

TIME: 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY
ESTIMATES — INDUSTRY AND COMMERCE

MR. CHAIRMAN, Mr. D. James Walding (St. Vital): Order please. We have a quorum, gentlemen. The Committee will come to order. I would refer the attention of honourable members to Page 40 in the Estimates Book, the Department of Industry and Commerce, Resolution 77 The Manitoba Housing and Renewal Corporation. The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON: Mr. Chairman, the last time I was having a discussion with the Minister, we had been discussing the January 13th, 1977 article in the paper and the Minister mentioned that certainly the houses were much better than what the people were living in before, and he does give an explanation regarding the bad problem as far as structure is concerned and some of the training, but although the houses are better than they were before, we still have to have them lasting a long time.

Mr. Chairman, I would like to ask the Minister, when he mentioned that the electric heat was costing much more than the rent in many cases, "but electric heat also constitutes the serious condensation problems because it does not reduce humidity easily as oil, gas or heat," he said. Who makes the decisions as to the type of heating that is going to go in the buildings and who makes the decision that it will be electric heat, especially in a situation when we know that electric heat has to have very special type of construction in order for it to be practical?

MR. CHAIRMAN: The Honourable Minister.

HONOURABLE LEONARD S. EVANS (Brandon East): I am advised that the purchaser makes the decision on the type of heat. You must understand, of course, in the remote communities there are no such things as gas pipelines and oil deliveries are rather infrequent, so in many cases the most reliable form of energy is electricity. It comes on the line and there it is, but staff advises me that it's the purchaser who makes the decision.

MR. F. JOHNSTON: And what about the housing projects that are owned by Manitoba Housing? The elderly persons' and the family persons' homes that are built here in Winnipeg — are they mostly electric or are they gas heat?

MR. EVANS: There has been a policy to utilize electricity but we are reviewing this policy at this time.

MR. F. JOHNSTON: Well, Mr. Chairman, I've got policy of using electricity now and you are looking at changing it at the present time. Has it not been a practical type of heating for the housing units or apartment units that have been put in?

MR. EVANS: Yes, I think so, I think particularly in rural Manitoba, but I think what we have to do is always look at the competitive rates that are available from gas, oil, from all forms of competitive energy sources. I think this is what I would like to see us do, and this would apply mainly in the City of Winnipeg and the other urban centres where gas pipelines were available, and that is to take a look at what the current rate structure is and what the cheapest form might be.

The problem here though, Mr. Chairman, is that these rates are rapidly changing. OPEC seems to be very successful in raising prices of international petroleum and in turn the Federal Government's policy is to pursue the international pricing level. So as OPEC is successful, so can Canadian and Manitoban consumers look forward, unfortunately, to rising prices of oil and natural gas. So we are living in a very fluid situation unfortunately.

The other point my staff advises me, that the switch to electricity occurred about two or three years ago when we just simply couldn't get gas for new residential structures in the City of Winnipeg. You might recall the crisis that we had at that time and this affected private subdivisions, too, it affected the private builders. You just couldn't get gas for their subdivisions and it affected apartments as well as single family dwellings. So the policy dates back to that time.

MR. F. JOHNSTON: Mr. Chairman, I just have to ask this question because I am not going to be sleeping at nights on the way home until I do. Well, maybe this is a serious question, I don't know. The instructions to contractors that are put out by the MHRC, I have a copy of one of the sets here, "Developments may be for any number of units from one to 25 and may be on a single site or scattered sites. No proposal is to exceed ten storeys in height." And every time I go by the one that is being built on Broadway, it is eleven storeys high. Now I am just wondering why. And if you are going to put it right in front of me every night to count the storeys as I go home, you are going to have to tell me why that is eleven storeys high.

MR. EVANS: I am advised, Mr. Chairman, that the advertisement and the criteria are essentially guidelines and they are treated as such, so there may be some deviation from those suggested guidelines.

MR. F. JOHNSTON: Mr. Chairman, if there is deviation to / the contracts or the that you put out, shouldn't everybody know that there can be deviations? I mean one contractor could bid for eleven storeys or twelve and the others would say, "Well, I can't do that." And he is going to end up with more units on that piece of property than the others.

MR. EVANS: Mr. Chairman, when the proposal calls come in, they are opened publicly. All the proponents are invited to be present, etc. And I think they are pretty well all aware of the procedure that takes place later, and that is certain negotiations that may have to take place and it is the common practice, I understand. I don't think we are discriminating against any particular proponent. We are out to get the best deal possible, the lowest price possible for our money and given site locations, etc. So I think they are all pretty well aware of it and I think they are fairly satisfied that we have been treating them fairly, with equity.

MR. F. JOHNSTON: Mr. Chairman, the Member for Assiniboia is not here but he raised a question the other day regarding the building that is at Selkirk and Battery and he was talking about the land prices and I believe he was to bring you one of the real estate things, a multiple listing or something of that nature. But on that particular structure you were able to explain that the housing authority had been dealing on that piece of property before and ended up that the price negotiations couldn't be made and then the piece of property has been bought by somebody else and we end up buying it back at a higher price than what we were originally negotiating at because it is in the bid system that is being used. But on that particular piece of property the housing authority had been negotiating on, now you have given me a list of programs for 1976 and I am just hoping that looking at that list, the ones that I have checked off are the ones that were tender. The others were proposal.

Could I just ask, like on Dakota and Chesterfield, was the housing authority negotiating on that property? Or what I would like to ask is on these ones that were on the proposal system that we have ended up with by proposal system, were there many of those pieces of properties that were being negotiated by MHRC through the Land Acquisition Branch that we lost?

MR. EVANS: Well, Mr. Chairman, it seems that we may have been looking at some of the properties — I don't know, for instance, Broadway and Young — but whether we got to the negotiation stage is another matter. We can't tell you right offhand, Mr. Chairman, of those that we got to the negotiation stage. It is true that we looked at two or three others as possible sites but we did not buy them.

MR. F. JOHNSTON: And did you not buy them because of the problems that we were discussing the other night' between the Land Acquisition Branch and ourselves, of taking too long to get the negotiations done?

MR. EVANS: Yes, Mr. Chairman, the officials advise me that based on our experience, you know' thus far up to that point it seemed that we would not be successful in acquiring those pieces of land at the levels that would be approved by LVAC.

MR. F. JOHNSTON: Well, Mr. Chairman, I'm a little bit back to where we were on Thursday night and I just don't like it.

A MEMBER: That was a bad night, wasn't it?

MR. F. JOHNSTON: Well, pardon me, back to where we were on Tuesday night. It still begins with a "T", another bad night.

Mr. Chairman, here we are with a situation where MHRC has requested the Land Acquisition Branch to get involved to try and purchase some property on behalf of MHRC so that we could build on them. If we had gotten those pieces of property we would probably not have to have gone to the proposal system, and we turn around and we end up having to buy those back and pay more money for them on the proposal system. In fact we end up, according to the auditor, having to charge that extra amount of money, that the Land Acquisition Branch won't approve, on to development. And here, again, is a glaring situation of the battle that's going on between these two department in government, when we find that the MHRC, although they may have missed the low price on Selkirk and Battery that was available, but they obviously had been searching for land in other areas to place public housing or senior citizens housing and all of a sudden we find that because of the length of time it takes to get these lands negotiated, somebody along the way, and it's ending up by saying, well we only have entered into discussions with MHRC, somebody else comes along while the negotiations are going on, buys the land out from under us, and we end up having to go to the proposal system and paying more. And it's taking in the area of somewhere around 200 — (Interjection)— As a matter of fact it is, but not all of them, Harry. The thing is that it's taking an average of about 212 days, 212 days on an average for the Land Acquisition Branch to get anything concrete, and during that time we're losing good land. Now, I know it's only since Tuesday night' Mr. Minister, but I again would like to say to you that something will have to be done about that particular situation and it's not the fault of MHRC and it's not the fault of Land Acquisition, it's the fault of the government who have allowed this battle to go on between these two departments and it hasn't seemed to have been solved.

Now the Minister, I believe, said that they were going to do something about it. I don't know whether there has been any discussion in the past couple of days as to whether it may change or not, but I would hope so.

MR. EVANS: As the Member for Sturgeon Creek has indicated, Mr. Chairman, we've sort of gone through this a couple of evenings ago. I would like to repeat what I said at that time and that is, that looking at the proposal calls in total and, indeed, looking at each individual proposal call, we would maintain that we did not pay any more than the all up costs price for a project that would have been tendered in the normal way if we had bought the land, hired the architects and tendered the project. There is some advantage in a proposal call. You don't buy the land. Somebody may put a value on the land but we don't buy the land, we buy the package and we're buying a package that meets our cost criteria and meets our quality criteria. And indeed the proposal cost system has given us a lot of housing, a lot of good housing, and in sites that we wouldn't have been able to move on as quickly and as easily as we did with the proposal call system. And I would like to remind the honourable member that the proposal call system is the typical system that is used in the private sector. There is nothing wrong with the system. It's competitive. The proposals are opened in public. All the proponents are there. It's like opening tender bids and it is a system that is well accepted and well practised in the private sector. So in one sense we have emulated a practice that is very pronounced in the private sector.

Now again when you look at the value that was placed on land, and incidentally some of the estimates that were placed on the value of land in the Land Titles Office by certain officials are completely unrealistic I would submit, because they are in no way related to the market value that prevailed at the time for that piece of land, whatever that market value might be, and whatever you may think of that market value. We are satisfied that the average square foot cost was well within reason. As a matter of fact, on average if you took the entire group of proposal calls that we have had experience with in the City of Winnipeg for the last two years, the average price is lower than the average price per square foot in the tender system. I quoted those figures twice now and I simply reiterate that. We have in our opinion received value for our money and we have put in housing that wouldn't have been in place likely otherwise.

MR. F. JOHNSTON: Well, Mr. Chairman, the Provincial Auditor . . . on Page 28 the Corporation recorded to these excess amounts, he uses the word "excess amounts" in development costs account. The account should have been described as land premium. You know, you're paying a premium for land because of the fact that we could have probably bought it for less money than we ended up paying for it.

Mr. Chairman, the proposal call system that the Minister is referring to can be done, you can have a proposal call on land that you own as well as you can have a proposal call on land that you don't own. It would seem that the construction costs on proposal calls as the Minister said is working out very well. But the land costs that we are coming up with on proposal calls are excessive. They should be able to purchase the land themselves by having a better system.

MR. EVANS: Mr. Chairman, just to clarify. Those average costs that I am comparing are the total all up costs. I am taking the total cost, the land, the construction, all the administrative, all the peripheral charges, everything, the all up cost on your proposal call versus the all up cost under the tendering system. We get quite a substantial differential in the average cost in favour of the proposal call system. I am not just comparing construction costs on one side and land costs on the other, because when we go for a proposal call we do not buy land *per se*, we are buying a package and the comparisons I am making are of that package, not of just the construction costs under proposal call versus construction costs under the tendering system. I am talking about the all up costs, the total package, in both instances.

MR. F. JOHS JOHNSTON: Mr. Chairman, just one more question on this. Somebody has got to explain when he says the account should be described as land premium or some similar designation. "The Corporation evaluates the cost of the proposals on the total package basis and was prepared to allow premiums for land as valued by the Land Acquisition Branch in order to meet its housing unit requirements. This method is being used to expedite construction with the understanding that the control over expenditure is not as effective as under the normal tendering system. Therefore it should only be used to meet special needs"

We have been advised that this is the Corporation's policy. Now, we say "special needs" but it seems that there is a very large percentage been going into the proposal call system because we are not able to buy the land at the right price through the acquisition branch.

MR. EVANS: It is an interesting observation that I made a few months ago when we looked at this proposal call system and what it was costing us and we looked at this question of appraisal of land values. And the very interesting observation that I made then that I will share with you now, is that in most cases the CMHC appraisal was equivalent to the value of land that we were given by the proponent. Last year, although we were buying in a package, we asked the proponent to identify his

price for the land. And most often, more often than not, in fact I don't know how many cases I can cite, I can't give a ratio, but by far the greatest number of proposals, the CMHC appraised value of land was the same value of land, the same value that the proponent had paid for that land. In other words CMHC appraisal staff was agreeing with the market value that the proponent had paid.

We are talking about 27 projects involving 37.7 acres of land and in totality the CMHC appraised value of that land was \$3.6 million. In our application we applied for \$3.8 million — I am just rounding here — but it was just slightly under \$200,000 difference. It was a difference of \$197,000 between what we applied for. In our CMHC application there is an itemization for land that you put in and we did this with the proposal calls, and of the 27 proposal calls you end up with a total of \$3,800,710 as the price for land which we showed on the CMHC application. And CMHC staff approved \$3,603,000. In other words we were just about dead on in terms of what we said was the value of that land. So you are talking about a difference of about \$200,000 out of a total of \$3.8 million and I suggest that you are talking about a very small fraction.

Again, when you look at the total costs of all the projects, the all up cost, you are talking about \$40 million worth of housing. So we are talking then, out of a \$40 million group of projects, a differential of \$200,000, in the opinion of CMHC's fully qualified professional appraisal staff and their function is done completely separately as the bankers of these projects. They have nothing to gain to be otherwise, to be completely independent and do their own professional appraisal of the land.

So, what I am saying then, if that's a premium — I wouldn't call it a premium but if you want to call it a premium — it's a pretty small price to pay to get up a lot of housing in good sites and to put a roof over the head of families and the senior citizens who may not have had that roof there otherwise, if we hadn't followed this particular method of procedure.

MR. F. JOHNSTON: Mr. Chairman, that's fine.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Chairman. Mr. Chairman, I would like to raise two questions with the Honourable Minister at this time and I must ask your indulgence and that of other Committee members if the questions are repetitive. I have been involved in the other Committee that is also running and some of the questions may have been asked.

I would like to raise the question involving the senior citizens homes development that MHRC is involved in as well and I raise it from this point, Mr. Minister, through you, Mr. Chairman, that it would appear that the government has in fact established a policy as to where and under what conditions they will be involved, but that that policy isn't clearly established with the general public. I must say, and I speak from several incidents that I have had involving the department, where a considerable amount of work was done, Mr. Minister, to the credit of the staff of your department, a great deal of co-operation was shown by staff of your department to the communities involved. But in the final analysis they were told that they failed to meet the criteria established by the department as to where your department, Sir, is prepared to place senior citizen homes in.

Mr. Chairman, far be it from me to suggest to you that you could improve the department's image in an election year, but I would suggest to you that quite frankly a great deal of time could be saved and a great deal of work on the part of your staff could be saved, if in fact the department were to more clearly indicate to applicants for senior citizens' housing that, you know, like from Day One, "I am sorry, our priorities are set this way."

Mr. Minister, I do not quarrel with your priorities, all governments have to set priorities and I am just suggesting to you that the advice, perhaps a year, a year and a half, eighteen months later two years later, to some particular group that has worked hard with members of your staff in developing a scheme for senior citizens' homes, and then to be advised that they had better address themselves to CMHC under Section 15, etc. etc. — which is available to them and it is a good program. As I say, there would be a service done, Mr. Minister, if you would be prepared to make that a matter of policy of declaring that to applicants as they are sent in.

I know of several instances where staff has gone out, has met with the local people involved, has worked with them in terms of developing the necessary mechanics of whether or not there is a need for the home. I am not suggesting that there is any degree of misrepresentation involved. It has been, in my belief, an honest effort on the part of staff to help to develop within the local committee the necessary prerequisite work that has to go into the formation of this kind of shelter and housing. I repeat again, in the instances that I have been involved, I must say I have nothing but admiration for the kind of staff work that has been done. But I believe — you know that hurts me a little bit for me to be telling you that, Mr. Minister, that I am doing you a political favour by suggesting to you that you could. . . You know, the name of the game is to get the housing in place. Now, whether it is done under CMHC or under this program, let's not you and I play games with it. If your criteria is that you cannot put senior citizens' homes into communities with less than a certain population figure, then let that be a policy decision made and clearly understood. There is still a feeling that the department has a tendency of not wanting to say no to anybody but in the final analysis of having to say no to

somebody.

Mr. Minister, I suggest to you that that really isn't accomplishing the ends of the program in terms of getting necessary housing built for people that need it in communities that need it. And, Mr. Minister, let me be so bold to suggest to you that it is not necessarily doing any political favours either.

I would suggest to you, Mr. Minister, as a new Minister in this department, that in fact establish and state those policies somewhat clearer, that eighteen months or twelve months, six months, seven months, whatever it is, of local committee work be not done in vain but, in fact, if there is no address to your department under this particular section, that they should then address themselves to CMHC if they are eligible. I think you would be doing the communities, and more importantly, the senior citizens of the province a favour if you should decide to make that aspect of the Manitoba Housing and Renewal Corporation's policy somewhat clearer and somewhat better understood.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Well, Mr. Chairman, I couldn't agree more with the Honourable Member from Lakeside. I think it is just not fair to communities to sort of dangle them on a string for years on end perhaps, if not many many months, as you say, allowing local committees to work, etc., and then to be disappointed after all these efforts have been expended and maybe money and time wasted, etc., seemingly wasted.

I can say, from my limited experience, if it is a fresh application from a community, and some communities we're had applications from are very very small, 100, 150 people, and you look at the census, go back 20, 30, 40, 50 years and you'll see that they may have been 200 people 20 or 30 years ago. They just are not growing, in fact, the reverse is happening. Unfortunately, for some of these communities, the reverse is happening and they are diminishing in size, they are disappearing from the scene. Of course, this is not peculiar to Manitoba. It is a phenomenon that you see throughout North America, for example, where you have the modern technology of agricultural work, highways, automobiles and so on and all the changes that are occurring that cause a redistribution of population, that has occurred in North America and is continuing to occur.

So, when you take into consideration — and I am sure the member is not disagreeing with me — the fact that the mortgages on these senior citizens' homes under a section of the National Housing Act is 50 years. Even if you are only building twelve suites or if you are building sixteen or eighteen, or whatever, the fact is that while there may be a nice long waiting list now, what will it be ten years from now, fifteen years from now and so on? Are the taxpayers going to be shouldered with apartments that are half empty and yet we still have to pay the mortgage. The CMHC, our friendly banker, who shares the operating deficit with us on a 50-50 basis, nevertheless expects the people of Manitoba, the Manitoba taxpayers, the Manitoba government, the Manitoba Housing and Renewal Corporation, to pay back that mortgage in full. And if the building is half empty it just makes that cost even that much greater.

I have attempted to follow the procedure of telling a community straight out that we don't think that you can qualify. In fact, the one that did come to my attention recently, in western Manitoba — the Member from Virden is familiar with it — is Miniota and we did tell them. I told them right off. But what I have found is some of these communities have been at this for not one or two years, they have been at it for four or five, six years, they have been at it a long time and I guess maybe in the initial blush we thought, well, you know, some day we will build housing in every conceivable village and town in Manitoba and hearts were in the right place. But the fact is that we have had to, in more recent times, to take a very hard line and tell people, "Look, we just don't think we can do it under this section of the Act." But we have always said in a positive way, "We will help you." The honourable member has referred to that section, Section 15.1 of the National Housing Act, that we will help you whatever way we can. And incidentally, the staff is continuing to work with the Woodlands community group, right now, under Section 15.1.

