

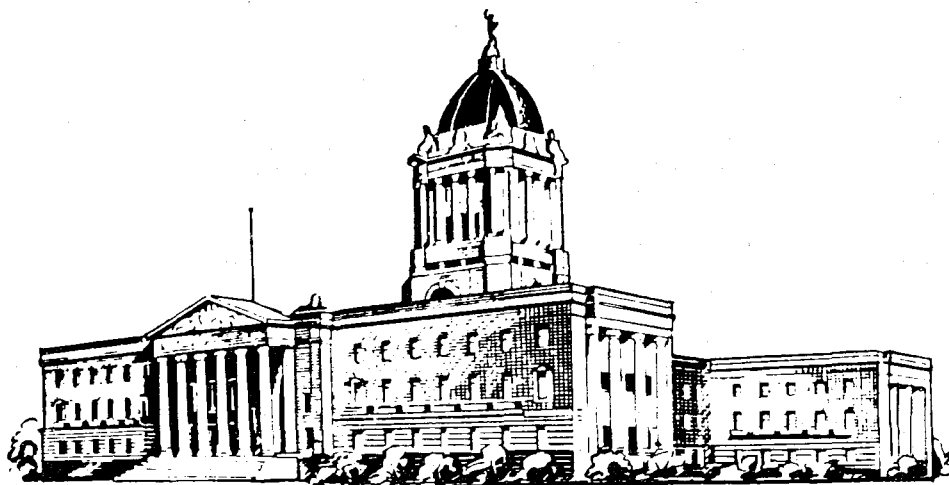


Legislative Assembly of Manitoba

**DEBATES**  
and  
**PROCEEDINGS**

Speaker

The Honourable Peter Fox



Vol. XXI No. 87 2:30 p.m., Thursday, April 11th, 1974.

First Session, 30th Legislature.

Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	ROM 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Pl., Winnipeg	R3J 3LB
BIRTLE-RUSSELL	Hárry E. Graham	P.C.	Binscarth, Man.	ROJ 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0VB
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	Les Osland	NDP	66 Radisson Blvd., Churchill	ROB 0E0
CRESCENTWOOD	Harvey Patterson	NDP	978 Garwood Ave., Winnipeg	R3M 1N7
DAUPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Steve Derewianchuk	NDP	Vita, Manitoba	ROA 2K0
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	ROB 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	ROC 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	ROJ 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	ROC 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	ROA 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	ROJ 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	ROG 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	ROG 1G0
POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE L'APRAIRIE	Gordon E. Johnston	Lib.	135 - 16th St. S.W., Portage la Prairie, Man.	R1N 2W5
RADISSON	Harry Shafrensky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	ROG 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	ROJ 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	ROK 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Harvey Bostrom	NDP	Manigotagan, Manitoba	ROE 1E0
ST. BONIFACE	J. Paul Marion	Lib.	394 Gaboury Place, Winnipeg	R2H 0L4
ST. GEORGE	Hon. Bill Uruski	NDP	10th flr., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Hon. Saul Cherniack, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	26 Hemlock Place, Winnipeg	R2H 1L7
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	ROL 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	ROK 1P0
SPRINGFIELD	Hon. Rene E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	ROL 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	1171 Westwood Dr., Thompson	R8N 0G8
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	ROM 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	J.R. (Bud) Boyce	NDP	777 Winnipeg Ave., Winnipeg	R3E 0R5
WOLSELEY	I.H. Asper	Lib.	Legislative Bldg., Winnipeg	R3C 0V8

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Thursday, April 11, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have 12 students, Grade 11 standing of the Sisler School. These students are under the direction of Mr. Brown. This school is located in the constituency of the Honourable Member for Inkster, the Minister of Mines, Resources and Environmental Management.

We also have 26 students of Grade 11 standing of the Riverton Collegiate. These students are under the direction of Mr. Gustaw and Mrs. Lyprypa. This school is located in the constituency of the Honourable Member for St. George, the Minister responsible for the Manitoba Public Insurance Corporation.

On behalf of all the honourable members, I welcome you here today.

Presenting petitions; Reading and receiving petitions; Presenting reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports.

TABLING OF REPORT

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, if it meets with the concurrence of the House, I would like to table the report of the City of Winnipeg Boundaries Review Commission. I have the one report, one copy here, additional copies will be available, if they aren't already, before 5:00 p.m. this afternoon. So on that basis, if it's agreed I will table this report.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Introduction of Bills. Questions.

RETURNS TO ORDERS OF THE HOUSE

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I have Returns to Orders of the House and with your permission, Sir, I would like to table these Return to Orders Nos. 65, 66, 67, 68, 70, 71, 73, 74, 76, 77, 78 and 80.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Mines and Natural Resources as Minister who answers for the Manitoba Development Corporation. I wonder if he can indicate whether the Manitoba Development Corporation has turned down a request by Saunders Aircraft for additional funding.

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I'm advised today that the Manitoba Development Corporation Board has approved interim financing for Saunders Aircraft Limited.

MR. SPIVAK: By way of a supplementary then - or by way of another question, Mr. Speaker. I wonder if the Minister can confirm that the government instructed the Development Corporation to in fact provide the interim financing.

MR. GREEN: Mr. Speaker, no. And, Mr. Speaker, the understanding that I have with the Manitoba Development Corporation Board is that if ever money is advanced as a result of government prerogative - in other words, if they recommend that an advance be made and the government for reasons which are not considered by the Development Corporation to be acceptable, asks the Development Corporation to proceed, that when and if that does occur it will always be made plain that that particular financing was done at government request and without board approval. That is not what occurred in this particular case.

MR. SPIVAK: Yes, Mr. Speaker, by way of another question to the Minister, I wonder if he would be prepared to confirm the amount that has been funded; and further whether this matter was discussed with him according to the guidelines that he announced in the Legislature

## ORAL QUESTIONS

(MR. SPIVAK cont'd). . . earlier in the session.

MR. GREEN: Mr. Speaker, I understand that the amount is in the neighborhood of \$2 million; that the matter was discussed with me over a period of time, including today.

MR. SPIVAK: Yes. I wonder if the Minister can indicate what he means by interim financing, and I believe that's what he used, the terminology he used, with respect to this particular matter.

MR. GREEN: Well, Mr. Speaker, there are several developments relative to Saunders Aircraft which I can't review in great detail, and the interim financing has to do with studying the effect of those developments and maintaining the operations of the corporation.

MR. SPIVAK: Yes, I wonder - is the Minister suggesting that the \$2 million that's going to be funded, or will be funded by the Manitoba Development Corporation, is capable of being paid back?

MR. GREEN: Well, Mr. Speaker, with every advance that is made by the Manitoba Development Corporation or by any financial institution, there is never a guarantee that recovery will be made, so when the honourable member asks that question, I would assume that the board felt that under the circumstances at present that the advance of \$2 million was justified in the best interests of the position of the board relative to that corporation.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. I. H. ASPER (Leader of the Liberal Party) (Wolseley): Will the Minister responsible for the MDC confirm that at a meeting of the Manitoba Development Corporation Board to review the application of Saunders for a loan of \$45 million, that the board unanimously turned down the loan?

MR. GREEN: Well, Mr. Speaker, I've indicated today, and my information is from the chairman of the board, that the board, by decision of the board, has approved interim financing for Saunders Aircraft. I don't Mr. Speaker, wish to deal with matters which are outside of the scope of what I have said at the present time.

MR. ASPER: Could the Minister tell us when the board met to make the decision that he has just announced.

MR. GREEN: Mr. Speaker, I understand from the Chairman that it was a polled decision.

MR. ASPER: Mr. Speaker, my question to the Minister is; was the Board of Directors of Manitoba Development Corporation informed that if they did not agree to the interim loan that has been approved now, that Saunders would be forced to close and could not meet its payroll.

MR. GREEN: Well, Mr. Speaker, I certainly did not make that statement to them, but I don't wish the answer to be in any way misleading, Mr. Speaker. I assume that when the board was polled for its decision that they discussed all of the contingencies and I cannot say since I spoke to none of the board members with the exception of the Chairman of the Board who spoke to me this morning - who spoke to me, Mr. Chairman, principally because he said that yesterday's story that the corporation was not going to receive any additional funds, created a situation which had to be dealt with in terms of the operations of the company on an ongoing basis; that various matters probably could have been taken up between the chairman and the various members of the board. But if the honourable member is asking me whether I or anybody in the government made that statement to them, I can tell them that anybody in the MDC--(Interjection)--Well, Mr. Chairman, I do not know the conversations that took place between the chairman and the members of the board, but I believe that the members of the board are fully cognizant of the entire situation vis-a-vis Saunders Aircraft.

MR. ASPER: I wonder if the Minister would undertake to enquire of the chairman of the circumstances under which the board members were requested, or told, that a loan had to be made, otherwise Saunders would close immediately, and report on the accuracy or inaccuracy of that assumption.

MR. GREEN: Mr. Speaker, I will not do that, Mr. Speaker. No.

A MEMBER: No, I wouldn't either.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the Minister of Agriculture and Co-operative Development. I would like to ask the Minister has the Freshwater Fish Marketing Board entered into any agreements with the Department of

## ORAL QUESTIONS

(MR. GRAHAM cont'd). . . Co-operative Development for the collection of fish from the various fishing stations on behalf of the various northern fishing co-operatives?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I don't believe the corporation does enter into agreements with the department. Any agreements entered into I would presume would be with the local co-operative boards who operate the facilities in northern Manitoba, although it may be that the department has assisted in any negotiations that have taken place. I am not aware of any agreements having been arrived at to date, although that is possible.

MR. GRAHAM: A supplementary question. Has the Freshwater Fish Marketing Board paid any moneys to the Department of Co-operative Development for such collection?

MR. USKIW: Mr. Speaker, I'm afraid I'll have to ask the honourable member for clarification. He referred to collection and I'm not sure what he means by that.

MR. GRAHAM: For the collection of fish from the various fishing stations.

MR. USKIW: Well, Mr. Speaker, I'm afraid I still don't understand his question.

MR. GRAHAM: One further supplementary. I might ask the Minister to take note of this as well if he could. Has the government in turn, if they have received any money from the Freshwater Fish Marketing Board for this duty, have they paid that money in turn to the various northern co-ops?

MR. USKIW: Mr. Speaker, I'm not aware that the government receives any money from the Freshwater Fish Marketing Corporation, so unless there's something that has recently happened that I'm not aware of, I'm afraid I'll have to take the whole matter as a matter of notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I direct a question to the Minister of Mines and Resources in charge of the MDC. Can he indicate whether the government has any other loan guarantees to Saunders Aircraft by way of guarantee of loans that Saunders may have from a bank - any of the banks?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I believe that all of the up-to-date information was made available to members at the meeting that was held by the Economic Development Committee, and I believe that between that date and today's information, which indicated additional \$2 million, that that takes care of all of the present commitments of the government vis-a-vis Saunders Aircraft.

MR. CRAIK: Mr. Speaker, in round terms then could the Minister confirm whether in round terms this brings the total government commitment to Saunders to about \$18 million since their annual report shows 16.

MR. GREEN: Sixteen was the figure that was used at the last meeting and I think that two million dollars is the figure that has been committed since that time.

MR. SPEAKER: The Honourable Member for Wolseley, Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, to the Mines Minister. Will he confirm that the Board of Directors of the MDC prior to today's announcement had reached the conclusion and made the decision that Saunders was not viable and should be closed.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I indicated in answer to members of the House on several occasions in the past the position vis-a-vis Saunders Aircraft. I indicated that the process relative to that particular application had never terminated, and that is the only statement that I could make relative to the corporation, and in doing so, Mr. Speaker, I keep in mind that my information to the House has to be to some extent guided by the commercial interests of the company itself.

MR. ASPER: Will the Mines Minister confirm that the General Manager or rather Chairman of Saunders Aircraft applying to the MDC is none other than the Chairman of MDC? And is there not some conflict of interest in this case?

MR. GREEN: Mr. Speaker, I'm not sure that the Chairman of - Mr. Parsons is also the Chairman of Saunders. I thought it was Mr. Kersey. But I could be wrong. The honourable member is stating that, it's possible that I'm wrong. But it is absolutely no conflict of interest recognized by the

## ORAL QUESTIONS

(MR. GREEN cont'd). . . Manitoba Development Corporation that when they had that amount of money involved in a corporation and essentially government controlled that members of their boards of directors sit on the boards of each of these corporations. As a matter of fact I think that that is done in almost every case without exception.

MR. ASPER: A supplementary question, Mr. Speaker, in the light of the Minister's answers. Has the government, or the MDC, commissioned an independent study of the potential for Saunders airplanes in world markets as a preparatory step to making a final decision as to whether to fold it or to carry on with it?

MR. GREEN: Mr. Speaker, there was such an independent study made prior to the Manitoba Government embarking, or the Development Corporation embarking on the Saunders Aircraft project. I assume, because I believe that the members of the Development Corporation are very talented people, that in terms of whatever future commitments they will make they will take into consideration all things which they think are necessary to take into consideration.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources. I believe he said in answer to one of the questions that the payment of \$2 million was interim funding, that there was a loan application for substantially more money than the two million. Can I now ask him whether the Board, the Manitoba Development Corporation at least, will now be considering a further application from Saunders for an amount of money over and above the \$2 million that has just been funded?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: Mr. Speaker, that's possible, but I cannot say at the present time. I do want to try to not leave any misimpressions. The procedure relative to the previous application had never actually terminated. That is the entire procedure relative to an application of this kind. This is one of those applications, Mr. Speaker, whereby since it is the disposal under certain circumstances of an asset in which the government has considerable share equity, that the procedure is finalized at the ministerial level. It had never been finalized and therefore you take that part of my answer as being complementary to the earlier answer that I gave.

MR. SPIVAK: I wonder if the Minister is in the position for this fiscal year to project what the additional capital requirements, or borrowing requirements, will be from the Manitoba Development Corporation until March 31st of 1975?

MR. GREEN: There is a request for Capital Supply that is going to be considered in the Committee of Supply which deals with supply to the Development Corporation.

