

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8:00 o'clock, Monday, April 26, 1971

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: I wonder, Mr. Chairman, if you would kindly call the adjourned debate on the resolution standing in my name dealing with a Special Committee of the Legislature on the Rules of the House, the adjournment being in the name of the Honourable Member from Morris.

GOVERNMENT RESOLUTIONS

MR. SPEAKER: On The adjourned debate of the Honourable Minister of Labour. The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, during the early part of the afternoon you made a statement to the House that I thought was very appropriate for the occasion and I want to commend you again for the conduct of the business of the House up to this stage.

The consideration of the change of the rules by the Rules Committee has gone on now for some two years and you, Sir, were a member of that committee and are familiar with the deliberations that took place. I want to say that your contribution to those deliberations, your patience and your understanding of the rules, assisted us greatly in coming to some conclusions as to what suggestions we would make in amendments to the rules of this Chamber.

I might say that any consideration of rule changes must provide first of all a full opportunity for freedom of expression in this House while at the same time enable members to carry on their responsibility in the light of changing circumstances. We find that the workload in this Chamber is changing somewhat and does require from time to time some adjustments in our rules in order for us to fully carry on the debates of this Chamber without, as I say, impinging in any way at all upon the rights of members and their freedom of expression.

Now there were several recommendations that were made by the committee that really didn't have anything to do with rule changes themselves but rather with matters concerning the operation of the Legislature and facilities for members. I want to draw attention first of all to the welcome change that I see in the Members' Locker Room, and I want to thank the Minister of Government Services for his co-operation in meeting with the sub-committee of the Rules Committee and going over with us the plans that we had in mind for some changes.

One thing in that connection, Sir, does disturb me, one thing that is contained in the rules, and I wonder if I might make mention of it now to make sure that there is no misunderstanding of what the intention of the committee was. On reviewing the recommendations and the rules over the weekend I was struck by a change that is recommended on Page 4 in the third paragraph in connection with the Members' Locker Room, and I want to read the relevant paragraph and make sure that there is a complete understanding as to what the intention of the committee was in this respect. It says that the Members' Locker Room be reserved for the exclusive use of the members of the House although members of the press may be allowed, and it seems to me that what we have done inadvertently is to exclude the staff of this House and surely this was not the intention of the committee. Most certainly one would agree that the officers of this House, the Clerk, the Deputy Clerk, the Pages and those who carry on a very important function in this House surely must have the right to use that locker room as much as any of the members, and I hope that it wasn't the intention - and I'm sure it wasn't - of the members of that Rules Committee to exclude them. So I hope that in making that point very clear that I have the concurrence of the rest of the members of that committee, because to exclude some of the very important officers of this House I think would be something that nobody really intended.

I might also say that the recommendations with respect to secretarial staff is one that I'm sure will meet with the approval of all members of the House. The suggestion that there be improved facilities for research and accommodation of the members in general will add to the ability of members of this House to perform their tasks and their roles much more effectively than has been the case in the past, and I think it's only natural that with the increased workload that better facilities be provided.

One of the recommendations that I want to deal with again, and I have on a number of occasions, is one that I think is very important to you, Sir, and your ability to distinguish between a statement, a ministerial statement and the question period. It is one that has caused Speakers in this Chamber a great deal of difficulty from time to time and that recommendation provides that there be a separate allocation of time on the Order Paper, provision for Ministers to make

(MR. JORGENSEN, cont'd.) . . . . ministerial statements which will duly be responded to by opposition parties in this House as separate from the question period so that there can be no misunderstanding as to when the statement on motions begins and when the question period begins. It's one of those things that has always caused some difficulty here and I hope that that recommendation will clarify that so that when a Minister rises to make a statement of government policy and motions it can be appropriately commented on by spokesmen from the opposition without in any way limiting the right of the opposition members, when the question period arises, to direct their questions on that particular motion if there is some misunderstanding or if it is not completely understood by honourable members.

I think that most members will have noticed, who have read the report, that there has been a rather drastic change suggested in private members' hours, and it is another one of those rule changes, Sir, that as you well know I have been recommending that this House adopt for some time. I feel that an hour's private members each day will provide for all members of this House a far better opportunity to make contributions to suggestions which in the final analysis is the purpose of private members' resolutions in the first place, ability to put forth ideas and suggestions and get those ideas and suggestions properly publicized by the news media so that a reaction can be sought to those ideas.

At the present time, approximately 5 hours a week is devoted to the private members' legislation, two and a half hours each day, and the new rule change will not take away from that time in any way at all. Each member would have an opportunity to submit a resolution and one resolution will be considered each day for the maximum period of an hour, and if the resolution does not come to a vote at the end of that hour it will drop down to the bottom of the Order Paper and will be up for consideration again when it reaches the top. I think this provides for a more orderly progression of private members' resolutions on the Order Paper, an opportunity for members to debate a greater variety of members' resolutions and a greater opportunity for more people to participate in those debates. Since there is a somewhat limited time period allocated for the consideration of private members' business it will assist in getting more publicity for private members' resolutions and assist in providing for more opportunity for members to contribute to the debate.

Rule 26 - there have been some suggested amendments to that particular rule and I think that will be welcome because the present rule is very confining and very difficult to rule on. It is one of those problems that you, Mr. Speaker, must have some considerable difficulty with whenever that rule is brought to your attention. We hope that the adoption of the new rule on Standing Order 26 may assist you in your deliberations and will assist members in dealing with that particular subject whenever it arrives in this House.

Sir, the question period is one that, judging from your statements today, Sir, and statements that you have made to the House on other occasions, is one that I am sure you are having a considerable amount of difficulty with, and one of the problems for the difficulty that you are experiencing, and I'm sure that all Speakers in this Legislature have been experiencing, is to insure that members do have an opportunity to ask questions on matters that they consider to be important, while at the same time the Chair must make the decision as to the urgency of that particular question, and with the inclusion of the right of members to submit questions to the Clerk of the House to be placed on the Order Paper without debate in this House and subsequently answered by the Cabinet without debate in this House, provides an outlet for many of the questions that come from the Opposition side of the House, and indeed could also flow from the Government side of the House, and it gives you then a stronger hand in dealing with the question period which is confining in its nature and yet I know, Sir, that you have some great difficulty in refusing questions that might appear to have some degree of urgency. We hope that the adoption of this rule will provide you with some assistance in making those decisions.

There have been a number of suggestions with regard to the appearance of witnesses before committees, and I am sure all members have noted those changes and will agree with them, because what we have intended to do is to streamline without, as I say, without taking away from members of the Chamber the right to express themselves freely in this Chamber, but streamline the rules so that the business of the House and the business of the committee can be dealt with in a more expeditious manner.

I would hope that the government would adopt one other suggestion, and although it is not contained in the committee's report it is one that I have brought to the attention of the government - and I would hope that there is at least one minister that is listening - one suggestion that

(MR. JORGENSEN, cont'd.) . . . . I think would be a useful one. As I say, I have brought it to the attention of the government, not only this government but the previous one as well, that in bills to amend, and we have a number of them before us from time to time, that on the opposite page of the definition of an amendment that there is an explanation as to why the amendment is there, along with the wording of the old amendment. I think it is one of those suggestions that will assist members in glancing at a bill and having some idea of the purpose of an amendment without having to resort to the statutes of the House and doing a considerable amount of research in determining just why the amendment is necessary. I think it is one of those things that could assist members greatly in pursuing of their responsibilities in this Chamber and I hope that the government will look favourably upon that suggestion which, as I said, is not contained in the report but I think is one that I think is a very useful one and I hope the government will accept.

With those few comments, Mr. Speaker, I take pleasure in suggesting that the report of the committee be received.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. BEN HANUSCHAK (Minister of Consumer, Corporate & Internal Services)(Burrows): Mr. Chairman, I wish to move, seconded by the Honourable Member for St. George, that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, I wonder if you would mind calling the adjourned debate on the motion of the Honourable Minister of Finance to go into Supply.