And, if there is no — and I stand to be corrected because I was under a misunderstanding, too, when I talked to my colleague from Virden about the percentage of senior citizens' apartments that we have put under Public Housing, it could be as high as 100 percent — if there is no equivalent nursing home or other senior citizens' accommodation. In towns where there are some alternatives we don't feel obliged to go up to 100 percent and maybe, on average, we may end up around 25 percent. But the fact is that the Section 15.1 program is a pretty good program, 100 percent financing, it enables the community to develop the whole thing themselves and also it has 10 percent forgiveness on it. It is a good deal, the interest rate is low. We will take up to 100 percent of the suites as Public Housing, namely those tenants will be subsidized. However, if the community group wishes to pursue the option of allowing people in who are not in the income categories under Public Housing, namely in the very lowest pension groups' the very lowest income groups, then they have an opportunity of taking those with larger incomes and of course, as the Manager reminds me, assets as well. Is it \$7,000.00? And there are a lot of people that have more than \$7,000 assets. You don't have

to have much of house that you sold to get assets above \$7,000.00. So, there is some advantage in going Section 15.

So, what we are really saying to the communities in Manitoba, everybody, we will help every community no matter how small to get housing and for the smaller communities we will do it under Section 15.1, for the bigger communities, if you haven't got one, we will, eventually, get around. And there are many bigger communities than some of the villages that have been coming after us, there are some much larger towns, five, eight hundred, nine hundred, a thousand people who yet have not had any senior citizens' housing. Someday they will get it. Rome was not built in a year and Manitoba will not get this kind of housing for senior citizens in a year either. We have been at it for some years, the record is pretty good and there is a terrific amount that has been put in place but we have a long way to go and we all recognize that.

But I agree with the honourable member, I agree with his advice and this is my policy, to tell those towns. There are some exceptions though. I would hate like heck to say, "Well, you know, if you are under whatever limit, say under 500, we won't consider you for Public Housing." I hate to do that because there are some cases where a town, it may be very tiny, or a village may be quite tiny, but it is near you know, it will Winnipeg say, or if it is right near Brandon' likely grow as a dormitory town. So you have to take those things into consideration also.

MR. ENNS: Mr. Chairman, through you to the Minister. The point, of course, that I am trying to make is that, unique as it may sound, that there are occasions when a politician says no he is, in fact, doing a favour.

MR. EVANS: That's right.

MR. ENNS: The Minister having brought up the particular situation that I, understandably, am concerned about, that is precisely that situation. I must report to the Minister now, through you, Mr. Chairman, and the Committee, that the Minister having said no to the Community of Woodlands, they have undertaken the advice given by the Minister, have contacted CMHC and are working towards, hopefully, a successful conclusion of the project that they had in mind.

The only point that I am raising is that in most instances these efforts are done by people in the community in a very volunteer kind of way, nobody is getting paid for this job, when a local committee gets formed or organized to organize a senior citizens' housing committee, but certainly time is worth money to anybody and everybody, and that any expedition of that time is worthwhile. So I have to in this particular instance, it grieves me, but I have to commend the Minister for the attitude that he's taken in this area and I would ask him to be as forthright as he was with my delegation a short while ago because it, in effect, has expedited matters. It has expedited matters and the community is further ahead and will likely achieve the goal that they were after, namely a senior citizen home than had they been left dangling. Now the Minister qualifies the criteria by saying that, well, he does not want to put it in

black and white but I will leave that to the ministers. I think they understand each other.

Now, the other question that I have to you Mr. Minister, through you, Mr. Chairman, is in regard to northern Manitoba and the role of Manitoba Housing and Renewal Corporation in that area. Recognizing that Manitoba Housing and Renewal Corporation is not solely involved in public housing but also encourages, in fact, has programs to develop private housing, would the Minister not concur that the question of freehold titles of land in northern Manitoba often is an impediment to developing that kind of housing. Should we not be extending to our northern residents the same rights that we extend to our southern residents, namely, the privilege of freehold title to land which is proceeding at a slow pace. But nonetheless it's still done with a great deal of difficulty and certainly not the case in terms of any commercial development. I'd like to attempt to develop a list with this Minister and his northern Ministers and have this Minister go on record in encouraging the right and privileges of northern residents to have freehold title to land.

MR. EVANS: Mr. Chairman, I'm happy to advise my colleague from Lakeside, that we are now in the process of converting all the titles to freehold.

MR. ENNS: Thank you.

MR. EVANS: All of our titles, but mind you, Sir, it's a long process. It's complicated but we're doing it. There's survey problems, you know, it gets to be a lawyer's nightmare or a lawyers — have it whichever way you want to look at it — you know, it's a long legal process, I'm advised, but we're doing it. It takes awhile but we're doing it. And that is the policy objective, that's the most important thing.

MR. ENNS: It may be a lawyer's nightmare but I want to tell you something, for any resident of the north who feels himself surrounded by nothing else but land, has a great deal of difficulty understanding why he can't own part of it. Just a loss. Just amazement. You know, it can be argued that in the south, with the pressures of half a million people in a relatively congested area, that land has become a scarce commodity. But for somebody in Wabowden, or Gillam, or Thompson, it's a difficult argument to sustain. .

MR. EVANS: Mr. Chairman, if it's of any interest to the honourable member, I am advised by the Assistant Manager that 20 were signed over this morning — at Birch River — 20 this morning.

MR. ENNS: Mr. Chairman, I can't resist the opportunity now that I know that the Honourable Minister is speaking as Minister for Housing and the Renewable Corporation at this particular moment, but he's also the Minister of Industry and Commerce in this province. Would he not use his influence to extend that privilege to commercial industrial enterprises in the north which to this date still there hasn't been extended —

. no commercial, no industrial enterprise can have free title to land in the north. And Mr. Minister, you would be, of course, aware how important that is because in so many instances to have access to the money vending institutions of the province, to get a mortgage, to go to the bank. How often do you have to put your title of land on the line if you're running a little business? But northern businessmen don't have that privilege. So, Mr. Chairman, it's somewhat unfair, but I would ask the Minister of Industry and Commerce to prevail upon his colleagues to extend that same privilege to industrial and commercial enterprises in the north.

MR. EVANS: Well, Mr. Chairman, I guess we shouldn't be discussing, you know, somebody else's Estimates and so on. I don't think it's even Industry and Commerce Estimates, I guess it's Northern Affairs or Renewable Resources. But what I'm advised by staff, too, is that in many cases it's difficult to convey a title or a piece of property, even if both parties are willing. If you haven't even got an adequate description of the land, or it's very difficult to describe it and I'm not a lawyer and I'm not a land surveyor but I'm told there are very serious problems in this area and it's even hard to get people up there to do surveys. But the other item you mentioned, we could discuss it. I think there are problems but, Mr. Chairman, I think we're off of our Estimates.

MR. ENNS: My response to the Minister is, King Charles II had no trouble giving Prince Rupert all this G— damn country, you know, and a title, you know, and now you surely can give a Salisbury House or a Chicken Delight enterprise a title to 50 feet of land.

MR. EVANS: You shall have all the land adjacent to the rivers flowing into the Burntwood, South Indian Lake, along the Burntwood River. All I can say is that I'm not King Charles II — is that what you said?

MR. ENNS: He got beheaded by the way.

MR. CHAIRMAN: The Honourable the Attorney-General.

MR. PAWLEY: If the Honourable Member for the constituency of Lakeside who was a member of the government prior to 1969 would be interested in the debacle, the horror story involving the transfer of lots in Grand Rapids, upon which many people had paid moneys and were unable to get successful transfer of their land after many years of frustrating effort to do so, I wonder if the Honourable Minister is familiar with that situation?

MR. EVANS: Mr. Chairman, I'm not familiar but my staff say they are.

MR. PAWLEY: I wanted to bring it to the attention of the Honourable Member for Lakeside but unfortunately he's left.

MR. CHAIRMAN: I think we have drifted off the topic of the MHRC in any case. The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: . . . was paying no attention to him.

Mr. Chairman, the MHRC has expanded themselves into a very large land banking program in the province of Manitoba, in Winnipeg and on outlying areas and I am reading from a report at the present time that is prepared by Mr. Joss Barber with the assistance of Allan Will, under the direction of Dr. Lloyd Axworthy; brief submitted to the Winnipeg Land Prices Inquiry Commission by the Institute of Urban Studies, University of Winnipeg.

In the report, in Table I they talk about the MHRC owning 3,500 acres of land, in land bank at the present time. Now I don't know that those figures are completely exact with your report but I think that also they are talking about part of '76 in these figures. But, be that as it may, we're getting into a very very large land banking situation in this particular area.

In the City of Winnipeg we have what we call the development plan limit of urban expansion by the City of Winnipeg which has a line around the City of Winnipeg which is the area of immediate development in the City of Winnipeg. One might say that they would break your . . . well, MHRC land bank holdings by mid 1976 they write down as 3,911 acres.

Mr. Chairman, the amount of acreage at the present time, according to this report, that could be used for immediate development or before 1978 is 59 acres. Now that could be brought up to — if you want to get to the other situation, that is immediate development in Assiniboine Park and I think that probably it could go up to 417 or close to 500 acres, that could be developed in the City of Winnipeg, or because of the plans of the City of Winnipeg, which haven't been changed, by about 1979.

Now here we are holding 3,911 acres of land that we have paid on the average of nearly, I believe, \$2,500 an acre. It adds up to a tremendous figure of money that we are obviously paying interest on

and yet we haven't got this land in areas that we can put it to use in the very near future. As a matter of fact, the other developers within the area, BACM, Metropolitan, Qualico, Ladco, have areas of land but they are located within the development area of Winnipeg, or a lot of it. As a matter of fact, MHRC is second in land holdings at the present time as far as land bank is concerned, according to these figures. It's good, Mr. Chairman, if we have it to use instead of paying taxpayers money out for a lot of interest on land that is not going to be used or can't be used economically in this area for a long time.

Now, Mr. Chairman, I have made a statement but according to this report, it says that Assiniboine Park has 59 acres at the present time that could be immediately developed before 1978 and that's in the Charleswood area. Short range is 1978 to 1981, St. Boniface 197 acres; West Kildonan 59 acres; Lord Selkirk 262 acres and we're up to 1981. Now that is a very small acreage of land that can be used in the immediate five year period, Mr. Chairman, and I don't really know the objective of the MHRC of holding or buying this amount of land that cannot be used in the near future, especially when it cannot be used within the development lines of the City of Winnipeg, the development area.

MR. EVANS: Mr. Chairman, what was the total number of acres the honourable member referred to? I heard 59 in Charleswood and what was the other number?

MR. F. JOHNSTON: Fifty-nine in Assiniboine area which I imagine is, well, I shouldn't have said Charleswood, Assiniboine Park area. St. Boniface 197, West Kildonan 59, Lord Selkirk 262.

MR. EVANS: Well, yes, did you mention 197 in St. Boniface?

MR. F. JOHNSTON: Yes, St. Boniface 197.

MR. EVANS: Well the 262 in northwest Winnipeg, the first phase of that is under process now as I indicated the other day. There's been approval by the Lord Selkirk Community Committee and we're hoping that tenders will be called for the actual putting in place of the services by August.

In the case of south St. Boniface, this has been turned over to Leaf Rapids Development Corporation and they are proceeding, but it's being worked on very actively and the 59 acres in Charleswood has been advertised very recently for sub-division approval. So, you know, there is a lot of work that is going on and we're talking about acres not lots, so when you divide it up into lots and then even further if you consider in terms of units, we're talking about a fair chunk of development. But this is what is under active consideration this year and we'll see how we go next year. Again, this is the Fort Garry site, 1,263 acres there potential but that's depending on the city putting in water mains and other major services, the sewer main as well.

MR. F. JOHNSTON: Mr. Chairman, the Fort Garry site he speaks of is one that they've estimated to be able to be used between 1981 and 1986 and it is dependant on the city putting in the water system, etc. The particular areas of land you're speaking of add up to about 580 acres of land that you can put on stream between now and 1981, unless the city goes ahead with the Fort Garry project and that is not . . .

MR. EVANS: The Fort Garry project, the city-provincial joint ownership is 520 acres, but we have separately, we own 1,263 acres that we would like to proceed on.

MR. F. JOHNSTON: That's correct. In 1981 to 1986 they say that you have 52 acres in West Kildonan that can probably be used, 244 acres in St. Boniface, in Transcona 20 and Fort Garry 1,263. Long range 1986 and on, would take in Springfield, Transcona, St. Boniface, MacDonald, Assiniboine Park and St. James-Assiniboia.

Mr. Chairman, how much interest is the Manitoba Housing and Renewal Corporation paying on the money that they have spent for this land that can't be used for a long time?

MR. EVANS: Mr. Chairman, it seems to be averaging about 10 percent, but I would make a point of the 1,263 acres, you're putting forth one point of view, we have another point of view. Our plan is to develop this 1,263 some time in the period between 1978 and 1981. So there is a difference of view here.

I would point out, Mr. Chairman, also with the escalating cost of land that one never seems to lose by investing in it and, particularly the kind of land that we've bought which is pretty raw land and some of it was far out when we started to buy it a few years back, but as the city progresses it becomes much more developful, develops a greater potential for development obviously. So I would maintain that we're better off to proceed the way we have proceeded. It's giving us a lot of flexibility for some of our various housing programs. And furthermore, as I indicated perhaps the other day, our objective is and will continue to be to provide service land for builders and purchasers so that they can afford housing and we think that we are going to be able to bring down the price of housing, we think we are, we're trying to, that's our objective and thus far the estimates on the northwest Winnipeg proposal would indicate that we are going to be able to achieve this objective and recover costs and including the carrying charges and make a profit for the Crown, and still sell it possibly to the would-be owner, but for \$3,000 or \$4,000 a lot less than the current market value for similar land.

MR. F. JOHNSTON: Mr. Chairman, I could go along with a lot the Minister says, but he is going to have to name me any government of any party that ever made a profit for the Crown.

MR. EVANS: Mr. Chairman, the fact is, from our knowledge and our information of the land

development business in Winnipeg, there is a very very large margin of profit, so that it takes a very high degree of incompetency not to make any profit. While the honourable member may think we're rather incompetent I don't think we're that incompetent. In other words, just about any idiot can make some money in developing land in the City of Winnipeg given the nature of the industry in this city. The fact is that there is a very very high profit' I would submit, excessive profit to make an understatement.

I think that our preliminary estimates in northwest Winnipeg are proving that we are going to come in well under market, below the low end of the market and return every nickel of interest to the Crown and possibly a good handsome profit for the taxpayers, and at the same time give the would-be consumer, the potential home buyer, a break at the same time.

MR. F. JOHNSTON: Mr. Chairman, the only way the Minister can possibly accomplish anything that he's speaking of is that the land that he holds at the present time or in the near future is going to be of a percentage in the market, which will have to be at least 20 percent, that will have any effect on the prices of the land in this area.

Now I can tell you that we may disagree on what can be done in Fort Garry or I might say, Mr. Chairman, I am not here to disagree with the Minister, if he tells me they are going to try and do it, I accept that. But you're in a position at the present time that would seem that it was just a case of go and buy land anywhere, because the timetable for the City of Winnipeg as far as their area is concerned for the line that they put around the city, the development plan limits of urban expansion, MHRC is on the outside looking in compared to the other developers. Now what effect can you have, regardless of . . . you tell me that you're going to bring it in on stream at good prices, etc. You are still going to be in a competitive market when you're selling these houses. You are not going to have enough land to be what you might say a large factor in controlling prices in this particular area, yet we have spent all these millions of dollars of land banking for this purpose.

MR. EVANS: I can only say that in the long run if we fail to make a profit — as I think we're going to make in the northwest Winnipeg development — it will be because the developers have substantially reduced their selling prices. And if that happens of course, then we have really achieved a major objective, the objective being to reduce the price of housing for Winnipeggers, or for Manitobans.

I would also add, Mr. Chairman, that we are not on the outside necessarily looking in because I am already advised that our properties in south St. Boniface and in west Winnipeg are already surrounded by properties that have since been purchased by others who are interested in land development. So we are not that far out in some of these holdings, Mr. Chairman. I can add also that our policy right now is to concentrate on the purchase of quick-start land in the City of Winnipeg, and I'm personally interested in obtaining — and we were discussing this the other day and there was a good discussion and I think there was some agreement — that we had better get on with the job of getting more of this quick-start land particularly in the old or the Inner City of Winnipeg. This is one of our top priorities now, so that we can go on with the job of providing family housing and we could get on with the job of putting in housing in areas of the city — the old city or the Inner city — that are becoming depopulated. That's a serious concern and this is where we are now putting our emphasis.

MR. F. JOHNSTON: Mr. Chairman, how does the Minister expect to prevent a purchaser from realizing a profit by selling MHRC housing that he has purchased for the market value?

MR. EVANS: How do we expect the . . .

MR. F. JOHNSTON: Well, if you are going to put these houses on land you're going to have a better price structure than somebody else and be able to give somebody a break. If the Attorney-General goes out and buys a house in one of those places and sells it for much more than he paid for it after the province has developed it.

MR. EVANS: What the honourable member is referring to is the problem of the quick speculation activity that could occur. He's talking about something we have become concerned with. But I would advise that we don't have to re-invent the wheel here because just about every province in Canada has had some experience with developing serviced land and then selling it. Almost every province in Canada has been in this including Alberta, Saskatchewan, B.C., Ontario, Nova Scotia and so on, and there are different systems used, and there are some techniques utilized for controlling speculation or for eliminating speculation. One of these is the use of the second mortgage. The second mortgage which perhaps diminishes over a four or five year period, that's one thing, or forgivable features to that mortgage. There are other schemes whereby there are other resale controls.

I can only say that we are studying this but our inclination is to go the method that CMHC has suggested and that is to come in and sell at the low end of the market because when you do get into a lot of resale controls you create a bureaucratic nightmare or a planner's dream, whichever way you want to refer to it as. So we are tending, Mr. Chairman, towards this policy. I want to emphasize that this is not final, that this is not a final policy position. We are studying the matter very actively. I would say though that we are tending toward no bureaucratic controls or a very minimal number of controls, and not to sell just at cost but to sell at the very very low end of the market, and hopefully it

will have favourable repercussions on the rest of the market. I am not saying it will. I may be inclined to agree with my friend from Sturgeon Creek, that you need a far bigger percentage than what we're developing right now to have an impact on the whole market — you may be right on. But at least this is a start and this is our intention, to come in at the very very low end of the market, very low, so that we will end up making a fair return for the Crown, but perhaps we could sell it closer to cost. If we went very close to cost then I would say perhaps we should have these second mortgages, etc. But at the moment we are sort of inclining towards the CMHC advice and a policy that's pursued I think in Halifax, at least with regard to AHOP housing, and the Nova Scotia Housing Authority does not engage in any resale control.

MR. F. JOHNSTON: Mr. Chairman, the Minister keeps insisting that we can come out of this with profits. What are the average speculative gains over the 10-year period compared to 10 percent interest? You're paying this interest each year, what are the average speculative gains over this 10-year period?

MR. EVANS: I don't know whether I understand all the implications of the honourable member's question. But the point is that we are developing land, it is becoming productive and, as I said, we are expecting a full return including return on interest rates.

Yes, I'm reminded too, Mr. Chairman, that of these land holdings we are paying interest on raw land, not on serviced land, so it doesn't amount to that great an amount.

MR. F. JOHNSTON: Mr. Chairman, in the Fort Garry area — and I'm just taking one and I guess it's Fort Garry — in Ajax, \$1,130,237.25 at 8.8 5/8 percent interest rate; Manson, \$55,426 at 10 percent; Bates, \$1,473,700 and that's at 10 percent. You are going to pay these interest rates as I said, and this property or a lot of it that will not be in production or be there for return for probably ten years in a lot of the cases. I say to you that after you've paid that interest rate for ten years I just don't know how you can speculate that you're going to have that great a profit when you're going to pay this interest, then develop the land and have a return. In fact I find it very hard to see how it can be worked out.

