

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Tuesday, March 16, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 20 students, Grade 9 standing, of the Bruce Junior High School. These students are under the direction of Mr. Brian Head. This school is located in the constituency of the Honourable Member for Sturgeon Creek.

We also have 14 students, Grade 11 standing, of the Springfield Collegiate. These students are under the direction of Mr. Ott. This school is located in the constituency of the Honourable Member for Springfield, Minister of Tourism, Recreation and Cultural Affairs. On behalf of all the honourable members I welcome you here this afternoon.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Labour.

MINISTERIAL STATEMENT

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, I have a ministerial statement dealing with the unemployment information for February, 1976, I would like to present to the House.

Mr. Speaker, the actual unemployment rate in Manitoba for the month of February was 5.9 percent, the third lowest rate after Alberta and Saskatchewan. This represents a decrease from the 6.7 percent of January of this year, but slightly higher than the rate of 5.3 percent in February of a year ago. The seasonally adjusted unemployment rate was 4.8 percent, a decrease from the 5.1 percent of January of this year but again slightly higher than it was a year ago. In terms of the actual numbers of unemployed from January to February, Manitoba's numbers of unemployed decreased by 4,000 over what it was the month before. Manitoba's labour force in February of this year was 424,000, a decrease from the 436,000 in January but an increase from the 422,000 that it was a year ago.

I would suggest, Mr. Speaker, to you and honourable members of the Legislature that while we still have a considerable number of unemployed in the Province of Manitoba, our comparative position with the rest of Canada has been maintained. And I do want to indicate to honourable members, Mr. Speaker, that there has been an adjustment made in the method of compiling statistically the ratio of unemployed and the statistical information which indicates increases over the actual figures of a year ago.

Again, I say, Sir, no room for complacency but on the other hand not too much room for doom and gloom insofar as the economy of Manitoba is concerned.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, we will be interested in our Party in perusing the statement and the statistics just released by the Minister very carefully to determine the true message that is contained in those figures and in the statements contained therein. The alarming aspect of the statement to me, Sir, is that which has to do with the decrease over the past 12 months of our labour force in Manitoba. The overall employment picture of the province has diminished in terms of our relative standing on the prairies and in the country. It used to be that we had perhaps the second best unemployment rate in the country, we now have slipped behind not only Alberta but Saskatchewan as well, which means we're a notch further down the line, and we have the unenviable status of enjoying the worst position on the prairies. The decline measured in those terms is significant enough, but worse than that is the decrease in the labour force of approximately 12,000 workers in the past 12 months. I should think, Sir, that far from being no indication of doom and gloom as the Minister has said, I should think that it's a very dramatic and a very important warning signal for the Minister and for the government, the fact that our labour force has declined by 12,000 in the last 12 months. I don't think that that represents a forward, progressive thrust in the economy; I don't

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(MR. SHERMAN cont'd)think it bodes well for the province, and I think when we look over the estimates and the government's spending program, we can see one of the reasons for that. There is very little contained in the government's program to provide jobs, to attract and invite persons to stay here and to occupy places in the labour force here and I think, Sir, that we need drastic improvement in that situation if our economy and our total picture of prosperity is to improve this year.

MR. SPEAKER: Any other ministerial statements or tabling of reports? Notices of Motion; Introduction of Bills; Questions; The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, I direct a question to the First Minister. I wonder if he could indicate whether there has been any measurable impact on the European borrowing of the Provincial Government as a result of changes in the international monetary system. I refer specifically to the problems that have been encountered or come to light in Ontario lately with the escalating value of the European currency, particularly German currency, in relation to Canada.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I should take that as notice. I might just say by way of interim view that there is no reason for Canadians to be less than optimistic about the future value of the Canadian dollar in relation to European currencies given our wealth of natural resources in relation to their relative paucity.

MR. CRAIK: Mr. Speaker, I wonder if the First Minister could indicate that parts of the natural resources, the impact of the inflationary rates in the countries relatively speaking are perhaps more important and the actual changes in the value of the currency are the ones that have the impact.

MR. SCHREYER: Mr. Speaker, of course the Honourable Leader of the Opposition has a point and that is why there is considerable determination despite certain misgivings; considerable determination to try to follow certain guidelines of national restraint because of the relative rates of inflation here as compared to some of the other industrial countries of the world, and in the knowledge that adverse relative rates of inflation here will have an undeniable adverse effect on the cost at which we obtain investment capital in the markets of the world. I just might add though to my honourable friend that since Manitoba has been confirmed at a double A credit rating that we have had relatively good borrowing rates both in the United States and Europe.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): I direct this question to my leader, the First Minister, Mr. Speaker. On the Peter Warren show this morning a lady inferred that you didn't know that a cow had three or four outlets. That's not my question. My question is this, Mr. Speaker: Do you think the cow would be much more intelligent than the Federal Government to show disapproval by cutting production . . . ?

MR. SPEAKER: Order please. Order please. I'm sure we can take an "udder" time to do this. The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I direct my question either to the Honourable the Minister of Labour or to the Honourable the Minister reporting to the House for Manitoba Hydro. Can the Minister advise the House of the stage at which negotiations now stand on a new contract between members of the CUPE local at Manitoba Hydro and management?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Yes, Mr. Speaker, for the information of my honourable friend the Member for Fort Garry, I hope I don't disappoint him, negotiations are proceeding and we're all hopeful that a resolution of any differences that may be prevailing at the present time will dissipate as a result of the involvement of the Department of Labour solving this dispute as it has many potential disputes in the past.

MR. SHERMAN: A supplementary, Mr. Speaker. Is the Minister advising the House

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(MR. SHERMAN cont'd) that a conciliation officer from the Department of Labour is acting in the negotiations at this time?

MR. PAULLEY: Yes.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct a question to the Minister of Agriculture, and would like to ask him if he could inform the House whether or not he and his government have come to a firm decision as to whether or not Crocus Foods will be built in Selkirk.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Chairman, that is something that usually is a matter of policy and is usually announced in a very standard way, and when we are prepared to do that we will indicate to my honourable friends opposite.

MR. EINARSON: Mr. Chairman, I would direct a second question then. Unfortunately I wasn't able to be here yesterday but I've been given to understand that the First Minister was prepared to give a decision of this kind within 24 hours. I wonder if the Minister of Agriculture could convey an answer.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I suppose it could be a matter of privilege, particularly when one is so completely misconstrued. I indicated that we would attempt to bring a reply to the question of the Honourable the Member for Lakeside within, I believe I said 24 hours. That is quite different from saying that any decision or new policy would be announced within 24 hours.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I have some difficulty in remembering the question, but could I have the reply anyway.

MR. SPEAKER: Hansard will indicate. The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I would ask the permission of the House to make a non political judgement or statement.

MR. SPEAKER: The Honourable Member have leave? The Honourable Member for Roblin.

NON POLITICAL STATEMENT

MR. McKENZIE: Well, Mr. Speaker, Miss Sylvia Burka, the newly crowned International Speed Skating Champion of the World arrived back from our capital city during the past twenty-four hours, and while it's been announced that she will be honoured or tendered a public reception while the Cuban volleyball team plays Canada's national team at the Winnipeg Arena, I would like to now on behalf of all the members of the Legislature extend her the congratulations and sincere best wishes of all Manitoba for her outstanding exciting achievement and for bringing the trophy back to our great province.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. My question is to the Minister responsible for MDC. I wonder if the Minister could advise the House if Flyer Industries has advised the Minister of any financial or technical reasons why the 1974 Winnipeg order for 28 buses has not been delivered as yet, and similarly the 1975 order for 33 buses hasn't been delivered.

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I assume the City of Winnipeg would have taken that up with Flyer Coach Industries.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Yes, Mr. Speaker. I would like to pursue the question I originally posed to the Minister of Agriculture and ask the First Minister, in view of the report in today's paper where the headline is: "Enns Pleads for Halt to Selkirk Whey Plant." The comments made in this article by the First Minister - and I'm given to

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(MR. EINARSON cont'd) understand, I'd like to ask him, will private processing plants or any plants operated by the Co-operatives now be given the opportunity providing they put in for a licence to put in equipment to look after the whey problems, will that be granted to them?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the question of Crocus Foods has not yet been resolved and I think it will be some time yet before we can give a definitive statement, discussions are continuing in that respect. The question of licencing other particular plants is a matter for the Dairy Board to review and recommend on, and they are doing that in the normal way.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I have a question for the Attorney-General. I would like to ask the Attorney-General if he has completed his investigation into the fracas that occurred at the Winnipeg Arena last week; and if he has, will there be any charges laid?

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, I was away this morning so I'm not sure if there has been any report delivered to my office. To my knowledge, there has been no completion of the report yet to myself.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I have a question for the Honourable Minister of Tourism and Recreation and Cultural Affairs. I wonder if I can ask the Honourable Minister if he or the government are now prepared to honour this international athlete, Miss Sylvia Burka, by some other sports' event than attending the Cuban volleyball team at the Winnipeg Arena.

MR. SPEAKER: The Honourable Minister for Tourism and Recreation.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs)(Springfield): Mr. Speaker, I'm sorry, I missed the last part of the question. Could I have it please?

MR. MCKENZIE: Well, Mr. Speaker, my question was to the Honourable Minister and asking if his department or the government are prepared to honour this outstanding international athlete, Miss Sylvia Burka by some other event other than attending the Cuban volleyball team at the Winnipeg Arena.

MR. TOUPIN: Mr. Speaker, first of all as the Acting Minister of Organized Sports, I join the Honourable Member in offering the best to Sylvia Burka for her Gold Medal. I can indicate on behalf of my colleague, the Minister of Health and Social Development, that we have announced a program that is there to help athletes like Sylvia Burka. The reception and honouring that she will receive here will be the crowning of a program that was jointly announced by the department - well, actually it's the Department of Tourism, Recreation and Cultural Affairs, the Department of Health and Social Development and the Sports Federation, so I believe the athletes have been treated better now than ever before.

MR. MCKENZIE: A supplementary question then, Mr. Speaker. Now do I understand from the Honourable Minister's reply that the Sports Federation, the Department of Health and the Minister of Tourism and Recreation are all part of this volleyball game with the Cubans playing Canada's national team at the Arena.

MR. TOUPIN: Mr. Speaker, we're all part of a program to help athletes help themselves.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): Mr. Speaker, on a more serious vein, to the Minister of Urban Affairs, could the Minister confirm that the province's share of the transit deficit and Dash is conditional upon no fare increases.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister for Urban Affairs) (Seven Oaks): Mr. Speaker, I can neither confirm it nor deny it because it was never an issue.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I did have a response for the Member for River Heights. He asked yesterday whether the provincial auditor's review which he was asked

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(MR. SCHREYER cont'd) to undertake at Flyer Industries was completed. The answer is, it has been commenced but not completed. I might add that it is not a special audit but rather a review primarily of accounting procedures and there is, as I indicated yesterday, a private audit firm engaged as auditors.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I have an answer to a question that was asked of me last week by the Member for LaVerendrye respecting the radioactive burial site near East Braintree. I am advised that this department has monitored the radioactive burial site at East Braintree and that no radiation fields were detected on surface after burial was completed in 1963 - that's when the burial was made. It was monitored and there has been no radiation. The site has remained under observation with the latest inspection having been conducted on November 6, 1975, just several months back. This site has remained undisturbed since the original disposal. Tests are planned for this coming spring. The department advises me that there is no danger to anyone from the material and there are no environmental problems being encountered. The honourable member will be aware that this site was agreed upon many many years ago; the material was buried in what is hoped to be a satisfactory manner but it's continued to be monitored because I presume not all things are known about the disposal of radioactive material.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I understand that the Member for Lakeside put a series of questions to the First Minister yesterday with respect to financing arrangements for the Crocus Plant, and I simply want to reply to him that the province has indicated for a long time its willingness to finance such a venture on behalf of the producers of this province should they wish to engage in that kind of a processing plant. So that that is still a matter of negotiation, but the funds are available and we have indicated that to the producers of this province.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker, just a supplementary question. Is the amount of funds that I have seen in some documents in the neighbourhood of a million plus that the Department of Agriculture or the MDC or the government is putting in - can he clarify the nature of the standing offer as the Minister describes the situation?

MR. USKIW: The members opposite should be aware of the agreement that was entered into with the Manitoba Producers Marketing Board some one year ago wherein there is provision for equity participation up to a million dollars on the part of the province plus a loan amount of some several million dollars if need be.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Thank you, Mr. Speaker. I would like to pose a question to the Minister after giving his answer if MANCO do not intend to go ahead with this, is the Minister going to find some other means of financial sources?

MR. SPEAKER: The Honourable Minister.

MR. USKIW: Well the question of MANCO is something of a new venture, it was the province's wish that MANCO be brought into the arrangement, that would be our preference. In the event that they don't, of course, I am not in a position to indicate what the province's view will be. But I may indicate to the members opposite at this point in time that the Milk Producers Marketing Board wishes to proceed with or without MANCO.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I have one final supplementary to the Honourable Minister. Then the statement that the Minister made a week ago in this Chamber that if MANCO doesn't proceed with the project, the project would indeed become a dead issue, was, in fact, not factual.

MR. SPEAKER: The Honourable Minister.

MR. USKIW: Mr. Speaker, I believe my statement was, and if it wasn't so recorded it should be, that I was talking about producer participation.

MR. SPEAKER: Order please. Let's not start a debate on this issue. The Honourable Member for Lakeside.

MR. ENNS: . . . Hansard.

MR. SPEAKER: The Honourable Member for Brandon West.

CORRECTION IN HANSARD

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, on a matter of personal privilege, I wish to correct what might be for me an unfortunate error in the printing of Hansard. On Page 1000 of Hansard for Friday, March 12th on the fourth line, we were debating Bill 26, an Act respecting the City of Brandon, and I said "that they would like to proceed with in order to bring this" - and it reads "small project to a development stage." Mr. Speaker, what I said was "mall" project, and it is a very major project for the City of Brandon and not a small one. Thank you.

MR. SPEAKER: Thank you. The Honourable Member for Fort Rouge.

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MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, in the absence of the Minister of Health and Social Development, I'd like to pose a question to the Acting Minister that perhaps could be taken as notice. In light of the statement made yesterday by the Minister concerning the agreement for takeover of property of social agencies upon dissolution, whether the government could indicate whether that applies only to agencies which have received capital funds from the Provincial Government or whether it applies to agencies which have received only operating grants from the Provincial Government.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Speaker, the policy is that the government is interested and finds it necessary to protect the equity capital which shall flow to the agency or to the non-profit organization because most of the capital is paid through a per diem. It's to protect those amounts that are paid over the years that the government feels that there has to be an understanding, not about the initial investment by the organization but the ongoing capital after that, in order to ensure that the public dollar is returned to the public.

MR. AXWORTHY: A supplementary, Mr. Speaker, then to the same Acting Minister. In view of the statement just made by the Minister, could he confirm that such agreements that are being requested give the Provincial Government the option to take over all property for the price of one dollar.