MR. SPEAKER: The Honourable Member for Assiniboia. The Honourable Leader of the Opposition.

MR. SPIVAK: Well the Minister may want to answer in the way he did; he may have misunderstood my questions, so if I could I'd like to phrase the question again and then he can either say that his answers stands, or he may want to answer it in a different way. In dealing with Saunders Aircraft I wonder for this fiscal year ending March 31st, 1975, if he's in a position to indicate what additional funding will be required by Saunders Aircraft over and above the \$2 million that has been now funded?

MR. GREEN: Yes, Mr. Speaker. I misunderstood the member, I thought he was referring to the Development Corporation. That, Mr. Speaker, would depend on whatever program is approved by the Manitoba Development Corporation. There can be different contingencies and different types of programs that could be discussed.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I want to direct my question to the Minister of Health and Social Services. I wonder if the Minister would indicate at what level hospital budget increases will be held this year following the announcement of flexibility some time ago that it would be imposing an eight percent ceiling.

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development) (Seven Oaks): Mr. Speaker, the Manitoba Health Services Commission are the ones that are seized of this. They are dealing directly with the hospitals and when they come forward with any change in their proposals, we'll have to deal with it at that time.

MR. PATRICK: A supplementary, Mr. Speaker. Is it correct that wage settlements

## ORAL QUESTIONS

(MR. PATRICK cont'd). . . currently negotiated coupled with increased cost of supplies would push the budget requirements up by about 25 percent for this year?

MR. MILLER: I am not aware of that, Mr. Speaker. I know there are some wage settlements taking place. How they affect the total budget I'm not sure because the wage settlement of one particular group may have a minor impact or it may have a major impact, depending on what ratio they are in proportion to the total cost.

MR. PATRICK: A supplementary. What action is the Minister planning to deal with the situation of escalating hospital costs and still maintain the best possible service for the people?

MR. MILLER: Well, Mr. Speaker, it is a dilemma. The costs are rising. We recognize that and that's one of the realities with which the governing boards of hospitals have to live. I know that they have a great problem dealing with these matters and I'm sure however they're doing the best they can in order to cope with the situation.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. My question is to the same Minister. What steps has the government taken in regard to the current labour negotiations taking place between the Health Sciences Centre and the non-professional workers at the centre?

MR. SPEAKER: The Honourable Minister.

MR. MILLER: Mr. Speaker, the Department of Health and Social Development is not involved in these negotiations at all. The negotiations take place between the boards of the hospital, who are the employers, and the union or group of employees who are working for that particular hospital.

MR. BROWN: I have a question to the same Minister. Can the Minister tell me whether any emergency preparations have been made in the event that a strike does occur.

MR. SPEAKER: The question is hypothetical. The Honourable Minister.

MR. MILLER: Well, Mr. Speaker, again this is not something that the department deals with directly. I would assume that the Manitoba Health Organization, that is the Hospital Association, would look at this problem if it did occur and would take the necessary steps to deal with the problem should it ever arise. The local board certainly would have a responsibility to contact other hospitals to see what arrangements could be made.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is to the Minister responsible for the Communities Economic Development Fund, and I wonder if he would clarify to set the record straight on this question. Is it a fact or would he confirm that the \$75,000 loss, fire loss, suffered by Schmidt Cartage, the company to which CEDF had advanced funds, that the fire loss was uninsured and that the CEDF is absorbing a full loss on that.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I believe I was asked that question before and I indicated I would give an answer. I am not of that present knowledge, that is not my information, but I'll certainly check it with the Fund again and try to get an answer for the honourable member.

MR. ASPER: I thank the Minister for taking it as notice. I wonder if he would also take as notice and report to the House if he finds that that is the case as has been suggested, would he indicate to us how a loan could be made by the CEDF where no insurance was taken, fire insurance, on the assets of the company and has anybody in the CEDF been removed or replaced as a result of this, if that is the case.

MR. GREEN: Mr. Speaker, of course the honourable member's question is predicated on the fact that there would be no insurance. If that indeed is the case then I will have to answer to the honourable friend, I was advised by one of the media yesterday that the reverse is the case. But I think we should get accurate information - I'll get it for the honourable member.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Northern Affairs. In view of the information and documents released this morning in the Economic Development Committee, could the Minister tell the House whether he or members of his political staff had discussion with Mr. Don McIvor and Mr. Ben Thompson prior to their submission of affidavits to that committee?

MR. SPEAKER: Orders of the Day. The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, . . . . House to make a . . . .

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MR. AXWORTHY: Excuse me, Mr. Speaker, was the Minister about to . . .

MR. SPEAKER: Order please. The member on the floor. The Honourable Member for Radisson.

CORRECTION - VOTES AND PROCEEDINGS - NO. 38

MR. SHAFRANSKY: Mr. Speaker, on March 25th, I made a change in the Economic Development Committee and the Votes and Proceedings did not indicate that change. Therefore I'd like to move, seconded by the Honourable Member for Churchill, that Votes and Proceedings, No. 38, of the Sitting of Monday, March 25, 1974, be corrected by adding the following immediately after prayers: Order that the name of Honourable Mr. McBryde be substituted for that of Mr. Barrow on the list of names to comprise the members of Standing Committee on Economic Development.

And, Mr. Speaker, I'd also like to draw attention to Votes and Proceedings No. 49. It is that when the change was made - Mr. Barrow for that of Mr. Evans - it says the list of names to compromise - it is to comprise, it is not to compromise.

MOTION presented and carried.

ORAL QUESTIONS (cont'd)

HON. RON McBRYDE (Minister of Northern Affairs) (The Pas): Yes, Mr. Speaker, I wonder if we could get the Honourable Member for Fort Rouge to repeat his allegations so I could hear it correctly.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I'd be very pleased to repeat my question, and the question is this: Considering the information and documents released this morning, or the testimony given this morning by the Chairman of the Communities Economic Development, would the Minister tell us whether he or members of his political staff had discussions with Mr. Ben Thompson and Mr. Don McIvor prior to their submission of affidavits concerning their involvement in the Wabowden Affair, to that committee.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Yes, I guess it's a good thing I asked for clarification because it's still not clear. I'm not quite clear in the connection of the documents tabled this morning in the committee of this House and their relationship between the question. I'm not aware of any discussions by myself or my executive assistant with the two gentlemen in regards to their affidavits.

MR. AXWORTHY: I've a supplementary, Mr. Speaker. Has the Minister in view of the testimony this morning by the Chairman of the Communities Economic Development Fund, that Mr. McIvor made inaccurate and untrue statements. . .

MR. SPEAKER: Order please. Order please. Let me indicate that one of the rules is that a committee that hasn't reported, that matter is not used in debate, and is not also not utilized before as a question. The Honourable Member for Fort Rouge.

MR. AXWORTHY: May I rephrase my question then, Mr. Speaker, in view of your ruling. Has the Minister now suspended Mr. Don McIvor from his contractual arrangements with the Department of Northern Affairs considering the charges made against him this morning in the Communities Economic Development Fund?

MR. McBRYDE: Mr. Chairman, I don't see it is a cause to have someone dismissed as an employee of the Department of Northern Affairs because the Leader of the Opposition states at a committee meeting that he thinks that person had given incorrect information. I think that if in fact that - the fact is that many persons have given incorrect information.

MR. SPEAKER: The Honourable Leader of the Opposition state his matter of privilege?

MR. SPIVAK: Yes. The Honourable Minister has made reference to a statement or an allegation made by myself. For the record I think, Mr. Speaker, and the Minister may recall, he may recall exactly what took place, the Chairman of the Communities Economic Development Fund, Mr. Parasiuk, said that Mr. McIvor had made an incorrect statements.

MR. SPEAKER: Order please. Order please. The honourable Member state his point of order?

MR. SHAFRANSKY: The Leader of the Opposition. . .

MR. SPIVAK: I stand by the statement that I made that the chairman said that Mr.



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(MR. SPIVAK cont'd). . .McIvor had made incorrect statements. He said that. And I would ask the Honourable Member who was chairman, and who may not have been listening at the time, to look at the Hansard and determine for himself whether my statement is accurate or not. The Chairman of the Communities Economic Development Fund said that Mr. McIvor had made statements that were incorrect.

MR. AXWORTHY: I have a supplementary to the Minister responsible for the Economic Development Fund. Considering the involvement now of the Department of Northern Affairs, does he intend to call the Minister of Northern Affairs to testify or to speak before that committee at its next meeting?

MR. SPEAKER: Order please. I'm sure the honourable member realizes that question is totally out of order. --(Interjection)-- Why? I would ask him to take a good look at Citation 171, one does not ask one Minister to tell another Minister. The Honourable Leader of the Opposition. The Honourable Member for Fort Rouge.

MR. AXWORTHY: My point of order is, I did not ask, I said, would the Minister responsible for that committee sort of request the Minister of Northern Affairs to appear before that committee and testify.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, in conjunction with the inaccurate statements that have been made by the Leader of the Opposition, by Mr. Allison, by the Member for Fort Rouge, by myself from time to time, by other members in this House, I do not consider it grounds for dismissal or for punitive procedure, to say that somebody has made an inaccurate statement.

MR. AXWORTHY: On that point of order. Mr. Speaker, I have asked the Minister if he was going to ask the Minister of Northern Affairs to appear before the Committee.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I dislike my honourable friend's question as much as he dislikes my answer.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, to the Minister responsible for the Communities Economic Development Fund. Does he still stand by the information which he put before that committee, or that was put before the Committee, in the form of the sworn affidavits by Mr. McIvor and Mr. Thompson?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, on all relevant matters I would say that the information that has been put before the committee substantiates to a degree which I would not have considered was possible, the position that the allegations made by the Leader of the Opposition were totally unfounded.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. GORDON JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Minister for Northern Affairs. In view of the fact that Mr. Don McIvor went on CKTV and said publicly that his affidavit was not correct - in other words, he contradicted his own affidavit - does the Minister not think first of all, that that gentleman should be called before the Committee, and secondly, that he should be suspended from his job?

MR. SPEAKER: Order please. The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Speaker, I would have to admit to the Honourable Member that I have given up watching CKY TV; and the answer to his second question is no, Mr. Speaker.

MR. SPEAKER: Order please. Order please. Order please. Let me indicate to the Honourable Members if they want me to chair this forum, they'll have to co-operate so I can hear what is going on, because it's impossible to adjudicate when there's just one loud hum and noise from all sides of the House, and the Member that is speaking is just inaudible under that kind of a din; and the members that are nodding their heads, I would hope that they would participate in what they are nodding to. The Honourable Leader of the Opposition. The Honourable Member for Portage la Prairie.

MR. JOHNSTON: My question is directed to the Minister of Northern Affairs. I'm asking him in view of the serious nature of the matter of my previous question, will he not give a serious answer?

MR. SPEAKER: Orders of the day. The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Speaker, I believe that the answer I gave was probably more

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(MR. McBRYDE cont'd). . . serious than the question that was asked. The answer to the question was no, but I don't think the honourable member could hear it because of the noise that you just referred to.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources. In view of the gusto with which he answered the questions before, regarding the allegation, I wonder if he's now prepared to allow a judicial inquiry to determine properly, under oath, with full documentation, the allegations that have been made by Mr. Allison.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I have tried to indicate to the honourable member, Mr. Speaker, that I'm trying to be as serious about this matter as he would like me to be, but I do not consider that it is reasonable to have an investigation, a judicial inquiry, every time there is a charge relative to the operations of a company which is financed by either the Manitoba Development Corporation or the Communities Economic Development Fund. If the Fund indicates that nothing has been done which is wrong, and that indication comes through in a way which is reasonable to all concerned or to a majority of those concerned, Mr. Speaker then I do not see the need for a judicial inquiry. To adopt another course, Mr. Speaker, would -- and I have advised the honourable member of this on several occasions, there are numerous people who are dissatisfied with their treatment from the Manitoba Development Corporation, there are numerous people who are dissatisfied with their treatment from other funding agencies, and it is impossible for the government to accede to a suggestion that when such allegations are made there be a judicial inquiry.

The original allegation, Mr. Speaker, appeared to be that there was a distribution of material gratis to people in the north in order to get their support during an election campaign. There isn't a scintilla of evidence that is correct, and we have no intention of conducting a judicial inquiry into that kind of allegation.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, to the Minister of Mines and Resources, as House Leader of the Party as well. I wonder if he is prepared now, in view of the admission now that some of the information furnished by the directors of the Communities Economic Development Fund was incorrect, to now allow the directors to come before the Committee of the Legislature so that they can, in person, explain the situation and be allowed to be examined by the members of the Committee.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the directors concerned to my information, originally wanted to make statements of their own to have press conferences and to try to deal in that way with the scurrilous allegations which had been made against them. We told them that the matter could be answered through Committee; they did so. Mr. Speaker, I do not consider the inaccuracies that have been indicated by the Chairman of the Manitoba Development Corporation to be of such a nature or to be relevant to the charges as would indicate that they themselves - that is the inaccuracies - constitute grounds for some type of inquiry. It is perhaps as a result of my experience in the courts of the land that I know that a person can make an inaccurate statement under oath quite innocently and on a point which is not material to the issue, and is able later to explain his inaccuracy and it is not considered a serious matter or such as would result in a judicial inquiry. That is true of the affidavits of Mr. Allison, some suggestion vis-a-vis Mr. McIvor; with regard to Mr. Thompson still an argument. But all on points which do not bear to the heart of the allegations and which are not material to the issue before the Committee. And on that basis, Mr. Speaker, it would be unconscionable to hold a judicial inquiry into those inaccuracies.

MR. SPIVAK: I wonder if the Minister is in a position to inform the House whether he has had an opportunity to talk to either Mr. Thompson or Mr. McIvor, since their affidavit to deal with the evidence that they presented.