MR. SPEAKER: Moved by the Honourable Minister of Finance, seconded by the Honourable Minister of -- it doesn't matter at the moment. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, members will recall that last Wednesday afternoon a number of members used their prerogative and their right to air a grievance on going into Committee of Supply, and it might be a good idea at this particular time to indicate at least the present rule of the House, which has been a rule for some time, that a person who raises a grievance on going into Committee of Supply can only do so once and debar himself by his action from speaking a second time on a grievance, or on the motion to go into Supply. I realize that at that particular time, when I moved the adjournment of this debate, that I was going to prevent myself from doing anything other than the few words that I intend to speak tonight -- yes, I cut my throat and I might say I agree -- my honourable friend the Leader of the Opposition indicates by a hand across the throat that I cut my throat, and I think, Mr. Speaker, that it would only be fair and correct for me to remind my honourable friend the Leader of the Opposition that as a result of my participation in the debate going into supply by way of grievance, previously I cut the throat of the then government of the day and that is why we are on this side of the House and they are where they are. It may sound a little braggadocio but I am sure my honourable friend the Member for Minnedosa would agree with me.

However, Mr. Speaker, I don't intend to delay going into Supply. I trust and hope that this evening, as soon as I have finished, that the motion of my honourable colleague the Minister of Finance will be agreed to because I think it was indicated to the House one of the objectives of going into Supply was to try and proceed with the Capital Loans Bill in order that we may have some monies in order to do a number of -- well, my honourable friend the Minister of Finance informs me, and properly so, that the main purpose of going into Supply at this time in respect to the Capital Loans Bill is to have money to carry on the housing projects that are contemplated. So, Mr. Speaker, with these few words, may I again emphasize, I realize that I cannot enter into this debate again, and I trust and hope that tonight we will be able to go into Committee of Supply to consider the finances to be granted to Her Majesty.

MR. SPEAKER put the question and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Winnipeg Centre in the Chair.

#### COMMITTEE OF SUPPLY

MR. CHAIRMAN: The Minister of Finance.

MR. CHERNIACK: Mr. Chairman, there was an indication last Wednesday, if I recall, that we would like to deal firstly with the Capital Supply Bill which came in by way of the message from His Honour, dealing with the fund of money for the Manitoba Housing and Renewal Corporation, and may I say that I am hoping that we could deal with this and pass it in Committee;

(MR. CHERNIACK, cont'd.) . . . . then I would think that since we would be in Committee now, we could start with the Attorney-General on his current estimates. About 9:30 I would think would be a logical time for us to move out of Committee and into Committee of Ways and Means dealing with the Capital Supply and then, with the agreement of the House, we could move out of Ways and Means and have first reading, second reading and, depending on the mood of the House, possibly proceed to third reading of the Capital Supply Bill.

The one item dealing with the Housing Corporation, the one that has been distributed, it is the only one before us. Now if there is any indication otherwise then I think we could stay with estimates, but I would hope that we could deal with the Capital Supply and that being the case, may I ask therefore, Mr. Chairman, that you move to the Capital Supply Resolution.

MR. CHAIRMAN: The Resolution before the Committee is as follows: RESOLVED that there be granted to Her Majesty a sum not exceeding \$63, 200, 000 for Capital Expenditures, requirements for the Manitoba Housing and Renewal Corporation. The Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, the sum of \$63, 200, 000 that is included in this particular Capital Supply Bill consists of the following items which I would like to outline to the House: the 1971 program of the Manitoba Housing and Renewal Corporation which requires for purposes of its public housing program for this year, \$37, 333, 300; for its remote housing program, \$333, 300; for land assembly, \$7 million; for provincial housing program, \$4 million; a total therefore for this year's program of \$48, 666, 600. 00.

Also, we're requesting moneys in order that we can initiate our 1972 program. These are moneys that would be required during the early period of next year in order that we can proceed with the housing program in the year 1972 prior to the release of the CHMC moneys that would be approved for 1972 for Manitoba. The total estimated required here is \$27, 008, 000. This gives us a total of \$75, 674, 600 less the existing authority that presently exists as at December 31, 1970, \$12, 474, 600, so that the net, the new borrowing authority required under this bill is \$63, 200, 000.

Now I know, Mr. Chairman, there could be some questions as to the size of this amount but it's made necessary because of the very greatly increased housing initiative on the part of the province which has been undertaken during this year. You will recall the news two months ago about the request that was made by the province to Central Housing and Mortgage Corporation for approval of a little over \$50 million from CMHC for housing in Manitoba this year. If that sum had been allowed by Central Mortgage and Housing we would have been able to have proceeded with the construction of approximately 3500 units in Manitoba, which would have consisted of two-thirds of those units in the urban Metropolitan area of Winnipeg and the remaining one-third rural. One-third of those units would have been for elderly citizens, senior citizen housing, much of which would be under the sponsorship of various organizations. Central Mortgage and Housing Corporation did cut us back from our initial request to the sum that I had indicated earlier, so that now the number of units which we can expect to construct this year is in the neighbourhood of 2, 300 to 2, 400.

Maybe I should mention at this point that ninety percent of the financing for capital construction of our units is derived from CMHC and ten percent is derived from the provincial funding. We're still hopeful - and I might report to the House that I'm making further approaches to Mr. Andras, the Federal Minister responsible for housing, to attempt to again at this point obtain approval from them to restore us to the original amount that we had requested earlier this year. The amount which we requested we felt was in order because the amount of money allocated for housing across Canada, based upon the allocation that Manitoba should have had, should have come to the figures which we had earlier requested.

There may be some questions. I think that pretty well outlines the need for this - to initiate this year's program and to commence next year's program. There's been a substantial increase, the program has been tripled this year in number of units and moneys involved over the number of units and moneys that were involved last year, so that we intend to proceed on a very greatly increased housing program and we're also expecting, with the hopeful assistance of the Federal Government, to increase our housing program during the next five years.

In conclusion, I might just say that we are far behind in providing housing needs in Manitoba. The statistics, figures which we have, indicate that the housing program to some extent has come too late, and even at this point it is too little, but there was a dearth of housing action from 1962 to 1968 and we're certainly hoping to proceed with a greatly increased program as we've outlined here for this year and likewise for next year.

MR. CHAIRMAN: The Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, I fully agree with the Minister that we certainly need more units and I think everyone is aware of that, rurally or in Greater Winnipeg. I was just wondering when he mentioned that the number of units to be dropped from roughly 3,500 to 2,300 or 2,400 units, will the distribution of these units remain the same or on a basis of two-thirds for the urban area and one-third for the rural, or what is the intention if this drop will be taking place?

MR. PAWLEY: I'd indicate to you the present situation; I'm still hopeful that in our meeting with Mr. Andras this week that we will get approval for the earlier sum that we requested but at present it's reduced; it would be on the same ratio of two-thirds and one-third.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, I have several questions for the Minister and I wonder if I could sort of direct them and then possibly make a comment after. I'm wondering whether he could indicate specifically the amount that was allocated for the fiscal year 1970-71.

MR. PAWLEY: The amount that was allocated for 1970, if the honourable member wouldn't hold me down to the exact figure, was in the neighbourhood of \$11 million.

MR. SPIVAK: The amount that was allocated in the fiscal year 1970-71, but you've indicated on the amount you're requesting now, you're indicating an amount of 48 million less 12 million that was authorized but not used. Am I correct on that? In any case there's 48 million to be allocated this year, of which 12 million has been authorized from before. Now the 11 million that you are referring to was used, but was there 23 million authorized last time?

MR. PAWLEY: . . . authority had been 12,474,000, and I deducted that from our total for the '71 program of 48,666,000, and 27 which was an estimate of the amount for the initial part of next year's program.