MR. MILLER: Mr. Speaker, I don't know what agreement the member is referring to. I do know that the Minister of Health and Social Development did ask the member to make known to him the particular matter at hand that the member keeps referring to. I was under the impression that the Member for Fort Rouge had agreed to convey that information to the Minister of Health and Social Development. I gather that the Member for Fort Rouge has not yet done so.

MR. AXWORTHY: A supplementary, Mr. Speaker. I assume that the government has in its own possession copies of agreements that are being issued by its own officials, and I'm wondering whether in those agreements there is the option for the government to take over any or all property of any social agency to receive the provincial grant for the price of one dollar. I wonder if the Minister could confirm that or not.

MR. MILLER: Mr. Speaker, I still say that the member made some statements in this House that the Minister asked him to give details because there's many agreements, many relationships, the member indicated that he would convey the information to the Minister that could check it through in a specific way rather than a broad shotgun approach. The member has not yet done so.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I direct a question to the Minister of Education. I wonder if the Minister of Education can advise the House today following the question to him yesterday, whether in fact a number of senior personnel in his department were issued with termination notices a matter of a few weeks ago.

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): No, Mr. Speaker, there are no members of my staff who were issued termination notices a few weeks ago, notices which are effective.

MR. CRAIK: Mr. Speaker, then I would ask the Minister if he might make a

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(MR. CRAIK cont'd) further inquiry and advise the House whether the termination notices alluded to by myself were not in fact issued but were cancelled out in the last week or two and these people relocated in other departments.

MR. HANUSCHAK: Mr. Speaker, the Honourable Member for Riel asked me whether there were any termination notices issued. I presumed that he was referring to termination notices which are effective at this point in time, and there are none.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the loge to my left where we have a past member of this Legislative Assembly, Mr. Elmer Guttormson. On behalf of the honourable members, I welcome you here.

The Honourable Member for Birtle-Russell.

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MR. GRAHAM: Mr. Speaker, I have a question for the Attorney-General. I would like to ask the Attorney-General if the report of the Law Reform Commission which was tabled yesterday dealing with Family Law, if the divergence of opinion expressed by members of that Law Reform Commission is consistent with the views of the government.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I would suspect that the divergence of opinion expressed in the Law Reform Commission might very well reflect divergence of opinion throughout the entire provincial community insofar as such an intricate subject matter is concerned.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. I have a question for the Attorney-General. I wonder if the Attorney-General can indicate to the House if he's got any studies as to whether or not restriction of ownership and registration of guns reduces crime.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I have not seen any studies which have done an analysis in regard to that subject and which have so indicated. There may be studies which I'm not aware of within the confines of my department but I have not to date seen such studies or analysis.

MR. PATRICK: A supplementary, Mr. Speaker. I wonder if the Minister can indicate to the House if he had any communications with the Federal Government and does he support the Federal gun legislation that limits ownership of guns and requires registration of guns.

MR. SPEAKER: Order please. The second part of the question is asking for an opinion.

MR. PATRICK: Well, perhaps he can answer the first part, Mr. Speaker.

MR. PAWLEY: I'm sorry, in the confusion of the back and forth, what was the first part?

MR. PATRICK: Did the Minister have any communication with the Federal authorities respecting this legislation, the gun legislation?

MR. PAWLEY: Mr. Speaker, this legislation proposed by the Federal Government has been the subject of at least two and possibly three conferences involving Attorneys-General and the Solicitor-General and the Minister of Justice. I have also engaged in correspondence on my part with the Federal Minister of Justice, Mr. Basford, in connection with the legislation.

MR. PATRICK: A final supplementary. Does the Minister support gun legislation, Federal gun legislation?

MR. PAWLEY: Mr. Speaker, the representation which I made to the Federal Government was my very great concern in connection with the cost implications of this legislation, cost implications which may be shouldered either by the Provincial Government

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(MR. PAWLEY cont'd) . . . itself or a cost implication that might be excessive to the owner of guns in Manitoba. And that has been the basis of my concern. I have also expressed some uneasiness as to the effectiveness of that legislation pertaining to the licensing of guns and to whether or not it will be effective. I have indicated support for that part of the legislation which deals with custody and control of guns and the accompanying civil and criminal liability ensuing therefrom.

ORDERS OF THE DAY - ADJOURNED DEBATES ON SECOND READINGS

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker. Would you now proceed with the adjourned debates on second reading of the bills standing on the Order Paper.

BILL NO. 10, AN ACT TO AMEND THE ANIMAL HUSBANDRY ACT

MR. SPEAKER: Thank you. Bill No. 10 proposed by the Honourable Minister of Agriculture. The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I have a few comments to make on Bill No. 10, which is an amendment to the Animal Husbandry Act. While it's a number of days ago since the Minister gave his explanation of this bill, he indicated that it was sort of a tidying up of the legislation in this regard and there are some things that were done, which I agree insofar as the amendments were concerned. And I agree with him on this, that we want semen being used by the users of the cattle, that is the dairy and the beef industries to be free of disease, I can go along with that.

I think he mentioned another matter which pertains to the technicians, that in one area there may be 20,000 cows being served by a technician as opposed to another area there may be 5,000 cows being served by one technician, and there is sort of a discrepancy here; that these technicians I think depend on this as a business for their living and the Minister has given some indication to making some amendments to assist that technician who doesn't have the opportunity to provide for himself amenities of life. So I understand there are amendments being made to take care of that.

MR. SPEAKER: Order please.

MR. EINARSON: But Mr. Speaker, there is one aspect of this Act that I am concerned about and he seemed to gloss over it very lightly, and that is Part 9 of the Act is being taken out completely and being substituted with a new section of Part 9. I am given to understand from this Mr. Speaker, that the Advisory Board to the whole AI semen program in the Province of Manitoba is in complete disarray. The members that are on that board are representing the producers or the users in this province and from what I'm given to understand there is going to be a new board established. The province has been divided into five regions, each region has the opportunity to nominate one person, which makes five members; the technicians can appoint two people to represent them, but the government by Order-in-Council will appoint these people.

My question is now, if one of the five regions should nominate an individual farmer or what have you to represent them on that board, if the Minister doesn't like something about that individual, can he deny that person from being put on that board because it's done by Order-in-Council? I don't understand, Mr. Speaker, why the Minister now all of a sudden decides that a change has to be made. To me this is not just sort of a cleaning up amending of the Act, I feel that there is something seriously wrong in the whole AI program, Mr. Speaker, by completely changing that portion of the Act. I would have thought, Mr. Speaker, that the producers would have the opportunity to nominate and elect that person of their choice to represent them on the board. The other aspect of this whole thing is that the Director of Veterinary Services, I am given to understand, is going to have complete authority in governing this whole AI program. I'm also given to understand that the stud that were operating in the City of Brandon is no longer there, it's been closed up, and I believe the operation has been transferred to the University of Manitoba.

There's another matter that concerns me, Mr. Speaker, and that is the distribution

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(MR. EINARSON cont'd)of semen. In the new section that the Minister is introducing, it's very ambiguous in the way this thing is worded, and while we can't at this point in time deal with the Act section by section, we will want many questions answered insofar as this part of the amendment is concerned. I am very concerned, Mr. Speaker, and I would suggest and hope that the present Advisory Board that are now operating an AI program would come before us in Law Amendments and express their feelings and their views as to how this whole AI semen program has been operating over the past number of years. I can think back, Mr. Speaker, when I attended a meeting in Portage la Prairie three or four years ago when one of the member of that board stated that had the terms of reference that had been established in 1969; had those terms of reference been abided by, the farmers, who are users, and the technicians, would not have been involved in the problems that they've had over the number of years had those things been adhered to. This is something that one of those members of that board made, had suggested at that meeting.

I'm concerned, Mr. Speaker, we've got problems throughout our whole cattle industry whether it be beef or whether it be dairy, and in the dairy in particular it's getting worse now; and I'm concerned too because I think the greater number of users are in the dairy field of the semen program. So Mr. Speaker, while I have reservations about some of the intentions of the Minister when he talks about tidying up the bill insofar as Part 9 is concerned, where he has taken it out completely and substituted it with a new section - it's almost like new legislation, Mr. Speaker, I may suggest to the Minister. I would like to know when he talks about semen distribution, is this stud going to operate at the University? Are the controls going to be established to the point where no outside semen is going to come into the Province of Manitoba without the authority of the director? Is the board that is supposedly being appointed, are they going to have any powers insofar as advising this concern? I'm given to understand the present Advisory Board have not had the opportunity of giving advice. If they have done, Mr. Speaker it's been ignored completely, or very much so, very close to that anyways. Because, Mr. Speaker, I'm sure that if things were going well within the AI program in the Province of Manitoba, the Minister would not have to see to it that the Act had to be revised so substantially. I'm concerned, Mr. Speaker, with the way this thing has been revised, and I know we're going to be allowed to go to committee, I would like to hear further answers to the questions that I've posed to the Minister as to just where are we going in the whole AI semen program in Manitoba.

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

MR. USKIW: Mr. Speaker, I appreciate that the Member for Rock Lake perhaps is not fully aware of the changes that have already been brought into being over the last 12 to 15 months, and I don't fault him for that because these changes were coming about on the recommendation of the existing board and essentially the operation of the centre in Brandon has become the operation and service of the Department of Agriculture, it is no longer an autonomous body. It is a service provided through the department, and that was agreed upon on the basis that the board found itself in a great deal of difficulty to carry out the responsibilities which it had once assumed without direct departmental assistance. It's really a rationalization of the system that has taken place, the legislation that we have before us confirms what is now the practice.

But let me correct the Member for Rock Lake, Mr. Speaker, and that is that the board that does exist in an operative autonomous body, it is not an advisory board, it makes decisions. And notwithstanding the fact that the department is providing the service at the moment, it is doing so on the resolution of that board. So that when the Member for Rock Lake suggested that the Advisory Board had not had an opportunity to give its advice, it is in fact the operating body and authority. The Crown has no authority in that respect, it is acting on the resolutions of that board. So the Member for Rock Lake obviously is not current with his information, Mr. Speaker.

The board that is being proposed, the Advisory Board that is being proposed, it is not a board that will be nominated, but not necessarily appointed. I think if the member

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(MR. USKIW cont'd) reads the bill he will note that it is suggested in a section of the bill that the region shall nominate a person who shall be appointed. So the region selects the person, not the department, at an annual meeting or whatever procedure takes place within the region; so that it's a person that is recommended who is appointed, but the recommendation comes from the region and the users. --(Interjection)--That is correct, Mr. Speaker. The Member for Rock Lake suggests that he is only nominated and of course the department appoints him, but the person is one and the same. The department as I understand, as I read this section, it's indicated that the department is obligated to appoint a person who is nominated by a region. It's not a question of having a choice, it's a question of having to appoint the one that has been nominated within the region. So the assumptions of the Member for Rock Lake are incorrect in that respect, and I hope that that clarification will put his mind at ease, Mr. Speaker.

With respect to--(Interjection)--Yes.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Would each area have the responsibility of appointing just one person?

MR. USKIW: Each of the five regions, Mr. Speaker, will nominate a person. There will be five persons who will then be subsequently appointed to this Advisory Board. That is the procedure that is intended.

Now with respect to the question of the Brandon stud. I want to again clarify for the Member for Rock Lake that we were not involved nor do we intend to be involved in the operations of that stud or any stud. That is not in the cards. We are simply talking about a distribution centre at the moment, and should something else evolve over the years into the future, that would depend to a great extent on the wishes of the users themselves through their Advisory Board. That is something that only the future can determine for us. I certainly wouldn't want to make that judgment in advance. That is the whole purpose of getting the users involved in an advisory capacity, so that we hope to respond to the needs as seen by the users as opposed to the desires of any particular interest group in the kind of service that is provided to our livestock people. So, no, the stud is not part of this operation, that is a private business. It has nothing to do with the department or the government, nor has it been transferred to Winnipeg. We do not operate such a facility in Winnipeg either. We operate a distribution centre, and we handle products from anywhere in the world on the request of our users in this province.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 14 proposed by the Honourable Minister of Labour. The Honourable Member for Fort Garry.

MR. L. R. SHERMAN (Bud) (Fort Garry): Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 15 proposed by the Minister of Labour. The Honourable Member for Fort Garry.

MR. SHERMAN: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 16?

MR. SHERMAN: Stand please, Mr. Speaker.

MR. SPEAKER: Bill No. 17 proposed by the Honourable Minister of Tourism and Recreation. The Honourable Member for Roblin.

MR. McKENZIE: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 18 proposed by the Honourable Minister of Mines. The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 19 proposed by the Honourable Minister of Consumer, Corporate and Internal Services. The Honourable Member for Fort Garry.

BILL NO. 19 - THE RENT STABILIZATION ACT

MR. SHERMAN: Mr. Speaker, I have no wish, Sir, and my colleagues have no wish to delay the passage of this bill through the second reading stage and into committee where it can be given clause by clause examination and where public representations can be heard. There's no question that the committee stage is of a crucial nature for this particular piece of proposed legislation and for that reason, Sir, I intend to withhold my comments on it at this point so that the bill can move forward.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I believe that the Minister wishes to close debate and I wonder if we can . . .

MR. SPEAKER: . . . someone take it under adjournment?

MR. WARNER H. JORGENSON (Morris): We would have no objection if the House Leader wants to take the adjournment on his behalf.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Yes. The point I was making is that I believe he would like to close debate now. He is now on his way to the House if the honourable members would just wait a second.

MR. SPEAKER: The Honourable Minister of Consumer Affairs. Bill No. 19.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, rather than adjourn debate on this bill I think it would be appropriate to close debate to enable it to go to Law Amendments Committee.

I would like to say that with this bill, I certainly have appreciated comments that members have made. I do not pretend that the bill is legislation in its perfect and ideal form. Far from it. However, it is the basic fundamentals of a rent control and stabilization legislation in this province, and I think it has one redeeming feature. The way it's drawn now, it is relatively simple, it will be fairly easy to administer, and quite simply, Mr. Speaker, the way it's drawn now, is a bill that will work administratively.

However, it seems that there are many members of the opposition and certainly members in the public at large who do believe that some changes should be made to the bill. When this bill is brought before Law Amendments there will of course, as there is always with any major piece of legislation, be changes instituted by the government and I will be bringing certain amendments forward at that time. Before detailing what they are, Mr. Speaker, in any way, I would like to say that I certainly appreciated the speeches made by members opposite. They were with very few transgressions, speeches that I believe led to almost a non partisan consideration of the bill of the proposed legislation. I don't think that this legislation needs partisan input, I think that sensible consideration in Law Amendments based on the facts that are presented to us there by people involved in this industry, and hopefully by some tenants, will lead to changes that will make the bill sensible and will make it even more equitable than it now is.

There is, I think, a necessity for this kind of legislation. To attempt to inject partisan wrangling over its provisions, I think, would defeat the purpose. I do believe that in my experience in these sessions here we have a unique possibility to come forward with legislation which will be acceptable to both sides in this debate. I think that we have perhaps as never before the opportunity to provide as legislators, leadership to the community, and I think that leadership is necessary to deal with inflation. For as long as I've been the Minister there have been people, both from the opposite sides of the House and in the public at large, who have said that there is great need for governments to act to curtail inflation, and this Rent Stabilization Bill is one of the first major efforts of the Provincial Government here to come to grips with inflation.

