexible, rigid manner.

Transcona is a good case in point. It's in the middle of a three-year program, which it knew it could do because of the Greater Winnipeg Education Levy. It was in the middle of it; it was handling its budget quite well. In fact, if you looked at the statistics, obviously on a cost-per-pupil and on a gross-budget-per-pupil, they have been incredibly responsible over the last three to five years in this respect because they have been managing their affairs quite well. But they got caught in a program of vocational development, which they were able to handle within the financing resources available to it in 1980, which it presumed it would have available to it as a school division in 1981 and in 1982, and the government changed the rules of the game and left that school division high and dry. Instead of trying to recognize that situation with respect to that school division and saying perhaps there is some way in which we can deal with this particular problem, and perhaps there is some way that we can recognize the notion of sharing with respect to special levies, with respect to commercial assessment, not with respect to residential assessment, but commercial assessment, instead of striking that position of compromise, which was available to him, which he could have taken, I think the Minister panicked because he had brought in this program so late in the process. He had been delayed for about a year-and-a-half from previous statements about what he would do with respect to education funding.

So I think, in order to save face, he has refused to be at all flexible and try and deal with the real problems of some school divisions on the east side of the river. He can't sort of imagine those problems the way that they have. He can't go on just blaming

them for their short-sightedness in not being able to read his mind one year ahead of his short-sighted moves.

I ask him why, even at this late date, will he not sit down and consult with the Transcona-Springfield School Division, instead of saying that he has consulted with them when, in fact, he hasn't consulted with them? Why doesn't he sit down — has he ever responded to their brief to say, well, you have some problems here, that there are certain ways in which some of these problems can be gotten around, or does he say that the Transcona-Springfield School Division, in their brief which he has received, is 100 percent wrong, has no problems, should only reduce its expenditures in the middle of a three-year program, and all these problems which have been brought about by his changes, unilateral changes in the Education Funding Program, would go away?

Surely it's not too much to ask for the Minister to at least give a written, formal response to the Transcona-Springfield School Division's brief. Go through their brief in detail, respond, rationally, substantively to that brief, which was put forward as a result of a great deal of hard work, in good faith, as part of a process of ongoing consultation, which the Minister says he is willing to undertake but, in fact, in the past has not undertaken. The Minister's notion of consultation is to receive briefs from the school divisions but never answer them. That isn't consultation; that's not the way the funding program should have been developed.

We can argue forever, I guess, as to differences in interpretation regarding Unicity, the concept of sharing within Unicity with respect to municipal and school services. I can see that the Minister is very rigid and inflexible with respect to that, that we have differences so maybe that's as far as it should go. But surely he owes the School Division of Transcona-Springfield a response to their brief. Surely he owes them a meeting to see whether in fact some of their real problems cannot be resolved by a government that is trying to solve problems rather than cause them.

MR. CHAIRMAN: The Honourable Minister of Consumer and Corporate Affairs and Environment.

HON. GARY FILMON (River Heights): Thank you, Mr. Chairman. Mr. Chairman, I was interested to hear the Member for Transcona's views, as well as the Member for Rossmore's views of how the municipal costs for the suburbs are subsidizing the inner-city people for the provision of municipal services. Well, Mr. Chairman, I would like to tell you that from my experience on City Council, it is quite the opposite. In fact, it is at the stage where there is a requirement for an economic impact study for any new suburban development within the City of Winnipeg now, that will provide as clearly as possible an indication of just what costs are undertaken when new suburban developments occur within the City of Winnipeg because for a long time it has become evident to members of City Council that every time you go a little farther from the core area, the inner-city of Winnipeg, to provide for new housing developments, you are in effect asking that base load taxpayer in the inner-city to subsidize the provision of municipal services for those suburban taxpayers.