MR. SPIVAK: Mr. Chairman, let me just understand clearly. When you talk in terms of '72 you're talking fiscal year of '72, you're not talking calendar year '72, so therefore we're talking three fiscal years - '70 - 71, '71 - 72 and '72 - 73, and you've asked for 75 million of which 12 million has not been utilized for the fiscal year '70-71; 48 million less 12 is to be authorized for this year; and 27 million to be authorized for '72-73.

MR. PAWLEY: I think that the misunderstanding is that we're dealing -- (Interjection) -- Yes, which seemingly is a calendar year as opposed to our fiscal year.

MR. SPIVAK: This is so that I'll be clear on this, then you're really asking for authority in this fiscal year of 63 million which is what the bill specifically stated, based on 12 -- am I correct on that?

MR. CHERNIACK: Yes. If I may, Mr. Chairman, with the indulgence of the Leader of the Opposition . . .

MR. CHAIRMAN: . . . the Minister just for a moment. Perhaps we can be more expeditious in committee if we allow a certain back and forth conversation to take place, and I'll allow this sort of thing to prevail just as long as order prevails. The Minister of Finance.

MR. PAULLEY: Mr. Chairman, I gather then it will not be necessary for each individual member to be recognized by you in order that the record is made for Hansard, and Mr. Sly will carry on as we used to do unless in your discretion it should cease. Is that the idea? Fine. That's fine.

MR. CHERNIACK: Mr. Chairman, I'm still leafing through my book to see if I can get a precise answer and I haven't found it yet, but the last statement of the Leader of the Opposition is quite correct. We're asking for 63 million authority for this fiscal year, provincial fiscal year, which will be involved in the CMHC fiscal year, which is the calendar year 1971 as indicated by the Minister of Municipal Affairs, and will have a carry forward for initiation of the '72 program. That refers to the CMHC program which is the last three months of our own fiscal year in 1972. Therefore, the 1971 building program, which is a calendar year program, is estimated at that \$48 million; the initiation for the following program in this provincial fiscal year is a 26 million, and there is a carry-over of authorization of 12 million as at December 31, 1970. Now the one question that I haven't found the answer to is what was the authority in the previous fiscal year. I haven't found it yet, I'm still looking for it.

MR. SPIVAK: Mr. Chairman, while the Minister of Finance is looking for that, possibly the Minister of Municipal Affairs can answer another question, and that's this, that in terms of the borrowing power itself, the 63 million will be utilized for this fiscal year. Ten percent of that will be contributed by the province, or 6,300,000, and 90 percent by CMHC. Is that

(MR. SPIVAK, cont'd.) . . . . . 6,300,000 included in the estimates or is that included as a borrowing within the borrowing power?

MR. PAWLEY: Yes, it would be included within the borrowing power itself, not within the estimates.

MR. SPIVAK: Then in effect, Mr. Chairman, so that it will be clear, that in effect the province will be borrowing for \$75 million worth of CMHC loans or building this year, \$7 1/2 million. You will be borrowing the remaining money from CMHC but it will be borrowing for its own resources \$7 1/2 million.

MR. CHERNIACK: Again if I may, Mr. Chairman, this authority would give us the power to borrow from other than CMHC as well. We could for example borrow from the Canada Pension Plan, but the intention is correct, the total borrowing for which the province would be responsible would be \$63 million, most of which would be, or all of which would be borrowed and then the repayment would come out of the housing rentals or sales, whatever, and would be repaid to the extent that it's borrowed and to the extent that the province has put up its own money on its own credit.

MR. SPIVAK: Mr. Chairman, I think it's necessary because I think this has to be clearly understood by members on both sides. The province in this position is no different than a private developer who may also go to CMHC and borrow, maybe not on the same terms and conditions, maybe not as satisfactory or as good. However, in effect what really is happening on the basis of this authority will be that the province will first put up \$7 1/2 million which it will borrow as its 10 percent contribution towards the borrowing of the remaining 90 percent from CMHC to complete the housing units. I think I'm correct on that statement.

MR. CHERNIACK: Mr. Chairman, not entirely correct, because the province would have the authority to borrow, let's say make a deal to borrow 70 percent instead of 90 percent, and the main feature of the CMHC borrowing that would differ from a private borrower would be that to the extent of the subsidized housing involved, the payment of the deficit would be shared.

MR. SPIVAK: Mr. Chairman, I understand that, and I'm not trying to make a comparison between a private developer and the government in this respect. I think it's important. Then let me . . . to the Minister of Municipal Affairs. Of the \$75 million that's being asked for it is likely that \$68 million will be borrowed from CMHC, 7 1/2 million will be borrowed from other sources, or my arithmetic is wrong; 67 million five hundred, is that correct?

MR. PAWLEY: Well it is likely except that, for instance, I mentioned the provincial housing program which was a special program that was initiated by the province because of the lack of approval by CMHC for our entire program requested. That money would be raised entirely separate from CMHC so basically you would be right but there would be some deviation because some of these sums would be totally raised elsewhere that I've referred to.

MR. SPIVAK: How much would we be talking about, so we'd have it in terms of round sums? About a million or . . . ?

MR. PAWLEY: . . . the provincial housing program was \$4 million. That was separate and apart from CMHC. There are other items mentioned that should be generally based on the 90-10 formula.

MR. SPIVAK: Mr. Chairman, my purpose is to elicit information so that the record will be clear and we will be able to determine this when we talk in terms of government policy, and I would then take it that even if the \$4 million was to be added and some additional sums that are not specifically spelled out, we are still talking approximately of 63 to 65 million to be borrowed from CMHC.

MR. PAWLEY: I would - yes, you would be correct in regard to the amount already approved by CMHC for this year and what we'd anticipated approved next year.

MR. CHAIRMAN: The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I appreciate the Minister's remarks regarding the amount of money being spent on housing, and he mentioned meeting with Mr. Andras the Minister in charge of housing for the Federal Government. Are you going to bring up the subject of urban renewal to Mr. Andras and what his policies will be, in this meeting? Because, as you know, urban renewal was cut off and we go completely into housing; and is there any thought as far as low interest loans for upgrading of existing homes? In other words, there are many people who do not have the opportunity or the money to upgrade the homes they're in now and that is one of the reasons why they are leaving. Or the thought of low interest loans for young people or low interest down payments for young people who are looking for homes?

MR. PAWLEY: I think the honourable member has raised a number of valid points and I certainly will take note of those points. The Honourable Minister will be in Winnipeg this week, and primarily I was concerned about attempting to elicit more monies for our public housing program, but I agree these other points are quite valid and I will certainly raise the other items, particularly the urban renewal question, with him.

MR. F. JOHNSTON: Mr. Chairman, I thank the Minister for taking that consideration and bringing it up to Mr. Andras. Is it possible with the amount of money that they are going to loan you -- I know they stipulate at the present time it must be for new public housing. What I meant is, maybe you could get some concessions with him that if Manitoba were to come up with a plan for renewal of present homes, or upgrading of present homes, or low interest loans for young people going into new homes, that possibly that could be done in Manitoba if we have the program.

MR. PAWLEY: Yes, the only problem we have in regard to the low interest loans for younger people is that it would have to be taken into consideration as a national policy by the Minister in question. At the present time they don't have a national policy in this regard but I would certainly impress upon him the need for such a policy, because I agree with you the younger people today are finding it increasingly difficult to obtain home ownership for themselves. The question of updating or renovating homes is also something which we are quite concerned about. I'm particularly hopeful of obtaining CMHC assistance in regard to certain updating and renovating in the Point Douglas area, for instance, where there's been a crying need for an updating and upgrading, and the people in that area have formed into local groups to co-operate and to participate in any senior government efforts along those lines. So in both areas, I'm certain the younger people -- it's a question of national policy, but in regard to the renovating and updating of homes there's certainly a very real need there and I'm hoping that we'll get their co-operation as well as the allocation of more funds for us in the over-all program. The reason why I'm hopeful is that we've received some indication, some reports that some of the provinces haven't used up all the monies or requested all the monies that was anticipated they would, so that we may because of that be able to at this point obtain additional monies where we were unsuccessful a few months back.