Mr. Speaker, I don't think that the various suggestions that every detail of how the bill will be administered should be or can be explained. As I indicated to the Member for River Heights last night, whatever changes are made to this bill as it now stands really will require counterbalancing changes for the other parties who will be most directly impacted by the legislation. In other words, Mr. Speaker, if we do alter the percent amount, for example, it would seem to me that that would require some other

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(MR. TURNBULL cont'd)changes. If we change the date of retroactivity to July 1st date, to a date in October or November or January or whenever, that would merely mean that it would get further numbers of landlords who would be in a position disadvantageous as compared to where they would have been if the legislation had contained different dates for the retroactive period. I think that the percent amount and the period of retroactivity are two provisions in the bill which are basic and which to alter would do no more than create problems for other landlords and certainly for other tenants.

However, Mr. Speaker, there is one area that certainly I will be considering changes, and that is the area with regard to the problem that some landlords will encounter during the initial period, that is the 15-month period from July 1975 to September 1976. That period as the bill is now drawn does not allow for the landlords to make application for increases above the 10 percent level. I had the bill drawn that way to provide simplicity in administration and to provide a practical way of administering the Act in this initial period. I should spell out to the members that there is a problem with the time limits that are contained in the bill. The problem arises because of the notice provisions that are contained in the Landlord and Tenant Act; any landlord acting under the Landlord and Tenant Act, if he wants to increase the rent, must give his tenants three months notice.

Mr. Speaker, this bill, no matter how soon it becomes law, will require landlords who are seeking additional increases for the second period after December 1976 to make an almost immediate application for an increase in rent above the amount that will be determined by the board and the regulations. That could mean that if we allowed applications during the initial period, then some landlords would have two applications before the board, applications that would be back to back; an application to allow an increase over the 10 percent for the initial period and an application to allow, if it was necessary in their case, an increase above the regulated amount in the second period after September 1976. That Sir, seemed to me from an administrative point of view to be not the kind of situation that landlords would want to face. They would be in the position of having to cope with making two applications, and the board itself and the review officers acting under the board would be faced with the great difficulty of handling duplicate or very similar applications from various landlords.

However, it's clear that some landlords are in a position where, if they do not have the rights under the bill to make an application for an increase over the 10 percent in the initial period, they will just not be in a very tenable financial position. Therefore, Mr. Speaker, I will be proposing at Law Amendments Committee that landlords will be allowed to make application during the initial period. That means that some landlords, those whose costs are in excess of what they could recover at the 10 percent increase in rent for the initial period will have the right to go before the board, present their books and get an order from the board to allow an increase. I should point out that, or re-emphasize, that I thought that landlords would want to avoid the kind of administration that that application in the initial period would entail, but it seems that there are significant numbers who would rather go through the administrative process with the possibility of getting an increase higher than the 10 percent than there are those who would not want to go through that administrative procedure. Therefore, Sir, that will be one change that I will be suggesting to Law Amendments Committee.

Mr. Speaker, there are some other alterations in the bill that will be made and certainly I will be open to suggestions made by members of the Opposition. The problem with the bill of course, as I have indicated to you, is that any change made on behalf of one side impacted by the bill, say, on the side of landlords, really will necessitate some change on the other side to enable the tenants to maintain the equity that I believe is now in the bill. And to maintain that balance, Sir, will be the problem that all of us will be faced with as we go through the Law Amendments process and hear representations from the public.

I think that, although I could speak at some length of the various considerations I have made on different aspects of the bill, that it would be in the interests of consideration of the bill to allow it to go to Law Amendments Committee without any further debate on my part. I think that, as has been indicated by the Member for Riel and by the Member for Fort Rouge and others, that the consideration of the bill would be best handled

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(MR. TURNBULL cont'd)in Law Amendments Committee. I see they're nodding their heads, and if that is the case, Sir, rather than delay the bill any further, I would propose to let it go now to Law Amendments Committee so that we can deal with the specifics of the bill, the detailed sections of the bill which of course I cannot do now under the rules of the House.

So Mr. Speaker, then, in closing I can say that this is one significant change we've made to allow the landlords to make an application during the initial period. There will be counter balancing changes proposed by me to enable the tenants to maintain their equity in the bill and further changes, counter balancing changes proposed by me, to enable the bill to retain its balance between landlords and tenants.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 25, proposed by the Honourable Minister of Highways. The Honourable Member for Birtle-Russell. The Honourable Member for Fort Rouge.

MR. AXWORTHY: I wonder if the Minister would accept a question - or the House Leader - on the issue of when we might expect Law Amendments Committee to meet to consider this particular bill, in light of its importance.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, it has been ascertained from the Minister that Monday morning at 10:00 o'clock will be satisfactory for a meeting of Law Amendments Committee to consider this bill, representations on the Rent Stabilization Bill. And also, I hope it will be satisfactory, I've checked it with the House Leader of the Conservative Party that sometime on Monday afternoon at about 3:30, I would like a meeting of Municipal Affairs Committee to consider the bill presented by the Member for Brandon West concerning the City of Brandon. That will only involve Municipal Affairs Committee, that will not involve all of the honourable members of the House, and we would not have simultaneous meetings of Supply at that time so there would still be a meeting of Supply plus Municipal Affairs Committee in Room 254.

So that would be two meetings scheduled as of now, Monday, 10:00 o'clock for Law Amendments Committee, Monday 3:30 for Municipal Affairs Committee. I would appreciate honourable members who are acquainted with anyone who wishes to speak on these bills to so advise them, and I also would appreciate the usual co-operation of the fourth estate to give us some free publicity on those meetings.

MR. SPEAKER: The Honourable Leader of the Opposition on a matter of procedure.

MR. CRAIK: Mr. Speaker, just on the same point, Mr. Speaker, just for clarification. Then the House would sit as usual at 2:30 and then resolve itself back to the two committees, Law Amendments and Municipal Affairs at 3:30.

MR. GREEN: The House would continue its normal business, and we would go into Supply at approximately 3:30 and at the same time there would be a meeting of Municipal Affairs.

MR. CRAIK: The Law Amendments Committee would sit only Monday morning and then the sitting after that whether it was evening or the next morning would be decided on Monday.

MR. GREEN: I may be able to have another meeting scheduled before Monday but I would do that only when I am aware of the position of the House Leader of the Conservative Party.

MR. SPEAKER: The Honourable House Leader. We have gone through all the bills.

MR. GREEN: Well I would then move, Mr. Speaker, seconded by the Minister of Urban Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair for Urban Affairs and the Honourable Member for St. Vital in the Chair for Public Works.

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MR. CHAIRMAN: I would refer honourable members to Page 58, Resolution 114 (a)--pass. The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, there was one question that I asked the Minister yesterday. I thank him for answering all the others, and I know when I asked this one he was busy with his people getting acquainted with the ones I had asked previously, so he might have missed it.

In the Manitoba Housing Renewal Corporation auditor's report that we have in front of us, it's Grants, Schedule 1, I had asked about the number of people involved, he gave me that. But I asked about the grants, the very last one, Manitoba Provincial Tenant Association in 1974 was 6,290, there is nothing in 1975. As I mentioned yesterday, I believe, and I could be wrong, but was this not the grant set up to the Tenant's Association to enable many people living in the government housing to become members of community clubs etc. and partake in the community activities? And if so, has it now been cut out?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Chairman, I apologize to the member for not responding yesterday. The amount referred to was a once-only grant made in order to help the Manitoba Provincial Tenants Association to become organized. A grant is made annually but is part of the annual operating cost and therefore it's not a separate figure on to itself as it was in that particular financial statement.

With regard to the question of whether the money was for children in these projects being able to enroll in community centres, as I said earlier, no, this grant was a once-only grant for organizational purposes. There are grants made to the Tenants Association of a particular project so that they can participate in the provincial association and to do other things with those funds as they see fit; they could perhaps use that money for the purpose mentioned by the member. But the amount is part of the annual operating cost and that's why it isn't shown this year.

MR. CHAIRMAN: Resolution 114: Be it resolved that there be granted to Her Majesty a sum not exceeding \$12,451,900. for Urban Affairs. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, I would like to ask the Minister a series of questions on the operation of the Manitoba Housing and Renewal Corporation dealing more or less with the method that the government is using or the Manitoba Housing and Renewal Corporation is using in getting their work done.

Can the Minister indicate whether they use a variety of tender forms, or is most of it a tender proposal concept? Perhaps he could explain to us the various methods used by the Manitoba Housing and Renewal in the calling of - or the method they use to get their work done.

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Chairman, it's my understanding that they use a - the term used is "variety", and it is variety. There are proposal calls, there are advertisements, that people who own land properly zoned can submit a proposal to MHRC for the construction of elderly persons or family housing or a combination thereof. And the MHRC use that. There is also the tender system, the traditional tender system where an architect creates a design and it's tendered out based on the specifications in that design.

There's also, they have on occasion used contract management, that is management proposals, in the sense where the total amount is known and then it's on a project basis. Project management, I think is the term used in the trade.

There are as well the ready-to-move plans which MHRC is involved in. These are mostly used for rural and native housing and those are supplied by these manpower plants. I think that's the nature of the variety.

MR. GRAHAM: In the various projects that are used, is it the dollar value that dictates what type of system is used? In the larger projects, are they all under a tender system? Maybe the Minister can give us a breakdown in that respect, how they arrive at which type of proposal they will use.

MR. MILLER: I think that is dictated by the particular problem or particular issue at hand. In the City of Winnipeg where the MHRC does not have the land, then

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(MR. MILLER cont'd)the proposal call system was introduced last year, they went back to the proposal call system. Where land is available that is owned by MHRC, then MHRC could and I think usually does tender on a specific plan. It's not a matter of the dollars involved, it's really a matter of the nature of the project that's being planned.

So as I say, in the City of Winnipeg or in a community where there is no land and the land is held privately by builders, then the proposal call would be used. If the land is owned by MEHC, then there could be a design established for that project, it could be tendered to specific specifications. In the final analysis, what happens to the project depends on what the costs are, the quality etc. - and as I say, sometimes of course they'll use the RTM which of course is a different kind of housing and they're usually for different areas.

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

MR. GRAHAM: Under the contract management concept that they use, do they call tenders for management firms to bid on these jobs? Or do they arrive - is it a negotiation that is carried on between the MHRC and two or three people that are in the management field?

MR. MILLER: Mr. Chairman, as I understand it, project management or construction management is done in other departments and generally in the private sector as well, and I think MHRC does the same thing.

A project manager or a construction manager is hired at a given amount, then the tenders are for all the sub trades. Everything that is in the project then has to be tendered out. The firm that is going to be the project manager isn't on a tender basis, it's on a selection basis of some kind, but then once the price is determined, the tenders are then called for all the sub trades which will make up the total package.

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

MR. GRAHAM: Can the Minister indicate, out of the total program last year what amount or what percentage of the work was done under a contract management concept?

MR. MILLER: I'm afraid I don't have that answer at hand nor does my staff. I could take that question and convey the information to the member as soon as I can get the information from MHRC.

MR. GRAHAM: At the same time could the Minister, while getting that information, could he indicate the number of managers that were hired in the past year and the number of projects that each one handled during the year.

MR. MILLER: Yes, I'll get that information, Mr. Chairman.

MR. GRAHAM: Under the proposal setup I'd like to ask the Minister if the occurrence that occurred in my constituency is a common occurrence through the province and I think perhaps I'd better give him some of the background information.

Last fall Manitoba Housing and Renewal called for proposals for a senior citizens project in the Village of Binscarth. Tenders were out and I understand that a contract, I suspect it would probably be the lowest, was successful and after the contract was signed, I understand some two or three weeks later, the contractor was informed that work would be held up until the middle of this summer. I would like to know if that is a common occurrence or whether it just happens occasionally.

MR. MILLER: Mr. Chairman, that was not a proposal call. As I understand it that was a tender call. The project was not gone ahead with because of the funds that the MHRC had and because of the success of our thrust into Winnipeg. The moneys allocated were mostly spent in Winnipeg in the fall and as a result certain, in this case Binscarth, was simply held over and wasn't proceeded with. It is not common; at the same time it's not that uncommon.

MR. GRAHAM: Well can the Minister then confirm that just a matter of a few weeks later there was some three-quarters of a million dollars of MHRC funds were allocated for the purchase of land for a satellite city. It seems rather incongruous that they have funds for that when they will defer tenders that have already been called and programs that have already been approved.

MR. MILLER: Mr. Chairman, the moneys referred to are in different

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(MR. MILLER cont'd) allocations in the CMHC budget, in the Central Mortgage and Housing Corporation. You cannot simply take the money from one allocation and spend it on another. The moneys referred to is in, I think it's Section 42 which is land banking money and cannot be used under Section 43 or any other section and vice versa.

MR. GRAHAM: The Minister is then telling me that there's been no instance where money has been transferred from one allocation to another. Is that correct?

MR. MILLER: No, Mr. Chairman, I'm not saying that. I'm saying that the money is assigned by CMHC for certain categories. I'm sure there have been occasions over the years where MHRC has gone to the CMHC and has said, "We are not going to expend the money from this particular account. Can we swing it over?" I don't think that was the situation last year. I believe that MHRC did spend its allocations, I think, in all categories.

But in any case this was in the fall, as I recall, and we have the problem of working within the time constraints of a calendar year, January to December, or the money lapses. We had exhausted the funds under Section 43. The moneys referred to by the Member for Birtle-Russell are in another section and perhaps an application could have been made but I can tell him those applications are not dealt with quickly. It takes months to get a transfer of the kind he's suggesting.

MR. GRAHAM: Then, Mr. Chairman, when a tender has been accepted and construction is deferred is the contractor then held to the contract price even though it is not his decision but MHRC's decision to postpone construction for six or eight months? Is a contractor still held to the original contract price even though the cost of materials and that is escalating?

MR. MILLER: Mr. Chairman, you can't hold the contractor. If he tendered and the tender is good for sixty days or whatever it was, then that's all you can hold them to. There's an attempt to renegotiate and if the bidder feels he cannot and does not want to maintain his bid beyond the sixty-day period then he's of course free not to do so. I'm sure, however, there's negotiation takes place between MHRC and the builder to try to convince him that he should build under the tendered price. Whether or not he does build or not depends entirely on the contractor and whether he feels that the price he received is something he can live with.

MR. GRAHAM: If the original tender refuses to negotiate under that do they then go to the second bidder on the project or is the whole project scrapped and then they start all over again.

MR. MILLER: They re-tender, Mr. Chairman.

MR. GRAHAM: Then we can assume that if the MHRC does not negotiate successfully with the contractor in this present case then we can assume that it will be another year before construction starts on the project in . . .