You are saying at the present time that land prices are going to continue to zoom considerably and I would have a tendency to say that I don't think land prices are going to get much more zooming in Winnipeg for the next while.

MR. EVANS: Well, I would repeat, Mr. Chairman, that that land that we hold in Fort Garry — 1,263 acres — will not be held for ten years. We expect it to be fully developed by 1981. Now that's our plan, that's our objective. — (Interjection) — Yes, that's right. There are many negotiations with the city that has to take place and I'm not trying to underestimate some problems that we might have. But I want to point out though that we borrow money from CMHC to purchase the land and our carrying charges are therefore generally considerably lower than the carrying charges that the private sector pays for holding raw land.

We are obtaining this land by borrowing money under CMHC because we are meeting one of the objectives of the National Housing Act. And as I said the interest rate is much more favourable, I understand, than the interest rate, the carrying charge that a normal private developer might be faced with.

MR. F. JOHNSTON: The interest rates I quoted were CMHC loan rates and they're still going to add up to one heck of a pile of interest; and I'm willing to come and go with the Minister on the basis that we will leave Fort Garry out which they say would be in the 1981 to 1986 area and we are talking 1977 and by the time that particular . . . You don't develop 1,263 acres all that fast, it takes considerable time. But the balance of the land in the long-range that you have standing from 1986 on, they're all at interest rates of eight percent and up. So we are looking at a considerable amount of money in the 10-year period, Mr. Minister.

MR. EVANS: Well, the honourable member may observe that it's a considerable amount of money but I would point out two things, that the cost of interest of holding land compared to the cost of the entire development is a relatively minor amount.

The other point that I would make, Mr. Chairman, if the land is at all productive in the sense that it's available for farming, and some of it is. We rent it to the farmer and we get a return from the farmer. So it's not as though nothing is happening to that land. It's good arable land which a lot of Winnipeg area land is, then I see no reason why it shouldn't be continued in use as good farm land and that we shouldn't get a return on it, as a landlord in a sense, as the holder or the owner of the land, why we should not get a fair rent from the farmer.

But I repeat that the interest costs that the honourable member is concerned with are relatively minor, I understand, in the total cost of land subdivision development, servicing of subdivision. If you want to take it as a percentage of the final selling price of the house, you're talking about a very minor amount of money, a very small percentage of the total final selling price of the house.

MR. F. JOHNSTON: Well, Mr. Chairman, is it not the program objective of the CMHC . . .

MR. EVANS: MHRC.

MR. F. JOHNSTON: . . . the program objective is to break the control of the land by private land

developers, the control of at least one-third of the developed land by the public sector would ease the land situation in Winnipeg. Mr. Chairman, that's basically the objective of the Manitoba Housing and Renewal Corporation and you are not going to get control of one-third of the land which is able to be developed at the present time within the near future. So you are not going to have any real effect on the housing costs in this particular area with all this large expenditure of money. It is not a good program situation.

MR. EVANS: Mr. Chairman, as I said earlier this evening, Rome was not built in a day. We went from zero acres in 1971 to 4,843 acres in the Year of Our Lord 1976. So that's quite a build-up of land. And as I said, we're just getting started. We hope to have enough land serviced in the first phase of northwest Winnipeg to accommodate over 800 housing units and once we get into the Fort Garry, a development of 1,263 we're looking at another 6,000 or 7,000 lots.

Initially we may have no impact at all, except on those people who are able to purchase the land or the house in the MHRC subdivision north of Inkster. But I think that in the long run, as we keep at it, we will bring more competition into the market and really by bringing in more competition we will be achieving our objective. In other words, the objective of bringing down what we consider to be artificially-high prices of servicing of land and therefore as it is translated into the final selling price of the house we hope to bring down the price or to keep the price of housing down. Now, that's an objective, bringing in more competition and that competition eliminating what we consider to be excess profits.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Well, Mr. Chairman, I apologize if I have to pick up the thread of discussion, but I have been interested in some of the Minister's remarks. If he feels he has to repeat himself he can so state, but if he thinks that he, in fact, by entering into this Inkster Subdivision is going to affect the market, could he tell me how he is going to — he doesn't think he is going to affect the market . . .

MR. EVANS: I don't think, Mr. Chairman, that we are going to effect the market in this first development, I don't think so. Particularly, in Phase I where we are talking about 800, 850 units that might result. I don't think so. But if we keep at it, Phase II as we go on to Charleswood, etc., if we keep at it, St. Boniface in a couple of years from now, there may be an impact.

MR. AXWORTHY: Well, Mr. Chairman, there are three questions that come out of that statement. First is how does MHRC plan to protect against the kind of arrangement that took place in large land assembly project outside of Edmonton, the Mills-Wood Project, when under that project when public land was put on the market the private landowners just simply held back land from the market until the public land was sold and then brought it back on at the same price anyway. So in effect what they were simply doing is allowing the private land lock system simply to distribute what they had, holding their land off in the market until it was finished, which was exactly what happened in the Mills-Woods Project in Edmonton. So first we have to ask the question how you would hope to cope with that particular situation which would eliminate any benefits?

The second one is the question of equity that comes out of it, because it means then that a fair degree of subsidy is being poured in for those particular families who happen to be getting those lots, but has no impact on all the rest of the people who are buying land and purchasing houses in the City of Winnipeg. So you are getting into a very serious problem of setting up a kind of a two-class system really. I think there should be some objection raised as to the degree of equity that is contained in that particular proposition.

The third question which intrigues me even more and that is that under the present land holdings that you have, almost virtually all of those land holdings are outside of the areas that are presently planned by the City of Winnipeg as so-called development areas. I would assume or I guess maybe I'll put it in the form of a question, that in order to make your lands that you presently hold have any value as development land, that you are going to have to have major changes in the development plan of the City of Winnipeg. Now I would like to know what kind of proposals you have made to the City of Winnipeg to alter their development plan to bring that about. The corollary of that, of course, is that if you are going to do that then it would require a major investment of capital by the province for servicing those areas, because presently under the Winnipeg Development Plan those areas are not scheduled for major introduction of sewerage utility or storm-sewer services. So it would require going to the Winnipeg Five Year Capital Plan and expenditures in the order of, they're talking \$250 million. Does that mean that the province is now prepared to help pay for the large proportion of those capital investments in order for it to be able to bring provincial land on stream because it is going to require a basic alteration in the Development Plan? Perhaps the Minister could answer those.

MR. EVANS: Well, all I can say is that I can agree that to bring about major changes in the Development Plan may cost a lot of money. It may involve a lot of dollars. I don't know whether I am in a position to answer that question. You know, this is something that I would hope that the province

and ourselves particularly, could persuade the city in some instances to want to make some changes because it may be to the mutual benefit of the city government and the provincial government. And particularly we think so in regard to the Fort Garry holdings where we have, as I indicated earlier, 1,263 of our own acreage plus 520 of jointly held city provincial holdings. So, you know, it is a bit of a speculative thing and it is speculative in the sense that — hypothetical in one sense but conjectural in another.

I don't know whether we have that ability for the city to make those changes, and I don't know whether — maybe we don't have all the very best land, you know. I am not saying that we do. But all I am saying is that we have gone from zero in 1971 to thousands of acres in 1976, close to 5'000 acres. As I indicated, perhaps before you came into the room, right now our emphasis is on buying quick start land in the Inner City of Winnipeg. We are putting a higher priority on that because we see the deterioration, the absolute demise of some sections of the Inner City of Winnipeg. We want to be able to move in there with appropriate types of housing and we prefer to own the land rather than go for proposal calls without owning the land. We have had long discussions on this today and other days, but this is what our emphasis is now. I cannot say that, "Yes, we have ideal amounts and sufficient amounts of land holdings". I can't say that, but I am telling you what we have. I think there has been a lot of progress made. Perhaps we can make other progress.

Your second question was with the matter of equity of those who happen to be benefactors of the development we are talking of in the Inkster-Burrows area and that is a problem. But, it is not a problem unique to Winnipeg, it's not a problem unique to Manitoba, it's not a problem unique in many jurisdictions of Canada, because many housing corporations, provincial corporations, and indeed CHMC itself has had to confront that question. How do you dispose of land where there may be some benefit to a few but not to the entire population? But there are ways and means of overcoming this and we are not living in a perfect world. The lottery system is one that is well-known and there are other systems too, whereby certain resale controls are put into play so that there is not speculative buying taking place even though it may be done by one purchaser.

So at any rate I would say that while we haven't come to a final decision on this we are tending towards selling at the low end of the market and I just repeat that in our discussions with the Minister of Urban Affairs' the Honourable André Ouellet, and other senior people in Central Mortgage and Housing only recently. This is their advice and they are our bankers incidentally, as you know, and this is the way they think, this is the way they would be inclined to go themselves if they were engaged in it.

We know also that many municipalities have engaged in land assembly projects where there is a net benefit to anyone who happens to get into that land assembly project. How do they get it? Normally by means of some lottery or maybe first come, first served' or whatever. I can just say that we don't live in an equitable world at times. At any rate, this is the way we are tending and the first of the three problems you raised about the hold back by private developers, that is a major problem, that could be a major problem. I don't deny your observation about Edmonton. I don't know what we can do. I would like to think though that some of the developers — there is still an element of competition here, the developers are in business to make money. I don't think they can stand back forever and not develop land. I think if they are in the business of developing land and selling houses I think most of them want to stay in business. Most of them would rather do more rather than less business.

But you know, we are not living in a totalitarian society. I am not suggesting that — unless the honourable member has some suggestions — I don't know what one would do to prevent this unless you maybe take the Public Utility approach and have all land utilization based on a public utility concept, where there is indeed full control. Now maybe that is what the honourable member is suggesting. We are quite open to suggestions. I would like to think we are quite flexible and open-minded about this. I don't know whether we have any magical solutions, but I tell you one thing, I repeat, we have got this land, we are actively developing it and we are proceeding forward.

MR. AXWORTHY: Well, Mr. Chairman, I am almost tempted to suggest that we adjourn the Committee so that the Minister could quickly run off to meet his colleague, the Minister of Finance, before he puts his Budget to bed and suggest that we change the system of taxation as it pertains to land. Because it is through that that he would find some way of effecting that first part of the problem that he raised and if he was serious about providing some fairly rigorous incentive by putting a heavier emphasis on land taxation on land holdings, then you would find that there is a greater willingness to put the land on the market than we presently have. Because the way our tax system works now is really designed almost to encourage the retention and depositing of land as opposed to its use in housing purposes. I doubt whether at this late date the Minister will be able to persuade his colleague that that would be a useful solution to follow.

But, let's go on to the next point. I have a kind of a sense that sometimes when the Minister talks that we have gone from zero to 4,800 acres reminds me a little bit of a gentleman I met about a year or so ago who told me that he had a warehouse full of hula-hoops. He had 20,000 of them stacked up

somewhere and that someday they were going to be useful. You know someday hula-hoops are going to come back. I am suggesting it is not the amount of land that you hold, it's what you do with it and what the impact of that land is in terms of either affecting cost, which is the primary consideration or providing land for public forms of development.

I would simply suggest that perhaps the dribbling out of lots of land would be of a major windfall for those lucky people who happen to win their big ticket in the lottery, but will have absolutely no impact upon the land market which is really what the issue is around here, is how do you break the acceleration of land prices? I don't think necessarily that MHRC and CHMC should be in the game of lotteries, that is something that the Minister of Health and Social Development gets his kicks from. But, you know, that's not the name of the game. It's the big sort of come-and-get-it day sort of thing. That really is a very capricious way to approach the problem of land development and if the strategy or approach should be to break the cycle of accelerating land costs, then I suggest you have to kind of approach it from a different way than is being undertaken at the present moment.

And that is why, Mr. Chairman, I do come back to my point that I am not so sure that the land that was bought inside the perimeter route was the right way of doing it. Now that you have got it, the question is how do you make the best use of it? I would say that probably the only way is to ensure that that land is brought on market on a very steady way and that means major changes in the development plan of Winnipeg and major changes in the capital servicing strategy, which would require frankly major capital investments. The City of Winnipeg doesn't have it. And frankly, you are going to have to provide it. You have got no way out, because if you don't provide it, then simply what it means is that if the city attempts to provide it then the cost of servicing that land would go on the property tax and any benefits that you will have gained will have been lost simply by an accelerated mill rate in the City of Winnipeg.

The one advantage the Province of Manitoba has is its ability to acquire capital resources at a cheaper rate through its bond market and so on, and even to use as I have suggested in the past, using CPP money that comes in at an eight percent rate into this province for those kinds of purposes opposed to using it in the fairly useless investments the province has made up to now on all these factories and plants they have been putting their money into. I think you would be much better off to be taking that capital and be diverting it back into land servicing so that you can bring your land on stream on a fairly substantial proportion and therefore — you would have to be literally providing twenty percent of the land market per year to affect land prices, at minimum I would suggest. Now that is going to take a pretty major investment of capital services. But if you want to break the land acceleration, that's the way to do it.

So, Mr. Chairman, what I am suggesting to the Minister is that I don't like the kind of lottery, kind of random, sort of game. It's a little bit too much like going to the carnival and you know someone wins the cupie doll, but everyone else goes home having spent their pay cheque and not having had any benefit from it. I think we should be a little bit more serious about it and realize that this land business is a tough one now.

In addition to that, you haven't addressed yourself to the question of the land market outside the perimeter route where there is as much speculation or more going on at the present time, and with the acceleration of land prices outside the perimeter route is having, I believe, a very dramatic impact upon land costs inside the perimeter route. There has to be some very significant action taken in that regard, but perhaps we can get on to that topic in a moment, perhaps the Minister would like to respond to the other comments.

MR. EVANS: Yes. Well, the comment made by the Member from Fort Rouge re speculative land taxes is a very interesting one and one that sounds pretty good on the surface, and one that I couldn't, you know personally at least, object to frankly. I believe Ontario has tried it. I understand that there have been a lot of loop holes in the Ontario system and that it hasn't been all a smashing success. I really am not that familiar with it, but that is what I have heard. But maybe we can learn from their mistakes and be a little better. I personally would be in favour of some system whereby we could reduce the amount of speculation if it be by tax, so-be-it, so that we don't have artificial accelerations in the value of land, including raw land that might someday be suitable for housing.

We may agree with you too, that you need at least twenty percent of the market per year to affect the price. I might say, Mr. Chairman, through you to the member that perhaps is an objective that we have. I'm advised that there were 5,000 lots developed last year in the City of Winnipeg and we are looking at at least 1,000 lots this year, so we are at 20 percent. If 5,000 are developed again this year in 1977 — I don't know what the year will end up with but we may easily end up . . . Well I know on Phase I we will have enough, not lots, but enough land in place to develop something like 850 units of housing.

MR. AXWORTHY: That's not 20 percent.

MR. EVANS: But that's Phase I. Phase II will be finished this year too, so we would hope that we would well exceed the 1,000. But let's say we do have 1,000 — if you have 1,000 out of 5,000, you're

talking about one-fifth or 20 percent. But as I said, I don't know what is going to be developed by the end of the year.

The other point I want to make is that we are developing the land and I guess this again was before the member came in. We are under active planning or active development of 489 acres of land. By 1981, we will have developed one-third of our present holdings which will be somewhere in the order of 1,700 to 1,800 acres. So by 1981, I repeat for the honourable member's information, we should have about one-third of our present holdings developed, that is between 1,700 and 1,800 acres.

MR. AXWORTHY: Mr. Chairman, just to complete that particular thought, I again would suggest I'm not necessarily advocating a land speculation tax because it certainly has had some inequities in the Ontario system where it's been generally thought not to have produced much, but we are talking about a land value tax perhaps which puts a heavier emphasis on land as opposed to property. I suggest the Minister borrow the Henry George's book from his colleague, the Minister of Mines and Natural Resources, who keeps it in his desk as his second Bible. While I wouldn't necessarily endorse the full principle, there are a number of jurisdictions which are beginning to use that particular formula and finding out that it does have a certain stimulating effect upon the introduction of larger supplies of land into the market.

I would also be interested in knowing, if we're talking about the investment of public capital in land, why it is that we invest so much capital so far away from the City of Winnipeg — large investments, I'm told, of say of 10,000, 1,200 acres around Deloraine and places like that? We have a number of land holdings which are not anywhere involved in the urban fringe or the urban shadow. Why are we holding these pieces of land and are they considered — are they proposed new town developments? Are we looking at that? There are a number of holdings in East Selkirk, pardon me, north of Selkirk and other such areas. There's a very large portion of land in the Springfield area and so on. I'm just wondering, why are we holding these proportions of land?

I would go back to, I guess it was the — the proper definition might be "sky-kiting" — the Premier some year or 15 months ago was talking about new town development as one of the answers that the province was considering. Perhaps the Minister could tell us if we have now stopped considering that as a proposal and if that particular concept is now dead or whether there is any intention to pursue the notion of developing satellite communities or a new town arrangement or node communities in those areas outside the perimeter route?

MR. EVANS: I can only speak for my particular mandate here with Manitoba Housing and Renewal Corporation. I can advise you that our thrust at the present time is to develop in the City of Selkirk on the west side. While this is being done specifically by the Leaf Rapids Development Corporation, this is land that we turned over to them for that purpose. That is our thrust, if you will, in the Town of Selkirk and for the moment there is no intention to develop another community, satellite community, if you will. I, personally, don't think there is any need at the moment.

I see a need to develop Selkirk as we are developing it, but what is happening? There are many towns in and around Winnipeg that are already in existence that are indeed developing as satellite communities themselves. There are many of these categories — dormitory towns, if you will. I don't need to name them; the honourable member is aware of them, they are right around the periphery here of Winnipeg and some that indeed have been villages are blossoming into towns. Anola, I think, is a case in point. There is a lot of growth there. There's growth in Ste. Anne; there's growth in Stonewall, and so on.

Our holdings, outside of Selkirk, are essentially in the Winnipeg area but also in Portage la Prairie and in Brandon, and there is some in The Pas. There are no holdings in Deloraine by us. The honourable member may be thinking of a development at Boissevain. There is a land assembly development at Boissevain but that has nothing to do with MHRC, that's strictly by the Town of Boissevain, the community itself is developing that. I believe there are some other communities in Manitoba that are doing some of their own. The City of Brandon of course is, and I think the Town of Morris was interested as well, also Thompson. But our interest, our land holdings of this type are, as I indicated, confined to those major communities and the City of Winnipeg.

MR. AXWORTHY: Mr. Speaker, the Minister still hasn't indicated to me, though, whether the province is prepared to put up the necessary capital to service the land that they presently hold, whether it's in Winnipeg or whether it's in Selkirk. I can give him one example — doing some quick estimates — that the present holdings in Selkirk, if they are developed to the capacity that is indicated, will probably again require capital costs of anywhere from the order of \$15 million just to accommodate the growth, particularly transportation growth, in the corridor between Winnipeg and Selkirk.

Now, who is going to pay for that cost? Are we putting the costs on the municipalities, and in this sense I would say that the province is really expecting a free ride. I would suggest that that's simply not the way to do it, that you can't simply be throwing land on the market and expecting the major trunk utility, transit services to be provided by the municipalities and therefore have to pay for it

through their own financial resources which are far more limited. It is obviously a critical problem because I would suggest to the Minister, as he well knows probably by talking to his other colleague, the Minister of Urban Affairs, that the capital works five-year projection for the City of Winnipeg of \$215 and some million, they estimate they can only raise, I believe it's \$115 million on their own resources.