MR. CHAIRMAN: The Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I wonder if I may -- last year's Capital Supply Bill was passed March 25th and included \$17,500,000 for the Manitoba Housing Renewal Corporation. Unfortunately I don't have the information of what may have been an authority carried forward from the previous year. Might I also indicate that we had, if you will recall, a general purpose Capital Supply of some \$30 million, and it may well be that some of that was used at the time that we were trying to build up the housing program of that portion, but \$17,500,000 was specifically in the last year's Capital Supply.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Well, Mr. Chairman, I wonder -- I accept the statement from the Minister of Finance but I wonder if we could have that information, not necessarily in committee now but later on, on the breakdown of the \$30 million and in effect whether there was any carry-over if so, for our purposes. . . . the information is available now.

MR. PAWLEY: I can just shed a little additional light. I notice that the borrowing power that was passed in 1969 had been \$6 million. As to the exact amount of carry-over, well we'll have to obtain that information for you.

MR. SPIVAK: I wonder if the Minister could indicate to us approximately how much will be devoted to senior citizens' homes in terms of millions of dollars over-all.

MR. PAWLEY: One third of the monies which are allocated for us approximately for our public housing program will be directed to the senior citizens' portion.

MR. CHAIRMAN: Agreed? Resolution passed? The Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I would like to ask the Minister of Municipal Affairs if the province is considering some method of alleviating some of the discrepancies that existed and are presently existing between the different programs that were formerly in effect under CMHC and now the switch where the province is now paying a far greater share and the local community is not having to raise the large amount of moneys that they formerly had to. Would the Minister consider some sort of assistance to those communities who are having real problems today under the former CMHC setup?

MR. PAWLEY: If the honourable member is referring to the changes that were made last year, prior to last year the sharing of operating losses had been 50 percent federal, 25

(MR. PAWLEY, cont'd.) . . . . percent provincial and 25 percent municipal. Last year the province took over that 25 percent share that was the responsibility of the municipality. We intend to continue that sharing on a 50-50 basis this year in the foreseeable future. Whether or not any assistance - the question was whether any assistance would be directed to those communities that had received public housing prior to the enactment of that change to 50-50, there has been no such intention. I think basically that the only communities that would be affected prior to '69, or prior to 1970 when we introduced that change, would be Greater Winnipeg with the Burrows-Keewatin and the Lord Selkirk Development - those are the two major ones - but there is no intention to bring about a retroactive change beyond that which we had entered into last year.

MR. GRAHAM: Mr. Chairman, it was an entirely different matter that I was referring to. I'm referring to cases which are just now arising under agreements that were entered into, say twelve, fifteen months ago and are now reaching the completion stage and they're finding they are in great financial difficulty; they're boxed in with a fixed rent schedule that's impossible for them to change, and at the present time they have no further financial resources, having exhausted every cent that they could raise locally, and they're in real trouble right today and they're just starting to operate.

MR. PAWLEY: I wonder if the honourable member is actually referring to any of our public housing developments or projects commenced under the Department of Health and Social Development, the Elderly and Infirm Persons Act, where the housing has been done under sponsor groups such as the Lions or Kiwanis or other organizations but not under the wing of the Manitoba Housing Renewal Corporation.

MR. GRAHAM: Yes, Mr. Chairman, I am referring to such projects but they did raise their money through CMHC and they are locked into a pretty tight schedule today; they are in real financial difficulty and they actually need help.

MR. PAWLEY: This is why basically the honourable member's point is quite valid, where the province recently shifted much of the responsibility for elderly persons housing from the Elderly Persons and Infirm Act to the Manitoba Housing Renewal Corporation Act in that the burden was becoming too great for some of these organizations. There are a lot of ramifications in going back retroactive to include all the various projects that have been commenced over the last number of years beyond the present policy direction. It's something that I'm sure the government would want to consider and look into, but it's a real major policy direction because it would involve considerable money to encompass all the various projects that were undertaken in the last number of years, especially when the sponsoring organizations did undertake it on the basis of their own initiative under a separate and different Act, but I agree that with some of the organizations in question the rents are continuing to climb upwards because of increasing cost, and I certainly share the honourable member's concern.

MR. GRAHAM: Mr. Chairman, I'm not asking for retroactive legislation - I don't believe in retroactive legislation - but I am referring to current problems that are existing right today, that have reared their head in the last month, and these people are facing a deadline in the next ten days and, quite frankly, they don't know where they're going to get the money.

MR. PAWLEY: I probably could answer the honourable member's question a little more precisely if I knew the project in question, but I assume it's a project that was approved under the Elderly Persons and Infirm Act, under my colleague's department, and it's something that we would have to take a close look at. I gather it's under the auspices of a charitable organization and not a profit organization, but I would doubt in that case that there would be any intention of any alteration.



MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Well, Mr. Chairman, my question is to the Minister and it relates to the operation of the Housing Corporation. . . . its request for capital items, and the Minister's request in the House through the Minister of Finance. Without going over the procedure that should follow, I wonder if I can be clear of exactly what has taken place. The authority that's being asked for is being asked for by the government, or is it being asked for by the government at the request of the Housing Corporation?

MR. PAWLEY: The Honourable Minister of Finance can correct me if I'm wrong, but my understanding is that it would be a request on behalf of the Manitoba Housing Renewal Corporation by the government.

MR. SPIVAK: That means that the Housing Corporation has made its projections of what it requires and has requested it from the government, or has the government directed the Housing Corporation as to the limits of what it in fact should apply for and therefore it now has applied to the government based on that direction?

MR. CHERNIACK: Mr. Chairman, in response to that, there was an inter-departmental memo sent from the Housing Corporation to my department requesting this amount.

MR. SPIVAK: Well, Mr. Chairman, this has to do with the relationship between the Housing Corporation and the Department or the Minister of Finance in terms of it being either an arm's length corporation or a corporation that in effect operates under the direction of government, and I'm just again asking whether it was the government that requested it specifically or whether in fact it came from within the Department.

MR. PAWLEY: Mr. Chairman, I suppose you could say the direct request came from the Manitoba Housing Renewal Corporation by way of the memo that the Minister of Finance referred to, but the guidelines and the amount in the program that is being entered into by the Housing Corporation came about by direction from the government itself, so that it is the government's program, in fact, that the monies are requested for.

MR. SPIVAK: In effect, then, the Corporation is not at arm's length from the government. This is the one point I wanted to make clear at this time.

MR. PAWLEY: I will take full responsibility for the Housing Corporation.

MR. SPIVAK: Well, I would like to deal with this just a bit further. If in fact the request is that of the government, then the applications for assistance by the charitable organizations are made to the Housing Corporation or are they made to the government itself?

MR. CHERNIACK: Well, Mr. Chairman, if I may now, with another hat on as Chairman of the Management Committee, I can say that some of this request comes through Health and Social Development in the Elderly Persons Housing Corporation. It comes through them and, after it passes through the Cabinet Committee, is sent on to the Housing and Renewal Corporation after it has received approval of the Cabinet Committee.

MR. PAWLEY: . . . . correct. I would say to the honourable member that the actual specific requests somewhere along the way do find their way into the various committee stages of government. Usually the initial request goes to the Housing Corporation and then the specific instances do have to receive approval as to location and sums, etc., from the various committees of government - and the same thing for Health and Social Development requests.

MR. SPIVAK: Well, with the exception of the processing that may go through the Manitoba Housing and Renewal Corporation, does the Manitoba Housing and Renewal Corporation realistically have any authority to deal specifically with the establishment of any funds to be allocated to any specific project without the direction of the Minister or someone from Cabinet?

MR. PAWLEY: Well, the instruction that is received or is given to the Housing Corporation is that we expect so many homes to be built, so many given to public housing. A general guideline is given as to the apportionment of these units, so much to the rural area and so much to the urban area, so much to senior citizen housing and to non-senior citizen housing. I have to assume a certain degree of responsibility for the locating of these homes because eventually, if there is a disagreement or a debate as to the location, it does come through to the Minister as the end result.