MR. MILLER: The Member can assume what he wants. I answered the question that if the successful bidder does not want to build at the price that he tendered for it has to be retendered then to the extent that tendering takes time, it will be delayed to that extent.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I just have a couple of questions to the Honourable Minister and he may have answered the questions. Does senior citizens' housing have a priority over low rental housing?

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Yes, Mr. Chairman. Elderly persons' housing has a high priority.

MR. McKENZIE: Do the larger centres then have a priority over the smaller centres, as compare Dauphin to Grandview or Inglis. Do the larger centres have a priority?

MR. MILLER: Yes, Mr. Chairman. I'd have to say they do.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I'd like to pursue with the Minister the relationship between Manitoba Housing and Renewal Corporation and the Leaf Rapids Development Corporation. We have received, I guess primarily through the newspapers

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(MR. AXWORTHY cont'd)in the last year, certain notices to the effect that Leaf Rapids Development Corporation was acting as the development agency, as the development arm of MHRC, particularly in respect to the proposed new town development at East Selkirk and I believe in terms of the large scale development that is being proposed for the south St. Boniface— St. Vital area.

The question I have really relates to the nature of a relationship that exists between two Crown corporations of the same government. To begin with the purpose of the Leaf Rapids Development Corporation initially, as I understood it, was to develop a new townsite in the northern Manitoba. That was its basic mandate and therefore it was reporting to the Minister, I believe, of MDC to whom it's responsible. I don't believe that the Leaf Rapids Corporation itself provides a public report to outline both its expenditures or its accountability and I'm not sure, maybe the Minister could determine for us what kind of auditing position is taking place.

But we now have in a sense a change or different role for the Leaf Rapids Development Corporation where it's now being asked to act as the government's development agency or in effect was setting up a development company on behalf of the Provincial Government to undertake a number or different variety of kinds of urban development projects. The difficulties I see in that relationship is the one of accountability, because in a sense the only agency to whom Leaf Rapids is accountable in this case is MHRC. So we're really getting, in a way, a secondhand kind of accountability and we're not really able therefore to provide the kind of disclosure and the kind of scrutiny that should be applied to an agency, particularly one that is working in as sensitive a field as development.

Therefore I think it would be important to spell out very explicitly the kind of agreements that are signed with Leaf Rapids Development Corporation and MHRC. I would suggest probably that it would be of great use to this House and to the members of this House that considering the new role for Leaf Rapids Development Corporation, that that role be spelled out more explicitly and that perhaps Leaf Rapids Corporation itself report to this House directly through perhaps the Minister of Urban Affairs. You can sort out for yourself which Minister should be reporting for it. But, in fact, this new role it's taking on, the new tasks, I do believe do require a fair degree of public observation and response which I don't think it received as adequately in this new role as it does working really as a secondhand agency, and I don't mean that in the way the song uses the word, but really somewhat related in a "secondhand" way from the direct accountability of this Chamber.

So that is really one series of questions I would have, is the basic accountability and responsibility of one Crown corporation reporting to another Crown corporation particularly working in the field that it's doing, which is as I've pointed out a very difficult, sensitive and vulnerable field of activity for any government agency to go in. I do express in part, Mr. Chairman, some dismay that the government hasn't been a little bit more clear in delineating what the role of Leaf Rapids would be and perhaps making sure that its lines of responsibility are explicitly set forward because it is obviously now becoming a very important agency of government and yet one that doesn't have much line of responsibility. I recall, for example, and it's just a question, that going into the Public Accounts book of last year there were, in effect, almost it seemed to be two Leaf Rapids Development Corporations, because there was one grant for transfer of funds from the government to a Leaf Rapids Development Corporation (Leaf Rapids, Manitoba) and another grant of over a million dollars going to Leaf Rapids Development Corporation, no bracket, which meant in effect we almost seemed to be talking about two corporations and it seemed that we were talking about 35 or 40 employees or officials or agents working in this area which again means it's a pretty big high-powered operation and one that hasn't been really subject to too much disclosure.

The other question I would ask then, Mr. Chairman. Once the Minister is prepared to answer those questions, would he explain more clearly what the exact nature of Leaf Rapids Corporations's responsibilities are in the development of these large projects. Could he explain exactly what transference of funds will be taking place? Will they be, in fact, using MHRC capital? Will they be working on contract? Was in fact that

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(MR. AXWORTHY cont'd)decision made without any consideration given of whether private firms - I know the Minister's dislike for private firms but still it may be that that could have been another way of doing it. Again that question of the rationale for the choice of Leaf Rapids to undertake this kind of development work and the kind of financial arrangements that pass between the two corporations. Is MHRC paying now for staff? Is it giving a cost-plus contract and getting into the . . . world of how construction firms and development firms work out their deals. It would be important to know what the deal is that Leaf Rapids has made with MHRC in terms of undertaking this kind of work for it. Then, particularly, how does Leaf Rapids then go on about assigning consulting work, architectural work, all the other kinds of skills and applications that a development corporation should engage in. Again is it being done by tender? Is it being done by open bid? Is it being done by invitation or is it being done by some form of - we know somebody who can do a job, let's ask him to do it kind of thing? So I think, Mr. Chairman, there is a number of questions related to the role of the Leaf Rapids Development Corporation that has very specific application to the urban situation and I'd be interested in the Minister's response.

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Chairman, it's not nearly as complicated as the member makes out. The Leaf Rapids Corporation is being utilized; their expertise is being utilized. They have developed an expertise in the development of Leaf Rapids, the town of Leaf Rapids. The capacity is there; the expertise is there. It's a fairly small group and they're really being used in a consulting and a developing role by MHRC. It's in the same way as if they were a private engineering firm who would be hired by MHRC. One of the major engineering firms could be hired and in turn the firm would utilize other expertise which is not contained within the firm because very few of the firms are that totally integrated that they cover everything. They go outside their own quarters, their own structure for additional expertise and that's what Leaf Rapids would do. Just as a private engineering firm would hire whoever they'd hire for inputs, whether they be of a design nature or a consulting nature; similarly Leaf Rapids Corporation will do the same thing. It's a standard engineering agreement as I understand it which MHRC will be entering into with Leaf Rapids Corporation on a project by project basis.

The Provincial Auditor is the auditor who will be auditing both the MHRC, as you know, and Leaf Rapids Corporation. The Leaf Rapids Corporation will still be, I suppose, responded to by the Minister of Mines and Natural Resources as the Minister responding for MDC.

Basically it is a standard engineering agreement; it's on a project by project basis to act as both consultants and developers and if they have to go outside their own expertise then they will do as any private firm will do, they'll take on someone who has knowledge of sewer and water mains, for example, and the design thereof, and hire them to do the work. It's basically an attempt to utilize expertise which has been developed in the public sector and since that expertise is now there it would be a shame to just let it be dissipated and disappear.

MR. AXWORTHY: Mr. Chairman, I think that the answers given by the Minister only partially satisfy the concerns I have. Let me ask first if the Minister could describe: are there now in being agreements between Manitoba Housing and Leaf Rapids Corporation and what amounts of money have been contracted for? If it is being treated as a private or similar to a private engineering firm, could the Minister then indicate if there are now agreements being utilized or signed, what kind and for how much?

The second question I have which disturbs me a little bit. He again says that the Leaf Rapids Corporation is being allowed to pursue its interests similar to any private firm. The problem, Mr. Chairman, is Leaf Rapids is not a private firm; it is a public firm. It is in the public domain of which we are reminded a great deal by members opposite. Therefore it must adhere to practices different from a private firm by the mere fact they're spending public moneys in a very distinct kind of way and therefore it cannot operate necessarily by the same kind of considerations. There is an obvious difference between the mode of operation or the operating method of a Crown corporation because obviously - and I wouldn't in any way suggest this - but any agency

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(MR. AXWORTHY cont'd)of government is at times susceptible to political suasion as to how it expends its moneys and to whom and in what way.

Therefore, the ways in which you protect against those is by building in certain kinds of requirements for disclosure and certain kinds of ways of ensuring that any bids for work are open or subject to competition. Therefore a Crown corporation cannot act the same way because they are dealing with public money and if we are going to be using Leaf Rapids Development Corporation as a private firm, I guess my question is then; what kinds of protections do we have in relationship to the amounts of money that is now being transferred into its hands and therefore being used to hire people to undertake a variety of tasks? What kind of assurances do members opposite here have that this is being done in accordance with the proper and responsible standards of procedure of any government agency who expends public moneys, expending them not for the sake of one point of view or another, but is open to anyone who feels that they can do public business? Perhaps the Minister can amplify on that.

MR. MILLER: Mr. Chairman, the member talks about the accountability and I ask him what accountability do we have where public funds are spent through private firms? A private firm assumes a consulting role or signs an agreement to perform certain functions. It may then sub contract with others or call on other firms to fill in the gaps within their own expertise and they choose who they want I suppose. In the final analysis the fact is that the product has to be delivered within the price agreed upon.

The member asks about an agreement. There were tentative agreements but the final agreement has not yet been signed and I am told that it's before the board or it will be going before the board for the next if not this coming meeting - the one ten days from now - where the final agreements will probably be signed. They're being prepared now by legal counsel and they are on a project by project basis. The Provincial Auditor, as I say, will be involved in the audit of both corporations and if the member has questions with regard to Leaf Rapids, the Corporation itself, they of course, can be asked of the Minister of Mines and Natural Resources when his Estimates come up.

There is no question in my mind, what we're doing is utilizing a skill that has been developed in the Province of Manitoba which it's very nice to have. It's a skill that isn't easily come by and frankly I would like to see the public sector retain some of that skill within our own in-house, under the government umbrella, so that they can provide the kind of services from time to time as are required. This doesn't mean of course that other projects - the MHRC may have to go elsewhere for some, and I've just been told that there's a couple of projects as a matter of fact, one at The Pas, one at Portage la Prairie, which was let out to a private firm and they are acting in the same capacity as Leaf Rapids.

MR. AXWORTHY: Mr. Chairman, just to pursue the matter one step further. When the Minister indicates, and I think it's a fair comment that he feels that there's a certain skill available, expertise available in Leaf Rapids and that it should be utilized, in agreeing with the theory of that I think one must also though be careful about the practice that would be applied. I think that in fairness to this House and in fairness to the public to whom we report, the nature of those responsibilities and the kind of activity we expect from that corporation should be outlined. Because obviously if it is to be expected, say, that in the next short future that increasingly more government work in the field of housing and development will in fact be undertaken by the Leaf Rapids Development Corporation, that has some fairly interesting repercussions in the community.

First is obviously the growth and expansion of Leaf Rapids Development Corporation which again is another example of government activity and it would seem to me that that should be spelled out. If that's going to happen we should know about it. It should not just happen by "happenstance" or that you pick up a newspaper and all of a sudden find out there's a little note buried in a fifth paragraph that mentions that somehow this new project is now going to be undertaken by this Leaf Rapids. So I think that it's absolutely essential that the role envisioned for Leaf Rapid Development Corporation be clearly articulated as a matter of government policy that would be explained to this House. Therefore there should be the point of view of some examination and debate.

I think flowing out of that, of course, is the repercussions that it has for the

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(MR. AXWORTHY cont'd)private consulting industry in Manitoba. There has also built up a fair body of skill and knowledge and expertise which in the past has depended to some degree upon government work to maintain a base of operation and which I think has been shown in the past, Mr. Chairman, that by taking that base of operation has therefore been able to become one of the interesting exporters of skills in Manitoba. There's a number of these firms that do work in Asia and Africa and the United States and other parts of Canada. They earn money for Manitoba in other words. They earn dollars for this province, give a lot of work to engineers and architects and planners and consultants of a variety of kinds. It's an important part of our professional community.

If in fact now a larger proportion of that work is going to be done by government agencies and therefore subject to other controls then I think that that also should be explained and should be set forward. So again that that community of professionals would have open opportunity to understand what's going on and if they feel they want to make representations to show cause why it shouldn't happen, then they have the opportunity to do so.

Furthermore, going beyond that, Mr. Chairman, I think that there is also a real question of efficiency or effectiveness in the use of money. One thing that can happen obviously is that if there is an increasing reliance upon a single corporation, such as Leaf Rapids, to do a majority of work for the government then it could be a bad corporation and get lazy in its operation. They know they've got a kind of a guaranteed client; they don't have to produce in quite the same fashion. You know you don't have to kind of hustle for the contract; you don't have to show the same ambition or the same enthusiasm because it's already a ready made market. You don't have to really get too excited about it and therefore a lot of - let's say being most charitable - perhaps a lot of waste can perhaps gather in or at least lack of incentive to produce in effective ways.

Unless Leaf Rapids is put - if we're treating it as a private firm I would suggest that perhaps it should be treated in that way and if there is a major piece of work that the government wants done, if it's a big project in south St. Boniface then it should give the opportunity of Leaf Rapids plus others, in effect, to bid upon it or show what they can do in it. So, in effect, they do have to respond to some form of competition and if they have the skill and the expertise that the Minister says, and I have no reason for doubting that, then they would simply have to show it. They would have to make the same kind of proposal that any private firm would have to do when it undertakes a contract for a big project like that and show that its own skill and expertise is somehow not only more effective from a professional point of view but more effective from a cost point of view. It would seem only correct to provide that particular kind of contractual arrangement rather than having one that is simply automatic that Leaf Rapids, when, if and how it can do the work gets it and the private firms or the professional community is then simply left to compete for what's left. It would seem to me that if the Minister believes as he says that it has the skill, then I think that that skill should be tested in relation to others of similar skills to show that, in fact, it can deliver the goods in the best possible way. I wonder if the Minister would agree to that kind of approach to the use of Leaf Rapids Corporation.

MR. MILLER: Mr. Chairman, firstly, I want to point out to the member that this is not a displacement of the private sector because the Corporation never undertook work of this nature before. So it isn't that the private sector is now losing something that it had; it didn't have it.

The other point is this. It's on a project by project basis and the member can rest assured, if he doesn't know me he should know me by now, that these things he's suggesting can't happen because I won't allow it to happen. As well I'm very fortunate in having a very good board at MHRC who will be watching this process very carefully. Because it's on a project by project basis it'll be reviewed and approved and as MHRC enters into more of this kind of development they will certainly use the private sector simply because this one firm, one Leaf Rapids couldn't handle it. As I indicated there were some projects already under way which are handled by the private sector and there will be others.

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(MR. MILLER cont'd)

The suggestion that they're going to sort of get fat and lazy because there's a single agency here and they don't have to scramble for business, well I can tell the honourable member that they're going to have to scramble for business. If the board of MHRC is not satisfied with the tract record and if I'm not satisfied with the tract record, then as far as I'm concerned Leaf Rapids will simply not get any more business. But as I indicated earlier here was a group that had done extremely well to the point where they had received a Vincent Massey reward for Town Planning in the Town of Leaf Rapids and there was a feeling which I share that we should not lose that expertise. As a matter of fact I'll put it in the same words that the member used, "as a counter balance to the private sector," which is a converse of what he said. But on the other hand if MHRC continues to develop projects, and in time they will be as more land, particularly in Winnipeg, on larger holdings becomes available, then Leaf Rapids may get one or two, other firms will also be called in and will probably be getting projects assigned to them as time goes on. So I don't think the member need be concerned that somehow everything is going to be funneled through one agency. I don't work that way and I know the board doesn't work that way.