How is it done? Well, it's done in a variety of ways, Mr. Chairman. The cost of provision of infrastructure such as sewer and water is much higher on a per capita basis for the suburban sprawl developments such as Transcona or North Kildonan, or any of those. Why? Because firstly the population bases are less dense; secondly, the cost of extension of sewer collection systems which ultimately have to bring together the sewage for treatment at a central facility, the cost of the distribution and pressurization of the water mains, the farther you go from the centre of the system, it becomes much greater and it increases geometrically, not just on an additive basis, to extend those services.

More so, if you want to take a look at the costs of providing transit, as the Member for Inkster indicated, his view of taking off, so that there would be some equity, taking off that zone fare system some years ago. Well, there's absolutely no question that the farther you go away from the centre of the transit system, the much more expensive it is on a per rider basis, on a per capita of residents out in that area. It's far greater than it is for the central core area, where you have a denser population and greater opportunity for more economic provision of these municipal services.

The same thing holds true for police protection because all of the time is spent by the police in their cars driving out to a call somewhere five miles away from the station; it's much greater for a fire call, for an ambulance call, on a per capita basis. They are geometrically greater than they are for providing those same services for the core area in the inner-city of Winnipeg.

The Member for Rossmere knows nothing about it so he can sit there and say, ah, come one, all he likes, but the facts and the figures are available and all he needs to do is go and see the City Treasurer and they can cite you chapter and verse about how expensive it is to provide all of these municipal services for the suburban areas. The old saw that the Member for Transcona gives about his people paying for Trizec and for the Convention Centre, well, I can tell you that Trizec and the Convention Centre are not provided for the residents of the inner-city of Winnipeg either; they are provided there for the commercial and industrial tax base that is of benefit to everybody on a municipal basis right across the city. You have a unified municipal tax base and all of that tax base goes across the city for all of your municipal rate.

Now we come to the matter of whether or not the equalization that was provided for under the Greater Winnipeg Equalization Levy was effective in providing for some equity in amongst the various school divisions. I want to say that right now, under the present system brought in by the Minister of Education, we find that at least 80 percent of all of the costs of education are now provided for, taking into account the commercial and industrial base and spreading it not only across all of the city but across the entire province. We do that by the Foundation Levy being 75 mills on commercial and industrial and 37 mills on residential, so that we have a full 38 mills taken and spread across the board, not just within the City of Winnipeg, but right across the province, to provide for equity in a tax base for the education levies in this province. The 20 percent of the costs

that we are talking about in the Special Levy amongst the various school divisions, I would say that there's probably just as good a case that could be provided for the inequity of all of the additional services that have to be provided within the inner-city and the City of Winnipeg No. 1 to provide for education and training, for the heavy immigrant population, the disadvantaged, the native people, and all of those people. There is just as much an inequity, perhaps, existing there as there might be, given the differences in the tax base that the member is trying to point out.

But the present system is far more equitable to all of the people in Manitoba in providing for this Foundation Levy, and the extra Foundation Levy on the commercial and industrial to be spread out throughout the province, as opposed to the phony makeshift system that was brought in by the members opposite to try and assuage a few people from the suburban areas who were going to be hit by some fairly large tax increases as a result of Unicity. So they did a bit of juggling and came up with a make-shift formula that was so inequitable, Mr. Chairman, that it threw the whole thing out of which within seven years, it just bore no resemblance to any sort of logical conclusion that might be drawn about equity and spreading out of commercial and industrial base levy. So, I suggest, Mr. Chairman, that the Members Opposite are just squeaking a little bit because their own areas happen to have been slightly affected as a result largely of massive increases in budget in their own school divisions and they are trying to cover all of that up by making a loud noise in this Legislature and pounding the Minister who has brought in the most equitable system and the best new financing system for education that we've had in this province in a long time.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MS. WESTBURY: Mr. Chairperson, I think you're a wonderful person and I you're doing a wonderful job and I wonder if you could give me a little guidance, please?