MR. GREEN: Mr. Chairman, I'll go through the litany. I spoke to Mr. Thompson at one meeting - I think it was the day that his affidavits were prepared. I said to him "Hello." I may have said, "How are you?" I spoke to Mr. McIvor outside of the Legislative Building after his affidavit was sworn. I said hello and I said this is the first real fight as to whether people, small ordinary people in northern Manitoba, are going to be treated with the same

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(MR. GREEN cont'd). . . respect as people in other parts of the province. That was the end of my conversation with Mr. McIvor. The material that is presently before Communities Economic Development Committee convinces me, Mr. Speaker, that the Fund handled that particular loan account in a manner which I find highly agreeable. In other words, I think they did a better job than I thought they were doing, and certainly there isn't a scintilla of evidence of the charge whereby it was originally brought before the House that someone was trying to buy votes by the distribution of material.

MR. SPIVAK: I wonder if the Minister is in a position to indicate whether he has read Mr. Kregeris' letter to the Fund that was delivered last night in reply--(Interjection)--by Mr. Kregeris. Delivered by Mr. Kregeris, prepared, as far as I know, by him and at the request of the Fund, dealing with the presentation by the Communities Economic Development Fund of their side of the story, including the affidavits, at the first meeting of the. . .

MR. GREEN: Mr. Speaker, I just glanced at the letter; I saw it this morning. May I indicate, Mr. Speaker, that Mr. Kregeris' complaints as I have read them do not relate to the charge that was made by the Leader of the Opposition. It relates to the management of the Fund vis-a-vis--Mr. Speaker, I didn't read today's letter; I will read it. But I have many such letters - many such letters by people who have complained vis-a-vis the treatment that they have received from Manitoba Development Corporation or other funding institutions. And, Mr. Speaker, I tell you that these funding institutions cannot be operated, cannot be operated if, every time a person feels ill done by, by one of them, he is able to get a judicial inquiry as to what happened. The simple fact is that Mr. Kregeris had no need to have his organization controlled by the Communities Economic Development Corporation. Any time he paid the money that the people of Manitoba had advanced him, he was outside of the control of that corporation. And, Mr. Speaker, it is just not possible to run the Development Corporation--and my position vis-a-vis many many people who have phoned me and said that they wanted me to talk to the Development Corporation, my answer has been, Mr. Speaker, without exception that you will go to the Development Corporation and you will deal with them. If they have done something improper vis-a-vis your position, you will have rights at law. Now, Mr. Speaker, what I do know. . .

MR. SPEAKER: I wonder if I may appeal to the honourable gentleman. He's making too lengthy a reply and the reason is because the question has been posed in such a manner that it raises this kind of an answer, and I think that both sides have been abusing the question period in regard to this particular matter. The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Speaker. I have a further question for the Minister of Health and Social Development. I wonder if he could tell us whether the government at present is undertaking any studies to investigate the rising costs of health care in Manitoba.

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: No, Mr. Speaker. There is no need really to investigate or study this rise. This rise will take place, if it does, because of contract signing or because of other inflationary influences. If they take place they'll be well-known. It's not a matter of investigating them or studying them, it's the impact of this inflation which really concerns us and which concerns every hospital board that has to cope with it.

MR. SPEAKER: The Honourable Member for Wolseley, Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, to the Mines Minister. In the light of this answer as to what he does not consider applicable to inquiry, does he consider it worthwhile inquiring into a stated complaint that a member of the New Democratic Party was given favouritism in a loan from the Communities Economic Development Fund, in a loan that would not by a rational measure be made? I'm speaking of the Schmidt Cartage loan.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the Communities Economic Development Corporation makes loans by decision of the Board of Directors. A week ago a question was asked by a member of this House as to whether we interfered with that decision-making with respect to a particular loan relative to Thompson and this was where some Mr. Schulz was alleged to have written a letter to try and find out about a particular loan. Generally, generally speaking, Mr. Speaker and I can say that within the guidelines as between us and the Fund, we permit that board to deal with loan applications, and one of the inarticulate guidelines is that they shall not discriminate against people who are members of the New Democratic Party.

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MR. ASPER: Well, Mr. Speaker, while the Minister is doing that investigation, might he also inquire as to whether a loan was applied for by a member of the New Democratic Party turned down, and then that member of the New Democratic Party was put on the board and the same loan was approved to his brother-in-law?

MR. GREEN: Mr. Speaker, I don't know what investigation the honourable member has referred to as a prelude to his question because I don't think that in my previous answer I said that I was going to investigate.

As to the second question that he raises, Mr. Speaker, the Communities Economic Development Corporation, to my understanding vis-a-vis the loan that the honourable member is referring to, originally considered a loan which had a Mr. Ben Thompson, a member of the Board of Directors, as being an applicant. They then obtained advice, and I think that they will indicate - although I can't recall it - that the advice was obtained from me, that a person who is a board member cannot be an applicant for a loan. Although that is permissible apparently under the MDC Act, it is not permissible under the CEDC Act. A subsequent loan application was made vis-a-vis the brother-in-law of this member to be incorporated, and the board considered it and granted it.

Now, Mr. Speaker, that question was asked a year ago by the Honourable Member for Thompson at that time, Mr. Borowski. I at that time announced that the loan was not made to Mr. Ben Thompson, it was made to his brother-in-law to be incorporated. I have also ascertained, Mr. Speaker, that it would be difficult to loan money to sort of people forward citizens in northern Manitoba of the native community without having relatives involved, because many of them are related to one another, but nevertheless Mr. Speaker, the Communities Economic Development Fund Board, for good or for bad - and this is one of the things that we knew when we set up the fund - approved of that loan. It was one that did not have to come to the Minister because apparently it was \$75,000 on the nose. They approved of that loan. It went bad. I would expect, Mr. Speaker, that some of the other loans of the Communities Economic Development Fund will also go bad even though they possibly may be to Liberals and Conservatives, and the reason is, Mr. Speaker, that when we set up this Fund we all agreed that we were going to give the northerners an opportunity to participate in decision-making, important decision-making, relative to having northern entrepreneurship developed in that part of the province and that they would have the same opportunity of making the kind of mistakes that Donald Macdonald makes when he buys oil at a figure which he shouldn't have bought at, or when the Parliament of Canada has horses on the payroll, or other things of that nature.

MR. SPEAKER: Order please. Again, again I appeal to the honourable member not to make his answer so long, and I ask the honourable members who are asking questions that they ask questions in conformity with our rules, things that are urgent that have to have an answer now. There are other ways of getting information in this Chamber and if any of them do require assistance, if they will come and see me I will inform them how they can obtain information; there's a number of other procedures that can be utilized. But I think the question period should not be abused in this manner.

The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, I concur with your comment and I will ask a question, I will ask the question. . .

MR. SPEAKER: Order please.

MR. ASPER: Mr. Speaker, on a point of order, the question that I asked took about 15 seconds to ask and it took an answer that should have been just as long. I will now ask a question. . .

MR. SPEAKER: Order please. That is not a point of order. If the honourable member has a question I'll entertain it.

MR. ASPER: Mr. Speaker, my question is to the Minister of Mines for which I ask a yes or no answer, is: will he confirm to the House that the loan in question, the \$75,000 loan in question, was lost?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker I know that the firm is in receivership. I expect that we will take a loss on that loan. I gather, Mr. Speaker, that when the Manitoba Development Corporation loaned money to a company controlled by Rod McIssacs, I believe it was, and he was a

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(MR. GREEN cont'd). . . Member of the Board of Directors, and a very sophisticated businessman, we lost money, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have a question for the Honourable Minister of Health and Social Services. Has the Minister received any complaints or requests about the need to increase training facilities in Manitoba for doctors specializing in geriatrics, senior citizens?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: No, Mr. Speaker, I have not received such a request. I imagine a request, I think I would say a request such as that would go to the University of Manitoba where that training would take place.

MR. PATRICK: A supplementary. Is the Minister giving consideration to the establishment of a department of gerontology at the University of Manitoba?

MR. MILLER: Mr. Speaker, this Minister does not consider those things. The University of Manitoba itself, through its Senate and its Board of Governors, would consider that and if they wished to do so and felt it desirable, they would then come forward through the University Grants Commission with that proposal.

MR. GREEN: Well, Mr. Speaker, just on a short point of order, I have been accepting the statement by the Honourable Leader of the Opposition that somehow the applicant for this loan was a member of the New Democratic Party. I have no such knowledge; I just don't want that to go as an acceptance.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I direct my question to the First Minister. In view of his great respect for, well-known respect for parliamentary traditions, could he inform this House as to what the government intends to do about the severe criticism levelled at this Cabinet by Senator Forsey because of the way the Cabinet by-passed the Legislature by way of special warrant.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I thank the honourable member for suggesting that I have great respect for parliamentary institutions. I hope I do. I would merely reply to my honourable friend the Member for Portage la Prairie by pointing out two things: No. 1. The authority upon which we proceeded was legislation that was drafted in the time of our predecessors and which was brought to this House, not passed because of prorogation of this Assembly in 1969, we took the legislation, reintroduced it, it is now part of the laws of our province. Therefore, to proceed in accordance with it is legal. Point No. 2 is that I understand that Mr. Forsey would have adopted an alternative course which I don't believe really had any different final effect on parliamentary institutions. He apparently would have either brought in closure much sooner or, alternatively, he would have prorogued the House for one day, issued the special warrant at a time when the House was not in Session, and then reconvened the House. That, Sir, smacks of an end result which is really not different in substance. In the final analysis, either course of action is legal and constitutional, and frankly I would say, Sir, by way of final rejoinder, that for decades, for many long years, closure has always been on the rules and procedures of parliament. The reason that it is looked at with such askance is that in 1956 it was introduced even before debate had begun on a given issue, which makes all the difference in the world if you introduce it after protracted and lengthy debate.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I direct another question to the First Minister. Because he has great faith in precedence, I ask him, does he have a precedent or any other legislature for obtaining money while the Legislature is in session, by special warrant?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, certainly one would have to check precedent in every jurisdiction in the Commonwealth that operates under British Parliamentary Institutions and Procedures. I would simply say, Mr. Speaker, that the fact or the case rests on these two observations: No. 1, legislation was drafted, introduced, reintroduced and passed, it is part of the law. And the second point is that there has got to be, there simply has to be provision for obtaining interim supply, and if that requires closure so be it. And there is ample precedent for closure being brought in judiciously after considerable debate rather than at the very beginning.

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MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, I wonder if I can ask a question of the First Minister as one who is concerned about the parliamentary tradition. I wonder if it is his position that the Cabinet that acted under the War Measures Act and took the citizenship away of Japanese born in Canada in the '40s was doing something that was constitutionally legal. . .

MR. SPEAKER: Order please. Order please. I cannot see the relevance of that particular question in this Chamber. Order please. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if I'm allowed to respond to that gratuitous lecture from the Leader of the Opposition, since he wants to harp back to 1942 I would ask him to research history and he will find that the only political party at that time that put its neck out on the line in opposition to that kind of discriminatory and abhorrent practice was the CCF. Let there be no mistake about that.

MR. SPEAKER: Order please. Order please. I will not entertain any more questions that are going to deal in that kind of debate across the floor of this House. Now if the honourable members have legitimate questions of urgency that can't be placed any other way, I'll entertain them. The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the First Minister can indicate whether it's the position of the government that with respect to the manner and the act in which they dealt, that the matter was both legal and correct insofar as the government was concerned.

MR. SCHREYER: Mr. Speaker, if there is any doubt as to the propriety and correctness of it, I would ask my honourable friend on what possible grounds could he, as a Minister of the Crown have sanctioned the introduction of that legislation in April of 1969.

MR. SPIVAK: I wonder if the First Minister would indicate whether it's the position of the government that legislation drafted but not introduced and not passed is considered to be legislation or whether it has to be passed by the House. Mr. Speaker, on that basis, then the Legislation introduced by the government in its first two years is all legislation drafted by the other government. --(Interjections)--

MR. SPEAKER: Order please. Order please. Order please. Again I appeal to the honourable members on both sides of the House. If they wish to use the question period as a debating hour I wish they would inform the Rules Committee to meet and suggest this to the Assembly, and once we agree to it as an assembly then I'll agree that this is what should occur. But in the meantime, the rules indicate that the question period is not for debate, and unfortunately a number of members have been abusing this particular procedure. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I have a question for the Minister responsible for housing. Can he tell us whether Manitoba Housing and Renewal Corporation has launched any immediate or urgent action to supply or construct new housing in the Main Street area or to assist non-profit groups to supply new housing for the elderly citizens of that particular part of the city?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Well, Mr. Speaker, I can't say that I'm aware of the Housing Corporation launching anything in the Main Street area as a result of the fire that recently occurred. There is an elderly housing unit being built on Main Street and Jarvis. That is in process of construction. I don't know what is the target date for completion. Insofar as organizations, voluntary organizations, desire to do this, that is a program that has been in existence for some time, and if there are any local organizations that wish to do it, the method and procedure is known to them or they can get that information from the MHRC so that they themselves can undertake, as sponsors, undertake a project.

MR. AXWORTHY: I have a supplementary, Mr. Speaker. Can the Minister in his capacity as Minister of Health and Social Development, undertake to have workers of his department survey that immediate area to ensure that elderly residents in the Main Street and Jarvis area will have first priority in that accommodation as compared to other lists they may be available?

MR. MILLER: Mr. Speaker, I'm not sure that the department is directly involved, but I do know and I've been given to understand that MHRC does attempt, in filling the housing as they become available, to meet the needs of those in the immediate neighborhood before they are made available to those who are living farther away.

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MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Speaker, I'd like to answer a question asked yesterday and the day before by the Leader of the Opposition, as to whether or not a Mr. Don Howden was employed by the Department of Northern Affairs. The position as Local Government Training Officer was advertised in January, 1974. Of the between 20 and 25 applications the selection committee of five have offered the job to Mr. Howden to commence on April 12, 1974, and this is a Civil Service position.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, would you proceed to Bill No. 7 please.

MR. SPEAKER: Thank you.

MR. GREEN: And then the adjourned debates on second reading in the order in which they appear on the Order Paper.

MR. SPEAKER: Thank you. Proposed motion of the Honourable Minister of Labour. Bill No. 7. The Honourable Member for Morris.