MR. AXWORTHY: Mr. Chairman, I don't think we need to go too much further in the question. I certainly would want to express my own confidence in the Minister's own integrity in making sure that this kind of arrangement will be carried out in a most proper and responsible fashion. But we don't know how long the Minister is going to be there. I think that therefore - and I'm not saying, you know he could step off a curb and get hit by a truck, and whatnot but I wouldn't wish that upon him. I know he's very careful stepping into traffic; he's certainly very careful stepping into the heavy traffic in this House. But I would think that there are all kinds of contingencies in this world and who knows who would replace him and I wouldn't even want to cast aspersions on any of his colleagues, but I am saying that government is government. They have been known in the past, and this government itself has not been immune at times to applying a certain degree of, favouritism might be one word but that might be too strong a word, but let's just say friendly persuasion or friendly acceptance and I simply say that when you're dealing in this area of public business that it is important not just to rely upon informal confidences always but there should be some fairly clearly explicit guidelines set forward. I think in this case it is required because, by the Minister's own words, this is a new area for MHRC to get into.

Increasingly if we follow what the government says, they're going to be getting into not just the development of specific building sites for public housing but could be going into the much larger scale townsite areas of developing 200, 300, 400, 500 acre sites which may involve 2,000 or 3,000 units of housing in any one year on a totally integrated management basis. Having some experience and having gone through projects like that I know that there is a great deal of possibility for a misuse of those, at least. Because it is such a brand new area and one that is going to have a very major impact upon this community, one of tremendous consequences and I don't downplay it, I think the intervention of government in the development of townsite arrangements of different kinds will probably be one of the major interventions in the urban field of government in the next decade. Therefore it's got to be done the right way; it's got to be done properly. I think the only way you can ensure it's done properly is if there again are some very clearly set out, if you like, operational guidelines.

I'm simply saying that it would be of some satisfaction at least to me, I can't speak for other members of this side, to have a much clearer definition by the Minister about the working relationship so that it would be included in the reports of MHRC and that when agreements are signed between the two corporations that those are made public and we know what fees are being charged or what money is exchanging hands between the two corporations, and if there would be perhaps some investigation done in terms of the way in which the development corporation itself is going to operate as a developer. Any developer, private or public, again has a lot of temptations put in their way I expect. I'm just concerned from a public point of view, not about particular skills of the people in Leaf Rapids, but as a Crown corporation I think that it's one area at least that we

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(MR. AXWORTHY cont'd) should try to provide a high standard of performance in.

So I will leave it at that point, Mr. Chairman, on the issue of Leaf Rapids because there were a couple of other issues I wanted to raise with the Minister. Perhaps I can just leave those concerns of mine with him and he can deal with them as he sees fit.

Mr. Chairman, an additional issue which is related to this is the activity of the province and the city, particularly the province, in the field of land development in and around the City of Winnipeg. We have talked to some degree about land banking and land assembly but there's been a degree of unreality about our discussions so far in these Estimates. The unreality is somehow that everything is going as well as it should be and everything is well in hand and everything is being done that can be done. Yet when you look at the facts, hard objective facts, not opinions but facts, there is obviously something very wrong in Winnipeg in terms of the development of residential areas.

Just in short recap let me point out the performance in the housing market last year where I believe in the City of Winnipeg there was a decline of ten percent over 1974. We were one of the few provinces, Mr. Chairman, that had a decline. I think ourselves and Newfoundland, perhaps one other, was one of the few provinces that actually built less housing in '75 than we built in '74. Every other province, major provinces, was ahead of its record.

Another fact which disturbs me is the cost factor. Winnipeg, I believe the average lot cost is now \$15,000 to \$18,000. That means that in the last ten years the cost of land as a component of any typical house has gone up from about 20 percent of the cost to close to 30 percent of the cost. So one of the major inflationary factors in housing has been the accelerating cost of land. The reason why I'm concerned, Mr. Chairman, is it seems that Winnipeg has no reason for that kind of acceleration. If you compare the fact that Winnipeg is a relatively slow growing city - we don't have the same kind of population pressures as other western Canadian cities do - we are experiencing however a much higher land cost. I use the comparison that was put forward in the study that was done jointly by CMHC and the HUDAC Economic Research Committee which points out, and this is the '74 figures, where in Winnipeg the average cost of a lot at that time was about \$13,000 and in Calgary it was only about \$11,000. In other words Calgary, which is a much faster growing city, has less of a land cost than the City of Winnipeg does.

So it seems to me here we're spending a large amount of capital, by the Minister's own admission, a large amount of public capital in the land market and yet we're not getting very much immediate returns from it from the point of view of restraining or holding back on the inflationary spiral in land. Therefore something is wrong; something isn't happening right.

Now if you again look at another set of figures which are equally disturbing, in 1972 in the City of Winnipeg there was about 16 housing starts per 1,000 of population which is the only way to measure it. For every 1,000 people we're building about 16 units of housing. In 1975 it's going to be about nine starts per 1,000, a decline of almost six starts per 1,000 people.

We also found that between 1972 and 1975 there was 13,000 building permits issued but only 9,000 serviced lots approved by the City of Winnipeg which really means that in that period of time we have been eating into our surplus land lots by about 4,000. We've been taking them out. So in a sense we built up a capital of land supply for residential purposes up to then. We have now been eroding it to the point now where we are in a serious situation where we literally are about 4,000 lots short and they are much more expensive lots to replace.

Again I go back and say: what's the Provincial Government doing in this area? They say they're investing an awful lot of money in land banking but land banking is obviously not having any impact now. In fact I would suggest, Mr. Chairman, that in the short term the result of the land banking policies of the Province of Manitoba have been to help accelerate those costs in land. By simply becoming a major buyer in the market, they have helped force land costs up. Right now we talk about the oligopolies in land development and there are.

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(MR. AXWORTHY cont'd)

There are, Mr. Chairman, right now according to the province's own study which I have seen - maybe I wasn't supposed to but I've seen it - six major land owners and the province is, along with BACM the largest land owner within the perimeter routes of Winnipeg. I believe that they have something like 6,000 acres of land which represents 15 percent of the developable land within the perimeter area of Winnipeg which is about the same figure that the BACM has. So in other words the province is now one of the big guys in the land market. It's not longer sort of hanging back, it's now a big operator. In fact its pressure on the land market has been to help force the land costs up. Now that would be okay if at the same time they were putting land back on the market, they were making lots available by either making land that they have available available to builders, such as they are doing in Ontario now, or whether in fact they were helping with services, and they're not doing either.

Now the Minister says that land that he has isn't available, Well I don't think that's quite true. For example there is a 220 acre site in Southwood which is already serviced which could provide, depending on the density, several hundred lots available for residential purposes right now. Now where is it? --(Interjection)-- Owned by the province. That's right. I would suggest and perhaps I could be questioned on that but it certainly appears that that is the case.

So what I'm saying is that first it seems to me that there is a wrong philosophy at work in the Provincial Government's approach to the land market. That while they're banking away for 25 years in the future, the problem we experience is here and now. The real crunch is on now; the real pressure is on now and we're anticipating the future. Yet when you look at the population figures the increase in population is going to decline within the next ten years. We are now experiencing in Manitoba, as we are right across the country, the baby boom pressure which is now in the family formation or housing stage. This is the time when they want houses. From this period on, beginning about 1980, that's going to taper off, it's going to moderate; it's going to slow down. Therefore there will be less pressure for developable land than there is now. So in a sense we're anticipating a problem which will be less severe, less critical than it is right now. In the meantime the activities of the Provincial Government have aided and abetted in allowing that pressure to build up.

So when we go back to the unreality that we've heard in the discussions I'd say that one of the things that we really have to look at is the way in which the Provincial Government can intercede in the present squeeze on land, some ways of moderating the inflationary pressures, and there is obviously a number of options open to it. One is to provide for major loans to the municipalities for servicing purposes so that we can accelerate the service problem. If that is one of the road blocks - and I think that the Provincial study that was done for the Department of Urban Affairs indicated that that was one of the problems, a lack of servicing in certain key areas. Certainly even the wearing out of the servicing in the downtown area so that if we even consider the downtown area as an apt area for development purposes of higher density housing, in many cases the existing services in the downtown core of Winnipeg can't carry that. They are simply not built for higher density use and are going to have to be replaced if we expect to get higher use in the older neighbourhoods of Winnipeg. Yet there is no capital for that and I think the capital projection for the City of Winnipeg which is \$360-some-million over five years, they estimate that under present circumstances they're going to get themselves maybe \$150 million, a figure something in that range. So that's one option that's open to them.

Another option obviously, and we've asked this before is to try and clarify the development procedures in the City of Winnipeg itself.

A third option was obviously to provide some way of leasing land for building purposes, land that is available to the province now. I disagree with the Minister on this point, disagree with him pretty fundamentally that somehow we keep everything inside the public domain. But I am suggesting that the other provinces are entering into programs. I know that the former NDP administration in B.C. had a pretty good program

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(MR. AXWORTHY cont'd) where provincial land was leased to a variety of builders for building purposes. It would seem to me that a similar kind of program could take place here.

So, Mr. Chairman, it seems to me that the problem of land development in Winnipeg - in fact I would even go further. I would say that the province should also seek to clarify the whole problem of the land market itself. There's been a lot of discussion in the newspapers and letters about the monopoly situation in land and how that forces the prices up. A lot of it is based upon hearsay, some based upon partial evidence, nobody really knows.

I would think one of the things we should be doing is extending the terms of reference of the Land Ownership Committee of this House to examine the question of residential land in urban centres to find out who owns land. Is the supply being restricted for market reasons or is it being restricted for lack of servicing? In other words come to some understanding as to who owns the land, who is using it for what purposes, and what role does the government play in it. Because it is one of the critical areas of public policy in the Province of Manitoba and yet we are making a lot of public policy decisions based on very faulty information. It would seem to me a natural extension of the concerns of that legislative committee that has been looking at primarily rural land use to now extend its terms of reference and begin looking at the area of development of land on the fringe of our urban centres to see if we can come up with some assessment as to what degree is there monopoly possession and to what degree is the province responsible for things and what answers should be supplied. I have my own pet answers. I think we could probably be helped by a good dose of combines investigations or something in the land market in Manitoba but that's my own personal opinion. I think that those kinds of recommendations and solutions should be examined and I would suggest again that the Minister take up with his colleagues the issue of extending the terms of reference of that Land Use Committee to look at residential land as part of the program in the urban centres of Manitoba.

MR. CHAIRMAN: The hour of 4:30 having arrived, Private Members' Hour. I'm interrupting the proceedings of the Committee for Private Members' Hour and shall return to the Chair at 8 p.m. this evening.

SUPPLY - PUBLIC WORKS

DEPUTY CHAIRMAN (Walding): Order please. There being a quorum the Committee will come to order. I direct the attention of honourable members to Page 47 in their Estimates Books. Resolution 102(d) - Architectural and Engineering (1) Salaries. The Honourable Minister.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Chairman, I just wanted to make a correction. I was asked a question yesterday about the charges of the Planning Division of Public Works in relation to Frontier School Division, etc. and I am now informed that in fact the planning is just a general charge on the department but it's not specifically allocated to the school division. So it's a general figure and if it's accessed by anyone within the system there is no charge back for it.

MR. CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. I wonder if the Minister could then inform the Committee where would you show the recoverables for services such that, if I understood the Minister correctly yesterday, that the Architectural and Engineering Department does do in-house design work for certain projects and I'm wondering would the department charge their time and/or administration design costs to the particular capital project or to a department and where would you show those recoverables.

MR. DOERN: The charges are again part of Public Works general operations and it's not charged specifically to a project.

MR. MINAKER: So then, Mr. Chairman, if I understand the Minister correctly that if Northern Affairs had a project going on and required the design time and administration and inspection and so forth for a project that they would not cover that in their expenditures. It would be included in this particular part of the Estimates.

MR. DOERN: In the event of outside consultants it would be charged directly to the project, otherwise not.

MR. MINAKER: Mr. Chairman, in the Annual Report of the Public Works Department there is a paragraph that I read with interest and I wonder if the Minister can elaborate on this. It's with regards to the handling of major projects and also other projects. It says, "The division maintained . . .

MR. DOERN: Could you direct me to the . . .

MR. MINAKER: I'm sorry. It's under the Architectural and Engineering Division. The pages aren't numbered.

MR. DOERN: This is still a draft copy. The final version is coming but it will be the same as this.

MR. MINAKER: The second last paragraph on the first page dealing with Architectural and Engineering Division.

MR. DOERN: Right.

MR. MINAKER: It says, "The division maintained the traditional practice of engaging prime consultants for all major projects and reinforcing in-house activity by the consultant expertise when required." I wonder if the Minister can elaborate on the in-house activity. Because I notice in comparing the budget figure for 1975, which is only two years ago, as compared to what the Minister is asking for in this Estimate both in General Administration and particularly in Architectural and Engineering that the salaries have increased by some 46 percent. I believe if one takes the figures that were shown on the '75 Estimates of \$639,500 and compare it to the now \$939,000 that he has expanded, it would appear, his department by some 46 percent. I appreciate that some of those will be increases in salaries, but it surely would not be all of that. I wonder if the Minister can advise us as to what staff he has in Engineering in terms of the numbers of architects, professional engineers and as well technical draftsmen. What are his staff numbers now and how have they grown in numbers the last two years?

MR. DOERN: I can give you probably a general figure of personnel employed but to say to count the number of architects, etc. that's a little more difficult. For instance our request is for 63 SMYs and last year I guess we actually in fact had 63 during the year. We were not given any SMY increases by Cabinet or the Government.

MR. MINAKER: I wonder if the Minister, pardon my ignorance, could expand on what an SMY is.

SUPPLY - PUBLIC WORKS

MR. DOERN: An SMY is one staff man year, one man working for twelve months.

MR. ENNS: Is that the guaranty that he's working all of the twelve months?

MR. CHAIRMAN: Order please.

MR. MINAKER: I wonder if the Minister could check into that to advise the committee just how many architects and engineers that he now has on staff as well as technical . . .

MR. DOERN: Right. A breakdown of the 63 figure. The total figure is 63. Okay, we'll dig that up.

MR. MINAKER: I wonder would the Minister have a relatively ball park figure on how many of the man years are spent on various projects outside of the Public Works Department, assisting other departments, say like Northern Affairs and these other departments that might utilize their assistance.

MR. DOERN: Most of our work of course is simply servicing other departments and Public Works, sort of pure Public Works, we're building office buildings and certain facilities for I guess community colleges which again falls under Education and certain government institutions. But the overwhelming percentage of our work is the fact that we service our clients and our clients are the other departments.

MR. MINAKER: Mr. Chairman, I wonder if the Minister could advise when an inspector or an engineer goes into the north on one of these projects, would the transportation and travelling expenses be charged to the Public Works Department or would they be charged to the Northern Affairs Department or the various departments that are involved?