It was my understanding that when people rise to ask questions they are allowed to continue their questions. I was able to ask a question at 29 minutes passed 4:00 and another one at 5 to 9:00 and I sat down to give the Minister a chance to answer and I wasn't allowed to continue, Mr. Chairperson. Now, I can ask all my questions one after the other and drive the Minister bananas or I can sit down once in a while and give him a chance to answer. So, I'm giving you notice, Mr. Chairperson, that I have more to say and just because I sit down it doesn't mean that I've finished my questions. I hope that that meets with your approval, sir.

In asking questions about the Manitoba Text Book Bureau, I received some answers and that was a long time ago, and I'm sure everyone has forgotten it, but I wasn't thrilled to bits with the answers. I want to point out that schools used to watch, Mr. Chairperson, for remainders from the publishers in order to supply their needs cheaply but the Book Bureau, I am told, moves too slowly for this to happen and the Minister said that he hadn't heard any complaints, or words to that effect. But I want to

remind him that the Manitoba School Library Audio-Visual Association through the Manitoba Teachers' Society has requested that print and non-print grants be expended through suppliers in addition to the Manitoba Text Book Bureau, and surely this is in effect a complaint. An example that they have suggested is that invoices should be submitted for credit rather than the whole process being done by the Manitoba Text Book Bureau.

Mr. Chairperson, the Minister also didn't answer my questions on the 5 and 10 percent surcharge which the Book Bureau adds on to what the school boards used to pay. I also want to point out that the budget adds together print and non-print and library which encourages or forces the school boards to take from the library if costs go up in the print and non-print teaching materials, and there was no increase in this item so it would seem that the school libraries are going to suffer due to the inflation in cost of the teaching materials. I'm going to sit down, but I haven't finished, Mr. Chairperson.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, I might tell the Member for Fort Rouge that this whole matter is under review at the present time and we are looking at some of the items that she has mentioned. Certainly after completing the review if we see that there are improvements that could be made in the system, I'd be quite prepared and open-minded about entertaining those particular improvements. She mentions the 5 to 10 percent surcharge, it's a 7 percent surcharge, Mr. Chairman, on the net price, not 5 or not 10 and I'm also informed that even that is not quite adequate to make up the expenses and that they have been using up some accumulated surplus to make up the particular difference that results.

MS. WESTBURY: Mr. Chairperson, I wonder if the Minister can tell us why the funding was changed so that library purchases must now be made through the Text Book Bureau? Under the old funding system, the funding was \$5.00 per pupil for library which was paid to the school division which could buy their material anywhere and \$20.00 per pupil for print and non-print which was paid as a credit to the school division at the Manitoba Text Book Bureau and under the new system, it's \$25.00 per pupil for everything, all is accreditive at the Text Book Bureau.

Can the Minister tell us what the reason was behind that and then I'll have more questions.

MR. COSENS: Mr. Chairman, the library grant has been rolled into the basic operating support program and as a result school divisions are free to utilize that as they see fit. In fact, it should result in, I would hope, increased expenditures in the way of supplementary library resources. So the particular concern that the member mentions, I think, is being addressed in the fact that more dollars are being made available to school divisions to utilize for library through the basic operating support. Beyond that, I don't see any particular problem with the program at this point. They are not being confined to the Text Book Bureau as far as the purchase of library books is concerned.

MS. WESTBURY: Mr. Chairperson, where the division uses print and non-print for library

purchases, will the Bureau staff be increased proportionately to handle the increased work load speedily and efficiently?

MR. COSENS: Mr. Chairman, I'm quite prepared to take a look at that particular item. The member brings it to my attention that she feels there's a deficiency in the staffing; doesn't enable the Bureau to operate efficiently enough. I'm prepared to look at that, if my determination coincides with hers, then we would consider additional staffing.