Now, where is the rest of it coming from? I would again feel that we're not really being given the total picture. You can't talk about bringing in the amount of land that you suggest you want to bring on the market without also indicating who is going to cover the cost of the servicing of that land. Otherwise it would not simply be brought on the market because you know damn well the City of Winnipeg is not going to cover those service costs.

So I really am asking what kind of commitment and what kind of budgeting are you indicating in terms of your own projections to pay for those costs?

MR. EVANS: Well, I'm not in a position to indicate at this time. I'm simply not in a position, for the City of Winnipeg, that area. And the observations about Selkirk, I think, are a bit exaggerated. We're only developing 40 acres in Selkirk — 40 acres, and in phases, so I don't see any . . . I don't know how many lots are being brought on in the first phase — 200 lots in the first phase so I don't think that we're necessarily doubling the size of the Town of Selkirk. I don't see any excessive huge infrastructure costs being levied on the Town of Selkirk.

But let me say this, that the Province of Manitoba, through the Special Municipal Loan Fund and other grants, water and sewer grants, has made millions of dollars available to the Town of Selkirk and indeed the province has made millions of dollars of special grants to the City of Winnipeg, as indeed it has to many other communities in Manitoba that are growing in the field of water and sewer and other types of infrastructure.

I'm not in a position to comment. Perhaps you should ask — and I'm not trying to pass the buck either — but this is something that's in the purview of the Minister of Urban Affairs. It would not necessarily be in our budget anyway. If there were to be a program of granting of moneys to the City of Winnipeg for XYZ subdivisions or what have you, it would not be in this budget, it would be in the Department of Urban Affairs, I would submit.

However, I'm not trying to ignore a problem that might exist and I'm not trying to underrate a problem that might exist. I just repeat that we have a particular mandate. What we are doing at the moment, the 489 acres that are under either active development or active planning, we are proceeding with and certain infrastructure is being put in place, in co-operation with the City of Winnipeg, for some of this development. I think as the years go by, you will see, I hope, further city-provincial co-operation to enable the kind of development to take place that we would like to see happen.

I just want to say in conclusion that the land that we are holding in Portage la Prairie and in Selkirk, neither of these holdings and the development thereof represents a requirement for new provincial investments. As a matter of fact, the land that we hold in Selkirk and Portage we've owned for many years and as I said, even though both areas are being developed with housing, none of this is to that extent that it's all of a sudden required a complete doubling of the infrastructure, for example, that may be available now in the town of Selkirk.

MR. AXWORTHY: Well, Mr. Chairman, again just to conclude this, we would have to state summarily then that if the Minister is talking about this new land program that a very essential ingredient is missing from it and that therefore he cannot guarantee in any way that this land will in fact be produced because he says he cannot make any commitment in terms of that ingredient of service costs. Therefore we do have — if an A plus, you know, kind of a question mark equals what sort of equation that we're dealing with and I'm afraid that that poses some pretty serious dilemmas in my own mind about the nature of the program because until it's worked out in its complete details, it is not a complete program. There are far too many imponderables and unknowns and certainly dealing with the City of Winnipeg and its well known proclivity not to spend money on measures such as this, then I suggest that you've got a real problem on hand unless you can generate enough capital that's guaranteed to allow the city to feel assured that at least a substantial proportion of those costs that accompany the development of land will be borne through the capital markets or capital investments assisted by the province. So I really would say, Mr. Chairman, right now that the Minister has half a loaf or a half-baked program and until he puts some of the capital yeast into the loaf, you don't have a land program yet.

Beyond that, Mr. Chairman, going back to the lottery system, I'm curious to know whether there is going to be any provision in this acreage that's going to be supplied on a preferential basis for social housing groups? In particular I'm thinking of non-profit and co-op organizations which may, in fact, be interested in using these lots to provide for lower cost accommodation that could eventually be transferred into individual ownership and I'm thinking of some of the efforts or incentives that might be given to a non-profit or co-op society to become the development agent of the first instance in this

land, getting a preferential interest rate on the land or lease arrangement and then being able to work out with lower or moderate income families, the opportunity to eventually acquire those particular units. I would really want to know whether, in fact, there is any intention to reserve proportions of that land that was announced in the Throne Speech, for the use of social housing organizations?

MR. EVANS: Yes, I can answer the last question first. Most definitely, Mr. Chairman. The policy is to reserve 25 percent of the land for social housing and related social housing. So that is the policy. It has always been our intent and 25 percent, of course, suitably mixed, you know, in the project, not in any one specific area, not in a concentrated area but spread throughout the project or sub-division.

With regard to the cost of infrastructure that relates to sub-division development, I simply ask the honourable member what would happen in the case of no activity by MHRC? Given population growth, given family formation, you might argue, well, people can't afford housing otherwise and the demand wouldn't be there and people would be doubling up etc., and take a very gloomy look, a gloomy view, a gloomy conclusion being arrived at or you could assume that the city will continue to progress, the various large developers will continue and they will have to have their requirements met.

And I ask the honourable member, what happens to all the existing sub-divisions that are being put in place by the known large developers in the city? I mean, the city isn't necessarily standing still. You look around the periphery of the city, you see development in every direction — north, east, west and south. It's going on. Now who's paying for that and how is it being financed? And because we appear as another developer in the field and being competitive, I don't expect, therefore, that we're making a net addition necessarily. We may to some extent, but all of a sudden there's a fantastically new problem. That all of a sudden the City of Winnipeg has to have that much more infrastructure. I say, who pays for that infrastructure now? How is it financed now? How is the problem overcome now?

I don't see Winnipeg as a city that is going to grow rapidly as Edmonton and Calgary are for various good reasons, namely the reasons of resource development in the petroleum industry. Winnipeg has tended to be a very stable type of city, a very slow growth city, although there has been more activity in the last few years in its population development. Nevertheless, the fact is that private developers have been putting housing in place in the city for some many many years. They are doing so today, and they'll do so tomorrow and what happens to the city budget there and who pays the shot there? I don't know why all of a sudden, because MHRC happens to be added to the list of developers that all of a sudden there is a horrendous problem developing and there's great huge obstacles to development because of a multi-million dollar investment in infrastructure. I'm not suggesting because MHRC and I don't think the member would certainly be suggesting because MHRC is on the site that all of a sudden family formation is going to expand or because it's a total amount of new housing is going to expand that rapidly because we're on the scene.

I suggest what we will be doing is perhaps replacing in a competitive way, replacing some of the housing that might have been put up by the others. I don't know. But I would observe, Mr. Chairman, that at the present time the private developers are prepaying all the local improvements, or in some cases, they are being recovered by local improvement levies. So it's not as though all improvements have to be charged back to the general taxpayer.

I also would submit again, Mr. Chairman, that there have been a number of programs whereby, and some very specific projects which have been financed by the Province of Manitoba in co-operation with the City of Winnipeg which has eased the burden of putting in place of infrastructure in the City of Winnipeg. That has happened in the past, it's happening today and it will happen in the future and when we get to those bridges we will cross them. But we have some plans and we are more optimistic than the Member for Fort Rouge, I guess, in hoping and looking forward to the successful completion of these plans.

MR. AXWORTHY: Well, Mr. Chairman, just in sort of response to that, the Member from Fort Rouge has learned when dealing with city governments and provincial governments not to have any hope at all when it comes to dealing with the urban problems because generally their responses have been so laggard that there is no justification for hope. The only way you're going to get anything is by a lot of grinding, nuisance value, I suppose.

Now let me be specific about the questions raised by the

Minister and why I do have these concerns. First, you can't necessarily judge today by what happened historically in the past, that the dimensions of the urban growth problem in Winnipeg, I think, are substantially altered in many respects and one major respect is that the major network of services, the net investment in those have been declining over the past ten years. Net decline, not aggregate, net decline over the past ten years. In other words, the City of Winnipeg along with most other municipalities are simply putting far less money into their basic network.

One reason is because they've had virtually little help from senior levels of government for that problem, and we're not talking about sub-division servicing, we're talking about major networks —

waterworks, transit lines, storm sewers, etc. I would suggest, Mr. Chairmane, that perhaps the Minister wasn't in the House but only a week ago the First Minister acknowledged when we were talking about the water problem in the City of Winnipeg, the City of Winnipeg is going to be faced with an enormous capital investment to bring its water supply system up to supply needs. It would be a major, a quantum jump, talking in terms of — probably in the order of \$100 million or better to begin bringing about a second generation of water supply for the City of Winnipeg. The existing Shoal Lake system is just no longer adequate.

Now that's the kind of thing that we are talking about. It's not something that we can simply lay back on the real estate property taxes collected by the City of Winnipeg. Obviously it just doesn't have the capacity to finance that and even if they did, Mr. Chairman, I would suggest that one of the great regrets of citizens of the City of Winnipeg, certainly those of us who live in the inner portions of that city, is that the total capital budget of the City of Winnipeg is entirely devoted to suburban expansion. There isn't one red nickel going in to inner city development and I would suggest that the MHRC, in fact, by opening that land up is simply adding to that burden. Rather than working to achieve what the Minister previously said was his objective of doing more inner city development, he in fact is almost working against it by adding increased pressures for suburban extension and therefore all the city capital has to go in simply to extending those roads and those sewer pipes further out. So the question that still comes in, is that you have a responsibility for that because in fact you're adding to the demand. If it wasn't there, the option's there, either they go into a higher density in the inner city to make higher density use inside the boundaries in the development of land because the capital wouldn't be there; or simply to mean that the total fiscal capacity of the City of Winnipeg would be exhausted in suburban expansion and there would be no money left for starting to repair the deterioration in the inner portion of the city, which is now at the stage where we've passed the threshold in the City of Winnipeg, where the city is at an age where most of the service infrastructure of the inner city is now wearing out.

So again it comes back to a capital problem and I'm not simply saying it's your fault. I mean you're caught by conditions. It's forces of age and growth that take place, but you have a responsibility to help in a response and not simply to help in the problem. I guess that's the issue I'm raising, that this land program you're into, unless it's accompanied by a major commitment, announced at the same time as you announce it, to ensure that there will be capital release for the City of Winnipeg, it is not a solution at all. In fact I would think it's adding to the problem and no one will thank you for it unless you are prepared to redirect certain of your own capital allocations to deal with it. That's my response and I think that that should suggest to the Minister that it is not something that maybe is within his complete purview, but something that he's got to get together with the Minister of Finance and the Minister of Urban Affairs on, work out how much in the way of dollars are you prepared to put into services in Winnipeg over the next five years to accompany their land program, to assure that land can be brought on stream without adding to the additional burden of the property taxpayers in the City of Winnipeg or to mean that in fact all the city's fiscal capacities will be devoted to suburban expansion and nothing will go into inner city development.

MR. EVANS: Well again, Mr. Chairman, I would observe the Member for Fort Rouge seems to talk as though there is a net additionality to the burden caused by expansion at the periphery. There may be, but I don't know whether it's as great as the honourable member may be making out or trying to lead us to believe. He makes reference to the requirement for another major water supply to the city. I would submit that this would happen whether MHRC existed or not. The fact is that there is a population here and there's a development of the population, there's a wearing-out of facilities, but there is also this added demand on the water supply. Our forefathers who built this wonderful aqueduct from the Lake of the Woods, Indian Bay, or what have you, many many year ago had tremendous foresight. In fact we're still benefiting by that foresight.

But agreed there are some major water supply problems. But I would repeat that those problems would exist whether MHRC itself existed. I don't think we should underrate the terrific amount of assistance that the province has provided to the City of Winnipeg. There have been various grants, various projects of capital assistance, but I hesitate to go into this, Mr. Chairman, because I really don't think — while it's related to housing and therefore you might rule it legitimate — I really think we're on the budget of the Department of Urban Affairs. I'm not trying to pass the buck and I'm not trying to make the point that it's not related, of course it is related. But there's no money in my budget for this and I would take the honourable member's advice and suggestion, of course we will be talking to our colleagues; of course we should not and will not and cannot look at these developments such as in Fort Garry or what have you in isolation, of course we cannot.

Having said that, I would remind the honourable member of the fantastic amount of financial assistance that the Province of Manitoba has given to the city taxpayer. I refer for example to the bus subsidy. What was the subsidy for the Public Transit System seven or eight years ago? Take a look at it at that time and take a look at the level of bus subsidy today where we are paying 50 percent of the

annual operating deficit. It's a fantastic change, a fantastic enrichment in the help for that one very very important component of city life and very important when you consider that the movement of people by the bus system is very vital for city planning and city development.

I refer to the property tax rebate scheme and the property tax credits, and everything that's involved in that. It's a fantastic amount of money. It didn't have to be paid out and many jurisdictions don't pay out.

I would again remind my friend from Fort Rouge that we've got, I think it's five now and we may have six soon, Neighborhood Improvement areas in the city and these are all redevelopment areas in the inner core where there is substantial funding by the Federal and the Provincial Governments towards very fundamental water, sewer, road and other types of necessary infrastructure.

So I don't think we should belittle the fantastic amount of assistance that the province is giving to the City of Winnipeg and indeed some other urban communities in the province in these various ways.

Again I would close — because I gather some members would like to adjourn — but I would close by repeating, but I think the message has been got across, that we do in this year and I think in the next short while want to put greater emphasis on acquisition of land in the Inner City of Winnipeg, and put greater emphasis on the development of new housing and the refurbishing of existing housing in the Inner City of Winnipeg. That I think has to be a priority era, and I think my honourable friend would agree that this is the right direction in which to move. But I don't think one precludes the other. There is some need for some people who want to go out to the suburbs and are going to go anyway, but maybe not to the same degree, but we feel we have some obligation in that area and we're moving in that area. Having said that I do remind the honourable member that we are putting greater and greater emphasis — in fact most of the money I would say is spent, not in subdivision developments, most of the financing, most of the investment is in our social housing program and hopefully more and more of that will be in the inner city.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I think this would be a good time to move Committee rise.

MR. CHAIRMAN: Committee rise and report.

ESTIMATES — CONTINUING EDUCATION

MR. CHAIRMAN, Mr. William Jenkins (Logan): Order please, and I might say that now I have some authority behind it.

I would refer honourable members to Page 17 of their Estimates Book. Resolution 42 Universities Grants Commission \$94,433,600.00. The Honourable Member for Brandon West.

MR. MCGILL: I could maybe complete my remarks that I started before he responds.

MR. CHAIRMAN: Right. The honourable member has approximately 25 minutes.

MR. HANUSCHAK: Mr. Chairman, I was about to respond to the comments which you made prior to rising at 4:30. However, if he wishes to complete his remarks, I would be happy to hear the rest of them and then respond.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Thank you, Mr. Chairman. At the adjournment hour, I was discussing the role of the Universities Grants Commission, one which we all agree is a very delicate one in that it acts as the agent or arm of government and its delicate task really, I suppose, could be described as one of providing the major funding for the universities and, at the same time, protecting the autonomies of the universities and the college. I think it is a role that has been discharged very well by the present commission but it is a role, I think, Mr. Chairman, that needs to be fully explained and if changes have occurred in the past four or five years, then some explanations I am sure would be very much appreciated.

There is no doubt that the Universities Grants Commission acts as the voice of government to the universities but it would appear that the universities are a little uncertain as to how they respond and communicate their views and their concerns to government. It is probably not as obvious to the universities that the commission acts as the voice of the universities to the Minister of Continuing Education and to the Government of Manitoba. It is in this area, Mr. Chairman, that I think that we need perhaps a little clearer understanding of the way in which that role is carried out.

Especially now that the university and our major university years — is entering its second hundred and I think it would be appropriate to pause at this time and associate the members of the Opposition with the words of congratulation to the University of Manitoba that were expressed by the Minister on the completion of their first one hundred years. The University of Manitoba is one of the great continuities in Manitoba's history and I am sure will continue to be in the future.

But, Mr. Chairman, the future is not quite so clear to the universities at this particular time as it was perhaps ten years ago, that period of amazing growth between 1960 and 1970 where great amounts of money and great expansions took place and, as the Minister pointed out, enrolments almost tripled in those ten years. Since that time, in the next six years, there was only a four percent increase in enrolment and then I gather that the projection for this year is an additional 300-odd students.

So, there is a concern indeed for how the universities will adjust to what appears to be a declining enrolment situation for the next five years. Universities now would like to understand quite clearly how they can communicate their problems and their concerns, perhaps, to enable the government to be clearly aware of the kind of adjustments that undoubtedly will have to be made. At the University of Manitoba, there may be a decline in enrolment that will necessitate some adjustments of staff and the problems there will be complex ones because, at this stage, one is unable to project much farther into the future and to know whether to retain the full capacity of the university in some way, to whether the next five years when enrolment declines will take place, would be in the long run the cheaper way to face the future. There is no doubt that the University of Manitoba has a large staff of capable professors, perhaps many of them in their middle years who are well tenured in their positions and a period of declining enrolments, if it proves to be temporary, might be met by reductions and changes in the scale of operations at the university and eventually then have to be rebuilt to the standards that have now been achieved.

At Brandon University, I suppose concerns would be in the area of their northern programs, whether or not these can be taken as permanent programs, whether they are of a temporary nature, and what kind of adjustments will have to be made by that university in terms of staffing and in other budgetary areas, what will have to be undertaken in order to adjust when some of these programs may be phased out.

Mr. Chairman, the future is by no means already assured in the University area. How does the University now, is it expected to grapple with all of these problems entirely on its own? Will the government collaborate with them, either directly or through the Universities Grants Commission, or will it simply be left on the same basis as presently where decisions will be made by the Universities? Quite clearly, the Minister has stated on many occasions that autonomy of the university is important and we agree entirely with this view. It must be protected from any political influence and this is being done by the Universities Grants Commission.

But I see these as the kinds of problems that are now appearing on the horizon. I am not so sure

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that even the Minister is always entirely clear as to the arm's length arrangement of the Department of Continuing Education and the universities. For instance, just the day before yesterday, the Minister was moved to make a statement on university fees, stating that the universities need not raise their fees. Now I always understood that to be an area in which the universities had autonomy and why did the Minister feel the necessity for making such a statement? Did he collaborate with the universities directly before making such a statement? He was careful to point out that nothing he said prevented them from raising fees but, Mr. Chairman, the fact that he did make that statement was an inhibiting factor in any decisions which the universities might make upon their own.

So if I suggest that there is some lack of clarity in the relationship of the three factors in the field, the government, the Grants Commission and the universities and the college, then this kind of announcement seems to demonstrate it.

Mr. Chairman, I hope the Minister will be able to respond. We know that a committee is now working on an examination of what is likely to take place on enrolments, chaired I believe by the chairman of the Universities Grants Commission and that they may be able to, through him, give us some more factual information on what they expect by the year 1980 or 1981 to be the situation at the University of Manitoba, Brandon University, the University of Winnipeg, St. Boniface College. If these studies are now at a point where we can be privy to their findings, then it would be helpful, not only to the committee but I am sure to the universities.

MR. CHAIRMAN: The Honourable Minister of Continuing Education.

MR. HANUSCHAK: Mr. Chairman, prior to the committee rising at 4:30, the Honourable Member for Brandon West raised a number of questions with respect to the Universities Grants Commission. The first was whether there was any change in the role and function of the Grants Commission, and my response to that, Mr. Chairman, is that there has not been any change in its role and function. The Universities Grants Commission follows religiously to the letter the legislation which prescribes its duties and responsibilities and that has not changed since the time the Act was passed establishing the Grants Commission.