MR. DOERN: Charged to the project. So if it is a Northern Affairs project, it would be charged to them.

MR. MINAKER: It would not be itemized as such, say as transportation costs, in the Estimates or in the final budget figure for the operation of Northern Affairs. It would be shown in the capital.

Also under that section in the year end report you indicate the Division commenced 227 active projects last year. I wonder how many of those projects were handled in-house?

MR. DOERN: Mr. Chairman, are you asking us now how many were fully designed by Public Works, of that figure?

MR. MINAKER: I would presume that's your interpretation of in-house activity, would be one where you would look after the project and design it.

MR. DOERN: Well I again would have to check. But I would simply venture a guess and say that it would probably be only a couple of dozen. The vast majority are done by outside consultants and then we monitor the work of the outside consultants. But in terms of what did we ourselves fully design tends to be a few smaller projects, a few buildings.

I can think of an example of someone designing the building between Manitoba and Ontario on the border, the Tourist Information Bureau, you know, that kind of thing. Something like the Portage la Prairie Office Building, etc., we wouldn't do that.

MR. MINAKER: I wonder if the Minister, through you, Mr. Chairman, could advise the Committee what his definition of monitoring a project is?

MR. DOERN: We have our Planning Division which looks at the long term trends and makes projections and provides research and information to us. I think Public Works assists a lot in terms of liaison between the outside architect and the client department and probably also we're involved in the programming, particularly in the development of the programming. Then I suppose after that it is simply a case of checks and balances, trying to move the work along, you know, working along with the consultant in the sense of opening doors for him and seeing that he is meeting deadlines.

MR. MINAKER: Mr. Chairman, also it indicates that expenditure for last year was \$16.8 million. I wonder how many of the dollars were tendered? How many of the projects that went out, were handled by the Engineering Department, were tendered?

MR. DOERN: In terms of construction, Mr. Chairman, they were all tendered. Once you get to the construction, completion of working drawings, etc. it's simply

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(MR. DOERN cont'd) advertised and tenders are called for. That's basically a policy of the government and of the Department.

MR. MINAKER: If I understand the Minister correctly, Mr. Chairman, that under the Operations Division section of the report, which I realize I can't speak on at this point, that none of the \$16 million of expenditure for the year was handled by the Operations Division, by in-house construction. Is that what I understand the Minister to say?

MR. DOERN: In the case of the Archives Building which was a major project we acted in effect as the general contractor and then called for subs on that particular project.

There is also another rule of thumb and that is that we tend to do sort of smaller maintenance projects, etc. in-house and call for others by public tender. For example this building was done, the outside masonry and so on that has been worked on for a number of years, replacing the mortar, etc., and that was publicly tendered.

MR. MINAKER: Mr. Chairman, I'll ask you. Is it proper for me to question with regards to the Public Archives Building under this section or would it come under Operations?

MR. CHAIRMAN: The Chairman will be guided by the Honourable Minister.

MR. DOERN: Mr. Chairman, since we have just mentioned that we did in fact oversee the construction of the Archives Building, I think it would be appropriate.

MR. MINAKER: I'll just take a few more questions because I am sure that many of my colleagues have other questions to raise. With regards to the Public Archives Building, if I understood the Minister correctly, the Department acted as general contractor. I wonder if the Minister could advise if, when they tendered out the various sub-trades, how many tenders were requested. Was it only two or three or was it put out on the open market for tender by everybody and was the lowest tender normally selected or was it the lowest tender selected in each case?

MR. DOERN: The policy is that the subs were announced and whoever wanted to bid could. Again the lowest tender would prevail. I mean obviously there are I guess exceptions. Sometimes if a tender isn't in order or something, or they didn't meet certain requirements we would go to the next one. But let us say that the lowest tender that is in order is always accepted.

MR. MINAKER: Was there any portions of the project handled by the Operations Division?

MR. DOERN: Apparently some minor work was done by Public Works directly.

MR. MINAKER: Was that work tendered for?

MR. DOERN: No.

MR. MINAKER: What dollar value would that have related to it?

MR. DOERN: Well we would have to dig that one out again for you. Perhaps we can answer that later. Maybe I could give an example to the member. For example millwork was handled by Brown and Rutherford; metal, . . . Sales; drywall, Branson Brothers; painting, Carlson Decorating; hardware, Winnipeg Paint and Glass; carpeting, Wright Carpets; library equipment, Kipp Kelly; elevators, Armor Elevator; mechanical, Derksen Plumbing and Heating and electrical, D. Thompson. I don't know what that adds up to exactly but it was based on a total of a \$3 million figure.

MR. MINAKER: Mr. Chairman, through you to the Minister. What was the estimated cost of the project at the commencement date and what was the final figures?

MR. DOERN: There is an Order for Return by the Member for Charleswood, I think, on that. I would say this though. When a project is only talked about or visualized and dollar amounts are put to it, these tend to be inevitably inaccurate. I mean they can be nothing more than ball park figures. So to me the original figures, I suppose there are figures talked about - 1.8 million or something, one to two million dollars - like people took projections of square foot costs and multiplied them by the number of square feet and arrived at some kind of vague figure. Then the next thing you know the actual cost comes in a great deal higher, sometimes because it's over a period of years and there's an inflationary factor, there's a cost increase, etc. Then people quickly conclude that the cost of the project doubled or better. I say that anyone who plays that game of

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(MR. DOERN cont'd) asking for ball park figures and then compares them to the final figure is on a slippery slope because it's just absolutely a shot in the dark. I would say that the only time you can accurately predict - first of all you can make a reasonable prediction when you have your schematic drawings. Once you've put all the programs together; you know exactly what the program is and you start doing your schematic drawings then you can make a first kind of projection. But actually it is only when the complete working drawings are done that you can accurately put a dollar figure to that.

Then of course the third stage is when you actually know by tendering on the old supply and demand basis, as to what the market tells you at that particular point in time. So what we're talking about is - we're not talking about projections made on the basis of schematic drawings or working drawings, we're talking about prior to that. Somebody says, "What do you think it will cost to fix up this here building?"

MR. MINAKER: Being more fair to the Minister, Mr. Chairman, if I might interrupt at this point. I wonder if the Minister could advise us what the tendered prices were when he summed all the sub trades and then allowed for administration and so forth. How does that figure compare to the actual final cost figure? What I'm asking is: was there extra charges by the various contractors, sub contractors?

MR. DOERN: Of course the building wasn't all tendered at one point in time. It was stretched out over a number of years and I think it would be very difficult to compare our own projections. Are you talking about our estimated projections based on working drawings?

MR. MINAKER: Through you, Mr. Chairman, to the Minister. Normally a project is designed and specifications are established for it and it is put out for tender. Then the sub contractors proceed and the general contractor keeps a tab on the sub contractors to make sure they come within the price they quoted on and to keep the extras to a minimum. What I am asking is: in this case, the Public Archives Building, were not the drawings all laid out and designed and specifications established for prices to be given?

MR. DOERN: Since we were our own general contractor we went to tender on the basis of the subs over a period of years. Again it was stretched out, it wasn't all done at the beginning. Then the prices received, you know, six months later, a year later, two years later and so on the subs were called for.

MR. MINAKER: What was the overall length of the total time frame to complete the project from the day you started?

MR. DOERN: Three years of construction.

MR. MINAKER: How many square feet is the building?

MR. DOERN: 135,000. But you know it's a massive project. I think it is more difficult, well far more difficult, to in effect renovate a building or rebuild - rebuild something than to build new. Because you know once you're building new there's no sort of constraints on you. You just kind of start putting the storeys one on top of each other whereas when you're building in this instance you're working within confines and instead of say a brand new ceiling or something, you might be pushing wires down, working around certain existing things. It's simply a slower method of construction. Plus, of course, it was really a massive renovation, new floors put in, new steel work, new elevators, etc.

MR. MINAKER: I wonder if the Minister can now advise us what the final cost figure was for the renovation.

MR. DOERN: \$4.1 million plus of course the \$1 million purchase.

MR. CHAIRMAN: Resolution 102(d)(1)--pass; (d)(2)--pass; (d)--pass; Resolution 103(a) Senior Administration (1) Salaries - the Honourable Member for St. James.

MR. MINAKER: Yes, Mr. Chairman. I wonder if the Honourable Minister could advise me if the Memorial Park Washroom has a phone in it.

MR. DOERN: I never looked.

MR. MINAKER: I just wonder because in looking in last year's accounts I see that there's a charge of \$105.74 for telephone and telegraphs and I was wondering who was sending the messages from the Memorial Washroom, that the Minister might comment on that.

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MR. DOERN: I'm speechless. I'm informed there is a pay phone there, is that right? No. We have staff there on contract, cleaning staff and I guess they actually have a telephone.

MR. MINAKER: I also wonder, Mr. Chairman, if the Minister can advise me what the \$9,668 in Other Fees are? They're not soliciting fees I hope. They come under the same subject, Memorial Park Washroom.

MR. DOERN: You're reading from Public Accounts now.

MR. MINAKER: Mr. Chairman, I presume this is the only time really we have an opportunity to ask the Minister of a department various costs. Unfortunately unless we have a detailed copy of the Budget for this year we aren't aware of whether or not there's another \$110 in there or \$200 for telegraphs and telephones for Memorial Washroom or whether there's another \$10,000 in Special Fees. I think it's a fair question to ask at this time. One would wonder where you would spend \$10,000 in Special Fees or Other Fees in the Memorial Washroom.

MR. DOERN: Well that would be the contract for cleaning personnel. I mean there are several people working there for a period of about six months and I'm sure that that would include their salaries and possibly cleaning supplies and that would be it.

MR. MINAKER: Right. I would presume that the improvements to grounds, alterations and incidental expenses would cover that, would it not, Mr. Minister.

MR. DOERN: Well, I'm just saying to you that if that item is broken out, that clearly is what it is for. The general figure I suppose is for Public Works personnel and contracts as well. But in that case you're getting a sub category.

MR. CHAIRMAN: Resolution 103 - the Honourable Member for Lakeside.

MR. ENNS: I don't know whether it's the right place but if we're dealing with the operation and maintenance of provincial buildings and grounds I would like to have some indication from the Minister as to what the status of the actual building - that is the former air base at Gimli - now enjoys with the department. I'm referring specifically to those hangars that were part of the Saunders manufacturing business.

MR. CHAIRMAN: I would advise the honourable member that would be better brought up on Page 49, Resolution 105, Gimli Industrial Park.

MR. ENNS: Fair ball.

MR. CHAIRMAN: Resolution 103(a)(1)--pass; (a)(2)--pass; (a)--pass; Resolution 103(b) Maintenance (1) Salaries - the Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I was trying to get your attention on Administration before you got off it if I might. I wonder if we can still deal with (a) (2) under Senior Administration.

MR. CHAIRMAN: Proceed.

MR. MINAKER: In dealing with the year end report, again under Operations Division, Mr. Minister, you've indicated that you have a construction program under Mr. Bob Stewart and that the 1974-75 program consisted of \$5 million in projects and you had a staff of 134. It got to a staff of 183. How many of those would be involved in construction?

MR. DOERN: Out of the total there'd be about a dozen in administration. The rest would be, I guess, blue collar tradesmen, etc.

MR. MINAKER: These would be electricians, painters, carpenters, plumbers?

MR. DOERN: Right. Labourers, truck drivers.

MR. MINAKER: Would they be involved in new construction programs or additions say similar to what we're doing in the basement here with the dining room?

MR. DOERN: In a renovation, yes. We don't put them onto new construction although sometimes, Mr. Chairman, there's a very fine line between what is construction and what is renovation or what is major construction and what isn't major construction. Essentially our people are maintenance people and they do get involved in some renovation work. But new construction, we don't throw our forces into the Woodsworth Building, for example, or into some brand new building that's going up.

MR. MINAKER: Mr. Chairman, through you to the Minister. You mentioned in the report some \$5 million-plus projects for the 1974-75 program. I wonder if the

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(MR. MINAKER cont'd) Minister could advise how many or how much of that was tendered.

MR. DOERN: Well I think in essence all of it.

MR. MINAKER: Mr. Chairman, I wonder if the Minister could explain to me where I've gone wrong with regards to, in the same report under Tenders and Awards from April 1, 1974 to March 31, 1975, when one totalizes all of these projects that denote awards of contract we end up with some \$2,375,000, thereabouts, as a total for the tenders that were awarded. Yet when we compare it to the \$5 million we're still looking for some \$1.7 million roughly. I wonder if the Minister could advise where I have gone wrong.

MR. DOERN: I can't give you right now a percentage breakdown but whatever our staff does, of course, we do, and the rest is tendered. But as to what those ratios are I can't have that for you right now.

MR. MINAKER: Can the Minister advise what kind of monitoring he has for comparing the actual cost to complete the renovation when he does it in-house as to if he had of put it out for tender?

MR. DOERN: I guess our own inspection people also monitor the work done in-house and there's an attempt to keep track of hours of work, etc., etc. and to monitor performance.

MR. MINAKER: But there is no actual comparison per se to see how the department is running efficiencywise and costwise with the tendering system.

MR. DOERN: Well I think on occasion we try to do that but I would agree that we don't really have a precise comparison as to how much it costs us say compared to having called in a private person. We have our own work forces; we try to keep them occupied and we try to keep them efficient. But in some instances whether it would be cheaper to do it out of house I couldn't say.

MR. MINAKER: I presume then that the Honourable Minister, Mr. Chairman, will check in to see just how many dollars were not tendered in that other question that we raised.

Also under the Operation section in the year end report the last paragraph, just prior to Capital Works Acceleration Program, there's a mention of Employee Housing Program managed by Mr. Peter A. Harder, responsible for provision and maintenance of employee housing throughout the province. There's mention of 165 units in the program with an expenditure of \$173,100 not including salaries. There's a mention also of providing ready-to-move prefab units being considered for the continuing program. I wonder if the Minister can elaborate on these prefabricated units.

MR. DOERN: Well apparently we've been looking into the possibility of purchasing and using and moving some Atco trailer-type units. But whether this is feasible or not - we have three of them and when you look at the map of where these houses are, I don't know whether my Deputy can pull that map for me and we can show you by holding it up here that they're spread all over Manitoba. These coloured dots simply indicate the districts. But these are where they're located and there are numbers in them showing how many units. For instance, 60 units at Norway House and 7 at Grand Rapids, etc. So you know whether it's feasible to be hauling trailers around or moving them, that remains to be seen. But you can see that it pretty well blankets the province.

MR. MINAKER: I wonder, Mr. Chairman, if the Minister could advise who or what departments primarily utilize this type of homes?

MR. DOERN: Pretty well everybody.

MR. MINAKER: Highways Department or is it Health, Tourism?

MR. DOERN: Pretty well everybody. Hydro would be separate.

MR. MINAKER: So all Crown agencies would be separated from this.

MR. DOERN: Mr. Chairman, just to clarify again. Apparently most are Highways, Health, Mines, Tourism, Northern Affairs and Attorney-General.