MS. WESTBURY: Going back to the matter of the surcharge, Mr. Chairperson, the school boards didn't need any surcharge and I suggest that the Text Book Bureau since it needs an additional 7 percent, the Minister tells me now, there must be some deficiency in the way it's operating if it needs the extra 7 percent. I wanted to ask about the increases that have been included, whether inflation has been taken into account that has occurred since the last time the grants were changed. What mechanism is being put in place by the department to assist school divisions in analyzing their budgets and expenditures to make program budgeting possible? What staff of the Department of Education is responsible for clarifying implementation of the new grant structure to the layman involved and whether data can be provided now on current expenditures by program at the division level or at the provincial level?

MR. COSENS: Mr. Chairman, I'm not sure that I have all of those questions. I may have to consult Hansard tomorrow in order to determine that I have all of the member's questions. But certainly, program accounting and budgeting is something that we're anxious to put into place to assist school divisions across the province. There's been some delay, I must admit, Mr. Chairman, in finding the appropriate person to head up that particular program. We have encountered some frustration in finding someone with the accounting and the computer experience to take charge of that particular function and as soon as we are able to find that person, I'm very anxious to see it go forward and I think it will help us achieve some of those things the honourable member mentions.

I might also mention that immediately upon the announcement of the new financing program, seminars were held across the province at locations such as Dauphin, Brandon, Thompson, two seminars in Winnipeg, one in Carman, to explain the new program. There were also meetings with the Manitoba Teachers' Society and with the Manitoba Association of Trustees as well as these particular seminars that were open to school division personnel whether they be secretary-treasurers or assistant secretary-treasurers, superintendents; people employed by school divisions across the province. The reports that I've received from school board officials who attended those particular seminars is that they were exceedingly effective and helpful and in all cases I've received very positive reports about them. So that the people directly involved with the program have had the opportunity to have the program carefully explained to them in some detail, the opportunity to ask questions and get answers to their questions.

MS. WESTBURY: Do I understand the Minister to say then, Mr. Chairperson, that when they have

somebody in place to head up that branch of the department that they will be providing professional development training in program budgeting for superintendents, secretary-treasurers as well as trustees and principals so that they can prepare budgets which will respond to the needs of quality education in their particular areas? Is that what the Minister is telling us? Are they going to be continuing that further into this area of program budgeting?

MR. COSENS: Certainly, Mr. Chairman, any school divisions that are encountering any problems with this, members of our staff are available, ready and willing to help them with any particular questions they may have as far as the program is concerned.

MS. WESTBURY: Yes, thank you Mr. Chairperson, I will look forward to getting more information from the Minister perhaps in the next few days that particularly I would like him to — he said there were studies going forward in connection with the Text Book Bureau and I'd like him particularly to have a look at this matter of the combining of the library and the teaching materials, the print and non-print, which results in fewer dollars being available for the libraries and I believe that this is a very important area and I hope that the Minister will ensure, Mr. Chairperson, that the libraries are not going to be suffering under this method of combining the figures in the budget.

MR. COSENS: I just wanted to respond to the one remark by the honourable member and that is there are less dollars available for libraries — not correct — Mr. Chairman, in the basic operating support. There are more dollars available now for usage of school divisions to purchase library supplies, library books, than have every been available before and that's something that I'm quite pleased about.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Thank you. I wanted to clear up one inference that the Member for River Heights left with respect to suburban versus inner-city development. I did not say, nor do I believe that the marginal cost of suburban development is greater than the marginal cost of inner-city development, that is, a new house in the suburbs right now creates more of an onus in terms of municipal taxes than does a new house that would be located in the downtown area of Winnipeg, because you've already got your streets, your sewer and your water downtown.

However, the average cost for municipal services for the suburbs will still be less than the average costs of the municipal services for downtown Winnipeg, where you've got to clean the street much more frequently; you've got to load the snow onto trucks and haul it out there; haul it out of there onto the rivers, whereas in suburban areas, you just push it onto the side of the streets. So those operating costs on an average basis are lower in the suburbs.

They are increasing as we have suburbia expanding further and further, but I don't want to leave on the record that the incremental costs of suburban development are less than that of downtown development, which is why you need to

have more downtown development. We have to infill some of those empty lots that are downtown, and in those empty spaces, we need to infill that, we have to get more students downtown, if we can turn that psychology around.