MR. SPIVAK: Mr. Speaker, I'm sorry that I am taking the time of the committee but my purpose is to try and elicit information. I think it's very relevant to the specific sum that we're being asked to approve today. May I ask him: are the guidelines established by the government and given to the Housing Corporation, or are the guidelines evolved as a result of the quest interdepartmentally, and Management Committee's involvement, the Housing

(MR. SPIVAK cont'd)..... Corporation's involvement, and the Minister's involvement?

MR. PAWLEY: Yes, it basically narrows down to guidelines given by the government to the Housing Corporation. The Minister of Finance can speak to the role of the Management Committee itself, but the guidelines do originate with the government itself.

MR. SPIVAK: I take it, then, that the Housing Corporation receives at one point, obviously in the beginning, guidelines from the government which would specify how many homes should be established in the rural areas, how many in the urban areas, and specific requirements, specific conditions, and I take it that has been established so far and that is what is given to the Housing Corporation to execute, so in effect the Housing Corporation's decision-making with respect to the amount of money to in fact be spent is really nil. The basic decision comes from the Minister or from the Management Committee of government.

MR. PAWLEY: In answer to that, I would say the effective direction and control does come from the Minister and from the government as to the monies to be spent, the numbers, etc.

MR. SPIVAK: Mr. Speaker, my point is the Housing Corporation.....

MR. PAWLEY: .....probably is aiming at specific locations, and in that area there's wide discretion to the Housing Corporation and I do have here, which I'm prepared to table some time to the House, the number of various projects and location of same over last year and the beginning of this year, as to various projects initiated by the Housing Corporation.

MR. SPIVAK: Has the Minister not directed the Housing Corporation for housing to be placed in a specified area?

MR. PAWLEY: Well, there's a general instruction to the Housing Corporation, as I mentioned before, to build at least two-thirds of the units in Greater Winnipeg. There certainly are many discussions between myself and the Housing Corporation as to various other locations. I wouldn't like to say that any definite instructions are given but I would say to you that there certainly are discussions. I would point to the example, for instance, of St. Lazare in the constituency of the Honourable Member for Birtle-Russell. I do have to assume in that case quite a bit of the responsibility for requesting the Housing Corporation to construct homes in St. Lazare because of certain circumstances I've seen there. I give this as an example where I, as Minister, have become pretty closely involved in regard to specific requests to the Housing Corporation.

MR. SPIVAK: Mr. Speaker, then I take it the Minister is suggesting that he has not given any written instructions that it would have to be located in a specific area.

MR. PAWLEY: Mr. Chairman, I would doubt it, but I wouldn't like to say to the honourable member "no" because I would think for instance, in the case of St. Lazare, that I may have in writing requested the Housing Corporation to build these units in St. Lazare.

MR. SPIVAK: When the Minister deals with the Housing Corporation does he deal with one man, one specific person that he discusses it with, or does he deal with several in the Housing Corporation, in terms of the instructions that are given him?

MR. PAWLEY: I generally, Mr. Chairman, deal with the Manager, Mr. Osler, and the Comptroller of the Housing Corporation, Mr. Clarkson.

MR. CHAIRMAN: The Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Chairman, further to the general instructions that are given to the Housing Corporation, may I ask the Minister what instructions he has given to the federal jurisdiction regarding the Indian people in this province, and also the Minister if he cares to comment on instructions given re the Metis people, say in Roblin constituency.

MR. PAWLEY: Well, no. Of course, I'm not in any position to give instructions to the federal Authority except to make certain recommendations to them, and certainly there has been plenty of correspondence back and forth in regard to remote housing, Metis housing, etc. Specifically as to Roblin constituency, I wouldn't be able to answer your question as to what it -- certainly I would be prepared to sit down with you and look into any housing needs in Roblin that you might wish to bring to my attention.

MR. CHAIRMAN: The Member for Fort Garry.

MR. SHERMAN: Could I ask the Minister at this point, Mr. Chairman, whether the program includes university housing and post secondary educational housing - I'm asking this question for my own edification - or does that program come into a different sphere of government spending and attention?

MR. PAWLEY: Mr. Chairman, it didn't come under our Manitoba Housing Renewal Corporation. I have no specific instance of any initiative as of yet, in regard to our part. I believe the Minister of Youth and Education is also involved in regard to student housing. But

(MR. PAWLEY cont'd),....there is no reason, to my knowledge, why the Manitoba Housing Renewal Corporation could not initiate some form of student housing and it has in fact been looked at.

MR. SHERMAN: A further point, Mr. Chairman. The capital spending program that we are being asked to approve at this junction does not, I take it, include specific items having to do with university student housing. Is that correct?

MR. PAWLEY: I would have to agree with the honourable member. I'm not aware of any at this time, any specific intent in regard to any student housing. It's not beyond the bounds of possibility that this would be a possibility, and certainly the Housing Corporation has from time to time considered this area because it is a matter,....

MR. SHERMAN: May I ask the Minister, Mr. Chairman: is the program therefore, as it is proposed and envisioned by the government at the present time, wide enough and flexible enough to admit of programs in university student housing if that decision should be taken by the administration during the course of the year, or is the program committed to the extent that no university student housing program could be fitted in and accommodated in this current fiscal year?

MR. PAWLEY: There is plenty of room - it would be based upon the feasibility - it's my understanding that the university is presently looking at this area and if they feel there's a need they would apply to us. It would be my understanding that there is ample room within this program for same if it was decided it was feasible to do so.

MR. CHAIRMAN: The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I'd like to ask the Minister in regards to the funds that we're being asked to approve here tonight - I understand there are housing projects taking place in some Indian reservations in the province, and I'm wondering if any of the monies here are going to be involved in any of those projects.

MR. PAWLEY: No, Mr. Chairman. Any project on the reserve itself would be the responsibility of the federal Authority.

MR. CHAIRMAN: The Member for Roblin.

MR. MCKENZIE: May I ask the Minister a question on the same subject? Does the Minister at any time give the Federal Government some direction as to where this housing should happen or shouldn't happen?

MR. PAWLEY: We're always giving some form of direction. I'm expecting to give the Honourable Mr. Andras - I wouldn't say direction, but suggestions this week.

MR. CHAIRMAN: The Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): With regard to Indian housing, the Minister has indicated and we understand, of course, this is a federal responsibility, but what about the Indians off the reserves, and there are many in the Province of Manitoba? Will any part of these monies apply to housing for Indians off the reserves?

MR. PAWLEY: Well, it would, in the same way that housing is being made available for any other type of citizen. It could be made available and there would be no restrictions.

MR. CHAIRMAN: The Leader of the Opposition.

MR. SPIVAK: Well, to the Minister. The applications that are made to CMHC, are they made in the name of the Housing Corporation or are they made in the name of the province?

MR. PAWLEY: They're made in the name of the Manitoba Housing Renewal Corporation. I must admit to you I haven't seen that actual application form but it is in the name of the Manitoba Housing Renewal Corporation.

MR. SPIVAK: Are the applications made with a prior approval by the province or are they made without approval by the province?

MR. PAWLEY: In case there's a misunderstanding, the honourable member's asking in regard to specific projects, not the application for the money as a whole - specific requests in a specific area, and it's approved by Order-in-Council, but the actual application is negotiated through CMHC by the Housing Corporation.

MR. SPIVAK: Every application is approved by Order-in-Council. In other words, the application as made by the Corporation has been approved by Order-in-Council prior -- (Interjection) -- The final loan agreement itself - after the application has been made. Does the Minister know in advance the specific application for the specific area?

MR. PAWLEY: Yes, I would say to you that I would know certainly in advance as to the applications being made. When the final approval is given, it is given by way of the Order-in-

(MR. PAWLEY cont'd)..... Council by Cabinet, which spells out the agreement between Central Mortgage and Housing Corporation and the Manitoba Housing Renewal Corporation.