The Honourable Member for Brandon West was concerned about the breakdown of the allocations of the appropriation under this Resolution, namely \$94,433,600, as it will be allocated to each university. Now, it's true that in the past I had expressed a reluctance to deal with this on a university-by-university basis because I felt, Mr. Chairman, that insofar as the responsibility of this Committee of the House is concerned, and the role and function of my department, and the Grants Commission is concerned, is to deal with the appropriation to the universities in total, to all the universities in the Province of Manitoba, and not on a university-by-university basis. If the honourable member wishes, of course, I'm quite prepared to give him the allocation on a university-by-university basis, but this, Mr. Chairman, would not really be part of the debate within this Committee, because that is not what we're dealing with, because if one reads the Universities Grants Commission Act, it spells out quite clearly that the Universities Grants Commission deals with the universities, reviews its budgets and then presents the total figure to Cabinet for its consideration, and it is the total figure that Cabinet includes in the Estimates which are before the House, and that is the figure that the House considers. But for the edification of any particular member of the House, or for either side of the House, I'm quite prepared to give a breakdown of figures, but it is not my intention, Mr. Chairman, to get into a debate of the relative amounts that have been appropriated to one university as opposed to, or as compared with another university. In conclusion, Mr. Chairman, I want to repeat again that there has been no change in the role of the Universities Grants Commission.

The Honourable Member for Brandon West also asked, or seemed to imply that there appears to be a three-cornered arrangement between, I would take it, government, universities and the Grants Commission. There is no three-cornered arrangement. Insofar as the Universities Grants Commission Act is concerned, the line of communication remains unchanged. With respect to those matters on which the universities are to communicate with the Grants Commission, that is being done. But that does not mean, Mr. Chairman, that a president of a university should in any way feel restrained from speaking to a Minister responsible for a department, nor should it be interpreted that because of the existence of the Universities Grants Commission Act that a Minister should feel restrained from speaking directly to a president, or chairman of a board of governors of a university to acquaint himself personally with the problems and concerns of that particular university without any intention to infringe or encroach upon the role and responsibility of the Universities Grants Commission.

Mr. Chairman, I want to indicate to the committee that from time to time I do speak to presidents of universities and I do speak to chairmen of boards of governors of universities in order to personally acquaint myself with the problems and concerns of their particular university, but this in no way influences the decision-making process that takes place within the Universities Grants Commission.

The Honourable Member for Brandon West also made reference to, I would take it to myself, or someone on behalf of government, expressing comment upon admission requirements to universities. Well, there again, Mr. Chairman, I feel that I as Minister, and any colleague of mine,

ought to be quite at liberty to express his views thereon, but on every occasion, as I did in the introduction of my Estimates when I expressed my views on the proposed increase in tuition fees, those are my views, those are the views of my government, but I recognize the fact that under the existing legislation, the board of governors of each university enjoys its own independence and autonomy and is at liberty to make decisions within that area as it has made.

So therefore, Mr. Chairman, I do not feel that there is any doubt in the minds of any university as to the line of communication between it and government. I'm quite certain, not only am I certain but I'm also quite confident, that each of the three universities in the Province of Manitoba is well aware of the fact that when it comes to dealing with matters which come within the area of jurisdiction of the Universities Grants Commission that the line of communication is via it, but each of the three universities in this province also knows that it is quite at liberty and quite free to communicate directly with myself, with any of my colleagues, to acquaint me, to acquaint the government with matters of concern to it, but again, I want to repeat, in no way encroaching upon or in any way eroding the area of responsibility of the Grants Commission.

I was glad to hear the Honourable Member for Brandon West express his best wishes to the University of Manitoba on the celebration of its Centennial, which I had expressed in my opening statement. And of course, all of us will agree that the University of Manitoba has made a very significant contribution toward the development of our province, not only in the academic area but it also has had spin-off benefits in other areas of development of the province.

Later this evening, upon resuming the Committee sitting at 8:00 o'clock tonight, the Honourable Member for Brandon West expressed his concern about likely declining enrolment in the years to come by reason of the population projections and so forth which seemed to indicate that, and he was wondering what under the auspices of government, what is the Universities Grants Commission doing to deal with that issue. Well, I wish to advise the members of the Committee, Mr. Chairman, that the Universities Grants Commission has initiated a five-year plan for all universities, which they are to submit to the Universities Grants Commission this year for its consideration, and pursuant to the study and consideration by the Grants Commission, it would make its recommendations to government, for its consideration later this year, which will deal with the matter of enrolment, also the matter of needs of the province in the various professional fields and so forth. That is to say, the numbers of graduates that the province may require in whatever field that they be, and the extent too, and the manner in which each of the schools' faculties ought to gear themselves up to meet that need and so forth. And this will be presented to government during this fiscal year.

Also related to this, and the honourable member made particular reference to Brandon University . . . I have to be careful, Mr. Chairman, I have a tendency to refer to it as the University of Brandon. I have been corrected upon on that at a couple of occasions, that the correct title of the university is Brandon University. The alumni and those very closely associated to the University are very sensitive about that. I don't blame them for it because I would not wish the name of the university from which I graduated referred to by any other name than that by which it is known. So I really can't fault Brandon University for it or its friends or alumni.

The Honourable Member for Brandon West expressed some concern about the future of some of the programs that it is presently involved in and in particular, the teacher training programs which deal with the training of teachers for the north, for the remote areas. The demand will eventually decrease, even for the constituency of the Honourable Member for Roblin, because we will train sufficient teachers to meet their demand. But I think that the real problem, Mr. Chairman, will come not so much from the decrease in the demand from the north as a decrease in the demand from the south brought about by a diminution of the agricultural population in the south. And that really is the more severe problem that we will have to come to grips with. But nevertheless, there will be that problem that we will have to tussle with. But that will be the greater of the two problems: the diminution of the population in the south — that is in the south, in the catchment area of Brandon — rather than any reduction or the necessity for reduction of programs in the north.

The honourable member also made reference to my comments in my opening remarks with respect to university fees. I suppose what he really said was that here I am saying that universities are independent, autonomous bodies, at liberty to make certain decisions on their own, but I had expressed a certain view upon the matter of increase in fees. Mr. Chairman, if you will read Hansard recording my comments made during the opening remarks of the Estimates of this department, you will note that I in no way questioned the right, the autonomy, of the university board to make such decisions. I simply said that from our vantage point as government, it is our opinion that, taking into consideration the levels of support offered by the province, that it is quite likely that upward adjustments of fees may not be necessary. —(Interjection)— Yes, I suppose, as the Honourable Member for Roblin says, everything is A-okay, whatever that means. I would hope that during the course of this debate, he would take the time to elaborate upon that comment of his. I have the impression, Mr. Chairman, that he wishes to elaborate upon that comment right now. So therefore,

having made that statement, Mr. Chairman, I am happy to take my seat and yield the floor to the Honourable Member for Roblin.

MR. CHAIRMAN: The Honourable Member for Brandon West. —(Interjections)— Order please.

MR. MCGILL: I just wanted to remind the Minister that he had undertaken to provide those figures as to the grants for the various universities so the Committee might have that information. I would appreciate that information being put on the record.

MR. CHAIRMAN: The Honourable Minister.

MR. HANUSCHAK: Mr. Chairman, as I had indicated to you previously, and I want to make it clear again, that it is not my intention, in fact I would oppose a debate of the appropriations to the universities on a university-by-university basis because according to the legislation we deal only with the appropriation in sum total for all of the universities.

MR. CHAIRMAN: Did the honourable member wish to make a point of order?

MR. CHERNIACK: Mr. Chairman, who called a point of order? I didn't.

MR. CHAIRMAN: I thought the honourable member was rising on a point of order.

MR. CHERNIACK: No, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister.

MR. HANUSCHAK: —(Interjection)— Yes, as I believe I did indicate to the honourable member last year and if my memory serves me correctly, this was done off the record, privately or after the conclusion of the debate of my Estimates, by way of memo from my office to his. I have forgotten which but nevertheless I believe that I did convey that information to him. But if he wishes, I'm quite at liberty to disclose this information during the debate of my Estimates. But again I repeat, that I am not in any way opening the debate as to the merits or the demerits of the allocation of X dollars to one university as opposed to Y dollars to another university or that it should be X plus Z to one, or Y plus W to another.

For the University of Manitoba, for the forthcoming year, it's \$70.3 million; University of Winnipeg it's \$8.6 million; for Brandon University it's \$6 million; and St. Boniface College it's \$1.3 million. That's rounded off to the nearest \$100,000.00.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, last year the Minister provided us with a figure for the cost of the administration of the University Grants Commission. I believe last year it was \$365,000.00. Could he give us the comparable figure for this year?

MR. HANUSCHAK: \$395,200.00.

MR. MCGILL: Mr. Chairman, accept these figures. It's merely for information and detail and again, these figures were a matter of public record so it's simply being added to the Committee's record in this way.

Mr. Chairman, I would like the Minister, if he is able, to enlarge a little bit on the research that is being done in respect to the next five years and the probable enrolments, and to tell the Committee whether there are any plans extending beyond the five-year period under review now. In other words, is he attempting to get any kind of a projection which would determine whether or not there is likely to be a new wave of increased enrolments within the next decade? I'm sure that this kind of information would be most important in the eventual determination of what policies will be adopted by the universities to adjust to reduced enrolments — or what is probably to be reduced enrolments — in the next five years.

Is there any kind of study going to be made beyond perhaps ten years to attempt to project what may be anticipated or may not be anticipated in terms of increasing enrolments again in the future? I ask this because I'm sure the universities would be guided in their restraint programs by some knowledge or some research being done in this area.

MR. HANUSCHAK: Mr. Chairman, on the basis of our five-year projection, the enrolment forecasts presently indicate no substantial increase over the next decade. It will be followed by a minimal increase and beyond that a decrease. And of course, it ought to be borne in mind that the enrolment at all levels of education goes in cycles. We had experienced a post-war baby boom and then a decline and then of course there will be an increase in birth rate resulting from the offspring of the post-war baby boom and there will come a time when that will reflect itself in an increase in university enrolment. And so it will go.

So the university enrolment goes in cycles and at the present time Statistics Canada are predicting that after having reached the lowest period in numbers of the 18 - 25 year olds, the numbers will not return to the present levels as they had previously thought, but may only reach about 50 - 60 percent higher than the low point, instead of 100 percent, and all this by the early Nineties. So nevertheless there will be some upswing.

There will be declines and there will be some increases because, as I indicated earlier, of the offspring of the increased birth rate following the post-war baby boom. —(Interjection)— The Honourable Member for Roblin says that's over. Yes, I appreciate that the post-war baby boom is over, but apparently the Honourable Member for Roblin has something to learn, that it is only now

that we have the children of the post-war baby boom. In other words — now, I'm not sure, perhaps he has no grand-children — but it would be his grandchildren that I am talking about.

MR. MCGILL: Mr. Chairman, if I might just review the figures on the grants, was it \$70.3 University of Manitoba?

MR. HANUSCHAK: Seven point three million. I'm sorry, \$70.3 million. I'll repeat again, \$70.3 million for the University of Manitoba — this is rounded off to the nearest \$100,000 — \$70.3 million for the University of Manitoba; \$8.6 million for the University of Winnipeg; \$6 million for Brandon University; and \$1.3 million for St. Boniface College.

For the administration cost for the University Grants Commission, it's \$395,000.00. And I should also add that there are grants in lieu of taxes totalling to \$7.2 million over and above the figures which I have mentioned earlier.

MR. MCGILL: Thank you.

MR. CHAIRMAN: Resolution 42. The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, the Minister asked if I was going to stand on my feet and raise a couple of questions, and I'm going to ask him, under this item are included grants for Special Projects. I wonder if he would list the Special Projects that I understand are under this \$94,433,000.00?

MR. CHAIRMAN: The Honourable Minister.

MR. HANUSCHAK: Mr. Chairman, I do not know how the Honourable Member for Roblin reads the Estimates Book but I see nothing listed as grants for Special Projects under this resolution.

MR. MCKENZIE: Mr. Chairman, I don't know if I am reading out of the same book as the Minister, I'm reading out of the Main Estimates for the Year Ending March 31, 1978 and it reads: "Provides grants to the University of Manitoba, Winnipeg, Brandon and St. Boniface College as a supplement to other income to enable them to maintain the quality of service at the existing level. Included are grants for special projects. . . ." Now, if the Minister has a different book, then I apologize, but I would like, if that's under that item, a list of those special projects.

MR. HANUSCHAK: No, as I have indicated previously, I'm quite prepared to debate the amount of money that is shown in the Estimates as per the legislation which was passed by the government of which the Honourable Member for Roblin was a part of at the time that it was passed. Now, if the honourable member wishes this item singled out, I'll attempt to get that information for him and this totals to something in the order of half-a-million dollars into universities north, approaching \$250,000, Mr. Chairman, that far exceeds —(Interjection)— That is right, I'm glad that the Honourable Member for Roblin noted that.

The amount is \$247,500.00. For the University Information System \$100,000; for the Bursary Trust \$150,000, which totals to . . . bordering on \$500,000.00.

MR. MCKENZIE: I wonder, Mr. Chairman, and Members of the Committee, could the Minister recommend a project to that committee under this item, "Special Projects" —(Interjection)—

MR. HANUSCHAK: It is not my intention to recommend a project to the committee.

A MEMBER: Why not?

MR. HANUSCHAK: The honourable member asked me why not?

MR. MCKENZIE: No I didn't ask why not.

A MEMBER: I did.

MR. HANUSCHAK: Well I'm sorry. The Honourable Member for Swan River asked me why not, and my answer is, Mr. Chairman, that universities are independent and autonomous bodies.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: I have another question to the honourable Minister. I wonder could the government recommend a project to that committee?

MR. HANUSCHAK: Mr. Chairman, if I would not neither would the government.

MR. MCKENZIE: I wonder, could we, the Members of the House, recommend a project to that committee for study?

MR. HANUSCHAK: Yes, Mr. Chairman, if honourable members of the House have certain projects that they would wish to recommend, I'm quite certain that the universities would take their recommendations under advisement, and if they should choose to act upon them, that would be a decision for them to make. If the Honourable Member for Roblin has a certain project that he wishes to recommend, I want to assure you, Mr. Chairman, and I'm quite certain that I speak on behalf of the universities, that they would be most happy and anxious to hear his particular proposal.

MR. MCKENZIE: I wonder, Mr. Chairman, if the Minister now could advise the House if we in the Opposition or any one constituency could recommend a project to the universities for study?

MR. HANUSCHAK: Mr. Chairman, I have extended an invitation to the Honourable Member for Roblin to speak on behalf of the other side of the House, now if he feels that he does not have the support of his caucus, that he would rather make this proposal on his own behalf, he is quite at liberty to do so. We would hear his proposal and the university will review his proposal, and the university in turn, in the preparation of its budget will submit, if it chooses to include his proposal within its

budget, will submit it to the Universities Grants Commission, and it in turn will determine the level of funding, if any, that it would receive. But not knowing what the proposal is of the Honourable Member for Roblin, I cannot answer that question.

MR. MCKENZIE: Mr. Chairman, it's very classical of the Minister and the NDP Government, the caucus, are running scared — they are prepared now to offer almost anything to see if they can get back in office but in all likelihood they ain't coming back cause we're going to win 40 seats.

I'm now going to ask the Minister —(Interjection)— I'm just going to ask the Minister, is he prepared to set up an Energy Conservation Study under this item?

MR. HANUSCHAK: Mr. Chairman, as I indicated, I'd love to hear the details of the Energy Conservation Study that the Honourable Member for Roblin wishes to propose, and as I've indicated . . . I'm quite certain that many of the members of the Board of Governors of the universities in the Province of Manitoba subscribe to Hansard, they read Hansard or if they do not read Hansard— unfortunately, there's no one in the press to . . . not unless there's someone via the public address system who is listening at the other end to what the honourable member has to say, who will choose to report in the press or on the radio what the honourable member has to say, and that in turn will reach the ears of members of Boards of Governors or of the President of the University. But one has to hear the proposal from the Honourable Member for Roblin which will have to be considered by the Board of Governors. Now the Board of Governors of course deals with the funding of a proposal, and as it relates from a curricular point of view, that will have to be dealt with by the Senate of the University or of any of the universities located within our province, and it will have to receive the approval of both bodies, the Senates and the Boards of Governors. So I'm sure that if the honourable member has some proposal to make with respect to energy conservation that should be undertaken by our universities that they'll be most happy and anxious to examine it. Whether or not they will accept it, whether or not the Grants Commission will accept that proposal for funding, that I do not know and I cannot answer such a hypothetical question, Mr. Chairman, not having heard the honourable member's proposal for energy conservation which I'm sure that you as well as other Members of the Committee, are most anxious to hear from the honourable member.

MR. MCKENZIE: Mr. Chairman, what a Minister! What a Government! I didn't ask the question about "my" . . . I said are you prepared as a Minister to ask under this item, to do a study of energy conservation in this province? I didn't ask on behalf of the Opposition or myself, I asked him "are you prepared to allow them to study the conservation of energy in this province." He gives us a wide-ranging about me. . . I asked him is he prepared to do it, and I know before he even rises to his feet again, we're going to get a ten minute eulogy, and then, the government is not prepared to study it, because we've heard it in the debates of the

Now let's ask him, is he prepared to do a study on the Port of Churchill or the abandonment of the railway system in the Port of Churchill? Are you prepared to accept that or dozens of other . . . ? I'm sure we'll get a wide-ranging twenty minute answer, and I know because the Minister is not going to answer it because they don't have a policy.

MR. HANUSCHAK: Mr. Chairman, I'm well prepared to answer it. The eulogy to that side of the House was delivered many years ago, and you know, Mr. Chairman, when it was delivered. It was delivered in 1969, and the Honourable Member for Roblin ought to know that because that's when it received its eulogy, in June of 1969, and it needn't be repeated again —(Interjection)— so he knows that.

Mr. Chairman, I'm not quite certain, in fact I know that the Honourable Member for Roblin is not quite certain what it is that he's asking for. He started off talking about energy conservation —(Interjection)— Oh, the the honourable member wishes to continue his speech.

MR. CHAIRMAN: Resolution 42. The honourable. . . Order please. Order please.

MR. HANUSCHAK: Mr. Chairman, I was under the impression that the Honourable Member for Roblin who asked me a question wished to elaborate upon the question which he posed to me. I did not yield the floor to the Honourable Member for Swan River. I'm quite prepared to do so in a minute.

The Honourable Member for Roblin asked me whether we would initiate a study on energy conservation. Studies related to energy conservation undertaken by government, are undertaken by this government through the appropriate department or departments of this government, namely the Department of Public Works which is quite capable of speaking for itself, and it may also involve other departments. If it should necessitate the involvement of other departments or agencies of government or any other bodies whom we could contract to undertake such studies, then certainly government will do that if that should become necessary.

But as I understood the honourable member's question, what he wanted to know was whether I as Minister of Continuing Education, would direct the university to undertake such a study. Mr. Chairman, my answer to that question is no, and I want to make it perfectly clear that it is not because I'm in any way opposed to energy conservation or to the need for undertaking studies in energy conservation, those are very necessary. But it is in recognition of the independence and autonomy of our universities to undertake the research projects that they in their wisdom feel ought to be

undertaken, and I do not wish to violate that rule which has been in existence for many years, Mr. Chairman, long before those fellows sitting across from this side of the House became the government.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, there was a remark made earlier to tell us what this was all about, and I read under the title, "Provides grants to the Universities of Manitoba, Winnipeg, Brandon, St. Boniface College as a supplement to other income to enable them to maintain the quality of service at an existing level." That, Mr. Chairman, I understand to a point. Then it goes on to say "Included are grants for special projects, grants in lieu of taxes and first claims, debenture sinking funds, and interest payments." Those last four words I understand also. But when the remark was made earlier, the Minister said that he wasn't going to attempt to answer what the universities were going to use with this money. In other words, he intimated that they are an autonomous group, that I agree with, and I believe they've got a big job and they are doing a tremendous job.