We aren't debating that, this is not a debate between the Inner City and the suburbs. This is a debate between the suburbs and the Provincial Government, about the quid pro quo of Unicity and for the Minister or his associates to try and put this into the framework of a debate between the suburbs and the Inner City is unfair to both.

MAST did not say abolish the Greater Winnipeg Education Levy. They suggested modifications to it. The Minister didn't follow MAST's suggestion, he went out and abolished the whole thing entirely. That's what we are debating, the role of the Provincial Government with respect to a type of contract that was brought about by a government, the Provincial Government, in 1971, which has unilaterally been changed by this government.

Now if a government went about unilaterally changing other contracts, the Conservatives would be the first ones getting up and saying, a contract's a contract's is a contract, we can't change it. If they're so anxious to change contracts that they think are inequitable, why don't they change the contract between Manitoba Hydro and Inco, whereby Hydro consumes a great amount of electricity at about a quarter of the rate that Winnipeggers pay. If they want to change contracts to deal with inequities, why doesn't it do that? But what's happened is that this government has gone out and unilaterally changed the whole contract implicit behind the formation of Unicity, and you know the Member for River Heights gave his hand away when he said, "Well, the government brought in the Greater Winnipeg Equalization Levy in 1971, because the suburbs had to pay greater municipal taxes. That's what he said, he said that himself.

So what we're saying is that because of that understanding that existed then, there should be some element of sharing retained for the 20 percent special levy, some access to downtown commercial assessment, some access to the assessment that exists in Fort Garry.

I ask the Minister — before I get to that I just want to make one other point; again people in Transcona-Springfield or the people in River East, people in St. Vital are not saying that Winnipeg, especially the Inner City doesn't have special need students there, immigrant students, children of transients, the type of special needs that any group in the core of a city runs into. We are saying that that is something the province should be looking at, and picking up through special needs funding. That is something that the Federal Government should be looking at and picking up through special needs funding, drawn from consolidated revenue. We are saying that that is the approach that should be taken. Those types of special needs should not be met by taxes on property. They are problems that we, as a province, should face and we would not be criticizing the Provincial Government if they came forward and said, there are a number of special needs, we will meet them through special needs programming. We would applaud this government if they did that, but they haven't done that.

In fact in 1977, in their cutback period, they cut out a number of programs geared to the special needs of students in the downtown part of Winnipeg. The Community Schools Program was abolished; the funding formula was abolished by this government. It was the Community Schools Program that did a lot with the students and the parents to deal with the whole glue-sniffing epidemic that was taking place in the city. That is a special need of those students and was being dealt with, but this government cut out the funding to groups like that. They cut out funding for those types of special needs.

This government threatened to cut off funding for Rossbrook House; it threatened a whole set of those special needs funding that took place. We were critical of the government at that time for cutting out special needs funding, we say that they could have used that general approach, drawing from consolidated revenue and they haven't.

You know there are so many questions one could ask regarding balanced assessment per pupil, I think that's important. There are a number of questions one could ask about the spending history. Why is it that Fort Garry is spending so much more than say, Transcona? Do they have special needs that Transcona doesn't have, or are they just bigger spenders, or are they the big spenders? If they are the big spenders, why is it that they are so much better off by the Minister's change? Those are things that the Minister still hasn't explained, and he has not dealt with the very simple, straightforward question I asked him. Will he consult with the Transcona-Springfield School Division? Will he at least respond substantively to the brief that they submitted? Will he go over it point by point? I only think that's fair. Does he think that's a fair approach to take, and is he willing to sit down with them to try and ascertain where they have problems; to see whether in fact those problems can be met; to see if the province would strike some position of compromise; some position of trying to solve the problems? Obviously he has that within his power. I ask then, if he will undertake to do that?

MR. COSENS: Mr. Chairman, I move Committee rise.

MR. CHAIRMAN: Committee rise.