ORDERS OF THE DAY - GOVERNMENT BILLS - BILL NO. 7

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, the debate on this particular measure has consumed some considerable number of days, and although the total length of the time that has been spent in actual debate is not nearly as great, there still have been something like 41 to 42 people who have participated in the debate. It's an indication, Sir, from the point of view of those of us in the Opposition, of the seriousness with which we regard the legislation that is now before us.

We have stated our objections to certain aspects of the bill. We've attempted to respond to the points of view put forth by those few honourable gentlemen opposite who participated in the debate, notably the Minister of Finance and the Minister of Mines and Resources, the Minister of Labour himself, and the Minister of Public Works. We felt that the remarks that we made in response to some of the positions that they took and the criticisms that they levelled at this side of the House were valid in that they answered the points that they raised. But, Sir, we have long gone past the stage in this Chamber where we believe that the government, once they have determined to embark on a course of action, can be swayed from that course of action. We used the methods that there were available to us to ensure that the public, Civil Service included, were aware of what the government was doing and that they would have an opportunity to respond one way or the other. The length of time of the debate has provided that opportunity and now we feel that the matter has been debated at some considerable length, and what will remain to be seen is the reaction that will come from those people who may be affected by the bill itself when it is brought before Law Amendments Committee.

I say, Sir, that we have no apologies to make for the action that has been taken on this side of the House nor the position that we've taken with respect to this legislation. We remain unconvinced that the government is proceeding on a course that will indeed be to the benefit of the Civil Service and to the province. We see, Sir, the Government establishing dangerous precedents. . .

A MEMBER: Every day.

MR. JORGENSEN: . . . in the action that they're taking under this bill, and we have no doubt of what their plans are because that's becoming manifest in every action this government takes, in everything they do, including the events that have been described in the north. Sir, there are dangerous precedents being established. The Minister of Agriculture who - and he must have anticipated that I was going to use him as the best example of a Minister who is establishing dangerous precedents. It must, Sir, have taken a man of tremendous ability to have kept that Minister out of trouble for four years, and yet that is just what Murray Cormack did as long as he was Deputy Minister. The honourable gentleman, even to some farmers, began to look reasonably good because of the actions and because of the care exercised by Mr. Cormack in making sure that he didn't do the many stupid things that he's prone to do. And then, Sir, Mr. Cormack decided he could stand it no longer and he left.

A MEMBER: And what happened to our Minister?

MR. JORGENSEN: What happened then? Sir, the Minister decided to appoint someone who was more concerned with advocating a political point of view than he was in administering

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(MR. JORGENSEN cont'd). . . the affairs of the Department of Agriculture, and since that time he's been in trouble all the time. And I say now, Sir, that the Minister need not feel proud or smug about the fact that we took little time in examining his estimates. There's two reasons for that. The first one is, Sir, that in the experience that we've had, we feel that the Minister is one that has not learned to separate his imagination from his information. It's rare, Sir, that he does violence to the truth because it's rare that he comes close enough to it to cause it bodily harm. Asking that Minister questions is a waste of time because. . .

A MEMBER: Hear, hear. A manifest waste of time.

MR. JORGENSEN: . . . because, Sir, the contradictions that appear in his answers, the slipping and sliding. . . --(Interjection)-- The Minister says, "Name me one." Well, Sir, the incidents of the northern co-ops is a pretty good example. And I notice that--well, he says everyone is answered. The Minister, you know, as I said. . .

A MEMBER: Answered differently every other day.

MR. JORGENSEN: That's just the point, Sir, every one of them answered a different way every day.

And secondly, Sir, there are a number of departments that must be gone through and the Opposition attempts to be as responsible as possible in making sure that some coverage is going to be given to each of those estimates. But then, Sir, the third reason. At the rate that the Minister is losing his credibility in the country and amongst the farmers, it's hardly necessary for the Opposition to assist him along that path; he's doing a credible job for himself.

But, Sir, I digress. The Civil Service themselves have not indicated that they are in agreement with this legislation, and in a recent publication, April 1974, called Contact - and I won't go through the problem of reading the publication, it's available to I suppose anybody who wants to read it - they take a position that is diametrically opposed to the position that the Minister is taking in this bill. They indicate non-support for that bill. And in a supplementary report March 15th - and I would like to put this one on the record because it's significant and it outlines the fears that we've expressed in this House - says up to now the MGEA has officially remained politically neutral. However, if the present government of Manitoba wishes to carry Bill 7 through the present sitting of the Legislature, the Association should, and probably will, quickly take advantage of this removal of restrictions on the political activity of government employees. With an amendment to the present constitution the Manitoba Government Employees Association could develop a vigorous and effective political program. It could endorse candidates of its choice, work for their election or even aid in the formation of a new reformed political party. The MGEA in recent months has been subjected to the actions of those who have violated the constitution from within its ranks. There have also been those critics in the employ of the government on a contract basis, who are too often mistaken for MGEA members. There have been raiding attempts by rival unions and these actions have been lauded by at least one backbencher of the party in power as he spoke in the Assembly Chamber itself.

When the right to become freely involved in political activity is given to members of the MEGA, the opportunity will be there, if we so choose, to reward our friends and punish our enemies, and Sir, that has been the burden of our remarks in this Chamber ever since this Bill was introduced. And it wouldn't matter what political party came to power, that would be inevitable.

Sir, the last time I spoke on this measure I attempted to point out, in response to statements made by the Minister of Mines and Resources, that the government is not just another employee. No one on that side of the House has responded to those remarks. I can only assume that they have accepted them as being correct, and I don't know how the government can effectively refute the statements that I made on that previous occasion. The fact is, Sir, that if that opportunity is going to be provided, it will be the government service and the people of this province that will suffer as a result. It cannot be otherwise. It is necessary that the Civil Service in this province and, indeed, throughout this country, remain independent, remain the medium by which the government can effectively implement its programs without partisan activity, without discrimination and without fear. It can't be otherwise if the Civil Service is to perform its role. Government apparently doesn't care about those things, and it's been evident in so many of the measures that they have taken, so



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(MR. JORGENSEN cont'd) . . . many of the precedents that have been established, that there is only one thing that is important as far as this government is concerned. . .

A MEMBER: Power.

MR. JORGENSEN: Power. Might is right. The end justifies the means. They don't give a damn how they do it as long as they have their way. An interesting comment made the other night by a member of the back bench - I believe it was the Member for St. Matthews when he was preaching for his call here on the Capital Supply on Al Mackling Night - the Member said, "We're the government. We won the election". So therefore, therefore that gives them the right to do everything and anything they want. Sir, I concede that they're the government --No, the last words were mine. The last words were mine. The Minister said, "We are the government. We were elected at the last election so therefore we have the right to govern", and I don't deny that. They have the right to govern, but, Sir, the right to govern is not a right to cast aside every law, every rule, every ethic that has ever been established in government, and we might as well have--well, if that criteria followed, if a simple majority or if a majority gives them the right to do anything they want, then of course the bigger the majority the more they can abuse the law. By their calculations a lynch mob is the most democratic form of government in existence. There is only one man that objects.

A MEMBER: Not too long.

MR. JORGENSEN: Sir, that's the reasoning that honourable gentlemen opposite use. I don't deny them the right to government. They are the government. By the same token, Sir, we on this side of the House have the right to expect that when questions are asked, honest answers are given.--(Interjection)--

Well, you see, there is a typical example from the Minister of Agriculture. You see, if he had his way the only questions that could be asked are the ones that he would allow past the censor board. Well then, if the criteria had to be ones he could answer truthfully, there would be no questions asked at all, because the Minister is not capable of doing that.

Sir, in so short a time I have never seen a government lose so much credibility as they have. Sir, they must have adopted Nancy Green as their patron saint and she taught them how to stay on top while sliding downhill, because they certainly are doing that.

Sir, we had an intriguing exchange here during the question period on the question of what is happening in the Wabowden affair, and honourable gentlemen opposite are rather amusing in the manner in which they have approached this thing. What did the Minister of Mines and Resources just say? That there has been nothing, nothing to substantiate a judicial inquiry into that affair. Migosh, what do they need? The Grand Rapids inquiry was initiated as a result of a rumour that originated in one of the outhouses in Grand Rapids. No evidence, but it was initiated in order to clear the air. What do you suppose a judicial inquiry is for? The Minister of Mines and Resources says that some of the affidavits filed by the Leader of the Opposition were incorrect.

MR. SPEAKER: Order please.

MR. JORGENSEN: We on this side of the House have given evidence, substantiated by other people who have investigated this affair.

A MEMBER: Is this Bill 7?

MR. JORGENSEN: . . . that some of the--yes, this is Bill 7. It's more pertinent to Bill 7 than anything you could possibly debate at this particular time, and we on this side of the House have said that there are conflicts in the evidence given by people who replied, by civil servants who replied to the original affidavits. All right. What is more appropriate on this occasion than a judicial inquiry to get at the facts and the truth of the whole matter? The government have a tendency to accept the things that they say as the truth, and as soon as that has been said, then there should be no more questions. And I tell you, Sir, if they had their way there certainly wouldn't be any more questions. Two meetings of the committee supposed to be examining this matter have revealed a technique that is unique in its ingenuity - absolutely amazing how two whole meetings of that committee can go by without an opportunity to question one single witness, a deliberate attempt, Sir, to prevent the kind of an inquiry that is necessary to clean up this whole mess. Sir, the Minister said he didn't know Ben Thompson, he didn't know Mr. Mc Ivor. I won't deny, I won't deny that the Minister of Mines and Resources was stating a fact, but he said his one comment to one of the participants, I'm not sure whether Mr. Thompson or Mr. McIvor,

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(MR. JORGENSEN cont'd) . . . "It is the first time that the small people will be given, will be treated equitably." That was the word he used.

Well, I just wonder how equitably--the Minister of Agriculture continues to chirp from his seat and I wonder how long he's going to be chirping. Another comment that was made from the other side was, when CKY was mentioned, the Minister of Northern Affairs recoiled in horror. Now, the other side of the story has been given on occasion on CKY, so they have stopped watching it now. You know, Sir, if somebody is investigating something that I have a responsibility for, and is publicizing that information, I would be making sure that I watched and listened to everything to find out what was being said. But not they. They refuse to even listen. They bury their heads in the sand and tend to create the impression that because they have stated it, it is a fact.

Sir, there are a few other things that need to be put on the record. The Minister of Mines and Resources said, just a moment ago, there isn't a scintilla of evidence that there was any charge or any evidence of vote buying. Not a scintilla. He said until somebody can do that, they can't accept the request and indeed the demand by the media in this province for a judicial inquiry. Well, I'm not going to expect, Sir, that the letter that I'm about to now read to the House--and I, in case the Minister of Finance is nearby, I want to hasten to assure him that it is my intention to table this letter and the documents that I have, to make sure that I comply with the rules. The letter is signed . . .

MR. SPEAKER: It will have relevancy to Bill 7, I hope.

MR. JORGENSEN: We're dealing with Bill 7, Sir. The letter is signed and I'm not going to use the person's name but it is on the letter, and I would hope that the press would not publicize the name even though they are going to have it available to them. The letter is dated April 11 of this year; it's addressed to the Leader of the Opposition.

"I am writing to you to explain a problem I've had with the Pensioner's Housing Program. In January 1973 I received a card from the Provincial Job Office, 203 Portage Avenue, Winnipeg. I was informed I may be eligible for a home repair grant. I didn't apply for it because I didn't need it at the time. I later received a notice in the mail from Premier Schreyer telling me that my application, which I had never asked for, had been approved. The total amount of the grant was \$500.00. I was in Winnipeg, and when I got back here Mr. Don McIvor came over to see me and told me the House was fixed up. But to me the house looked the same way as the year before, nothing done on the place, and he told me before the election in June 1973 should the New Decocrats--should the new government get in, we pensioners and others would get extra help, such as repairs for our houses, because he was campaigning for the NDP. And then she adds this significant note: I knew what he meant. My problem is the repairs were not done; couldn't be, because of the condition of the house. So I told Mr. McIvor that I was not going to live in a house in that condition. So he up and sold it to someone else"--and again I won't mention the name--"who fixed the house up at her own expense and is living in it now. As for me, I've got no home." Sir, what does the government require in the way of evidence?

Sir, attached to the letter is the letter from the Premier addressed to Dear Pensioner, and the Notice of Approval re the Provincial Government Pensioner Housing Program and the details therein, and then a Cost Estimate for Manitoba Pensioners Housing Repair Program. This person claims that although she was told that approval had been given for the repairs to that house, no repairs were done, and there's--yes, you bet it is. The comment, Sir, that was just made is that it . . .

MR. SPEAKER: Order please.

MR. JORGENSEN: The comment that was just made and I'm not sure where it came from, I would suspect the Minister of Agriculture but it might have been the Member for St. Matthews, was that it's possible, and there is nothing that has been ever said on that side of the House that is more truthful. Anything is possible with this government - anything. From the evidence that we have seen, from the answers that have been given, from the way that this government has acted on this whole matter; there is no doubt in my mind and there is no doubt in a lot of people's minds that it is possible.

Well, Sir, what will the government do? Well, we know what the government are going to do.

A MEMBER: Turn off CKY to begin with.

MR. JORGENSEN: That's the first thing - no more CKY. They have stopped taking the

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(MR. JORGENSEN cont'd) . . . . Free Press and they are limiting themselves now to information that will be supplied by the Government News Services only, because that they can believe. It's an interesting turn of events. Sir, it's a disgrace that a government professes to be open, professes to be concerned about the so-called little people, and here is an example. If the Minister of Finance really is concerned about the little people up north, what about this lady and her house? Is that an example of the way they're treated?

And what happened, Sir, what happened to the allocation of that money if it wasn't used to fix that house? That, Sir, in itself, that one letter in itself is sufficient grounds for a judicial inquiry. Notwithstanding all of the other evidence which is just as grave and just as incriminating against this government. But the vote buying they talk about. They said, "Not" - what the Minister of Mines and Resources says, "not one scintilla of evidence." What more evidence do they want?