But, Mr. Minister, you have come into this House asking this committee for \$94 million — (Interjection)— it's exactly \$94,139,200.00. With a paragraph like that, I say —(Interjection)— Would you mind, you'll have a chance later. I'm suggesting the Minister owes this committee a far better explanation for \$94 million than what is in this paragraph, and my colleague was asking what these Special Projects are. Surely to goodness, the Grants Committee have informed the Minister why they need this kind of money or that part of the money that's required for grants. Surely he can tell this committee or give us some idea as to the grants that they have in mind. That's a lot of money, Mr. Chairman, and we're only getting \$294,000 back from Ottawa, so that the people of Manitoba are putting up \$94 million, and Mr. Minister, please give us an explanation. We're asking in the name of the people, not us personally, but let it become public knowledge what you expect to do with \$94 million. Don't give us a long song and dance and try to brush us off and make a joke of these things because it's no joke, somebody has to earn that money, and somebody has to pay it in, so please tell us what you're going to do with it, even if it does take you an hour, give us some idea as to what you are going to do with \$94 million.

MR. CHAIRMAN: Order please. I want to thank the honourable member for helping the Chair maintain order in the House. The Honourable Minister of Continuing Education.

MR. HANUSCHAK: Mr. Chairman, of that \$94,433,600, \$86,300,000 are grants to universities as I have indicated. Insofar as Special Projects are concerned, I had given the honourable members of this committee a breakdown of that. Now I would love to repeat the breakdown of it, but I don't think that the Chairman will permit me to do that because the honourable member, having been a Speaker twice removed, would know that repetition in this House is not permitted. The honourable member is asking how much interest —(Interjection)— Interest in the Sinking Fund is \$2,300,000, in the order of 2 percent.

MR. CHAIRMAN: Resolution 42, \$94,433,600. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, there was some mention earlier of the northern programs carried out by Brandon University, BUNTEP was one I think of. Are the programs of that nature under Brandon University, are they funded through the Grants Commission or is this a direct funding from Manitoba Northlands Agreement? I'm just asking this question because I understand that in the budgeting preparations at the university, there is some different treatment given to BUNTEP than to the regular programs or the other programs of the university. Perhaps you could explain that difference.

MR. HANUSCHAK: Mr. Chairman, that does not come under this Resolution, it comes under Resolution No. 44. That's a Federal-Provincial cost-sharing program and we'll be able to deal with that under Opportunities for Human Development.

MR. CHAIRMAN: Resolution 42, \$94,433,600—pass; Resolution 42 Resolved that there be granted to Her Majesty a sum not exceeding \$94,433,600 for Continuing Education and Manpower—pass.

Resolution 43 Manpower Division, (a) Salaries \$283,100.00. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I understand this Manpower Division has been doing some research on various studies relating to the job experience of graduates from community colleges and from other institutions. I wonder if the Minister could give us a breakdown of the number of Manpower sponsored students in each of the institutions that are covered by these appropriations, the percentage of the total full-time enrolment at each of the institutions that are sponsored by Manpower?

MR. CHAIRMAN: The Honourable Minister of Continuing Education.

MR. HANUSCHAK: To respond to the honourable member just off the cuff, it's a — and when I say off the cuff, I want to assure the honourable member that it's a reasonably accurate answer, it's approximately 50 percent overall of the enrolment that's sponsored by Canada Manpower. With a bit more time, I'm sure that I could give the honourable member a more detailed breakdown of this, but in

total that's what it works out to.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: I wonder if the Minister will advise the House, are any of these students drawing Unemployment Insurance?

MR. CHAIRMAN: The Honourable Minister of Continuing Education.

MR. HANUSCHAK: Mr. Chairman, this is a Federal Program, and it's one or the other, and when these individuals are in training, then they're on a Training Allowance and not on Unemployment Insurance.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. I wonder if the Minister would comment on some criticisms, that have been directed at the Manpower sponsored courses at the various community colleges in the province by Doctor Marvin Blauer, which recently had some — (Interjection)— Yes, criticisms directed at the Manpower sponsored courses at the community colleges by Dr. Marvin Blauer and reported recently in the local media.

Specifically, Mr. Chairman, the primary criticism seemed to be that Manpower is limited in its sponsorship to one year periods, one year duration or less, and the province has found that it requires two year courses in many situations to take people permanently off the unemployment roles and get them into the labour market. He went on to say that, it's one thing to set up a course at Manpower's request, and give someone a job skill but it presents the colleges with a problem when some of those students are back every year. I had not seen or heard any Ministerial Statement in the wake of that particular criticism, and I wonder if the Minister would care to comment on it now?

MR. HANUSCHAK: Yes, Mr. Chairman, this is a matter of debate and discussion at the Manpower Needs Committee level, between the provinces, between our province and the Federal Government because when the Province of Manitoba deals with the question of Manitoba needs in the area of Manpower, it is concerned about (1) the available resources that we have in the Manpower field, and also the needs on the other hand, and how one could match one with the other.

It appears to us that in many areas of employment there is need for courses extending beyond one year to properly and adequately train personnel to take on various jobs. So hence, the reason why one of my Assistant Deputy Ministers was prompted to make that statement, that in some areas there is need for a two year program rather than just a one year program. In other words what he is saying is that, if the Federal Government were to fully meet the level of responsibility that it ought to assume, it ought to look at the courses extending beyond one year because in some areas of activity as — well as one example, which had been a subject of discussion earlier during the Estimates of this Department, and I do not wish to revive that discussion, Mr. Chairman, because I'm sure that you would not allow it because this is a matter that's already been dealt with, and we were talking about the Aeronautical Mechanics. In that area there is need for the funding of courses extending beyond one year, and the same is true in many other areas. So really this is what we are saying. In other words, what we're saying is "Let's not tie ourselves down to a particular period of time, be it one year, 18 months, 20 months, whatever, but let's look at the amount of time that we require to train the type of personnel that we need within our province to do the type of work that is available, the type of work that must be done within our province for which there is a potential within this province, the type of work for which there is a talent and a capability to be done, and matching the two which should be done, the talent and capability on the one hand, and a potential on the other hand for that work to be done." And therefore, taking those two factors into consideration, then let's fund our Manpower Training Program accordingly, but let's not tie ourselves down to 52 weeks, or 50 weeks or 100 weeks or whatever.

MR. DEPUTY CHAIRMAN: The Honourable Member.

MR. SHERMAN: Mr. Chairman, I would like to ask the Minister whether it would be fair to say that Manpower sponsored courses at the three community colleges in Manitoba are used fundamentally as a means to keep people off the Unemployment roles, and that they just come back year after year for one year courses?

MR. HANUSCHAK: No, Mr. Chairman, I think that our record will show that that does not in fact happen, that the Manpower sponsored courses do, as I indicated in my opening remarks, do steer people into full time employment rather than going into a training course and then perhaps getting employment for a short space of time, if any at all, and then back for another training course and this sort of thing. In other words, becoming a perpetual technical school student — that does not happen. The vast majority of the graduates of our schools do find their way into permanent employment.

MR. SHERMAN: But would it be true to say as Dr. Blauer said that Manpower has not been inclined in the past, which is the way he put it or was reported as having put it, that Manpower has not been inclined in the past to include two year programs in its sponsorship?

MR. HANUSCHAK: No, that is true, that at the present time two year courses, which by and large would include the Technological courses, that those are not included under the Manpower Training Agreement. Now when we talk about two years, I have to be very careful because there's a very

precise definition that is applied here as to the two years, because this in turn has to be translated into weeks, and in fact, Manpower will fund 52 weeks of pre-employment training, 52 weeks of actual training as I understand it. Well, that's the maximum — then it depends of course, I suppose how the 52 weeks are broken up because I do not believe that it has to be 52 weeks continuously, but generally it is. But that coupled with breaks for holidays, etc., could extend to a period close to what may be considered by some as two years. But that is the limit set by the Federal Government in terms of funding of Manpower courses at 52 weeks. For example; the A.B. courses, the Federal Government will fund 52 weeks of it, and of any other pre-employment training.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: But essentially, Mr. Chairman, I infer from the Minister's remarks that he confirms the fact that most of these courses sponsored by Manpower are of one year duration, and I am aware that in other areas of training and upgrading such as Provincial Adult Education Programs, the New Careers Program, special projects of that kind, the training period is generally two years' and the results are comparatively impressive in terms of putting people into the job market.

On that basis, I hope I can conclude from what the Minister has said that there now are or will be intensified efforts to try to persuade Manpower to move more heavily and effectively into two year sponsorship programs. May I draw that conclusion from the Minister's remarks?

MR. HANUSCHAK: Well yes, Mr. Chairman, the honourable member is quite correct that Canada Manpower sponsorship should extend beyond 52 weeks. I should correct the statement which I had made earlier with respect to those who enroll in the ABE Program, which is the Adult Basic Education Program, because when I said 52 weeks of A.B.E. and 52 weeks of pre-employment training, what this really means is that with federal assistance, a student can obtain 52 weeks of A.B.E. training plus 52 weeks of pre-employment in whatever trade or occupation that he wishes to enroll in.

apart from that, in general, I must agree with the honourable member that we at the provincial level would like to obtain sufficient assistance from the Federal Government to allow Manpower trainees the type of training or to fund the sufficient time to enable them to obtain the type of training that they would require in order to take their place in the labour force.

MR. SHERMAN: Should the Minister advise the committee whether he is optimistic that there will be any change in terms of cost-sharing for the 1977-1978 school year or is that all settled now and beyond revision or amendment?

MR. HANUSCHAK: Insofar as the 1977-1978 is concerned, that is settled at the present time. Insofar as my degree of optimism or pessimism for years to come, I'm neither optimistic nor pessimistic in negotiations with the Federal Government.

MR. SHERMAN: Mr. Chairman, I don't know whether the Minister's last remark relates to the political situation or the Manpower sponsorship situation. But can he tell me then, was there any change in terms of the approach that Manpower has taken to its sponsorship in the cost-sharing negotiations covering 1977-1978 or are we still locked into a situation for this next year that essentially focuses on one year programs where Manpower training courses are concerned as in the past?

MR. HANUSCHAK: The situation for the forthcoming fiscal year is in accordance with the guidelines which I have just indicated. For example, for 52 weeks of pre-employment training for those requiring it plus 52 weeks of A parameters BE and it was within the of those guidelines that our Manpower Needs Committee had arrived at the estimate that it did for the forthcoming year, and that is the figure which is included in here. I wish to remind the committee that the Manpower Needs Committee consists of representatives of the province and the Federal Government, and it's a fairly large committee. The membership of the committee exceeds about 50 because it includes a number of departments of the Provincial Government as well as a number of departments of the Federal Government.

MR. SHERMAN: How is the determination made, Mr. Chairman, as to what courses will be offered on a Manpower sponsorship basis? Who determines what the courses will be and what market requirements are to be met?

MR. HANUSCHAK: The Manpower Needs Committee, Mr. Chairman, makes that decision, and as I've indicated earlier, it consists of representatives from a number of departments extending beyond the Department of Continuing Education including Departments of Industry and Commerce, Labour, Agriculture, etc. And based upon their review and assessment of Manpower needs *per se* and the availability of, and the Manpower potential, and then taking both factors into account, a decision is then made as to what courses ought to be offered, and where, and to what extent. When I say to what extent, that in turn determines the number of places that will be offered in any particular course. In other words, if it should become apparent that there is need for X number of individuals trained in one particular field then okay, that becomes the number in that field, and Y in another field, then that becomes the number in that field and so it goes.

MR. SHERMAN: One other question in this area, Mr. Chairman, and it has to do with the recovery arrangement and the cost-sharing arrangement. The community college that is assigned by the

Manpower Needs Committee or invited by the Manpower Needs Committee to supply a course in response to the kind of activity to which the Minister has just referred, puts up the money for the course as I understand it, and then recovers the support due to it under the Manpower Program from Manpower. But how long does that take, and how much does that cost the province? How satisfactory is that kind of an arrangement?

MR. HANUSCHAK: Mr. Chairman, the honourable member is really talking about Resolution 41, because Resolution 43 and the costs of its operation, does not really include — when I say does really, I should say do not include the costs of the operations of the Community Colleges. But be that as it may, Mr. Chairman, if I may digress for a moment in order to answer the honourable member's question, the Federal Government does make payments to the Province of Manitoba on an interim basis, I believe it is monthly, which this year would be something in the order of \$11.5 million on an interim basis. And then there's an adjustment upon the conclusion of the year. —(Interjection)— That's right, because we're limited to the \$11.5 million of courses that we would sell under Canada Manpower.

MR. SHERMAN: Mr. Chairman, just so that I get this straight, Manitoba's share of Manpower Training Allowances —(Interjection)— I beg your pardon.

MR. HANUSCHAK: Canada Manpower buys from us.

MR. SHERMAN: But we're looking at approximately \$11 million or \$11.5 million in this area for the 1977-78 year. That is recoverable on a sharing arrangement between Manitoba and Ottawa. But it's my understanding —(Interjection)—

MR. HANUSCHAK: May I rise on a . . . What Canada Manpower buys, pays the full cost — they pay us for what it costs us to deliver that particular program and I would like to remind the honourable member that the costs of those programs were dealt with under Resolution 41, and not under 43 which we are now dealing with.

MR. SHERMAN: Mr. Chairman, I'm trying to stay within this one item. What I'm trying to get at is that it's my understanding that the college, Red River Community College or Assiniboine or Keewatin, whatever, puts up the whole cost of the Manpower course that it's offering in any given industrial or trades area, and then it has to get that money back and it might take a considerable number of years to get that money back. I'm simply asking the Minister whether in the negotiations on the arrangements with Manpower, there is satisfaction with that kind of financial arrangement or whether it might not be possible to effect a better deal financially for the colleges so that they don't have to bear that cost for three or four or five years until they get the money back?

MR. HANUSCHAK: Mr. Chairman, the community colleges do not have to bear the cost for three, four or five years, as the honourable member suggests, because reviews and adjustments when I say are made on a quarterly basis, quarterly, I mean every three months. So at most, I would think there may be a three to six-month time lapse, you know, to adjust the payments from one to the other.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I have a couple of questions that relate very closely to the questions that were raised by the Honourable Member for Fort Garry. I'm wondering if the Minister can advise the Committee of this item which says here, "Develops, plans within established priorities." I wonder if the Minister could give us those established priorities?

MR. HANUSCHAK: Yes, Mr. Chairman. One of the main established priorities of ours is the Stay Option of which the honourable member, I'm sure, has become well aware of. —(Interjection)— The Honourable Member for Roblin tells us, Mr. Chairman, that he's well familiar with that one and I'm sure that he's been well familiar with the Stay Option priority ever since 1973, about four years ago — no, not quite four years ago, because four years ago he may have been merely introduced to that concept. But four years plus a few weeks, he was really faced head on with having to deal with the Stay Option concept, when he was out in the hustings in 1973.

A MEMBER: Yes, and he did all right too.

MR. HANUSCHAK: Well, yes he did reasonably well. He managed to get himself re-elected. But, Mr. Chairman, I'm not quite sure what it costs to buy — you know, there's a publication put out by the Returning Officer for the province. I think it costs, I don't know, \$10.00, \$12.00, \$15.00, \$16.00, and I think that if the Honourable Member for Swan River were to invest in it, he would find that the Honourable Member for Roblin may not have done all that well. Because, you know, come whenever, 1977 under the Elections Act, I suppose, 1978, you know the story with respect to the Honourable Member for Roblin might become quite different. —(Interjection)—

Now the Honourable Member for Swan River says "No problem with him." Well, he says that he fought and he won time and time again. Mr. Chairman, I wish I could have the confidence that he does. I don't, despite the fact, Mr. Chairman, that I was returned with a 72 percent vote, which is somewhat greater than that with which the Honourable Member for Swan River was returned, but even with that vote, I do not have the confidence that he does. But I am glad for him, that he has that

confidence. I'm glad for him that he has that confidence, and he also should be mindful of what is going on in his riding and he may find that come sometime, and there will be an election — there will be an election.

A MEMBER: When.

MR. HANUSCHAK: Yes, the honourable member wants to know when the election will be called. I will tell him. Yes, Mr. Chairman, I will tell him. I want the Honourable Member for Swan River to know that it is the intention of this government to call an election within the time limits as prescribed by the Elections Act. And there will be an election called within those time limits and the honourable member should know that.

The honourable member wanted to know about our established priorities, yes, and Mr. Chairman, you will recall that some time ago I had distributed, I had tabled, not distributed, I had tabled which I did not have to, I do not believe, under the rules of the House. But as a matter of courtesy to the honourable members of the House, I tabled the Annual Report, 1966-67 (*sic*) of the Department of Continuing Education and Manpower, simply to acquaint the honourable members with what my department is doing.

You know, Mr. Chairman, we did hear criticism from that side of the House about the distribution of an abnormal amount of paper — distributing more paper than is absolutely necessary. You know, Mr. Chairman, and I believe the other side, that maybe we do distribute more paper than we really have to because it has become very apparent to me that the paper that is being distributed is not being read by that side of the House. So perhaps, Mr. Chairman, what we ought to do is — now, I don't know, maybe it ought to be recommended to the House Committee that deals with the House Rules — that there should only be one copy of a report, one copy tabled in the House for the House records and one given to the opposite side. Because it was a report distributed, and if the Honourable Member for Roblin were to have read Page 16 — (Interjection) — Yes, 1976-77, it's a book like this — 1976-77. — (Interjection) —

Yes, there's a picture of the Minister in there, a picture of a Minister who is a New Democrat, a socialist. It's the eighth year round that there's a photograph of a socialist Minister in an Annual Report of this government, and we're proud of it. That's right. There were a number of years when we had photographs of Conservative Ministers, now we have photographs of socialist Ministers. — (Interjection) — I know, back in the

days of the sodium flashes and so forth, perhaps you weren't able to take as good photographs of the Conservative Ministers, but nevertheless I can recall photographs of them and there are photographs of the present Ministers too.

If the Honourable Member for Roblin were to read Page 16 in response to his question, "What are the established priorities?", there they are. "In preparing the operating plan, to take into consideration factors . . ." — (Interjection) — Yes, Mr. Chairman, at the request of the Honourable Member for Roblin, not because I want to but because he wishes me to. I will read very slowly, and I'll repeat again. I notice that he is taking this down in longhand.

"In preparing the operating plan, to take into consideration, factors such as trends in employment and unemployment, . . ." You understand, Mr. Chairman, I'm doing this at the request of the Honourable Member for Roblin. ". . . potential labour force participants, participation rates, average educational achievement of labour force, need to increase training services, short-term shortages of manpower, need for improvement in the quality of service, level of immigration and migration, labour force increase, and technological changes."

There is the answer to the honourable member's question which he had asked for.

MR. MCKENZIE: I wonder how flexible are these priorities, especially that Stay Option one?

MR. HANUSCHAK: The honourable member wants to know how flexible the Stay Option priority is, to what extent it is flexible? As a Stay Option principle, it has always been interpreted and what it has always been intended to mean — Stay Option means exactly what it says: the option to remain where one is. In other words, what we are saying is that one must go beyond the education program, but embracing also economic development and so forth — what we are saying is that we want to develop a program and we are working towards the development of a program which would . . . The Honourable Member for Roblin is shaking his head from side-to-side. Whatever it is he is trying to say, I don't know because I can't hear it.

A MEMBER: I can hear the rattling.

MR. HANUSCHAK: I can't hear it, and if I could hear the rattle, I may be able to — because a rattle, if he shakes his head one way, it may create a certain sound; and the other, another. But I can't hear anything at this point in time.