MR. SPIVAK: Well, Mr. Chairman, maybe I can phrase it another way. Has the Manitoba Housing Renewal Corporation made a specific application for an area without the prior knowledge of the Minister before that application was made?

MR. PAWLEY: I don't know; I wouldn't -- it's quite possible, Mr. Chairman.

MR. SPIVAK: My remarks and the questions that have been asked have been asked for a purpose, and I might as well make this statement now. My purpose is to try and determine in effect the independence of the Housing Corporation as opposed to the running of the department in a normal function, a normal carrying out of the function by the Minister's deputy and my purpose in asking the information is to find out what in fact judgement or discretion may exercise that really is independent of government.

MR. PAWLEY: Well, Mr. Chairman, I wouldn't for a moment suggest that the Housing Corporation is a separate and distinct entity separate and apart from government. The personnel in the Housing Corporation are members of the civil service. Certainly they consult and discuss at weekly meetings all general policy program with me, as I discuss it with them, and we certainly have a discussion in regard to any particular location, certainly the majority. I would think that pretty well every project would be discussed between the Housing Corporation and myself with the final approval being given by Cabinet itself; so certainly to your question, I certainly couldn't say that it works at arm's length, nor do I think it should be.

MR. SPIVAK: Well, Mr. Chairman, I wonder if the Minister would say, would it be safe to say that the Housing Corporation, as it presently is constituted and operating, is similar to that of a director and his department, and the operation of that aspect of a Minister's responsibility?

MR. PAWLEY: There has been no change to my knowledge with the operations of the Housing Corporation as it was previously under the previous government, except of course there's a tremendous difference in the amount of program.

MR. SPIVAK: I recognize this but I think it's important because I want to clarify this now because it relates to some of the representations that have been made about this program and this is why I want the clarification on the record now. In effect, the operation of the Housing Corporation is very similar to that of the operation of any department of any Minister where the director has responsibility and has his group functioning under it.

MR. PAWLEY: I don't think, Mr. Chairman, that I would -- and I'm not sure what the Leader of the Opposition is really driving at -- but I think I would have to properly assume responsibility for anything the Housing Corporation did. Certainly I'm looked to for a response in regard to any decision that is made. There's close consultation, weekly involvement in meetings; Cabinet is involved in itself, committees of government. So I would have to say to you that it certainly doesn't work at arm's length from the government, and I would -- you know, I would really say to you that I think that it would be a mistake if it did work independent and at arm's length from government involvement.

MR. CHAIRMAN: Resolution passed?

MR. BARKMAN: Mr. Chairman, I don't want to drag this thing along. I would just like to point out one thing. I believe that most municipalities, even at this time, are aware of what are perhaps, of approximately what they're going to get or aren't going to get. In the meantime, I hope this program will lay out shortly, if it hasn't been already, perhaps in the very near future, the towns or the villages, or the areas especially in the rural areas, can perhaps be tabled in this House because I'm sure the Minister is and all of us are very concerned. How he's going to spread this is quite a problem, I'm sure, when you think of the problems in the Pas and Thompson and other places. I hope in the near future the locations can be tabled.

MR. PAWLEY: Yes, I have no objection to tabling these various locations. I wonder if the Honourable Leader of the Opposition is referring to a possibility of choosing any particular site in itself for housing projects in Greater Winnipeg -- if that was the intent of his questioning; because all the decisions that are eventually made are made as a result of submissions, proposal calls by the Housing Corporation to the building industry, and they submit their tenders with design and price and then the decision is made, usually by the Housing Corporation itself, based upon the design, replies and the cost per unit as to which particular project should be entertained and commenced. I don't know whether that answers the Honourable the Leader's request or not.

MR. CHAIRMAN: Resolution passed? The Honourable Member for Birtle-Russell.

MR. GRAHAM: I rise at this time because the Minister mentioned the housing project at St. Lazare which he announced over a year ago, and could the Minister now inform me when in fact they are going to start on the project at St. Lazare?

MR. PAWLEY: The honourable member is aware, of course, that the problems had developed in St. Lazare in respect to the project itself, the need for certain negotiations with CMHC. A second tender call has recently gone out and I believe it's closed or on the verge of being closed, so that the awarding of tenders for St. Lazare should take place within weeks so that construction should be commenced and completed this year.

MR. GRAHAM: At the same time or when construction does commence, will the Minister make every effort to ensure that the local people in the area are employed on the project?

MR. PAWLEY: I want to answer the honourable member in this way, and this has been one of the problems which we have had to face, the desire by all of course to involve local people because of job problems. Central Mortgage and Housing Corporation in respect to the awarding of monies for projects makes it very clear that unless good cause is shown, that the lowest tender is the one that should be awarded, so our problem develops that in some projects tendered out the local contractor is not the lowest tender and we're locked in by the CMHC requirements where you have to show very good cause satisfactory to the CMHC authority as to why you should not use the lowest tender. Certainly in principle we want to use local labour and we can only do it however if the tender in most cases is a local contractor.

MR. GRAHAM: I'm sure the Minister is also aware that there are very special circumstances in the St. Lazare area otherwise he would not have announced the project a year ago, and I sincerely hope that those particular people do have an opportunity of employment.

MR. PAWLEY: Mr. Chairman, in respect to St. Lazare, it ties in with the honourable member's question. St. Lazare was kind of a personal concern of myself and because of the extreme housing conditions witnessed in St. Lazare, among the worst in the province, we personally negotiated with Central Mortgage and Housing, that had not been particularly keen on building units, public housing units in communities of the size of St. Lazare, to get their approval. I'm very hopeful that we'll be able to commence the work in communities such as St. Lazare with local labour, and we can only do this if the low tender is the local contractor. I'm hopeful to be able to have that information for the honourable member shortly.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, I did miss part of the discussions tonight but I'm interested as to just how much will be spent in my constituency. I think most members would like to know that and certainly I would appreciate a definitive answer from the Minister who probably has the information, most likely has the information at his fingertips as to how much will be spent in the various areas. -- (Interjection) -- Rhineland is my constituency, if I may answer to the Honourable the Finance Minister, it's right along the U.S. border and the central part of Manitoba.

MR. PAWLEY: I've always been a little concerned that I might have been too easy to Rhineland here. I'm looking at the sheet in front of me which I will table in the House. I better come across something here. Yes. Winkler. Project No. 7110, Winkler - 15 units, total cost \$191,610 with a provincial input of \$21,290. I see that there was another project specified for Winkler containing 12 units. I'll give the honourable member this information later if he wishes it.

MR. CHAIRMAN: Resolution passed?

MR. FROESE: The Honourable Minister says he has the list there. Has he not got copies of it so he could table it at this time so that we could look at it and then he wouldn't have to answer as many questions. I think it would be much simpler.

MR. PAWLEY: I have an original. I certainly have no objection to filing this, there's nothing to conceal. I could undertake to table this tomorrow. I've only got the original with me tonight.

MR. CHAIRMAN: Resolution -- passed, Committee rise.

MR. CHERNIACK: Mr. Chairman, I believe that I have the concurrence of the Whole House that the Committee would rise and then we would go through the procedures involving this Bill and then the Committee would finally be reconstituted to deal with Estimates.

MR. CHAIRMAN: That was my understanding. Committee rise. Call in the Speaker.

IN SESSION

MR. BOYCE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Flin Flon, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. CHERNIACK: Mr. Speaker, I move, seconded by the Honourable the Minister of Municipal Affairs, that the Resolution reported from the Committee of Supply be read a second time and concurred in.

MR. BILTON: . . . Minister referred to as the seconder was not . . .

MR. SPEAKER: Order please.

MR. SPEAKER presented the motion.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$63,200,000 for Capital expenditures, requirements for the Manitoba Housing and Renewal Corporation.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of Ways and Means for raising the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Ways and Means with the Honourable Member for Winnipeg Centre in the Chair.