MR. MALINOWSKI: Ninety-nine.

MR. JORGENSEN: The Member for Point Douglas says ninety-nine. That's right. We've got to -- (Interjection) -- he wants 99 more letters. There's got to be 100 in order to make it qualify for vote-buying. This is another charge against one of the principals in this case, Mr. McIvor. Whose agent is he? Who does he work for? Almost - well we heard this morning in the committee his qualifications were listed by the Chairman of the Communities Economic Development Fund. Oh he's a lot of things; he's one of those so-called little guys up north who runs everything. And we're beginning to believe that he runs a lot more things than this government care to admit that he runs.

Sir, an incredible, an incredible case built against the government that has proven it is incapable of governing, that . . . instead of responding to legitimate requests on the part of the public, and indeed the members of this House and people outside the House, instead of taking steps to insure that there is no scintilla of evidence, they backbill, they hide, and they squirm, and their only justification, the only justification that they've given for their actions thus far is that they believe themselves. That, Sir, is not good enough. Government have not been candid with this House nor have they attempted to do anything to insure that the matters that have been raised have been cleared up to the satisfaction of everybody concerned. Sir, there's only one answer to get at the bottom of this mess and that is a judicial inquiry.

The government will not - no matter how much evidence that is brought before this Chamber or outside this Chamber, they are going to continue to try to create the impression that nothing untoward has happened. They are finding it more and more difficult to get anybody to believe that in the light of the evidence that is mounting against them. Sir, they should hang their heads in shame for the way that they've handled this affair and if that's an example of how they handle the business of this country, then God help this country.

Now when the Minister rises in his place to reply there's going to be no answers forthcoming. He's not going to attempt to deal with the legitimate criticisms that's been raised on this matter and the bill itself. He's going to stand up in his place and bluster; he's going to fume, and he's going to wave his arms . . .

A MEMBER: And rattle his head so . . .

MR. JORGENSEN: . . . in an attempt to convince this side of the House that he has justification for the action that he's taking in connection with this bill. He'll never do it, Sir. The Civil Service knows better; we know better; and the people of this province know better. The Minister if he even answers one question, and I'm going to pose a question to him now and he just may answer it - I don't know. It's unlikely because I've never known with few exceptions that when legitimate criticisms are raised that honourable gentlemen opposite respond to them responsibly. They have learned that even after five years that they've been in government, they still think they're in the opposition.

I want to find out from the Minister what happens to a civil servant who, if he does not want to participate in politics, if he wants to mind his own business and carry on his responsibilities the way he has been carrying them on in the past, and somebody comes along to him and tells him that he's got to get involved on behalf of the government, what happens to him if he refuses to do that? We know what will happen . . .

A MEMBER: Out. Out. Out. The red slips.

MR. JORGENSEN: . . . because we've seen it happen. Sir, in concluding my remarks I'm going to draw to the attention of the House again just something that I mentioned a couple

(MR. JORGENSEN cont'd) . . . . of years ago. How this government intends to run this Civil Service when they get the opportunity. Now suppose that the amendments brought in to this Act are designed to deal with the situation that was raised in a memorandum of January 21, 1972 from Allan Early to Rene Chartier. And you will recall, Sir, I brought it to the attention of the House but in going through my files I came across it again and now it is more pertinent than ever. Now it takes on some meaning. Here is the letter to Mr. Chartier: He said, "Pursuant to our discussions of two weeks ago I am now prepared to present for your consideration the mechanism to streamline and maintain ongoing control of appointments to government boards, commissions and agencies. Basically what I am proposing is very simple, and doesn't involve much more than a coded card index file with alphabetical filing by department, sub-filed alphabetically by the name of the board, commission or agency; and further by month and year by expiry date of appointment." I can tell you, they can't organize very much but they can sure organize this. When it comes to getting relatives and friends on the payroll they are masters at it. "Each card will have the following information on it. No. 1. The name of the department. No. 2. The name of the board, commission or agency. No. 3. The name of the member. No. 4. The term of employment. And, No. 5" - and here is an interesting one - "The remuneration if any. If there's no remuneration the card will be green rather than white." I checked the file, Sir, they're all white cards. "And, No. 6, a miscellaneous information column will provide space for any other relevant data such as source of recommendation, etc. Thus a typical card will be" - and just for an example they got Lloyd Stinson down here recommended by the NDP. Then they got James Rich . . . recommended by the MFL. I don't know who that is; I presume that is the Manitoba Federation of Labour. And then there's a chap by the name of Chornopyski, who is recommended by Ben Hanuschak. That's the way it works, Sir. There is no doubt that -- (Interjection) -- the information insofar as appointments to their corps of election workers. And that's really what they're attempting to establish under this bill.

A MEMBER: The public can pay for the election workers.

MR. JORGENSEN: As my honourable friend from Lakeside says, and he feeds me a lot of unsolicited information, he says the public will pay for those election workers. And that, Sir, is the truth.

But in conclusion, this government have in no way met the criticisms about this bill. They have virtually ignored the Wabowden affair. In the light of all the evidence that is mounting daily, their refusal to appoint the judicial inquiry to get at the bottom of the whole sorry mess, in the light of the letter that I've now just tabled, and in the light of the evidence that is now being compiled, is, I'm sure, in the eyes of the people of this province an admission of guilt, an admission that they're trying to hide something. I hope that the government will come clean before it's too late.

MR. SPEAKER: Are you ready for the question? All those in . . . The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, if nobody wishes to continue I would move, seconded by the Honourable Minister of Mines and Natural Resources, that debate be adjourned.

MR. SPEAKER: The Honourable Minister will be closing debate.

MOTION presented and carried.

MR. SPEAKER: Bill No. 27. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, could we have this matter stand? (Agreed)

MR. SPEAKER: Bill No. 30. The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, with the indulgence of this House could we have this matter stand? (Agreed)

MR. SPEAKER: Bill No. 33. The Honourable Member for Riel is absent.

Bill No. 36. The Honourable Member for Birtle-Russell.

MR. GRAHAM: May I have this matter stand please, Sir? (Agreed)

MR. SPEAKER: Bill No. 38. The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I wonder if we could have the indulgence to have this bill stand.

MR. SPEAKER: The Honourable House Leader. We've gone through all the bills. The Honourable Minister of Finance.

HON. SAUL CHERNIACK Q.C. (Minister of Finance) (St. Johns): I beg to move, seconded by the Honourable the Minister of Mines, that Mr. Speaker do now leave the Chair

(MR. CHERNIACK cont'd) . . . . . and the House resolve itself into Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee of Supply with the Honourable Member for St. Vital in the Chair.

. . . . . continued on next page

COMMITTEE OF SUPPLY - CAPITAL SUPPLY

MR. CHERNIACK: I believe we were on housing, and I don't recall whether the Honourable Member for Sturgeon Creek had completed his remarks. It seemed to me that he was the last person speaking.

MR. F. JOHNSTON: I was waiting for the Chairman to call.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Chairman, it's Thursday and you'd think it was Friday. Mr. Chairman, I was just about finished my remarks but I was at the point in my remarks when I was saying that the places or the property that is used in the area that public houses, or public housing are put in have to be areas where there is room for a lot of recreation because of the amount of children that are involved in large numbers of families being put into one area all at once and I mentioned that I believe there is at least one of the housing developments that have about 150 adults and over 400 children. And when you get that number of children added to the community you are going to be stretching your - you're going to be going to be stretching your recreational facilities, and recreational facilities are not what I mentioned before, they are not just little places where you put swings for toddlers. You have to have large areas where you can have skating rinks, where you can have baseball fields, where you can have soccer played, and you can even get running tracks in there. Nobody will ever complain if you have all kinds of people and children in an area if you take the time to have the proper facilities there. You know we've made that mistake, Mr. Chairman, right in many areas of the city now, right in my own area; right in my own area as it was built up there are places where we should have left more green areas. We've got the community club that's at the top of a street in Silver Heights, the top of Mount Royal which is on a small end of a block, which is not adequate. Those are mistakes that we have made and we should learn from them. This government should learn from the errors that have been made in public housing all over, and which is really the fact that it is not satisfactory, or not a success to place large numbers of people in one area. And as the Member for St. Matthews said, that we are babies compared to other areas but that doesn't mean to say you're completely right. Some of your projects, as the one shown on the front of your report is an excellent one, and I think that they can be complimented for working that way. But some of the ones that you have are wrong, but you're still continuing to go, and many times with a closed mind from the point of view of ownership. You have to own.

I think we also have other programs where the, I believe where the percentage of the rent - I'm not too sure of how it works in the country - where the percentage, the subsidy in percentage of rents goes towards the purchase of the house. I don't know whether that - I think that program is involved in some of the rural areas. The Minister could correct me if I'm wrong there, but if it is it's a good program. I think there should be more drive to see that people own their houses. I also say that people could have the opportunity - you should be using or loaning money at 7 1/2 percent to private developers who have land. Let them build them, and let them maintain them.

And I pointed out yesterday that you're now up to approximately \$5,200,000 in subsidy for public housing. It started at 75 million, Mr. Chairman - \$75,000. It jumped up to 700 in 1972. It jumped drastically - 75,000 in 1972; 718,000 in 1973; 3,727,000 in 1974; and the allocation in your budget this year is 6,029,000 of which I would say 700,000 would be administration. So your subsidies are growing drastically. Well, the honourable member shakes his head and says housing projects' operating subsidies, and it's very plain in black and white. Mr. Speaker, if you take the estimates that you have on your desk you'll see what the end of 1974, March 1974, was, and you'll see what's allocated for 1975 under the budget of the Minister of Health and Social Services.

The operating costs, the administration salaries of this organization has gone in 1970 - this is the 1971-72 report - we have now gone to - well, we are now up to, by the end of 1974, Mr. Chairman, or by the end of 1973, we are now up to Administration Salaries of \$473,264 and, you know, that's getting pretty rich, you know. I know that the member is going to say that the reason why it's up there is because we are doing more; so what he's saying, we are doing more but we've built a great big bureaucracy of a department which is now costing toward the end of 1973 \$473,000, and I think we should be able to be told what of this \$20 million is going into administration this year. Now that \$473 million that we see right there is a lot of houses, you know.

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Also, while the Minister was not in his chair yesterday, I brought up something that I guess, I don't think the Minister of Finance would have had the time to bring up to him and I'd just like to ask him, and if he would please go back to his -- no, the Minister of Finance. I asked him yesterday and it should have been asked of the Minister of Health and Social Development. I don't think the Minister of Finance has had the chance to communicate it to him so I might do so right now and ask the Minister to check this out when he's back in his office.

It seems that the Manitoba Housing and Renewal Corporation gives \$10.00 to every unit for the joining of community clubs. There's an allotment of \$10.00 to each person in public housing or low cost housing, of \$10.00 and they have received this before, to take care of joining maybe the local community clubs or into some activities in the area. There is in each housing development a small body set up which is set there or selected to govern themselves, and now there is a super body set up which is the over-all board that the others report to. This super body is elected and also is part of the governing body of the people living in public housing, and they have a budget of \$54,000, that committee, or that group. I think \$38,000 of it or so is for Community Development workers or something of that nature. But I'm told, Mr. Minister, that the people have to pay \$2.00 to join the association within their own housing development, and if everybody in that housing development does not pay their \$2.00, that this new governing board, this committee, citizens committee, have taken the authority to say that if you don't all join up you don't get your \$10.00.

Now I don't think that that should be any criteria. If a person does not want to join the citizens association within that housing group, if he doesn't want to pay the \$2.00, I don't think that that should stop them from getting the \$10.00 allotment they'd been having before, and I'd like the Minister to check into that because that was brought to my attention just a couple of days ago, and I would also say to the Minister that I've asked for some information that would state that you can't have your \$10.00 if you don't join up and if I have that information I'll pass it on to the Minister.

So, Mr. Chairman, I don't have too much more to say on public housing other than that this government has not bought, not bought with the Federal Government to the extent that you should be, so that you can make changes in the public housing and the low cost housing programs in Manitoba that will be more suitable to Manitoba, and the ownership concept, Mr. Minister, is not a necessity. We can save a lot of money in subsidies and a lot of money in the maintenance of these buildings. You can write into the contracts of the people that have borrowed the money from you to build them what maintenance they must do and what standards they must have, and Mr. Chairman, we'll save an awful lot of money. And the more money we save, the more houses we can build.

We should also be buying houses in communities and putting people in them. We should also be buying houses and putting senior citizens in those houses in the districts they live in and, as I said yesterday, maybe with a housekeeper or with a house mother to do the cooking and take care of them, and that is not going to be a costly program, you're going to save money. As I said, the six men on Talbot Avenue had a total of \$1,200 coming in, probably about \$200.00 each, and that would go a long way, a long way to helping support those men.

So thank you, Mr. Chairman, and I'm sure there'll be others that will have some comments on the public housing, because we have spent - and you're talking \$58 million now, we're getting up into a tremendous amount of money, around the \$100 million mark or better, and we haven't really got that much to be proud of after spending that much money because the government's policy on it has just been absolutely dogmatic. You've built a big administration and a big department and they're not accomplishing an awful lot right now either.

MR. CHAIRMAN: The Minister of Health,

MR. MILLER: Thank you, Mr. Chairman. I want to respond to some of the comments made by the Member for Sturgeon Creek, and I'm sorry I wasn't here to hear him yesterday but I had to leave town and didn't get back until the early hours of the morning so I'm not fully up on what was said. However, some reference was made to recreational space for public housing and I agree completely with him that in the past there was a tendency on the part of all concerned, not just public housing authorities but councils generally, who didn't in their wisdom foresee the need for the kind of open spaces that I think councils today recognize. I know that I personally had to deal with this kind of problem at the local level and it was in the late '60s or middle '60s that I saw the light and planned a subdivision.

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(MR. MILLER Cont'd) . . . .