What I'm saying is that the Stay Option principle, which is the basis of all of this government's programs, is to enable an individual to obtain an education program and to develop the economic system in such a manner as to enable the individual to remain in the community wherein he was born and wherein he was raised, if he chooses to do so. And at the same time, giving him the opportunity to obtain training to obtain employment elsewhere, but leaving the door open to the option to obtain

training and eventually obtain meaningful employment within his own community. That's what the Stay Option Program is all about.

MR. McKENZIE: My last question, Mr. Chairman, . . . answers from this Minister, it appears, I don't know why. Can I ask him a last question and maybe we can gather some information for the Committee. Are you prepared to change these priorities?

MR. HANUSCHAK: Mr. Chairman, no, I'm not prepared to change the priorities, although I'm quite willing to receive whatever advice the Honourable Member for Roblin has to offer with respect to changing priorities. If he has some advice to offer as to what program ought to be put ahead of another, I am quite willing to listen to his advice. In fact, Mr. Chairman, if he is prepared to offer such advice I'd be most happy and willing to receive it and I would consider it very carefully. I am sure that the constituents of Roblin would want to know what their Member's priorities are with respect to Manpower training, because the Honourable Member for Roblin knows, or maybe he doesn't and he ought to know, that unemployment is a problem in many areas within his riding and they would certainly like to know what his priorities are.

Now, Mr. Chairman, he claims to be the spokesman for the constituents of Roblin. Mr. Chairman, this government wishes to serve the constituents of Roblin. He has from time to time indicated to this House that he is willing to assist us in serving his constituents. Well, Mr. Chairman, if he is really sincere about serving his constituents I would love to hear the advice that he has to offer about the priorities as he sees them related to Manpower training, and in turn as they relate to the people of Roblin Constituency. I would love to hear that. And' Mr. Chairman, I would hope that we would hear that before we see a copy of his Hydro bill.

MR. CHAIRMAN: Resolution 43(a) Salaries. The Honourable Member for Roblin.

MR. McKENZIE: What a ridiculous statement from a Minister. I asked him if he is prepared to change them, he said, "No". Now regardless of what we see over here, his answer is still no, so why should I stand up and even ask him a question.

MR. HANUSCHAK: Mr. Chairman, not knowing what priorities he is talking about, I have indicated to him that in the absence of any advice or suggestions to the contrary, we are not of a mind to change our priorities. But, I am quite open to suggestion and I would love to hear, Mr. Chairman—again I beg and I plead with the Honourable Member for Roblin—I beg of him, I beg of the Honourable Member for Roblin to offer this Committee his advice, his suggestions as to priorities for Manpower training that he feels would be of maximum benefit to the people of his riding. Because after all, Mr. Chairman, he is closest to the electors of Roblin Constituency, much closer than I am. Geographically he is 300 miles closer and I am sure that he is in very close contact and direct contact with them on a weekly basis. He is better aware of their day-to-day needs than I am. Therefore, he is in a much better position than I am to speak —(Interjection)— He walks with the people of his constituency. There you are, Mr. Chairman, the Honourable Member for Fort Garry, who knows a colleague from his caucus very well, that he walks with his constituents. So therefore, my goodness, Mr. Chairman, is there anyone in this House in a better position than he to tell us what the priorities of Manpower training are in his riding? We would love to hear them. I, as the Minister responsible for Manpower training, would certainly love to hear them.

I am not concerned about his Hydro bill, whether he wants to table a Hydro bill tomorrow or next week, I don't care, but he was the one who raised the question of priorities. I told him that as I see Manpower training priorities, I see no need to change the priorities as we see them, but I repeat again, Mr. Chairman, and I am quite open to the advice and suggestion received from him, if he feels, if he sees, that the order of priorities should be different in order to assist and benefit his constituents, after all he is a spokesman for his constituents, he should speak for them. Mr. Chairman, I am going to sit down and I would be only too happy to hear the advice coming from the Honourable Member for Roblin.

MR. CHAIRMAN: Resolution 43(a) - \$283,100—pass; Resolution 43(b) Other Expenditures - \$35,700—pass; Resolution 43 Resolved that their be granted to Her Majesty a sum not exceeding \$318,800 for Continuing Education and Manpower—pass.

Resolution 44 Opportunities for Human Development, (a) Student Aid, (1) Salaries - \$501,300.00. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, there have been some questions and some discussion over the past few weeks on the requirements now under Student Aid, that is the amount of information that is required to be filed by applicants on their own income and on the income of their parents where this is applicable.

I think formerly the amount of information that was required was more in the nature of a statement, a signed statement from the applicant and/or parents, indicating that the income which they enjoyed was at a certain level. Now however, we understand that the Department requires the filing of income tax returns and so on.

Mr. Chairman, no doubt there was some reason for this change of procedure. The inference would seem to be that the Department was not satisfied that the kind of information being filed was

accurate and that some more reliable kind of income statement was needed. That has not been stated by the Minister nor by his Department, but I think that perhaps the Committee would like to know whether the change was done for reasons of improper or inaccurate statements having been filed by applicants, and is this is not the case, what is the reason for the new requirement requiring certified copies of income tax returns?

MR. HANUSCHAK: Well, Mr. Chairman, I want to draw it to the attention of the Committee that both Canada Student Loans and Manitoba Bursaries are needs-based programs and have been since their inception. That being so, therefore it is reasonable to request that such needs be proven by the best means available.

Now over the years as Canada student loans eligibility criteria have become more generous and have been expanded to include more items and costs as allowable expenses, all provinces, not just the Province of Manitoba, Mr. Chairman, but I wish to underline, all provinces, not only all provinces, but also including the Federal Government have become increasingly concerned with ensuring that genuine need exists. And as one result, for several years all provinces have been required to perform a minimum audit of five percent of the applications and more recently, to be precise, for 1977-78, to become more precise that is, the Canada Student Loan criteria — the Canada Student Loan criteria, I am not talking about the Manitoba Government Bursaries — the Canada Student Loan criteria require the signing of a waiver by all applicants and parents, that is, of those applicants who are dependent upon parents for support, because there are some applicants who are independent of their parents, but applicants and those dependent upon parents, a waiver permitting the Student Aid Branch access to income tax records directly. And this is mandatory in all provinces in Canada, not only the Province of Manitoba.

I should clarify this when I say access to income tax records directly — it's in one of two ways and I would like to read this into the record, Mr. Chairman. The tax release form reads in the following fashion. "For the purposes of verifying the information presented on the 1977-78 application for financial assistance. "I hereby appoint the Student Aid Branch of the Department of Continuing Education and Manpower and its designated offices as my agent", as the agent of the applicant, Mr. Chairman, for this purpose, as the agent of the applicant for student aid, I repeat again, but I am continuing reading from the form from which I am quoting, "to receive a copy of my return and any other documents pertaining to my 1976 income obtained from me or on my behalf by the Minister of National Revenue for purposes of the Income Tax Act. I further authorize the Department of National Revenue to forward the requested documents directly to the Student Aid Branch and its designated offices."

Now, over the years, Mr. Chairman, in Manitoba some 25 percent of the applicants and parents, that is applicants who were dependants of their parents, have had to supply income tax forms and ancillary records for a number of years, practically since day one. In fact, I would think since day one of our Student Aid Program.

Now, those who have had to supply this type of information are by and large the self-employed parents and those with income from investments. Then, of course, I have made mention of the audit, that those chosen for audit must also supply these documents.

Now, Mr. Chairman, honourable members of the Committee may be interested to know that the results of our five percent audits and of our referral audits indicate that provision of adequate supporting data can result in some modification of awards, can result in more accurate assessment of awards, and that is exactly what the intent of this procedure is. So, Mr. Chairman, it is not as had been intimated at some time recently in the Press, that this is merely a procedure to accommodate the bureaucrats, but this is to accommodate, to allow for, to enable the more expeditious processing of Student Aid applications. A Student Aid application comes in, together with a copy of the income tax form, the T-4 slip or whatever the appropriate terminology may be depending on the source of, the type of income that the income earner has earned, and it enables the Student Aid Branch to process the application and thus determine the level of need of the student. So it is for the benefit of both because in the past not having complete, not having accurate information with respect to the level of income of the student, the level of income of the supporting parent, correspondence resulted which may have, through no fault of anybody, but just because of the time that it takes for a letter to travel from point A to point B, it may have taken weeks, in fact months, for letters to go back and forth between the Student Aid Office and the student, his parents, and so forth, in order to enable the Student Aid Office to collate together all the information that they would require, that it would require to assess the level of need of the student. And here is a simple way, a quick simple way 'a reasonably accurate way of assessing the level of need of the student.

Now, it has been suggested by the Honourable Member for Fort Rouge, and I regret that he is not in his seat at this present time because he made quite an issue out of this you may recall, Mr. Chairman, a day or two ago on speaking to another piece of legislation, he referred to this as being an

invasion of privacy. Well, Mr. Chairman, you know as well as I do that if you or I approach any money lending institution, be it a bank, be it a credit union, whatever it may be — and you know, Student Aid is a mix of both a bursary and a loan — and the money lending agency will ask you, “How much money do you earn”? The money lending agency wants to be reasonably certain that you have the ability to repay. The Honourable Member from Minnedosa ought to know that very well because he has been in that business for many years, of loaning money — (Interjection) — Now, he says stonewalling. He knows that if an applicant would have come to him — Mr. Chairman, I don't know what he does for a living today, but when he was a banker. — (Interjection) — Mr. Chairman, the honourable member is trying to put words in my mouth. He wants me to say that he has no visible means of support. Well, Mr. Chairman, if he has no visible means of support he is saying that, not I.

Mr. Chairman, the honourable member knows full well that it is not at all unreasonable, on behalf of anyone offering assistance of any kind, to enquire as to the level of income, the ability to pay, the ability to repay, and that is all that we are asking about.

Now, one is not compelled. You know, the Honourable Member for Fort Rouge would have made it appear as if the people in this province are compelled to disclose this type of information, the amount of money that they are earning. Nobody is compelled to do that. But if an individual comes forth and asks for Student Aid, we are asking the simple question: “How much are you earning? Prove it.” That is really the long and the short of it. “You are dependent on your parents, how much are your parents earning? Prove it”.

Okay, what better proof is there than the income tax return form. If a son or daughter of the Honourable Member from Minnedosa were to come to me for Student Aid and said, “I want Student Aid,” I would ask his son or daughter, “How much money are you earning?” — (Interjections) — But the fact of the matter is that our Student Aid Program consists of both, because if the son or daughter asks for a loan let him or her apply for a loan outright, then the money lending agency will ask whatever questions it chooses to ask. It may be the bank which at one time employed the Honourable Member for Minnedosa. But asking for a mixed or bursary and loan, we ask the questions that we do ask and if that applicant is dependent upon the Honourable Member for Minnedosa for a livelihood, we will ask what kind of income does the individual upon whom you are dependent for a livelihood earn, and prove it. That is the long and the short of it.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, in that ten or fifteen minute discourse, I was sitting here trying to remember what really the question was that I had asked, but I think somewhere in that discourse I will find the information that I requested. I think in summary it was that we were aware of the new requirements in terms of the filing of substantial evidence of income levels and so forth and was that new requirement brought about by a substantial number of inaccurate statements that had been given on the old basis. I don't think the Minister ever actually said that that was the case, but he did refer a percentage of applications that had been audited. So I assume that the answer probably is, that yes, there were some inaccuracies and yes, under the new system it is possible to file and process applications more quickly.

So, Mr. Chairman, if that is an accurate summation of the Minister's reply I'll proceed with another question relating to student aid. I noticed in the report that there were a total of 14,449 applications in the most recent figures given. I wonder if we could have a comparable figure for the previous year? Is there an increase or decrease in the total number of applications for student aid?

MR. CHAIRMAN: The Honourable Minister for Continuing Education.

MR. HANUSCHAK: Mr. Chairman, the result of the audit was a reduction of about 28 percent of the original awards, after checking the income tax returns, so there was a saving. Now, in terms of the number of applications, I am advised that there was a decrease of about 200 to 300. So really, when one looks at the grand total of 14,500 or so of applicants, it's a decrease of something in the order of two percent.

MR. MCGILL: Mr. Chairman, that suggests a question in respect to the increase in the salaries paid by the Student Aid program, I notice they are up about 20 percent. This is rather above the guidelines, I would think. How does it happen that the department has an increase in salaries of 20 percent when they are actually processing fewer applications?

MR. HANUSCHAK: I must submit, Mr. Chairman, that's a very good question. The honourable member is quite correct that this is quite a significant increase. Firstly, the incremental increase on the collective agreement adjustment increase would no doubt account for possibly close to one-half of the difference. Then there were four positions which were not filled in the previous year and which were not included in the \$409,000 and which are included in this year's estimates of the \$501,000 to allow for the initial manual processing of the applications. So there's an additional four SMYs in there.

MR. MCGILL: Mr. Chairman, it's taking more people to process fewer applications under the new system. Is that correct?

MR. HANUSCHAK: Yes, Mr. Chairman, there's an increase in that item which is offset by a

decrease of about \$180,000 in (a)(2) Other Expenditures, the computer costs — (Interjection)— the honourable member says — no, I do not need time off to light my pipe. If the Honourable Member for Minnedosa were listening, and I gather that he wasn't, I will repeat for his benefit, if he will look at (a)(1), there is an increase of \$100,000 and there is a decrease of far in excess of \$100,000 in (a)(2) and I said about 25 seconds ago, that the increase in (a)(1) is offset by the decrease in (a)(2). This I said while lighting my pipe, and in the meantime I'm not sure what the Honourable Member for Minnedosa was doing. Obviously he wasn't listening.

MR. CHAIRMAN: Resolution 44 (a)(1). The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, the Minister mentioned that the Other Expenditures item, which we are not yet dealing with, has been reduced but it doesn't really cover salaries or staff man years, I would think. So we're still faced with the situation of having to somehow explain why more people are being employed by the department to do less work; surely there is some explanation that the Minister can give us for this circumstance which is quite evident by the 25 percent increase in the amount for salaries.

MR. HANUSCHAK: Well, Mr. Chairman, I've indicated that under the present system more of the work of the sum total of the processing of student aid applications is being done manually, hence more is included under Item No. 1 Salaries, and if the honourable member were to add Salaries plus Other Expenditures for last year and this year he would find a reduction, because last year, a total of \$739,000 this year a total of \$650,000.

MR. CHAIRMAN: Resolution 44(a)(1). The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Chairman. I just wanted to mention while we're on student aid, some of the problems that people in my particular area have encountered that don't seem to indicate that things are running all as smoothly as the Minister might like us to believe. I can't particularly accept his comments of how an application is handled. I realize some of the problems that the student aid people encounter in assessing requests for bursary aid or student loan aid, but I fail to see where a fully qualified student of some credibility applies for a student loan, why they are not entitled to a loan, why it has to be considered in connection with a bursary. I think if, regardless of the status of the parents, if that student requests to borrow some money to further their education, in addition to helping finance their education, you are teaching that student some financial responsibility, whether that loan is paid by them or by their parents later on is beside the point, I feel. I realize these loans are interest free for so many months, six months after they have completed their studies, but that doesn't seem to be the case if they apply for assistance, their request is an automatic request for the parents to turn in, to attach copies of their income tax returns, and I fail to see where this is helping the parents teach that student any financial responsibility whatsoever.

I also realize, Mr. Chairman, the repayment record in the student loan field is pretty dismal when it's compared with the government guaranteed loans in other areas. I particularly refer to the assistance granted under the Farm Improvement Loans Act where the loan ratio experience has been very very minimal, whereas loans granted to students under the Student Aid Program is pretty disastrous in relation as far as the percentages go.

MR. HANUSCHAK: Mr. Chairman, how do the two compare?

MR. BLAKE: Percentage wise?

MR. HANUSCHAK: Yes.

MR. BLAKE: Well, I would say losses since 1946. I don't know the amount of millions that have been loaned out to farmers under the Farm Improvement Loans Act; the losses have been something less than one percent, I think, whereas I understand now, that either losses or arrears, under the student loan program which hasn't been in effect that long, is ten-fold that. I understand it's something in closer to 50 percent loans in arrears or loans that have been written off under the Student Aid program. I stand to be corrected. My statistics of 50 percent may be out, but it's very very high in relation to other government guaranteed loans, and I fail to see where a student applies for a loan under the student loan program, the government guaranteed loan program, why that student should be compelled to submit the income tax return of their parents. It has no bearing on it whatsoever. If they are going to borrow that money, they are going to have to pay it back and that's one way to teach them some financial and fiscal responsibility which is somewhat lacking in our education system today.

But, Mr. Chairman, what I really want to say, and I want the Minister to understand that this is not the only complaint I have had. I've had several that I've gone to the Student Aid people with; I have received good co-operation with them and I'm not faulting them because sometimes these things happen. But there's one particular case, Mr. Chairman. I won't read all of these letters into the record, but a student has categorized some of the complaints and itemized them and I think I would like to read that into the record, Mr. Chairman, at this time. It's from a constituent of mine who is attending University here in Winnipeg and this is a letter of formal complaint protesting sheer stupidity and incompetence in regard to the Student Aid branch and the Student Aid Appeals Board.

"The process of applying for Student Aid should be a one-step process or at most, a two-step

operation in the case of an appeal. As you see, my application process has taken up to this point, 37 steps and has stretched out over 12 months and is still continuing.”

This letter is dated April 1, 1977, incidentally, Mr. Chairman.

“Not realizing that the Student Aid branch would be so sloppy, or the time so extended, I never kept exact records of the dates of the following events. One thing for sure, however, they all did occur and others as well that I have undoubtedly forgotten or simply was not informed of.”

“Here are the steps that I have taken in an attempt to have my Student Aid application processed.

1. I sent in a complete application, including copies of my own and my parents' tax returns.
2. I was informed by letter that I was ineligible for aid even though my parental contribution was zero due to the fact that I had over \$3,000 in other funds available to me, a contention of unsubstantiated nonsense.

3. I received a letter from Student Aid saying that my application was now in audit. I was told to send my own and my parents' bank account records and tax forms, initialled by tax personnel. This was at my own expense even though at the time they had no intention of providing aid.

4. I went to the Student Aid offices and straightened out their mistake regarding the \$3,000.00. They assumed I would be receiving Workmen's Compensation for the entire school year, without checking this assumption with me, my doctor, or the Compensation Board.”

I might mention, Mr. Chairman, that this young man went to work after the university year and was injured and the compensation was in somewhat of a state of suspension until I went to the Compensation Board on his behalf. I must say I dealt with a gentleman there named Mr. Hebert and once he was brought in to play, that particular problem that he had was rectified very very quickly and I have nothing but praise for the way that that particular case was handled.

5. “I was instructed to go to the Compensation Board to obtain a letter from them stating how much money I had made for the summer from their benefits. It must pointed be pointed out at this time, that all these activities required action during business hours, making it necessary for me to miss several hours of classes.

6. I received a letter from the Compensation Board and delivered it personally to the Student Aid office.

7. I had a second personal interview with Student Aid and completed straightening out the mistakes they had made to this point.

8. I contacted my MLA who had provided considerable assistance to me and solicited his help for the first time in this matter.

9. I informed the Student Aid branch to consider my new application as an appeal, hoping to avoid re-appealing over the issue and contributing to education from summer savings.

10. I attempted to postpone my tuition payments at the University of Manitoba on the grounds of late Student Aid. I was not only turned down on my request, but I was instructed to come up with the money or have my registration cancelled. If my registration had been cancelled, I would have lost over \$100 paid towards my tuition and would be required to pay almost 50 percent of my total fees as a late registration penalty.