MR. CHAIRMAN: Resolution 103(b) - the Honourable Member from Morris.

MR. JORGENSEN: I wonder if I could ask a question on the Woodsworth Building, and ask the Minister if he has now determined what the height of that building is.

MR. CHAIRMAN: The Honourable Minister.

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MR. DOERN: Well, Mr. Chairman, that was determined a long time ago. But unfortunately the city used some peculiar methods of measurement. In fact I would give you this sort of analogy. I suppose it would be like selecting somebody and saying, we're going to allow a person, say, to enter the police force if they're six feet tall including their shoes. So you can come in and be measured in your shoes. If you're five eleven, your shoes are one inch, you make the grade, and then you give that instruction to somebody and find out when you come back that rather than measuring the person in that manner, they measured the wrong person. They forgot to include their shoes and they measured their hat as well. That is the exact comparison. They started too high up and included the mechanical penthouse, and also included a building that was changed some two or three years ago. So there was several errors in the method of calculation.

MR. JORGENSEN: There was a conflict between your Department and the City of Winnipeg on this particular building. Has that now been resolved?

MR. DOERN: Yes. I pointed out to them their error and I believe they accepted that.

MR. JORGENSEN: Do you mean to tell me that the Mayor of the City of Winnipeg accepted your judgment?

MR. DOERN: Well, I didn't say the Mayor, I said the city.

A MEMBER: That is the city, isn't it?

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: I'd like to ask the Minister through you, sir. In regard to the maintenance here - and I'm referring to the Lieutenant-Governor's House - how many people are employed there now at the present time as services to the Lieutenant-Governor?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Public Works provides basically three staff. We provide two permanent employees, one a secretary - as you know his office is outside the Chamber - one secretary and one gardener. Then in addition to that we provide almost a full staff person as a second secretary. So you can count sort of 2.8 or 2.9 out of a possible three.

MR. EINARSON: Then, Mr. Chairman, there's no one employed there as a security - you know as far as security is concerned. What's the situation there? I've heard some public comments about it. I'm wondering has the Minister any thoughts on this or is there going to be anything done in this regard?

MR. DOERN: What we did, as you know there was a rather unfortunate incident there a number of months ago where somebody actually broke into the house.

MR. EINARSON: That's right.

MR. DOERN: I gave instruction at that time that our personnel, our guards who patrol the grounds would also include in their rounds a circle of the Government House as they went around our particular grounds. They also of course have some staff living in. I believe there was a house manager or a caretaking couple that was there under the previous Lieutenant-Governor and I believe that under the new Lieutenant-Governor there will be some people, perhaps a man and his wife, living in. Mr. McKeag also had a German Shepherd which I think would be of some value. But it's an extremely large house and I think the best we can do is sort of keep our eye on it. Other than that we have to call for backup by the Winnipeg police. I don't foresee that we would, you know, have men posted at the front and back of Government House. I would also point out that we also have increased - I don't know if we've done it or we're planning to increase the illumination there. We have plans to provide further lighting around this building. I know the Member for Souris-Killarney asked about that last year and we have plans - Mr. McMillan, have we started on those plans yet? Have we tendered anything out. --(Interjection)--Right. Have we done Government House? Not yet. You know the front of the building for example, of our building, yes the Legislative Building is very dark and we're increasing the illumination there and putting new lights and standards on the grounds so that there's more illumination on our property. That would also include Government House.

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MR. EINARSON: Mr. Chairman, I understand from the Minister's staff that these lights have to come from Montreal. Why is that?

MR. DOERN: I think they'll be lit from the Olympic Torch, is my understanding. I don't know. I suppose there isn't that much in the way of light manufacturing in Winnipeg.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: On a point of order. I notice you were just about ready to hammer your gavel. The point of order is one that is a technical one really. The voice of the gentleman from the Department is not being recorded, so the answer does not appear in Hansard. It would be necessary for the Minister to repeat that answer in order to have it recorded in Hansard.

MR. CHAIRMAN: Thank you. The Honourable Minister.

MR. DOERN: My Director of Operations has pointed out that there was an assessment made of various kinds of lights available and this particular brand was produced in Montreal.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Chairman, then was this all tendered for? I mean did you get it in Montreal because you could buy it there cheaper than you could, say, any product that would be produced in Manitoba?

MR. DOERN: Keith, could you come up here then?

MR. JORGENSEN: Mr. Chairman, I'm afraid that this will not work.--(Interjection)--

MR. DOERN: I ask him to give me the answers.

MR. JORGENSEN: That's right.

MR. DOERN: Come on up here.

MR. JORGENSEN: Because our procedures call for answers to be provided by the Minister and not from any members of the Department.

MR. DOERN: That's why I asked him to come up.

Well I'm informed that a certain type of fixture was selected and tenders were called for and there were two or three replies and the contract was awarded to a Montreal firm.

MR. EINARSON: Well, Mr. Chairman, does it mean to say then that you got the best of the three deals do I understand, from Montreal? I mean the architects you say suggested this come from Montreal. The architects from your Department?

MR. DOERN: I'm sorry. I'd have to ask the member to repeat that if he would.

MR. EINARSON: I understand from your information, Mr. Chairman, through you, sir, to the Minister, your architects decided that, you know, for the tenders - you say there were three of them - and the best tender was Montreal. Is there a saving in the moneys of the taxpayers in this regard?

MR. DOERN: Presumably it would be the lowest tender received. It was done through a Manitoba firm who would be an agent or a supplier of a firm that produced in Montreal. But it would be the lowest price ultimately.

MR. CHAIRMAN: Order please. In accordance with our Rule 19(2) I am leaving the Chair for Private Members' Hour to return again at 8 p. m. this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order, please. The first item, Private Members' Hour, Tuesday, is Public and Private Bills, Bill No. 21. The Honourable Member for St. Matthews. No one here. Resolution No. 5 proposed by the Honourable Member for Portage la Prairie, the question is open. The Honourable Minister for Public Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Mr. Speaker, on a point of clarification, the other committee is still sitting, the members have not come in here.

MR. SPEAKER: That's fine. They all know what 4:30 is.

MR. URUSKI: Yes, well then . . .

MR. SPEAKER: Does anyone know whether the Honourable Member for St. Matthews wishes to go on to Bill No. 21? The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I wonder, are there other bills?

MR. SPEAKER: Just one.

MR. PAULLEY: Oh, I can't do what I was going to suggest, that maybe take the next one.

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

MR. WALLY JOHANNSON (St. Matthews): Stand, Mr. Speaker.

MR. SPEAKER: Resolution No. 5 proposed by the Honourable Member for Portage is open. Is it the pleasure of the House? The Honourable Minister for the Public Insurance Corporation.

MR. URUSKI: Thank you, Mr. Speaker. I had intended to get into the debate initially when it came up, but it seems that when their debate on any particular subject begins and there are many many speakers who wish to speak, the hour goes by very quickly. I wanted to just make a few comments with respect to the specifics of the resolution, and as well dwell on some of the remarks that were made last time this resolution was up by some of the honourable members opposite. This is I believe the second time that this resolution has come to the floor in that form and it certainly does give an opportunity for members on both sides of the House to debate the issue of public insurance, and the Member for Portage la Prairie has certainly found an avenue in which to be able to debate the principles of it here in the House. But the actual fact of the matter is, Mr. Speaker, the resolution in its form is not at all accurate. There is no doubt that the honourable member or any honourable member of this House, either from the government side or the opposition has an opportunity or will have an opportunity to examine and question in detail the expenditures of the Manitoba Public Insurance Corporation when it appears before, annually, before the Public Utilities Committee, in which I as Chairman of the Board appear. And as well, the management staff or the administrative staff or the corporation appear to answer any questions that are posed to it by committee or any other member of the House who may wish to solicit information and/or seek clarification on any points of principle or policy or any matters that they wish to take up. So that the resolution in itself, all I would say is it is an avenue for debate, but the accuracy of the statement contained in the resolution is in my opinion totally inaccurate. There are many opportunities for members to debate the issue and this is one of them, so I certainly welcome the opportunity to take part in this debate.

The contention of course that will, I believe, continually be made by the opposition with respect to public insurance in Manitoba, and it has been stated by the Member for Portage and members on the other side, that the corporation continues to be subsidized from tax revenues. Well, Mr. Speaker, the members on the opposite side voted, had an opportunity to vote on a measure by legislation that was brought into this House last session indicating clearly what the actual amount of money will be transferred over to the corporation in gasoline tax revenues to offset a percentage increase on the vehicles.

Mr. Speaker, even the industry have admitted that mileage is used by the industry as a method of determining risk in the insurance sector, but they still wish to indicate that this is in effect a subsidy to the corporation. I believe they will continue that debate, but I believe that the motoring public of this province or of any province, and there are at least two and three - the third one I'm not sure what they are doing now,

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(MR. URUSKI cont'd) and I'm referring to B.C. with respect to the revenues originally promised by the previous administration of gasoline and licence fees to the corporation as part of an insurance payment. Unlike British Columbia, Manitoba and Saskatchewan have a predetermined or a set amount which is open to the public and was debated in this House; there is not a nebulous figure of, say, up to certain amounts, it is an actual fact of two cents a gallon. So call it as they might, as a subsidy the matter is clearly delineated and is shown as an income figure in the Annual Report shown by the corporation that these tax revenues based on gasoline flow to the corporation.

Secondly, they make the point, of course, that the users of motorboats or recreation vehicles and snowmobiles are paying into the fund and in effect subsidizing the fund from their use and they have no benefits from it. I wish to inform the members that there is, albeit a guesstimate handled by the Department of Finance, an amount of money that is not transferred to the corporation covering the gasoline tax revenues that are derived from the two cents. The revenues that are guesstimated to be used by pleasure vehicles or vehicles other than motor vehicles are maintained by the provincial treasury, are not transferred over to the corporation. So that the corporation in actual dollar terms does not receive the full two cents a gallon revenue. That should be made clear, and the honourable members should realize that. The differential is not very great, I believe it's 1.9495 cents of actual revenues comes over to the corporation, but .5 cents I believe, or in that range, somewhere in that range is maintained by the provincial treasury and those funds do not come to the corporation.

Mr. Speaker, the Honourable Member from Portage continues to make that case about subsidization and I quote from Hansard, where he says, "Well then, my friends opposite say that the well worn argument that if people use their car more, then they pay more insurance, but some people's cars give 30 miles to the gallon and some give 10 miles to the gallon. So this is very unequal and it's a form of subsidization." Mr. Speaker, how can a statement made by the Honourable Member from Portage - I'm not sure whether he really believes that the people of Manitoba are that gullible that they do not understand how much they really are paying for insurance. If he believes that, Mr. Chairman, then he is under-estimating the motoring public of the Province of Manitoba. Of course the motorists who purchase vehicles that give them very good gas mileage, possibly the smaller compact or sub compact cars give the motorist greater mileage, they are less expensive to operate and therefore their insurance premiums are lower. Their portion of insurance premium in this way assists them in effect, as I said before, to pay for their insurance premium as they drive.

It was pointed out by the Minister of Mines last time he spoke that initially there was some thinking about handling the administrative costs in a more efficient way by placing the entire insurance premium out of gasoline revenues. The amount at that time that was necessary, I believe, would probably be in the range of 15 to 20 cents. Mr. Chairman, all you have to do is go back five years and look at what the gasoline prices, irrespective of how the insurance prices would have affected it, how the gasoline prices have escalated in the last four or five years. They would probably, in effect, have doubled the increase without any revenues going to the insurance fund. Looking back, looking at hindsight is of course very good but one could not at that time predict accurately what would happen to non-renewable resource prices.

Mr. Chairman, the Honourable Member from Minnedosa of course wants to ride the fence. He wants to be on both sides of the fence on the issue.--(Interjection)--Yes, the Member from Flin Flon indicates, let him watch the pickets. There is no doubt the Member from Minnedosa wants to be on both sides of the picture. He gets up in this House and says, look, the insurance premiums are so high that I may be forced to side-line my car and won't be able to drive my car.

These are the remarks that he made in his speech last time around indicating that the premiums were so high. But what did the Honourable Member from Minnedosa state when we announced our premium increases? "David Blake" and I quote from the Free Press article and I really shouldn't be quoting from them but I am. It was in January and says: "Spokesman for the Provincial Progressive Conservative and Liberal

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(MR. URUSKI cont'd) Parties questioned the wisdom of such low rate increases. David Blake, Conservative Party's Autopac critic and Liberal Leader Charles Huband asked whether a 15 percent increase would make any dents in the Autopac accumulated deficit. We will be in a worse mess with an unrealistically small increase." These are the statements made. I realize that the honourable member is in a very difficult position but I believe that it will catch up with him that if he wishes to sit on both sides of the issue that he will not be able to get away with it. He will have to either sing one tune or the other. He cannot sit on the fence. He cannot sit on the fence because I feel that pickets will soon wear through the skin that he has where he sits on.

Mr. Speaker, the Member from Minnedosa, and I wonder if he is speaking for the Conservative Party, has indicated during his speech that he made on this resolution that he would prefer to see the year-end of the Corporation coinciding with the fiscal year end of the government or with some other fiscal year. If he is serious about that, I imagine that the year-end bookkeeping, year-end tallies, could be changed to suit anyone. I know from previous experience the type of criticisms that have been levied that oh, oh, as soon as you might change the year-end to cover administrative procedures that there is all of a sudden either from the opposition or from some of the media that oh, oh you are cooking the books or you are hiding something; you're changing something.

If the honourable member is serious I can certainly consider that proposition but I do believe that the year-end coincides with the starting date of the Corporation and unless there is some accounting simplicity or accounting measures, cost benefits, that can be achieved by changing or coinciding the year-end with the registration year-end as it exists now, the year-end will continue in its present form. I would say that if the honourable members wish to have the year-end coincide with the registration year-end, I'd let them bring in a private member's resolution and I certainly would be prepared to consider the merits of that resolution at the time that they wish to pursue it.

Mr. Chairman, the member also made statements about the dear Province of Alberta and the great insurance Province of Alberta, how free enterprise is operated with respect to the policy holders in Alberta. Well really what has happened in that province over the years? There are accusations here that insurance companies were kicked out of the Province of Manitoba and lo and behold, Mr. Speaker, last year - and I quote from the, I think it's the Edmonton Journal, I believe it's Saturday, April 5th, 1975. What has really happened in Alberta last year? "Ten companies have stopped selling auto insurance in Alberta during the past year and at least eight others have severely cut back in auto policies." And I go on. "Firms which have left the province during the past year include" - all these firms and I couldn't name them off but these are some of the ten firms that are there that have continually pulled back and cut back.

Here is the interesting thing, Mr. Speaker. What is really happening with respect to auto insurance in that province. I quote from this article. "Some are selling only six-month policies because the deposit requirements are less; other companies will only take new applicants who also have home or fire insurance with them or are related to another policyholder. Many others simply refused to take on bad risk drivers." Mr. Chairman, that is really what is happening with respect to the dear competition, free enterprise Province of Alberta. Some of the companies in effect do not wish to take any insurance coverage unless of course you insure your entire package, you insure your home or you know someone, you have a relative that is insured with the company. That is the type of risk-taking competition that is evident in Alberta. That certainly is contrary to what the Member from Minnedosa has tried to portray to the members of the House here.