We insisted in our area that there be adequate space to the extent of a couple of 30-acre sites in one area alone, apart from small playgrounds. But I'm told it's only in recent times that CMHC would consider that in their funding they would recognize the need for recreational space as part of the housing project before they would separate the housing project and say this is the project itself and anything else was not really part of it and therefore it was not something that could be financed under CMHC. I believe that has now been changed and I think it's reflected in the report and the picture which the Member refers to as being, as he considers, a very good step in the right direction, and I'm sure it will be continued in that way.

He did mention, or is critical of the lack of participation of the private sector in housing, and suggested that this is due to some fixed idea on the part of MHRC and government as to how they should operate. Now the fact is, limited dividend housing has been available for some time in recent changes under the National Housing Act, which incidentally Manitoba pushed for, and so when he suggests that Manitoba doesn't fight hard enough with the Federal Government he should sit in on some of the meetings that I've been involved in, only the last few months of course, but I can tell you the fight is pretty intense.

But the fact is, limited dividend housing has been available for some time and the private sector has not been too active in it, but under the new amendments they can be active in it, as can voluntary organizations, and they can get the same interest rate that MHRC gets - 8 percent. That is the rate today. And so, any project can be financed by a private builder or a private developer at the same rate, and as a matter of fact, in that sense last year there was something like six applications, I believe, and the MHRC in discussions with CMHC suggested and received concurrence from CMHC that 20 percent of the units constructed by the private builders under this low rent, low interest rate, would be made available to MHRC as scattered units in their various projects. However, the six proposals that were made in 1973 have been reduced to three because of withdrawals by developers. They just decided not to. The others that are still going on, that arrangement still exists and if they do go forward, then MHRC will be requiring, with CMHC's blessing, that 20 percent of the units be made available for people who would be sponsored by MHRC. So that to suggest that they are dogmatic and will only do it in a certain way isn't so. They are quite amenable to any variety of proposals that may come forward.

On the question of grants to the Tenants Association, I certainly will check it out, but my understanding is this: that grants are made, not to the individual residents, but rather to the Association, and is based on \$10.00 per occupant. It's made to the Association itself and it's simply providing the Tenants Association's representative of the tenants in the project, so it doesn't mean every one but is the representative of the project, and I've not heard and I'm not aware, and it's never been brought to my attention, that there is a requirement that the individual has to put up \$2.00 towards something. My understanding is that the use of the grants is at the discretion of the Tenants Association itself and they may or may not be passed on to a local community centre. If they want to, they can; if they don't want to, they don't. That's entirely up to the Tenants Association itself. They make these particular decisions on their own and I'm not aware and have never heard of any requirement of a \$2.00 payment by the residents.

The reference was made to the newly created Winnipeg Regional Housing Authority and the reason for that was that, as the number of units increase to the extent that they have in the last four years, it was found that we had to, the MHRC board felt that it had to set up a group which would administer the various units. Now that wouldn't include, for example, those projects where there was an organization like the Knights of Columbus, for example, or the Polish Manor, where an organization has undertaken to manage and administer on behalf of the corporation. There the administration is right there - an organization does it. But there are many units, particularly public housing units and also the elderly housing units such as the one at 180 Smith Street, where there isn't that kind of management, organizational management, by a voluntary group, so that it was felt desirable and expedient to separate the functions and to turn them over to a housing authority on which there are representatives from the Greater Winnipeg Tenants Association, representatives or nominees from the City of Winnipeg City Council and from the Province itself, and they will act as administrators of the various units wherever they are.



## CAPITAL SUPPLY

(MR. MILLER Cont'd)

Now the Member has mentioned the costs, and the fact of the matter is I have to tell him that the likelihood is that the cost is going to go up. The remarkable thing about what's happened is that the massive number of units built - and it's non-operational - in the short space of time, was done I think - it's very commendable - but I think it was done with too small a staff considering the vast number of units, not only in Winnipeg but throughout Manitoba as a whole, and to expect the small group of people who have been at MHRC working on programs in rural Manitoba, the City of Winnipeg, Northern Manitoba, has really stretched their capacities to the maximum, and I for one feel that in order to make the operation move more effectively, the homes that have been put up, or the units put up, are now no longer brand new and require no maintenance, it's now two, three and four years, and there has to be a constant check on them to see that they are maintained properly, that they are looked after, and this is going to take manpower. So I have no apologies for the fact that there seems to be an indication in the report that the administrative costs are going to go up. Those costs are there, whether they be a private, whether they be units within a limited dividend housing unit, that cost is there and will simply have to be picked up by the corporation in any case, because we've picked up on the rent. You must recognize that where limited dividend housing is picked up, the rent has to be such as to recover the debt within 50 years, and so there's full cost-recovery rent without subsidy, which in many cases puts it out of the price range of many people.

Now we're going along with placing some people in these units but they have to recognize that it is not the intention - I don't think it should be, nor would it be a wise policy - to simply have someone put up the units and give them in a sense a guaranteed return at the highest, whatever their rents have to be in order to fully recover costs plus an administrative expenditure as well, plus a guaranteed return on their money, which is very minimal but it is a guaranteed return, with eventually the ownership and the equity ending up in the hands of one man.

What we have is therefore a varied program, and in the months ahead we're going to be making it more varied as new legislations come down, such as the neighbourhood improvement programs which we are certainly going to be involved and which the City of Winnipeg, the municipality has to be involved, and we are going to be spending time in that area. So I just simply want to report that as far as the program for the coming year is concerned, and the next two years, there's going to be an expansion, a broadening of the kind of projects undertaken by MHRC, the kind of projects which may meet with the approval of the Member for Sturgeon Creek. And I'm not apologizing for the corporation; I think they in 1969, when they were told to meet a need as they perceived it, the immediate need was housing for people who could not afford the rents of the day and elderly public housing. They basely went on a program to meet that need and now that they've done that they're not going to back away from it, but I agree that they have to diversify the programs, to broaden them in order to cover different kinds of needs to which they perhaps did not address themselves up to now.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Chairman. In addressing a few comments to this debate on Capital Supply, I've been listening the last while to some of the comments made concerning the activities of Manitoba Housing and Renewal Corporation, and it reminded me of the statement that Kenneth Clark made. Some of you may recall that he was the author of a very notable and quality television series a few years back called "Civilization". At the beginning of that program he made a very pertinent statement. He said, "If I was asked to judge the progress and quality of society and I had to choose between the statements made by the Minister for Housing or the number of housing units built, I would prefer to choose the number of housing units built." And I think that is a proper starting point to examine the capital requests at this time for MHRC, because this is the major point of my concern and it goes back to an old and oftentimes forgotten word which I haven't heard used much lately, and that's the question of performance, but certainly well enough to hear the Minister and his colleagues speak with great vehemence and force about the wonderful accomplishments in the field of housing. But when you begin to look at the numbers, when you begin to look at the accomplishments, when you begin to look at the performance, you find out that while we have a great deal of rhetoric we have very little in the way of reality.

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(MR. AXWORTHY Cont'd) . . . . .

Let me start off first by saying, let's go back to 1971 when the government itself for, I think, all the right reasons, decided it was going to get into the low income housing field. A paper was prepared for the Cabinet at that time which indicated over a five-year period a minimum number of units for low income people in the Province of Manitoba would be 21,000. And that was a paper that was submitted and adopted. We now look at the record and we find out that in the last four years we have produced just a little bit more than 7,000.

Now I recall the great statements of accomplishment and say well now, if that was the basic measure, if the government has now once adopted an objective, then surely it's incumbent upon it to answer why, or how, it hasn't been able to accomplish its own objectives. What's been the reason? Furthermore, and I think this is the important question, that we're being asked to pass upon a new allotment of capital supply, and that we're going to pass upon it on the same standards as the old: lots of promises, lots of expectations, lots of rhetoric, lots of waving of the flag, but poor performance, because last year was a disastrous year as far as low income housing was concerned. And I know that it would trouble some of the members opposite, who have come to believe, sort of, that they can do no wrong, to face that fundamental fact, and I heard I think one of the member's comment the other night that the Minister of Mines and Resources has the capacity in debate to argue black is white. Well the problem is some of his colleagues in the NDP caucus have come to believe that black is white, which is even worse. They've come to use a strange topsy-turvy logic that turns words upside down and turns reality upside down, and say what is good is bad and what is bad is good. And I think that that is again symptomatic of the malady that we described the other evening in relation to the comments being made by the Member for Radisson in relation to the economics, that somehow there's a hallucination going on; that somehow the reality of the world escapes those who are kind of juiced up on sort of a socialist sort of Benny pills or whatever other kind of requirement they're expected to take. Because surely, if they were serious, if they were really serious about the requirements for housing in the province, they would stop talking so much and start doing an awful lot more. They would start performing. They would start producing the number of units in low income housing that are required.

Now let me just go through the list. But there was one year where I think all members of this House should give full credit, back in 1971-72, which was a record year of over 4,000 units built. That was the time, as the Minister just explained, when MHRC had a small staff of maybe seven or eight people working for it. Now we have a staff of over 70, and what did we produce last year? Less than 500 units. So we have a new definition of Parkinson's Law, that there's an inverse relation between the numbers of people in MHRC and the number of units built. The more people you hire the less units we have built, so surely if we pass on these capital supply estimates and MHRC hires more people, then what we have a right to expect is they'll produce even less units than before. Because certainly, the more people they hire the less units they can produce. Well, if the Minister wants, if the member shakes his head, look at the figures. Is it not true that as more people have been hired there's been a decreasing number of units per year? I'll read them for the member. I know he gets his information from those contract employees who have all that information, but the total units in 1970 was 1,400; in 1971, which was a good year when they had good professional people operating MHRC, you had 4,000 then down to 1,500, now down to 500 and God knows where we end up. We may be hiring 50 new people for Manitoba Housing which means we may end up not building any housing at all next year if the same formula is going to apply.

I think that that comes down to one of the serious questions I would like to raise with the Minister, and that is the management and competence and efficiency and effectiveness of the present organization of MHRC. He may recall, about a month ago in this House we asked if he would table the Plunkett Report on the management of MHRC, because while I have not read the full details of that report, I think it would be very interesting to this House to look at some of the comments that Mr. Plunkett, who was paid a good sum to analyze the management, had to say about what was happening in terms of the interference and involvement and a breakdown of managerial effectiveness of the Manitoba Housing and Renewal Corporation. And that report, like many other reports, is still locked up, I suppose. I hope the Minister is reading it because surely that's the only way we're going to get around the problem that we have, a problem which is being exacerbated increasingly by the fact that employees for

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(MR. AXWORTHY Cont'd) . . . . MHRC are increasingly coming on non-civil service contracts so that their salaries can be on inflated wages, and they're not subject to the same kind of classification schemes that the Public Service Commission will require, which is the standard we're seeing in other departments, in Northern Affairs and everything else. And I don't argue. If the government feels that they want to get people of the same ideological bent to manage the organizations, that's fine; but surely to God there must be a competent socialist somewhere in this country who can run a housing program. Why must they hire all the incompetent ones? Surely they must be able to find somebody of a similar vein of mind who can do the job effectively rather than gathering together all those who spend most of their time sort of tilting with windmills or arguing vehemently for sort of classical tracts or historical, you know, philosophical debates which no longer have relevance to the contemporary situation of what's required in the housing field in the province of Manitoba. And I think that that is the major issue that we should be raising at this time about the housing program, because there has been an increasing record over the past three or four years where promises have been made and not been fulfilled. In 1971-72 MHRC and the Provincial Government had acquired, as they say they're going to acquire this year, six or seven million dollars for land banking. And what happened? That money was turned back to CMHC. It was never used. For reasons, I suppose, but never used.

Now I suppose I may be sort of out of place to suggest that are we now expected to believe this government one more time that all of a sudden it's now, somehow or other, going to correct all those passed mistakes to bring to bear what they say they're going to do, or are we going to have a continuing trail of broken promises? Because that six million dollars was turned back. And so do we, a year hence, come to debate the Capital Supply of the Manitoba Housing and Renewal Corporation, and have the Minister of Finance or the Minister responsible for housing, who by that time will probably be changed because they seem to change the Ministers every six months or seven months, that he would simply say, "Well, I'm sorry, something happened. That Land Value Appraisal Commission which we have our appointees on, somehow or other didn't want to pass it as they did in 1971 and 1972 so we had to turn the money back." So that the whole question, and I think that the Minister has an obligation to respond to this and I put great faith and trust in his own sincerity, but I certainly must raise a high degree of skepticism about the ability and competence of those who have been given the responsibility of running that corporation over the past two or three years. They have been in many cases the ones responsible for a breakdown in communications with the City of Winnipeg - and by the City of Winnipeg I just don't mean councillors, I mean the citizens of the City of Winnipeg who also - and I'd like the Member for St. Matthews to pay attention - also encompass part of the issue of objections that have been raised to various housing proposals. It's just not those nasty ICEC councillors, it's people in their own community committees where in many cases the original objection emerges.

Now I know that we don't -- we have to sort of be -- in this House at least we know that the government "is the people". Well, as I keep saying, they are only part of the people, because there's an awful lot of people who find out that they don't get much representation for their concerns or their point of view in terms of this government. And it certainly is true in the housing field, because in fact of the matter, as of last year there was a waiting list of over 5,000 people for elderly persons housing in the City of Winnipeg. Now that is a dire need, and we are seeing the consequences of the inactivity right now when you talk about the Talbot Avenue problem or the housing problem with people sort of being flushed out of decrepit and deteriorating older blocks in this city of which there is a great number. They simply have no other place to go. There is no alternative. And I think that the kind of comment that was made by the Director of the Age and Opportunity Bureau in the newspaper yesterday also had great relevance. She said that she has made representations to this corporation which we're told have such a great openness and worldliness to consider alternatives. She said that years ago she was talking about alternative forms of senior citizen housing, and the fact of the matter is -- and if the Minister would like I'd be pleased to produce a number of studies done in both this country and in the United States, which show that for a large number of senior citizens high-rise elderly persons housing is not what they want. They feel uncomfortable in it. In fact a major study has just been completed by a senior citizens group in this city, which indicated overwhelmingly that there is strong concern about high rise living for senior citizens.

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(MR. AXWORTHY Cont'd) . . . . .