11. To avoid this added expense, I approached five different banks before successfully getting a personal loan to tide me over until my student aid arrived.” (—Interjection— He didn't come to us until later.)

12. I finally received \$1,860 on October 28, 1976 but was told that I would have to appeal their decision about the amount of money I was expected to contribute from summer savings.

13. I appealed the Student Aid decision on November 1, 1976. I was pected to contribute \$900 to my education from summer earnings of only \$1,500 over the entire summer. I was told that my file had been returned to audit for a second time.

15. In December the Appeals Board had still not received my file from the Student Aid branch. Both the Appeals Board and myself had requested the transfer of my file several times up to this point.

16. I phoned Student Aid where they finally admitted to me that they had lost my file and that they had absolutely no idea where to start looking for it.

17. The file was eventually found on someone's desk but no one could determine why it was there; no one could remove it because that person was out of the office for a few days. I have yet to receive a reason for my file being on that person's desk.

18. I phoned Student Aid a week later and was told that the file had been sent to the Appeals Board.

19. I phoned the Appeals Board two weeks later and was told that they had still not received my file from Student Aid. Student Aid deliberately lied to me in an attempt to keep me off their backs.

20. I phoned Student Aid and expressed my anger, disappointment and concern.

21. I phoned my MLA, Mr. Blake, for his assistance again.

22. Appeals Board finally received my file, I believe due to the direct work of Mr. Blake who had put

in several hours of on my behalf to the detriment of his other constituency work.”

I must say at this time, Mr. Chairman, that I had been in contact with the Student Aid people and those people that I talked to were most co-operative and I have no complaints against the treatment that was given me in this case whatsoever.

“23. I went for a personal appointment to the Appeals Board, on their appointment, and was compelled to wait for two hours before receiving an audience with the Chairwoman of the Appeals Committee.

24. I was promised at this meeting that I would get some aid at least.

25. About two weeks later, I received a letter saying that I would be getting an additional \$150.00.

26. I complained to the Student Aid branch; they referred me back to the Appeals Board.

27. I notified the Appeals Board that they must have made a mistake.

28. Eventually the Appeals Board located my file in the Student Aid branch and notified me of their agreement that a mistake had been made. However, they refused to explain to me what mistake had occurred, arguing that it was too complex to discuss.

29. My file was transferred back to the Appeals Board.

30. A reassessment of my case was made and sent to Mr. Hanuschak for approval for the second time.

31. I received a letter from the Appeals Board dated February 24, 1977 informing me that I would receive a total additional sum of \$620.00, more than my original award. At that time they snuck in the fact that my deferred bursary had been decreased while the loan part of my aid had been substantially increased. Again, there was no explanation.

32. The Appeals Board returned the file to the Student Aid office to have the cheque processed.

33. After waiting three weeks, I phoned the Student Aid to see what had happened and was told to wait. They further advised not to put a tracer on my file to see why it was delayed because this would further slow the process.

34. On Tuesday of this week, I phoned the Director of Student Aid and Mr. Hanuschak's office and gave them my complaints.

35. My calls were returned the following day. The Director of Student Aid advised me that the soonest I could expect a cheque would be April 11, 1977; the latest would be April 20th.

36. Within three hours of the first call, Mr. Hanuschak's office phoned me and advised me that Student Aid had told his office my cheque would arrive at my residence on April 2nd. This indicates another outright lie delivered to the Minister himself.

37. I received my T-4 slip from Student Aid and immediately filed my tax return as I needed my tax refund badly in the absence of additional student aid.

38. Two weeks later I received an amended T-4A slip which completely altered the figures of the return I had already filed. This amended T-4A did not have anything to do with my appeal or the additional moneys granted in my appeal. It merely documented the deferred bursary part of my student loan which has since been changed again, due to the juggling of the Appeals Board. Am I to expect a third amended T-4A which will further the delay of my tax refund? This was a separate and unnecessary mistake which has caused me considerable inconvenience and undue hardship.

Why am I so concerned about the \$680.00 owed me? Please consider the following chart of my income and major expenses: \$2,480.00 - total amount of the Student Aid this year, minus \$680.00, the portion not paid by Student Aid as yet; balance \$1,800.00. Minus \$350.00 - bank loan to stay alive - balance \$1,450.00. Tuition and student fees, \$500.00 balance \$950.00. Rent over eight months, September to April \$640.00 - leaving a balance of \$310.00. Food over eight months at \$3.00 a day is \$800.00, leaving a minus balance of \$510.00. Textbooks first term \$100.00, leaving a minus balance of \$610.00. Hydro over eight months — and that was last year, I don't know what it's going to be next year — \$40.00 - minus balance of \$650.00. Bus passes over eight months \$80.00 for a minus balance of \$730.00.

These are only my major expenses and do not include the 101 other items necessary such as prescribed medicine which, as you are well aware, are vitally necessary.

How have I managed to survive a year on this huge minimum deficit? First of all, I have borrowed nearly \$500.00 from my parents in cash over the school year, seriously affecting their already tight budget, even though Student Aid figures put their contribution at zero. They have also provided me with food on occasion and even more rarely with clothes. I feel like a POW waiting for a Red Cross parcel every three months.

Secondly, a friend loaned me \$180.00 to enable me to make rent payments lately, even though he is working and currently finishing off a B.A. and working full time.

Thirdly, I worked for the Post Office during their Christmas rush and during my Christmas exams, on the midnight shift from 12:00 a.m. to 7:00 a.m. There is no doubt in my mind that a combination of sleep loss and lack of studying time had some effect on my exam marks.

Lastly, I found it necessary to borrow texts for every course during the second term.

What do I want? I want a complete investigation of the Student Aid Branch and the Appeals Board.

Two, I want to know the explanation for several mistakes made on my application and I want to know why those mistakes were not explained to me even when I requested such an explanation. Three, I demand both an explanation and an apology for the lying, deceit, inconvenience, hardship and added expense handed out to me by the Student Aid Branch. I want it signed by the Director himself and/or the Minister. Four, I want a complete photocopy of my entire file at the Student Aid Branch, and the Appeals Board.

At first I was willing to be patient and accept the fact that re-organization of the Student Aid Branch accounted for the confusion and the mistakes. A year later, I am no longer as patient and realize that all of these mistakes cannot be the result of internal reshuffling. The only apparent evidence points to incompetence at all levels of the organization. When I talked to the Director of Student Aid and the Minister's office, I informed them that if I did not have satisfactory results by Friday, April 1st, they could count on me to contact the Ombudsman, the Winnipeg Tribune, the Free Press, CKND-TV, CBC-TV and Radio, CKY-TV and Radio.

I have discussed my problems with the Tribune already and Mr. Vic Grant, Chris Smith, and the Assistant Editor and I'm awaiting their investigation and decision. I will then proceed to contact the other media people.

I warned the Minister and the Student Aid Director and as results are still not forthcoming, I see no recourse but to make this issue as hot as possible in this an election year. You see, I further intend to speak to Mr. Sterling Lyon through my MLA.

It is my sincere hope that this complaint is regarded as seriously by you as it is by me and that it is examined thoroughly. Unfortunately I am not as naively optimistic about the grassroots aspect of our democracy. Our government appears to be more of a bureaucracy than a democracy.

At any rate, I thank you for your co-operation and assistance in this matter and I'm looking forward to your results and correspondence."

Signed: "Sincerely, Doug Sage, 403 - 366 Qu'Appelle Avenue, Winnipeg."

MR. BLAKE: This is a letter to the Ombudsman, Mr. Chairman, and he adds a p.s.:

"Congratulations on your recent report to the government, particularly the part dealing with provincial prisons. You see, someone really does notice."

And there's a footnote addressed to me that I won't read at this time, Mr. Chairman. This only goes to illustrate the frustration that some students, and not only one student . . .

MR. CHAIRMAN: Order please. The Honourable Member has read a letter into the record of Hansard and according to Beauchesne, the letter should be tabled.

MR. BLAKE: I'll table it.

MR. BLAKE: Is the Minister requesting that or is the Chairman requesting it?

MR. HANUSCHAK: Mr. Chairman, I think that's a follow-up, that if a member is reading from a document, that it should be tabled. And if he wishes a request to be made, then the request is made.

MR. BLAKE: No, it's quite all right, Mr. Chairman. I'm glad that the Chairman reminded the Minister that the letter probably should have been tabled because I might as well, while I'm doing that, read in the footnote, Mr. Chairman, while I'm at it.

It says: "Mr. Blake: This is the letter sent to the Ombudsman last Wednesday. I received word from his office this afternoon, Tuesday, April 12th, that he has started his investigation. I would be more than willing to make this report available to you immediately after I receive it from the Ombudsman, that is, if you think it will be of value to you. Also of possible interest, the Director of Student Aid has accused me of delaying my own award by losing award documents. This is not true and is one of the reasons why I wish to see my file at the Student Aid Branch. Someone somewhere lost my documents and are blaming me for this. No matter. Thought you would like to know, and thank you for your hard work and interest. (Signed) Doug."

I'll table that, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister on a point of order.

MR. HANUSCHAK: I'm just wondering and I believe that this is a matter that falls within your jurisdiction. I would suppose that our Rules of Order are silent with respect to matters referred to the Ombudsman, but if this matter has been referred to the Ombudsman, I'm just wondering whether it's a matter which is proper for discussion and debate in this Committee?

MR. CHAIRMAN: Order please. The Honourable Member for Fort Garry.

MR. SHERMAN: Well, speaking to the point of order, Mr. Chairman, there is no grounds for the objection raised by the Minister. I submit the Ombudsman is not an official of the court; he's not an official of the judicial process in the province. He's an official of this Legislature, as a consequence I submit, Sir, that the point of order is not acceptable.

MR. CHAIRMAN: Order please. In receiving the copy of the letter that I have here, unless the original is signed, I would refer the honourable member to Citation 158(3): "An unsigned letter should not be read in the House. On the 16th of May, 1928 . . ." —(Interjection)— Pardon? Order please. The letter as I see it here, what is handwritten is signed, but the letter in itself . . . —(Interjection)— Order please. "An unsigned letter should not be read in the House. On the 16th of

May, a member stated during debate that a letter which he had been quoting had not been signed, and the Speaker said, such a letter should not be read into Hansard and all letters when read must be signed and they become part of the documents of the House. Canadian Debates 1928, Page 3073.”

Now, the letter that I have here is not signed. Unfortunately, it's: "Sincerely, Doug Sage" but there is no signature. Therefore, it is not a document of this House, and should be stricken from the record of . . .

MR. BLAKE: How is Doug Sage, is Doug Sage typed on the bottom?

MR. CHAIRMAN: It doesn't say. It says the letter should be signed.

MR. BLAKE: . . . handwriting on the bottom of the letter — Signed Doug Sage.

MR. CHAIRMAN: That is addressed to Mr. Blake. Order please. This could have been a part afterwards or something else. The letter as I have it here . . . Order please . . . is: "Sincerely, Doug Sage." No signature. Therefore it should not be part of the records of this House.

MR. BLAKE: You're going to get it read again, Mr. Chairman. . . . I just want to save the House some time because it will be signed within 24 hours. When do you want to have it read in again?

Mr. Chairman, I just couldn't recall that letter — now, if that note on the bottom there is not a signature, I just fail to see . . .

MR. CHAIRMAN: That is a postscript to the letter. That is not the letter itself. I am sorry.

MR. BLAKE: It will be read into the record again, Mr. Chairman, it's just whatever date that you want to have it read in. It's a ridiculous ruling as far as I'm concerned . . .

MR. CHAIRMAN: Order please. ORDER PLEASE. It is not a ridiculous ruling. It is in Beauchesne; it is there clear in black and white. Now either the letter is signed or it is not signed. Order please. I am not through. I am going to instruct the recorder that that letter in its entirety be struck from the record because . . .

A MEMBER: I take exception to what you're saying, Mr. Chairman.

MR. CHAIRMAN: Then there's only one thing that you can do. You can ask for a challenge of the Ruling of the Chair.

MR. BILTON: On a point of order, may I give the position as to what I want to say . . . ?

MR. CHAIRMAN: I will listen to the honourable member.

MR. BILTON: I'm only endeavouring to assist the Chair to the best of my ability, Mr. Chairman, I hope you understand that in the beginning.

MR. CHAIRMAN: I thank you.

MR. BILTON: It says, "Sincerely, Doug Sage," and "Doug Sage" is typed, it's typewritten, as you say. The footnote is part of any letter and it's signed down below, "Doug Sage." His signature is right there, Sir. —(Interjection)— His signature is right on the face of this letter, and you can't deny it.

MR. CHAIRMAN: Order please. I can quite understand the honourable member's point, but the point is that the letter in itself is not signed. What is signed is something handwritten on the letter. It is not in the main part of the letter. It is not even put as postscript.

MR. BILTON: Well, what is a postscript, Mr. Chairman, it is part of the letter.

MR. BLAKE: . . . Douglas Allan Sage and his address which was read in earlier on. It's on the bottom, "Sincerely." There's a p.s. and there's a further footnote that's signed Doug Sage and I assume that this is a letter from Doug Sage addressed to Sir or Madam. If your ruling that this letter is not signed and is not acceptable to the Committee, it's fine. I will have the letter signed and I will read it into the record at another date. I just wanted to add up the time to the House.

MR. CHAIRMAN: Order please. The portion that is directed to you as the Member for Minnedosa is signed. The other portion —(Interjections)— Order please. ORDER PLEASE. The main part of the letter, from looking at it, is not addressed to you as the Member for Minnedosa.

MR. HANUSCHAK: Mr. Chairman, . . . he had indicated that he will return to this Committee with the signed letter from the same individual, so if and when he does that, then we will consider that letter.

A MEMBER: Oh, you will, isn't that nice.

CHAIRMAN'S RULING

MR. CHAIRMAN: Order please. I have stated that the main part of the letter will be stricken from the record. The part that the honourable member read at the last where there is a signature will be recorded in Hansard. The other portion of the letter is unsigned; it is not even addressed to the honourable member. Order please. I am giving a ruling. If you don't like my ruling you can challenge it. You have the opportunity tomorrow to challenge my ruling. My ruling is, as of now I am quoting Citation 158, Subsection 3: "An unsigned letter should not be read in the House. On the 16th of May, 1928 a member stated that during debate a letter which he had been quoting was not signed. The Speaker said "such a letter should not be read into Hansard — all letters when read must be signed

and they become part of the documents of the House," Canadian Debates 1928 Page 3,073. The portion that is directed to the Honourable Member for Minnedosa is signed — that portion will be recorded. The portion that is not signed should be, in accordance with our House rules, and our House rules are in the main . . . unless there are exceptions, and there is no exception on our House rule, so Beauchesne stands, that portion is out of order. The Honourable Member for Fort Garry.

MR. SHERMAN: Well, Mr. Chairman, with respect, I must challenge your ruling.

MR. HANUSCHAK: Mr. Chairman, if I could speak, the honourable member read the letter, and indicated to this committee that he is prepared to return to the committee with a signed copy of the letter. Now I would. . . —(Interjection)—. . . a letter should probably be tabled, yes, and if the honourable member is prepared to table a letter which could be tabled in accordance with the rules of the House, and I understand the Honourable Member for Minnedosa to indicate that he is prepared to do that at a later date, so therefore, I would suggest, Mr. Chairman, that the debate proceed as if that letter were not read into the record, and let the debate of the Estimates continue.

MR. SHERMAN: Well, Mr. Chairman, I appreciate what the Minister is saying, but it doesn't have any bearing on the basic question that's in front of us. The Chair has made a ruling Sir. I think that it's a ruling that should be submitted to the adjudication of the Members of the House because it is a ruling which many of us on this side find, Sir, raises some questions in our mind, and I would like to make my former motion stand — and that is, a challenge to the ruling.

MR. CHAIRMAN: Question challenged. Call in the members. Order please.

MR. GREEN: Mr. Chairman, is it possible for me to address the committee?

MR. CHAIRMAN: (Inaudible)

MR. GREEN: Mr. Chairman, I believe that the only way that the challenge can be dealt with is through the Speaker, and that's why I was going to address the committee to say that they deal with the challenge tomorrow because the Speaker would not have expected to be called this evening. I believe that the only way the challenge to the Chair can be dealt with is through the Speaker of the House.

MR. CHAIRMAN: The Member for Fort Garry.

MR. SHERMAN: If I could just respond to the House Leader, that certainly would be my understanding. Perhaps we'll need a ruling from you, Sir, on that point. My understanding when I moved the challenge was that it would be a challenge and a vote that would be held in the House, not in committee, but in the House tomorrow. I think that the Chairman intended to go back to the Speaker. I don't think that there's any doubt about that. The only point that I'm making, Mr. Chairman, is that it is one of the rules that there is no vote of a negative matter after 10:00 p.m., and the vote on the challenge to the Chair could be of a negative matter, so I would think that it would be an appropriate time to adjourn and deal with the ruling of the Chair when the Speaker is in the House tomorrow.

MR. CHAIRMAN: I think I'd be inclined to agree with the honourable member because there is nothing within our House rules that deals with a challenge to the Chair even though we sit past the hour of 10:00 p.m. which is our normal sitting hours unless we are in the motion of Speed-Up; and with that I will immediately on proceeding into the Committee of Supply tomorrow, bring the matter before the Chair. Committee rise. Call in the Speaker.

IT The Chairman reported upon the Committee's deliberations to Mr. Speaker and asked leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for Flin Flon.

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

MOTION presented and carried.

BUSINESS OF THE HOUSE

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, before the adjournment is called, I understand that there is a dispute about a letter which was tabled, and that the honourable member who wished to table the letter is able to produce a signed copy of it, and there is some question as to whether this copy is signed. — (Interjection) — I thought that if the matter could be dealt with by the letter being signed that that would relieve the necessity of dealing with the ruling, but if the Chair does not wish to do that. . . if that is done by the consent of everybody, and if the Chair accepts, then that can be done. Is that acceptable? — (Interjection) — Mr. Speaker, I think there is some dispute as to whether it is signed or not. The honourable member says that he can get it signed, and that would end any dispute as to whether it was signed.

MR. DEPUTY SPEAKER: The Honourable Member for Swan River.

MR. BILTON: The cause of the challenge, Mr. Speaker — as you know we contend that the letter is

signed, and the Chairman of the Committee contends that it isn't signed. There is a signature on there now, the Honourable Member for Minnedosa may in the meantime get the signature higher up in the letter, that's about all it amounts to.

MR. GREEN: I understand that, and I am merely suggesting that where it is not necessary to have a matter of contention, it is not necessary. If the honourable member by that time can convince the Chairman that the letter that he wishes to table will bear the signature of the person who is sending it, then perhaps that dispute can be resolved before the matter comes to the Speaker tomorrow.

MR. DEPUTY SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, the only point I would make on that is that there is a considerable dispute obviously as to what in this House constitutes a signed letter and what doesn't constitute a signed letter, and I would think that there would be some value in establishing a principle and a precedence so that in future we know what we can deal with in this context and what we can't.

MR. GREEN: That's exactly what I was trying to avoid, Mr. Speaker. Sometimes it is better to have the thing done so that there is no attempt to establish a precedent, and just wait till it comes up again. If the dispute is not necessary, it doesn't have to be proceeded with, but I leave that until tomorrow. If the honourable member will have it done tomorrow, that will be fine, if not, then we will have the ruling.

MR. DEPUTY SPEAKER: The hour of adjournment having arrived, the House is adjourned and will stand adjourned until 10:00 a.m. tomorrow morning. Thank you.