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN: The matter before the Committee is Resolved that towards making good certain sums of money for capital purposes the sum of \$63,200,000 be granted out of the Consolidated Fund. The Member for Rhineland.

MR. FROESE: Mr. Chairman, just one question. If we're going to borrow that much money for capital purposes, what is the rate that we have to pay at this time and for what time length will the moneys be borrowed. What is the time length on this?

MR. CHERNIACK: Mr. Chairman, what has been indicated by the Honourable the Minister of Municipal Affairs is that the vast majority of this money will be borrowed from CMHC at their prevailing rates of interest, at about 7-1/2 percent payable over 50 years.

MR. CHAIRMAN: Resolution --passed, Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Ways and Means has adopted a certain resolution and directed me to report the same.

IN SESSION

MR. BOYCE: Mr. Speaker, I beg to move, seconded by the Minister of Health and Social Development, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Youth and Education, that the resolution reported from the Committee of Ways and Means be read a second time and concurred in.

MR. SPEAKER presented the motion.

MR. CLERK: Resolved that towards making good certain sums of money for capital purposes the sum of \$63,200,000 be granted out of the Consolidated Fund.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK introduced Bill No. 11, An Act to authorize the Expenditure of Moneys for Capital Purposes and authorize the Borrowing of the same.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK, by leave, presented Bill No. 11, An Act to authorize the Expenditure of Moneys for Capital Purposes and authorize the borrowing of the same (1), for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I do not intend to hold up proceedings for any length of time, I think I just want to express my views as far as a government continually going further into debt. This I do not approve of, especially to borrow moneys for that length of period of

(MR. FROESE cont'd.) . . . . time. Fifty years at 7-1/2 percent, how many times over will we be paying for the amount that we are borrowing? I still feel that this government should go to the Federal Government, to the Bank of Canada and borrow the money at cost. Why not try it? -- (Interjection) -- You haven't even made an effort to borrow the money from Ottawa have you, through the Bank of Canada. I'll give you credit if you go and try, and if you can't do it that's a different thing, but when you don't even try, I certainly must condemn this government if they don't even make a try at it. We were informed by the previous government that under the Bank of Canada there was a special portfolio for purposes of this kind and I think we should at least make an effort and try and secure the moneys from there. So even if they charge us interest on that money borrowed it would then go to the consolidated revenue of the Federal Government and we would pay that much less in taxes so it would be offset. So on that basis, Mr. Speaker, I will not approve of it until some effort is made at some time.

MR. SPEAKER put the question and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Highways, Public Works and Transportation, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bill - Bill No. 11, An Act to authorize the Expenditure of Moneys for Capital Purposes and authorize the borrowing of the same (1).

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of the Whole with the Honourable Member for Winnipeg Centre in the Chair.

#### COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: (Bill No. 11 was read section by section and passed.) Committee rise.

#### IN SESSION

MR. BOYCE: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Vital, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: The Honourable Minister of Finance.

BILL No. 11, by leave, was read a third time and passed.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that by leave Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Winnipeg Centre in the Chair.

#### COMMITTEE OF SUPPLY

MR. CHERNIACK: Mr. Chairman, could you now deal with the estimates of the Attorney-General on Page 8.

MR. CHAIRMAN: The matter before the Committee is Resolution No. 21 on Page 8 of the Estimates. The Attorney-General.

MR. MACKLING: Mr. Chairman, to say that I'm delighted at long last to be able to introduce my estimates would be sheer understatement. The reason that I've been anxious, Mr. Chairman, to take the floor is that, as you may recall, last Wednesday there was a motion made which the Speaker denied for an emergency debate relating to a purported failure in the administration of justice in this province. Subsequently, on a grievance the Honourable Member for Portage la Prairie continued in respect to an attack on the Attorney-General and his department in respect to a matter arising in Brandon, Brandon Magistrate's Court.

Previous to the Honourable Member for Portage la Prairie rising in his chair to make his comments, I did note in the Winnipeg Tribune edition of April 20th of this year, Mr. Chairman, an article ostensibly quoting the purportedly era of the Liberal Party in Manitoba, a Mr. Asper, who I don't see present tonight, in which, Mr. Chairman, he alleges that the respect for law has been eroded in the Province of Manitoba and in this article he suggests,

(MR. MACKLING cont'd.) . . . . . among other things, when an Attorney-General can intervene and apply personal influence in court decisions. Now, Mr. Speaker, I wasn't totally surprised that the member for Portage la Prairie might echo the sentiments of his leader, but to do so in the way that he did was both shocking to me and disturbing to anyone who has a cause for the concern of the fair administration of justice in this province.

Mr. Chairman, I want to go into some detail in connection with this question because of the serious implications that are involved in this charge, but first of all I want to point out that I'm not surprised that the Honourable House Leader, or at least the one who speaks as leader, for the group that remains of the former Liberal Party in this House, would echo these sentiments, because after all he's not a lawyer, but he has been in this House for many years and he should be familiar with the administration of justice. However, I can understand his ignorance in the matter, but the fact of the matter otherwise is that his supposed leader is ostensibly a lawyer, one who's entitled to practice law in the Province of Manitoba. But of course we all know the type of lawyer that the ostensible leader is. He's a tax lawyer, Mr. Chairman. -- (Interjections) -- No, he takes a great deal of time and effort trying to find ways for the rich people to avoid paying taxes. He is opposed to estate taxes because that offends his clientele. He's opposed to anything where there is an imposition of tax on his wealthy clients and he, like many others who specialize in this field, spend many hours trying to find and weave their way through the complexities of the income tax so they can avoid, on behalf of their clients, paying just taxes. And that gives you, Mr. Chairman, an understanding of the weakness of the thinking of the honourable gentleman, or should I call him an honourable gentleman? - who holds himself out as leader of this group.

Mr. Chairman, I'm not surprised that this gentleman has no knowledge of the courts because he's seldom seen in court, because it's not much of a paying proposition for him. The fact of the matter is that he doesn't understand what the administration of justice is in this province, nor does the Honourable Member from Portage la Prairie, or the Honourable Member from Lakeside, who as usual is absent. The fact of the matter, Mr. Chairman, is that day in and day out, week in and week out, month in and month out, year after year, not simply during the course of this administration but through the life of the Attorney-General's Department in this province, ministers of the Crown have delegated to their staff the responsibility of those Crown attorneys to lay charges in respect to informations that are laid and brought under the Criminal Code and under the statutes of this province. The individual Crown attorney must assess the facts and consider what are the appropriate charges, and lay them. It is the Attorney-General's Department that satisfies itself as to what charges are to be laid. From time to time we err, otherwise we would win every case that we took to court. We don't win every case, Mr. Chairman. Some we lose. Sometimes we assess the evidence or the facts that are to be alleged and produced in court as evidence, in a way that obviously was not satisfactory to the court. Perhaps we failed to produce the necessary weight of evidence to convict under the particular statute, but the fact of the matter is that at all times we are seized and we have the responsibility for making the assessment as to what the charges are to be, whether it be one charge, two charges or a dozen charges. We at times, day in and day out, reduce charges, stay charges, and this is nothing unusual. The fact of the matter is that we have a director of prosecutions whose job it is to oversee the work of the Crown attorneys in the department, not just here in Winnipeg but throughout the whole of the province. It is his job to make sure that the Crown attorneys understand the niceties of particular sections of the law, lay the appropriate charges, and act in a manner in accordance with the interpretation of the administration of justice in accordance with the views of the department.