Now it may work in some circumstances, but if you are sincerely concerned about answering a variety of needs, then you must assess those needs carefully and respond to them with a variety of programs. But oh, no. Not this corporation, because within that corporation are people who have become wedded to the concept and principle of public housing, that that is the be-all and end-all of the housing program. It stops and it starts there. And we heard the Member for St. Matthews mouthing those kind of arguments before in claiming that somehow the statements made previously were not based upon any kind of assessment. Well I would like to remind the member that it's important, if he's dealing with the question of housing, not to refer to history but to refer to contemporary analysis. And I bring to his attention something which is not a Liberal document, not a document produced by me, but it's a study that was probably the most extensive study on low income housing in Canada done by the Dennis and Fish report, and in it their recommendations that we should stop or secede in our major thrust on public housing because it's not working in Canada. Now no one can accuse Miss Fish, who I know quite well, of being anything but sort of a someone who sympathizes with the interest of the opposite side. And Michael Dennis is certainly, Sir, no one who is wedded to the establishment. In fact, he spends a good deal of his time fighting the establishment; and yet they were authors of a major study on social housing which said as its major recommendation - and I wish the Member for St. Matthews would read a few of these and not simply listen to some of the sources that he listens to - that there are a number of reasons why we should not pursue public housing. And he goes through the reasons and there's eight or nine of them, and I refer that study to him.

I refer him to the studies done by Geoff Patterson who is the director of the Housing Committee of the Canadian Council of Social Development, who also is no, no -- but he . . . to the fat cats of the establishment, but as a member of that housing research team, has produced, and I would refer to him the latest copy of Welfare magazine where he says the same thing. Here again, "Alternatives must be found, because public housing in the context of North America oftentimes just doesn't work." And the Member from St. Matthews began saying, "well now, wait a minute." He made two glaring jumps in logic or error. First he said, well now, look; the Europeans build all kinds of public housing, so why isn't it a universal principle? Well I would like to point out to him that there's a very simple sociological fact called culture, which means over years people acquire attitudes and feelings and biases and outlooks shaped by their environment, shaped by their history, shaped by the kind of conditioning that they go through. And that becomes just as much a restraint, just as much a parameter, just as much a factor to take into account when you're building housing as the economics or the supply of money or the availability of building materials. And there is no point continuing trying to ram things down people's throats if they're not prepared to accept them. The fact of the matter is that we don't adopt Swedish foreign policy, I don't see any reason why we should necessarily slavishly follow their housing policy. And even if you wanted to, even if you wanted to, I would point out to the member and I would refer to him a series of articles done by people like Michael Zigler and Irving Weldfeld and Eugene Smolensky, who have all studied the European housing program and have found out conclusively that the Europeans themselves are switching from public housing or council housing into forms of transfer payments or rent supplements or in forms of non-profit housing. So if he wants to follow their lead, let him produce like them and do it. But let him follow what they're doing now, not what they were doing 20 or 30 years ago.

We simply ask him to wake up and start opening his mind and start listening to the facts as they now exist, not to simply to reading, as I know as a history teacher he has a vested interest in sort of . . . through the dusty tracts of by-gone years, but for goodness sake, that's no way to discuss a debate on housing policy. So leave that for the classroom and talk about what now exists and what can be done. And the fact of the matter is, and I have said in this House previously, I don't like any more than he does or other members of this House do, the fact that groups of people in the city may react to the imposition or intervention of low income housing in their neighborhood. I think it is a tragedy and it is too bad, but it is there, and you can't overcome it overnight simply by bludgeoning them over the head or acting like spoilsports or petulant brats and saying, "Well, if they don't like our style of housing we'll go home and we won't build anything." Because that's what's been happening. We just said,

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(MR. AXWORTHY Cont'd) . . . "Okay, if you won't build state public housing we won't build anything," because the record is right there in MHRC. If you don't like what we're not doing we won't do anything at all. And, as I said before, the only people who are suffering from that are those who are in desperate need of housing, because they have no alternative and no satisfaction. So if the Member from St. Matthews and his friends wants to fight their ideological wars, let them do it in the abstract, let them write papers and let them debate in the college common rooms, and let them also go down to the Union Centre or wherever he wants to debate those things, but in the meantime let's do something to get housing on the ground in this city so that 5,000 old people who are on the waiting list don't have to wait much longer, or the number of families that have no place to go don't have to wait much longer. That's the issue that should be faced in these capital supply.

I just wish, Mr. Chairman, that I had more confidence in the ability of that machinery called Manitoba Housing to perform what the Minister says they wanted to perform. And I say it goes back to the great gap that exists between policy and implementation, between promises and execution, between the saying which you're going to do and actually doing it. And that's the real question that comes up in this House. I think that in many cases when newspaper commentators and so on argue about ideology, they're missing the point. We're talking about incompetence. That's what the issue is. Can you really do what you're going to say you do? The same thing we find in the north. Good promises, serious objectives, but boy, when it comes to try and deliver the goods, what have you got? You're so busy sort of trying to play political games, or make appointments or do things which have nothing to do with the objectives, that you fail, and as a result the objectives as well as the execution comes in for bad repute. And I think that is the kind of self-analysis that should be going on on the other side of the House, Sir, of not being concerned about some of the very decent objectives that this government has set for itself, but certainly looking at the way it goes about executing them, and the people it acquires to execute them for them. Because some of the red hots that they import quite simply don't know what they're doing and until we get people - and I would suggest that there's an awful lot of good professional civil servants who have been moved aside from MHRC who if they were brought back in could do a decent job for us in the province. But no sir, boy, they've been - how many general managers have we changed in the last three years? Three or four? Now isn't that a little much for trying to put an efficient organization together? Is that the way? How can you do it when you're switching the ministers responsible all the time - (Interjection) - So that's the question, you know; that's the issue. That's why we'd like to see the Plunkett report because maybe the Plunkett report's going to give us some better answers about what's wrong with the management and the efficiency in the organization of that corporation.

And that's why we have some serious doubts about this thing - this housing capital supply, because CMHC will lend you the money, and this House will pass you the money, and you give it into the hands of MHRC, and what's going to happen to it? That's the real issue. It just may sit there, as it sat there before, and as I said, next year, boy when it comes around to talking about that land banking and land assembly, we're going to find out that the money's been sent back to Ottawa, as it has been previously; and the public housing money loans have been sent back to Ottawa, and we've got to renegotiate the whole business again.

I'd like to bring one other sort of argument up then. I think there really is a need for alternatives. The Member from St. Matthews tried to suggest that MHRC has been trying to look for alternatives, and he talked about their activity in the Co-op field, but Mr. Chairman, there has been no co-op building on the ground. He gave me lists of places and projects, and I went back and checked and I found out this one is still in negotiation, this one is still being considered, this one is still in the machinery. You begin to say, well again, you know, is that an alternative or is it a figment, you know, until you produce something, until you go back to Kenneth Clark's statement, look at the actual houses that are on the ground, then you don't have an alternative. Until you look at product and performance, you don't have a program, because their promises and speeches don't make a program. And I would suggest very seriously, for example, that the Minister get in contact very quickly with some of his other provincial counterparts who we love to make comparisons to. British Columbia for example, friends who I gather you can talk to with some ease and familiarity, who in the last session announced a very interesting housing program, and one of the major commitments of that program was not to emphasize public housing but to expand into giving various forms of

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(MR. AXWORTHY Cont'd) . . . assistance to the non-profit field - which is also happening in Europe. If you begin to look at the Scandinavian countries you find that 30 or 40 percent of the housing now being built in the social field is being built by various non profit organizations, trade unions, voluntary agencies, citizens organizations, they're the ones who are beginning to become the new agents. Now there is talk in this country about the third sector in the housing field, and I happen to be - I think that that makes some good sense. I don't believe that in many cases the private sector or the public housing sector have been able to do their job, so let's begin exploring those alternatives.

Now tied in very closely with that, however, is the requirement for a major form of rent supplement program. That is an absolute essence to make that kind of program work. And again, if the Minister would be interested, we would be glad to supply him with some of the economics showing the variability in cost, and some of the efficiencies that can be garnered as a result of that kind of program. Now by saying that, I don't mean stop building public housing, and the Member of St. Matthews must stand to be corrected because never in any of my speeches have I said that and I would defy him to go through it and see where I've said it. I've simply said that putting all your eggs in that one basket simply won't produce the job - and if he shakes his head, then I'll simply say that he's going through what he often goes through, and that is that very form of selective vision where he only sees and reads what he wants to see. Because the fact of the matter is I think if you're going to develop a housing program, you need a variety of instruments, one of which is public housing, and I'd be prepared to defend that. It is a component of a housing program, but it must go in company with several other components, and they must be balanced, and they must be measured, and they must be sort of in a sense orchestrated to fit the situation as it's required.

And this comes down to the issue, Mr. Chairman, about what is happening in the City of Winnipeg. To begin with, it was the Province of Manitoba that set the rules about zoning and variation. In many cases the objections to many of the public housing projects are not coming from those nasty council's administrators exclusively. They are coming in many cases from the residents of the areas, and I began to say, all right, that's a legitimate factor. But when you begin to say or ask, what are you doing to correct it? Well we find out that nothing is really being done - well the Ministers have attended a few meetings, but as the Ministers know, because they've been to enough of them, meetings, just as this Chamber, lends itself to confrontation and opposition. But here is a government which says we are progressive enough that we will spend literally hundreds of thousands of dollars in the north, to send people there and to work with the community, to change attitudes, to try to mobilize opinion, to work with the community so that they will understand and accept innovation, understand new programs - are we doing it in the City of Winnipeg? Was any money given to the resident advisory groups to provide for that kind of assistance? No. Was any assistance given to officials of the Public Housing Corporation to try that kind of community orientation? No. In other words, there was almost virtually no effort to try to prepare the ground in which social housing would be accepted. Because if you are dealing with 100 years of cultural restraint and antagonism, then you're going to have to work with it, and you can't change it overnight. I think that that is a requirement in a housing program as well, that you have to get into the software side of it, as much as the hardware side of it, and that must be as much an important component as the actual putting of the building on the ground. In the meantime, we in this House, the Member from Sturgeon Creek, I think myself, other members of our group, have recommended alternatives, the rent supplement program, using certain designated portions of private development that has been built, the use of various forms of transferring into home ownership, and there are a number of alternatives. I'm quite prepared, if you want me to, to go through them, and I think that if necessary I could recommend some fairly interesting and innovating ideas that wouldn't necessarily require a major thrust on public housing - the diversification of it. Again the use of groups like the non profit senior citizens groups and others who are requiring assistance at this point, technical, financial and community - that's the kind of requirements we need.

Let's come to another component. Finally, Mr. Chairman, about the question of land, that on Budget night the Minister of Finance with great flair said, "We are now going to join the Federal Government's Land Assembly Program," and that was applauded with some degree of enthusiasm by this side, because unquestionably the problem of land speculation and the

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(MR. AXWORTHY Cont'd). . . supply of land in the City of Winnipeg is becoming one of the major components of the escalating land costs and one of the major reasons why we are simply not building or supplying enough housing. But then again, on second thought, one must really begin to say, is land banking enough? Because I think it's becoming pretty apparent that one of the results of recent efforts by public corporations to buy land is simply to escalate the price upwards. Again I would suggest that a land assembly program by itself is not enough. That we right now, in the City of Winnipeg we have an awful patchwork of programs, all of which seemed to be designed to do nothing but escalate the costs of land, and the Minister of Mines and Resources and the Minister of Finance has said, well we've offered to the City of Winnipeg that if they want to undertake some form of special taxation on land speculation, we'll give them the right. Well two nights ago the Ontario government took the right themselves to do it because they recognized the scope and magnitude of the problem, and I would suggest that similar kinds of urgencies and initiatives might have come from this government. Similarly, we should be looking -- as we've said before in this House, that a land assembly program by itself is not enough. In effect, it's a long-range answer, that if you're looking at land assembly that may appease the problem six or seven years hence, it will do very little to appease the problem now, and that is really--the question is still, what do we do now?

And again you sort of look at the patchwork of programs in the City of Winnipeg, and of the freezing the perimeters of the additional zone, the lack of supply of either industrial or commercial, residential, and inside the perimeter, and the purchasing problems that are going on. There is no effort at this point to supply proper land at reasonable costs. Again, the instruments have been available, they haven't been used, they could be used now, and simply not by the maxim which seems to be, again, control ownership, but by using regulation, using tax powers, using changes in zoning acts, using -- and I think the opportunity is there, I don't--(Interjection)--a quick survey or appraisal of the City of Winnipeg Act, I don't see the opportunity being used to redress or change the procedures in the City of Winnipeg Act to allow that mechanism to speed up and to improve. In fact, I suppose we should simply give back to the City of Winnipeg the onus of creating its own bylaws for developing its zoning process and building bylaws process, rather than entrenching it into a City of Winnipeg Act which has all kinds of -- I guess the last time you'd have to go to about 92 different kinds of tables or desks to get an approval on a building plan, which escalates the time upwards of 2 to 2 1/2 years to get a building plan approved and, as studies have shown, every year you wait you're adding 5, 10 percent cost to that house. So again, what was called for was a major thrust involving a number of components and all we received was the promise once again of a land assembly program, which by and of itself is not sufficient to solve the problem. So I would. . . .

MR. CHAIRMAN: Order please. The honourable member's time has expired.

MR. AXWORTHY: Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member from LaVerendrye.

MR. BOB BANMAN (LaVerendrye): Thank you, Mr. Chairman. Under Capital Supply I would like to, as a rural member, make several comments with regard to housing in rural areas and the direction we have taken. I think I would just like to say that low cost housing I would definitely prefer over low rental housing, and after checking several statistics and several charts, I'd like to just point out what is happening with regard to low cost and low rental housing.

A three bedroom home now being built in Steinbach, selling price \$19,900, and being sold under the low cost housing program, I feel is a good buy for the individual buying it because of inflation, and I think is probably the right -- a better direction to take than the low rental. I'd like to make reference to different statistics. Someone renting a low rental house -- and let's take the statistics; let's say the person is making \$500.00 a month, he would pay a rent of \$125.00 for that home. If he has two children he's allowed a deduction of \$2.00 per child per month which means that his total payment would be \$121.00. Now take the home, the three bedroom bungalow which I just mentioned, which sells for \$19,900, he would require a down payment of \$991.78 and the monthly payment before the assistance which he receives is \$184.48. Now this same family with two children would then receive an assistance of \$58.25 per month, leaving a payment on that house of \$126.23, a difference of \$5.00 a month.

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(MR. BANMAN Cont'd)

There has been a fair number of these homes built in Steinbach during the last winter months. I have spoken with the agents in charge of selling these units. They tell me that the units have now all been sold and that there seems to be quite a demand for this type of housing. I'll restate again that I feel that by a person owning his own home he does have pride of ownership. It gives him somewhat of an incentive to keep the building, the surroundings, in relatively good repair, and of course the big plus is that he takes advantage of inflation. Three years ago when some of these homes were built in the town of Steinbach, they sold for \$13,500. This last week I was informed that one of the houses sold for \$21,000. The same person turned around then and bought himself a better home and bettered his lot in that particular instance.

I would just mention, in closing, that I feel that this type of assistance is possibly helping some of the people who would not normally under the circumstances be able to afford or ever achieve the ownership of a home, and I would say that I would much prefer this type of housing over the particular low rental - some of the low rental projects.

MR. CHAIRMAN: The Honourable Minister of Health.

MR. MILLER: Thank you, Mr. Chairman, I want to deal for a few moments with the comments by the Member for Fort Rouge and I want to say to him, he mentioned that with reference to a newspaper article about the Minister of Mines, Natural Resources and Energy, that the Minister somehow made black become white and white become black. Now the Member for Fort Rouge, on the other hand, takes the position that because he's sitting in opposition he must oppose, and I suppose that's prerogative just for the sake of opposing. But I want to remind him that prior to this government taking office virtually nothing was done in this field at all. Certainly I'm not standing here and saying that all problems have been resolved. There's an awful lot to be done; but you cannot, you simply cannot recoup in a few years a neglect which has developed over decades. And I have to say to him that there is every desire on the part of MHRC and the part of government to go into many alternatives and a great variety of housing projects. We are not wedded to any particular one and we have tried to introduce a number of them. The question of rent supplement was raised. As a matter of fact, an agreement has gone forward; it hasn't been returned yet from the Federal Government, it has been signed, however, by the province and by MHRC, whereby rent supplement could be introduced here. We haven't as yet got the final agreement with the Federal Government on that.

He mentions that we should go other than through the public sector, through government. The fact is that sponsored housing program is not new; it's very, very old. But unfortunately very few applications have been forthcoming over the years and that's why the government moved as it did in 1969-70, because outside of the few sponsored housing for elderly citizens there's been very little, if any, interest in that sort of housing program. Now there may be changes in that. People may feel differently and perhaps more will be forthcoming. If they do, I can assure you they will have no problem with MHRC, nor with me.

He questioned--he said why not co-operatives? There's a third area now, a third group that has an interest. And I have to tell him that there have been delays in co-operative construction and these delays are due to the delays in obtaining required rezoning from the City of Winnipeg. And I agree with him that it's not the City Council per se. There may be certain council members who have certain attitudes towards this, and I'm not suggesting that they and they alone are the villains in this piece. I recognize what he says, and I've known this with my own experience, that there is a cultural block problem, a traditional problem, historical, that people somehow do not want and reject the idea of social housing within their neighborhoods. Everybody is in favour of something of this kind but "please not here; move it to the other end of town." So they agree with the spirit of it. When it comes down to having to live with it they back away from it. And this is a very difficult problem and it's not going to be easy to resolve. And the speed at which you resolve it is not solely one which can be done by the MHRC deciding to do something. I can tell him that MHRC is undertaking to meet with groups, to attend community committee meetings. There's one I think next week where a program which has been stalled for some time is now being brought forward to the community committee, and MHRC will be there and people will be there in order to try to make it possible for that plan to go forward.



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(MR. MILLER cont'd)

So I share his concern that the housing program should go forward, but we happen to be in a very peculiar and a particular time period where costs, too, are a factor; the cost of land, the cost of housing generally. The Member for LaVerendrye mentioned that in Steinbach certain housing can be built at what is still considered a reasonable price. Here in the City of Winnipeg it's somewhat different. The Assisted Home Ownership plan, which we not only endorse in Manitoba but which Manitoba, the Provincial Government, went one step further with the assisted home ownership plan, which would make housing available to people of moderate income by supplements on their mortgages, an annual amount through their monthly payments, would have limited the income to about \$8,000. We introduced on top of that, we piggy-backed a provincial program, infused more money, so that in fact people in about the \$6,000 range could qualify.

The problem is that cost of housing is going up at such a rate that whether or not housing will be produced by the private sector within that ceiling which the Federal Government has established is still to be seen, and we don't know, it depends on what this spring's building season will show. We certainly--I know I, personally, am very much concerned that there aren't more units being built, that more homes haven't been brought onto the market, but I can tell him that last year MHRC did, in an approach to the City of Winnipeg, were almost on the verge of arriving at a meeting of minds that a certain percentage of homes within a plan of subdivision would be made available for social housing, low rent housing. And this, from what I am told, it was down to the point where there was general concurrence.

It was about that time that the Federal Government announced the neighborhood improvement program and Council chose at that time to move away from their position saying, well, this new program, this new philosophy by the Federal Government was going to meet the need and there was no need, therefore, to consider allocating any particular percentage of homes within their plan of subdivision. I'm sorry they took that position because I don't think neighborhood improvement programs or projects are going to be the answer. They may meet some of the needs but they certainly aren't going to meet the major needs and I don't think neighborhood improvement programs are going to be as successful as some people think. They are very complex to operate and launch; it requires a great deal of study; and they will not--I can't see them bearing fruit for two years at the earliest because of the requirements, the federal requirements as to how they have to be worked up, the municipal involvement, community involvement and so on. Not that those involvements are wrong but they take time, and for that reason I don't think we're going to see any immediate results. On the other hand, had the City of Winnipeg accepted the idea that a certain percentage of land must be made available within a subdivision, then I think we could have gone forward this season without any problem.

He mentioned the fact that land bank money was turned back, or federal moneys were turned back for land banking, and I don't know what year that was. But I can tell him that in the fall of '73 when it was made known to me that moneys were available, we moved very rapidly to spend whatever allocation was available within the 1973 budget, and I think it was all expended and I don't think they've gotten any money back. And I can tell him that it's my hope and desire that we will continue as actively in land banking as we have in the last few months, recognizing of course that it is--he's right in saying that it is not an immediate solution. But my only regret, my only regret is back in 1969 and 1970 we didn't launch that kind of major land banking program, because I think you will agree that, had we done that at that time, today we would be in the position of having land which can be developed, where sewer and water facilities are there in place, where subdivisions have already been created, and where we could actively move.

The City of Winnipeg has approached us - and we have responded in the affirmative - whether we would join with them in some land banking, and we are awaiting their proposals and we will certainly participate with them if they so desire. We've made that known to them and responded to them in that regard. But to suggest that we are somehow hung up on a particular way of doing things, I cannot accept. I can tell him that I haven't got any of those hang-ups to which he's referring. I don't really care what methods are used; my concern is that we get housing, we get housing stock, and I'm happy to hear him say - and I believe this because I know the position he's taken in the past - that he doesn't share some of the hang-ups that some people have about public housing. He recognizes it's got to go forward. And I would agree

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(MR. MILLER cont'd) . . . that people do want to own their own homes, and to the extent that that is possible, as I said earlier, we ourselves in Manitoba went beyond the Assisted Home Ownership Program of the Federal Government. We tacked on a program completely in addition to it, so that instead of a cut-off point of about \$8,000, people in the \$6,000 bracket will be able to qualify. The key to it, however, is what will the end cost of the homes be? What is this year's building season going to show? And I don't know the answer to that. But these are the problems.

It's very nice to say or suggest, well then, buy up some land wherever you can, buy a house from a developer, from a builder, and use it. We have a cost constraint. That cost constraint is a cost constraint we have to live with because CMHC itself has a price on what it will pay per unit, and one of the problems - and you sort of start going round in a circular route - in order to reach that per unit cost that you can live with, that the CMHC will agree to, you then have to go into a certain amount of density. If you get into density problems then you have the community reacting in the traditional way. If you try to go beyond that into the large kind of cost developments that were done in the past, like Lord Selkirk, Burrows-Keewatin, then you have the problem, and one which I share, of having these groups, massive groupings, which I think are behind us, I hope they're behind us, but let's recognize that it's not easy to meet a ceiling imposed on the cost per unit in today's market unless you have density. It's only through density that you can do it. That is one of the reasons why the high-risers came about - although I have to tell the honourable member that high-rise elderly housing is popular. There's a greater demand for that than we can meet, and there are people asking to go into high-risers.

Now that doesn't mean that there aren't people who want another kind. Of course; there are some who prefer another kind. You know, it's interesting that the senior citizens themselves, there's the project in Fort Richmond, I believe, they themselves went into a multi-storey project because this is something that they wanted, this is their own program and this is something that they desired. And under legislation now, under section 15 (1), I believe, of the NHA Act, there is nothing to stop organizations, volunteer groups, co-ops, church groups, you name it, from applying for and receiving funding for housing, and they can get mortgaging direct from CMHC. They don't have to go to MHRC at all for this, as a matter of fact. They go direct to CMHC. One of the problems however is, because it's fully cost-recoverable, the rents are very, very high, and this is a factor, when people plan these things they have to take a look at what are the rents going to be for their target population, and if the rents are too high they tend to back away from it.

So to the extent that we will supplement rent in certain categories, yes, we are trying to do that and, as I've said, we've indicated the Federal Government are interested in doing it, recognizing, however, that I don't think it would be very wise in the long run to simply go to a private entrepreneur and say to him, "You build the building, we'll pay the rent, no matter what it is, whatever you think you should charge, your fair rent," and after X number of years the ownership of that unit, the ownership of that apartment block, if it's an apartment block or if it's a series of homes, vests in that owner. It simply passes to him and he benefits completely. I think we have to try to recognize a mix whereby MHRC in the final analysis, or the Crown in the final analysis since they make the money available, should at least have the benefit of the payments made in that the ownership and final equity should accrue to the public and not to the individual, because the individual of course is entitled to his profit and he would be crazy if he invested otherwise.

But the fact is, a limited dividend housing has been with us a long time and it has never come near to meeting the needs. It had, maybe MHRC would not have had to launch the kind of program it did, but I know in the field of limited housing for the elderly, I know of only one in all of Manitoba. There may be another but I know of one in all of Manitoba, in all the years that limited dividend was available. So the private sector has not anywhere really met the needs and I can't fault the private sector. They will move to where the profits are highest, where their interests are best served, and I can't fault them for it because that's why they're in business.

But we will work with the private sector; we will work, and have in the past, to acquire homes through the assisted home ownership. We'll make it available to individuals who can

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(MR. MILLEK cont'd) . . . apply it to CMHC or MHRC, and if they qualify they will be able to - we'll be subsidizing their monthly payments, as the Member for LaVerendrye pointed out, where in Steinbach some of them have already done so.

But to suggest that we are blinded by a particular approach and we are now prepared to move, this just isn't so. We desire alternative solutions simply because we know alternative solutions have to be found, and we are quite open on the subject, and if there are any alternative solutions I can tell him that in the last few months that I've been in this portfolio, I have been actively seeking them, and as a result of some changes in the NHA Act some of these alternative solutions may come forward at this time, but it's still too early to say.

I also want to correct his impression that there has been a fast turnover of ministers in this portfolio. I believe I'm the second Minister since we took office. I don't know where he got the idea that it changes every six months. That isn't the case.

I recognize that there was a slowdown in 1973, 1972-73, and this did come about because of problems within the City of Winnipeg, and this is not a criticism but is historical fact now. There was a problem where suddenly projects which were on the drawing boards, which would have gone forward, were stopped, even to the extent where appeals to the Municipal Board also failed and the requirement is that an appeal to the Municipal Board cannot be re-appealed for two years, and so some of them are simply sitting waiting for the term to expire at which time we will bring them forward again, hopefully with more success. We worked very closely with the City. In Nassau Square the plans went to them, they suggested certain modifications; I'm told the MHRC did meet every request by the City in their modifications that now is at the Community Committee level. Our people will be there, I'm told, and they will be trying to deal directly with the community to try to convince them that this is a good project and one which will enhance the area, and that this popular conception that somehow it devaluates property to have some form of subsidized homes or some sort of low rental homes in the neighborhood, will devalue adjoining properties, just isn't so. Any statistics anywhere would show that these fears that are always surfaced during plans for this type of development, these fears surface at the time, but if you look back you'll find that ten years ago something was built and in fact the neighbouring properties have escalated in value, just like everything else has escalated.

Now he says lots of promises and poor performance. Well I can tell you, Mr. Chairman, I'm proud to have been part of a government that started from absolutely nothing to where we are today. I can't guarantee him that a year from now we will deliver everything that we want to deliver. There may be many reasons why this can't come about, but it's not solely within our hands. We can deliver, but I think the member himself would caution us, if we took this route, of saying that the royal prerogative, the Crown, has the right - as the Federal Government does - to build where it wants, when it wants, how it wants and ignore the community, ignore the councils, and this I think the member himself would agree, is not the route to go. The other route is a lengthy route, communication, dialogue, persuasion, and that's not easy to achieve. It takes a long time, as the member well knows.

MR. CHAIRMAN: The hour being 5:30, Committee rise. Call in the Speaker. Mr. Speaker, the Committee of Supply has considered certain resolutions, has directed me to report same, and asks leave to sit again.

IN SESSION

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

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

MOTION presented and carried.

MR. SPEAKER: I understand there is an agreement that we adjourn now. The hour of adjournment having arrived, the House is now adjourned and stands adjourned until 2:30 Monday afternoon.