The fact of the matter is that what my honourable friend complains about happens all the time. What was unusual in this case was that a Crown attorney received a letter and apparently decided that he wasn't going to make the representations or deal with the case in the manner in which he was instructed. Now in this particular case I had no personal knowledge whatsoever about the circumstances and facts of this case. I don't know whether the honourable gentleman - and I will call him an honourable gentleman because he paid his penalty - I don't know what political party he supports. Perhaps now that the Free Press and others are so concerned about political affiliations I'm supposed to ask everyone who may at all receive any consideration by the department whether or not they belong to the New Democratic Party. I want my honourable friend and others to understand that 39 percent of the people in this province in 1969, and many more if an election were called tomorrow, support this party and



(MR. MACKLING cont'd.) . . . . I'm not about to ask everyone with whom our department deals what their political views are, because there will be no favours, no favours for members of the New Democratic Party or no favours for the members opposite. This department will continue to act in the fair, impartial way it has for all the time that I've had anything to do with it.

Now, let me tell you, Mr. Chairman, that I was shocked at the Honourable Member from Portage la Prairie in introducing this question, bringing the name of a man and all the particulars before this Assembly, a man who paid his penalty - I don't know this individual but he paid his penalty - and there was absolutely no rhyme or reason for dragging this matter through this Legislative Assembly but he chose to do it, and I think it was totally unfair. The fact of the matter is, as I've indicated, that a Crown attorney made an assessment in this case and originally, if my honourable friend wants to know, the original inclination was to lay two charges, one a charge of assaulting a police officer and one of impaired driving. Later on, and this is in the report, when it was indicated that there wasn't going to be a guilty plea taken, there was a re-assessment and all these numerous charges were laid. My honourable friend, however, doesn't just go that far. What does he do, Mr. Chairman? He reads into the record from a letter, a letter addressed to whom we don't know. -- (Interjection) -- Oh yes. Yes. You just keep quiet and listen a minute and I hope that you will learn something. He read from a letter and, you know, we have rules in this House in respect to letters. And why do we have rules? So that we can test the authenticity of the letter; so that we can know what weight should be given to it; so that no irresponsible charges can be aired in this House that can't be answered and answered properly.

My honourable friend knows the rules of this House but he deliberately broke the rules of this House in introducing that letter; and he was very guarded right from his opening remarks. He said - just a moment - on Page 294 - this is a particular reference to that letter - I'll find it in a moment. Here it is: ". . . first of all, first of all, read a letter that was sent to me by a person, who I shall keep his name and address confidential because it could lead to certain results for him and which may not be pleasant."

Now, that's an indication; you know, that's an indication that perhaps, if his name were exposed in this House, someone in authority, obviously on the government side, could discipline this person. Now my honourable friend, in doing that, has put every one of the civil servants who has anything to do with the Attorney-General's Department under a cloud, and I think that is mean, irresponsible and completely unethical.

But, Mr. Chairman, the honourable member went much further. When the Honourable Acting House Leader demanded that the letter be tabled, what kind of an admission did he make? And I quote from Page 295 of Hansard: "Mr. Johnston: Mr. Speaker, I'd like to speak on the point of order to my honourable friend." Listen to this, Mr. Chairman: "To begin with, the letter that I'm referring to I took the letterhead off and the signature off and destroyed them. I have not got them." Mr. Chairman, here's a man who calls himself an honourable member of this House that has mutilated a document purposely and brought in a mutilated document into a place where we call him and those associated with him lawmakers. Mr. Chairman, this is a disgraceful act on the part of anyone who calls himself entitled to sit in this House and, far from asking the Attorney-General to resign, I suggest the Honourable Member from Portage la Prairie has demeaned the rules of this House deliberately, has demeaned the Attorney-General's Department deliberately, has created nothing but damage to the civil service in this province, and the honourable member should resign.

But what about the particulars in this case? What about the particulars in this case? Obviously, the leader of the Liberal group was caught up by the suggestion of the Western Bar Association, and I have learned, Mr. Chairman, that they have written some letters - they have written some letters. They didn't send me a copy of their letter but apparently they have written to the Law Society, and obviously Mr. Asper got a copy of this letter, or Mr. Johnston got a copy of this -- pardon me, the Honourable Member for Portage la Prairie got a copy of this letter, and in it they suggest there's some wrongdoing. Obviously the establishment, the old trusted establishment of the legal profession in southwestern Manitoba, a lot of whom don't know what the inside of a courtroom looks like either apparently, don't know anything about the working of the administration of justice in this province. That's indicated by the inanity of their charges contained in this letter picked up by my honourable friend from Portage la Prairie.

(MR. MACKLING cont'd.)

The fact of the matter is, Mr. Chairman, that this was a routine matter handled in a proper, responsible way; that time in and time out the Attorney-General's Department makes assessments of charges that are laid. Sometimes we reduce those charges, sometimes we stay charges, and we have complete control over the charges that are to be laid and how they're to be prosecuted before court. It's only when they're in court and the magistrate or the judge is seized of them that we make no interference with what the judge does with a particular case. When it comes to representation, when the judge has made a finding of fact, whether for guilt or innocence, it is open to the Attorney-General's representative, the Crown attorney, and I employ my Crown attorneys not simply to try and prosecute people but to present facts. If there are facts in mitigation of sentence, then they should present those facts. We don't try to weigh the hand of justice against an accused person. They're admonished to present the facts before the court, facts indicating guilt, and if guilt is established, if there are mitigating circumstances, present those fairly as well.

In this particular case, the letter which my honourable friend from Portage la Prairie referred to, which he read into the record and whose author I can't treat with because he has deliberately mutilated the document, he read in circumstances, alleged circumstances in this case, which are totally inaccurate, and I want to tell my honourable friend that some of the charge — do you want to know what some of the charges of assault were? The accused stuck out his foot, he stuck out his foot to trip the police officer. A charge of assault was laid. That's one of them. Now, in our department, the Director of Prosecutions carefully weighs representations that are made from defence attorneys that we're being too hard; that we're laying too many charges; that one charge would suffice; and this happens fairly regularly. Sometimes, Mr. Chairman, they exhaust their attempts with the Director of Prosecutions and the particular Crown attorneys, and appeal to the Attorney-General directly, and that's nothing novel. My predecessor in office received the same sort of request and it's open for the Attorney-General to stay charges when he considers that all of the facts properly considered and circumstances do not warrant a prosecution. I can assure honourable members that very, very seldom has there been a use of the stay on my part and I've had many representations made; one of the questions I do not ask is a political affiliation or support or sponsorship of the person requesting, or their attorney.

Mr. Chairman, I think I've indicated the extent of my concern and the extent of my annoyance with the kind of interference which has been demeaning, not only of the member who made these charges, but have been demeaning in the manner in which the rules of this House have been broken and a smear has been cast in respect to the administration, the just administration, of the Attorney-General's Department. I expect, Mr. Chairman, that the honourable member and the Honourable Member for Lakeside, if and when he ever returns to this Chamber, and I hope that he will read Hansard, I would expect that full apologies ought to be tendered. I expect that the honourable member might take my admission and resign his seat because I think we can win Portage la Prairie too, particularly after the irresponsibility demonstrated by the honourable member from that constituency. Insofar as the purported leader of that Liberal group, or Liberal rump, I think that he's demeaned himself and his party by his irresponsible actions and loose talk to the extent that I doubt whether he will ever be able to find a seat in this Legislative Assembly.

The fact of the matter is, Mr. Chairman, the accused in this case paid his penalty. There was no unfair representation made. It is open to the Attorney-General to indicate to the Crown attorney that we would be satisfied with a fine instead of a jail sentence, and that sort of indication has been given in the past and will continue to be made in the future. What was unusual was the reading of the letter into the record. What was even more astonishing was the nonsensical reaction of the western members — certain members of the Western Bar Association, not all, agreed with that nonsense — and the reaction of the honourable member opposite and his erstwhile leader.

Mr. Chairman, it is my intention to now commence a review of other matters in respect to the administration of justice. However, the Honourable House Leader has indicated that it might be more appropriate for me to start these general comments tomorrow and I'll be prepared to do that tomorrow afternoon.

MR. GREEN: Is that agreeable to members of the House? I move the committee rise. Call in the Speaker.

IN SESSION

MR. BOYCE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Ste. Rose, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable Minister of Labour, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Tuesday afternoon.