There was an interesting article, Mr. Chairman, in the Winnipeg Tribune last Friday which I happened to locate. It was a fairly innocuous article hidden in the - not hidden I shouldn't say hidden, it was in and amongst the advertising for the Auto Show at the Winnipeg Convention Centre. That article in effect brings home what has really benefited the motorist from the public insurance scheme that they have in Manitoba. I'd like to quote from that article, Mr. Speaker.

"In 1970 a typical car insurance policy cost \$131.00 in Winnipeg and \$133.00 both

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(MR. URUSKI cont'd) in Edmonton and Toronto. In 1975, the same policy cost \$280.00 in Edmonton; \$264.00 in Toronto. In Winnipeg the policy cost \$165.00 in 1975. But to this must be added the gasoline tax, a few cents a gallon. If the average policy buyer drove 10,000 miles at ten miles per gallon then the tax would add \$20.00 to his policy cost for a total of \$185.00.

"In the five-year period, the policy costs went up by \$54.00 in Winnipeg, \$147.00 in Edmonton and \$131.00 in Toronto. This is a 41 percent increase in Winnipeg; 111 percent in Edmonton and 98 percent in Toronto."

Mr. Chairman, on an annual basis this represents an average yearly increase of eight percent in Winnipeg, 22 percent in Edmonton and 20 percent in Toronto. All these figures include the gasoline tax in Manitoba.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. What do they pay for a driver's licence in those cities?

MR. SPEAKER: The Honourable Minister.

MR. URUSKI: I presume in the Tribune that the computation of driver's insurance is included in all comparisons that I have made in this House about actual rate comparisons.

A MEMBER: You don't believe in newspapers.

MR. URUSKI: Mr. Chairman, I am using the same type of an argument that the members opposite have been using. I point out to them that there is no doubt in using their type of an argument, if they want to make comparisons, that their arguments will come back to haunt them.

MR. SPEAKER: The Honourable Minister's time is up. The Honourable Member for Crescentwood.

MR. WARREN STEEN (Crescentwood): Mr. Speaker, in making a few comments regarding this proposed resolution the speakers that I've heard to date or read back in Hansard, every one of them wants to get away from what the Member for Portage is trying to accomplish with this resolution and talk about the issue of Autopac whether it's good bad or indifferent.

The Member for Portage is asking that Autopac estimates come before the House and his reasons are two-fold as I see it. One is that he claims, and he's correct, that not all members of the House are on the Committee of Utilities and the Standing Committee and that it was pointed out by the Minister of Mines and Resources, that oh, every member can go to that committee and ask questions and so on. But every member cannot go to that committee and vote. I believe the Member for Portage is trying to get that point across, that Autopac is major corporation in the Province of Manitoba and yet not all members in this House, and that includes myself, can go to that committee and vote on the operation of such a department.

The second point that the Member for Portage, in my opinion is trying to make, is that if the Automobile Insurance Corporation requires a Minister, he should be like other ministers and bring his department's Estimates before the full House. I think those are the two points that the Member for Portage is trying to get across.

My colleague, the Member for Minnedosa, said some two weeks ago when he was speaking on Autopac that the Minister of Mines and Resources could likely handle this department on his lunch hour and therefore be asked: why do we need a Minister? I would ask the same Minister himself. Do we need a full-time Minister to handle this department or could the Minister of Mines and Resources, who is one of the more capable members opposite, handle it on his lunch hour or over a coffee break? --(Interjection)-- Yes, that would give the Honourable Minister more time to look after the turkeys and soon.

This is the day and age in the last couple of years where everybody is talking about government costs and so on and I can recall a few years back when the Cabinet was about 12 members in total and now it's around 16 and it looks as if we're trying to dream up positions for each and every member opposite so that we can get as many as possible into the Cabinet. The Member for St. Matthews I understand is heir apparent to the housing portfolio and even though he's shaking his head. I don't know whether he's going to

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(MR. STEEN cont'd) when he joins the Cabinet, find a spot in the second row or not or whether he'll have to stay in the third row. It's obvious that this Provincial Government thinks they need 16 or 17 ministers, more people than there are in the Federal Cabinet in the United States of America and almost as many as we have in the Federal Government here in Canada.

If the Minister would bring his department's estimates before the House, as I said we will find out if he's worth the Cabinet salary and we'll be able to get all the answers. It would give the Member from Portage and myself an opportunity to vote for or against his department's estimates and so on.--(Interjection)--Well we all can't get on that committee. Perhaps you people should change the rules a little bit so we all can.

But the members to date have been talking about, particularly the government members, about the Autopac rates and so on and comparing rates with the City of Winnipeg and Montreal. I say to the Member from St. Matthews and the Minister that comparing auto rates in the City of Montreal and Regina or whatever you want is like comparing apples and oranges. You just can't compare from one city to another. I'm sure that the rates in the City of Regina are less than they are in the City of Winnipeg and they should be because there's a lot less people there. The rates in Montreal should be higher than in the City of Winnipeg because there's a lot more people there and a lot more vehicles. The numbers of vehicles riding on the streets has a great bearing as to accidents and so on.--(Interjection)--And as the Member for Morris says they drive like mad Frenchmen. Perhaps the rates in Churchill should be the cheapest. Anybody that gets the car up there should get a bonus.

One thing that persons that do support auto insurance being left in the private hands, one of the concerns that people on our side have is the service that a person dealing with Autopac receives. The Member from Portage recently mentioned about taking a car down to one of the service centres and being forced to stand in line for some four hours before he got a satisfactory answer.

In the old days when we all had our own agents and the agents were competing for our business, we could turn our problems over to our agent who in turn turned it over to adjusters representing the various companies and we had someone to represent us and chase them down. But true enough, the agent in those days originally got 20 percent commission and it was reduced by the automobile insurance to 15 percent, and now Autopac pay 5 percent. So those persons that we buy our plates from, certainly for 5 percent; or on average I'm sure that the Autopac agent earns about \$6 or \$7 per vehicle that he registers and that would be an average commission paid, is not going to be in a position to give the person who purchased the plates from him and the insurance very much in the way of service. I don't think anybody could be in the Autopac business unless he was doing at least a quarter of a million dollars worth of premiums.

If I heard the Minister correctly, Mr. Speaker - I was never in the general insurance business and I hope I never am. I'm in the life insurance pension business and the commissions are quite a bit more than 5 percent I might tell him. I hope they'll always stay at that rate and I hope that this government will never get into the life insurance business. The hundred some odd companies that are in it in Canada are running it very smoothly and I would hope that you people could never afford to get into the business.--(Interjection)--I shouldn't tempt them.

But again, I ask the Member from St. Matthews how can you compare our rates with the City of Montreal, persons in Montreal have insurance from private concerns; and how can you bring in to your comparison the gasoline tax, the difference in driver's licence fees that we have here compared to what the Province of Quebec might have or any other province? I say that you can't compare our rates and somebody else's rates, it's like comparing apples and oranges. You just cannot draw an accurate comparison.

The member, I think the Minister of Mines and Resources, or was it the Member for St. Johns challenged the member from our side for Minnedosa regarding the Provincial Auditor. At no time have I ever heard the Member for Minnedosa saying that he questions the Provincial Auditor. As far as I'm concerned, we like all members in this House I am sure, and hopefully that we all respect the Provincial Auditor and the good work that he does perform and his honesty.

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(MR. STEEN cont'd)

It has been mentioned by members on both sides that perhaps the date should be changed as to the year end for the Autopac Corporation, so that we can get their year end at the same time as the other department's year ends, and so on.

It has been mentioned by others in the past that the automobile insurance rates have been going up by about 15 percent each of the last few years with the one exception, 1973, the rates were held very low that year; we all know what happened in June, in the spring of '73, we had a provincial election. So I would hope that perhaps we're going to all be treated to another such year, maybe next year or the year after, where our rate increase will be nil for that year and that'll be the year that we'll go to the people.

There is a lot of concern, Mr. Speaker, regarding British Columbia, how the change of government there took place and what the new government did with the automobile insurance business. Yes, they tripled the rates and perhaps they're trying to pay off the deficit in one year. It's public knowledge to everybody in Manitoba that the Provincial Government here has a deficit in the area of 19 to 20 million and some day, some day that'll have to be paid off. And then I question the Minister about the startup charges, the capital that was laid out for the half a dozen or more buildings that are operating and so on. And ask the Minister, when will these bills be paid? When will these deficits be erased? --(Interjections)--The Minister refers to it as an investment rather than a deficit. Well his accounting is somewhat different than mine. But I repeat again that the real issue before us is; if the Autopac people need a full-time Minister, then we as members on this side would like to see the estimates come before the House so that all members could question them and so on, or else do away with the portfolio and give it to the Minister of Mines and Resources. Let the very confident Minister look after it on his coffee break.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Speaker, I enjoyed some of the comments from the other side. I don't normally get into an Autopac debate, of all things. Mr. Speaker, I have to disagree with some of the comments by the Member for Crescentwood. One of the points he raised, the length of time at the claim centres, and how good it was under the old days; that you had an agent and you phoned the agent and he phoned an adjuster and then you'd wait and you'd wait, and you'd phone the agent again. And he said, well I've got to get after the adjuster, and I'll get after the adjuster for you, and he'd get after the adjuster, and you'd wait and you'd wait. And eventually it would be done, there's no question. The fact of the matter is that in studies made of automobile insurance, one of the things that has come through on almost every study made by media outside of Manitoba was the, and one of the credits given, was the fact that the claim centres are as efficient as they are and that claims are handled as quickly as they are. As has been indicated to the Member for Portage la Prairie, Mondays and Tuesdays are difficult days, but Wednesdays and Thursdays the time is cut considerably, and compared to the good old days, it's a lot less. --(Interjection)--Your adjuster wouldn't even talk to you on Saturday and Sunday in the old days.

Then the Member for Crescentwood also says, why are you comparing Winnipeg and Montreal? How can you compare Winnipeg and Montreal? You know, Montreal is a much larger city, a metropolitan area with so many more cars. And I would agree with him that you can't compare Montreal and Winnipeg, and you can't compare New York and Montreal. I suspect there is a great deal of difference between the two. But you know, members opposite in other debates at other times, I recall sitting here and listening to them saying, in Montreal it's such and such, and in Vancouver it's such and such, and in Winnipeg it's such and such. And they were always using the argument about other areas and trying to make a claim by virtue of these statistics that they had, that because something was paid in one city, and they were comparing it to Winnipeg or they were comparing it to rural Manitoba. So the fact of the matter is that they are the ones who are the most guilty of using comparative figures and I'm glad to see the Member from Crescentwood today finally get up and say, you can't really compare. That really it's not comparable. --(Interjection)--Well, I'm glad you made that statement. I suspect that the

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(MR. MILLER cont'd) Minister will use your comment in future debates when figures are thrown across from that side to this side of the House, using so-called comparative figures. But the figures used this afternoon by the Minister were not comparing the rates in Montreal or Vancouver - or is it Toronto and Edmonton - with Winnipeg, and saying this is higher, that is lower.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, on a point of order, . . . expect the member to debate the contents of the resolution.

MR. MILLER: Mr. Speaker, I will limit myself in the same manner as other members have limited themselves this afternoon. I'll live with that constraint, and having listened to the debate I know the constraint is not there.

Mr. Chairman, the Minister pointed out, not the difference in rates; what he pointed out was the difference in the increases that have taken place since 1971, I believe it was. And that is what is important, recognizing that the rate in 1971 in one city was higher than the other city, the important thing is what are the increases over three, four, five years. And if you follow those figures it's obvious that the rates in Winnipeg increased at a lesser percentage over that five-year period than they did in Edmonton and Toronto. That is the situation. So when the Member for Crescentwood says you can't compare Montreal with Winnipeg, or Toronto with Winnipeg, you can't. But you can compare the increase in rates from one year to the next, whether it is 25 percent or 15 percent. That is a valid comparison, and members opposite if they ever use that kind of argument can show that, that would be correct.

The question of the deficit is asked, when will it be paid? I find that interesting because the first reaction of members opposite with regard to the Public Accounts when that matter was raised about payments out from the government to MPIC, when the increase was noted 15 percent, there were some members opposite who questioned whether the 15 percent increase was really adequate. The position they seemed to take is that because of the deficit the increase in rates should be greater, otherwise you're not really taking much of a bite into the deficit. And if I follow that reasoning to its logical conclusion, I would have to say that they were proposing, I suppose, that it should be a 25 percent increase and not a 15 percent. And maybe that's what they're suggesting today when they say, when will the deficit be paid? Hurry up and pay it. Well what they're saying is: don't raise it 15 percent, go to 25 percent, go to 35, go to 50; go to 150 like B.C. did and get rid of the deficit, is that what they're proposing? Maybe they should bring in a private members' resolution asking the Minister to consider the advisability of that kind of approach. I would like to see a resolution suggesting that the increase in rates should be not 15 percent but should be double or triple or quadruple what they were.

Well if members opposite are so keen on it, maybe they should, because I'm not that keen on it, I don't think it is necessary. I know when you start something - and I've been in business and I don't expect that I'm going to get my capital out in a short time, it takes a number of years - you put in money, you expect that there's going to be a period of growth, a period of stabilization, and you even are prepared to lose some money in the initial years and then eventually cover your capital investment. I treat this really as a capital investment, and in time it will be paid off and in time the deficit will disappear. We have lots of time, because I predict that Autopac will remain, the public of Manitoba wants it here, it will not disappear; it will not be subverted by this government; and I suspect that even members opposite, if they by some fortunate event were ever elected to office, I suspect even they wouldn't basically touch it, it's been too long established in Manitoba.

Mr. Speaker, the member asked about the resolution itself. The idea of having the estimates of the MPCIC brought in here, and why do we need a Minister; that my colleague the Minister of Mines and Natural Resources could handle this on his lunch hour. Mr. Speaker, I don't think Manitoba need apologize for the size of its Executive Council. It compares very favourably with other provinces. I can tell you that MPIC is an important project undertaken by this government. I for one am very happy that we have someone who can devote full time to it, particularly in the developing years; when it gets to the point where it's as long established as Hydro and Manitoba Telephone System,

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(MR. MILLER cont'd) then perhaps a new approach should be taken. But at this point in time where it's still in its formative years and it's really in its infancy, then I feel much more secure and much happier that there's someone who is prepared to give it the kind of time, the kind of effort and the kind of attention that only a Minister who isn't under pressure because of other departmental responsibilities can give to an important operation such as Autopac, because it is important, it's a major undertaking. There has to be a liaison on almost a daily basis between the Minister and the management of MPIC, and my experience is that when a Minister has a portfolio that is particularly heavy with many facets to it, or his portfolio includes a number of different operations, that somewhere along the line something suffers because you simply cannot be in all places at once. And the tendency is therefore that you concentrate on the pressure areas and you hope that somehow things are looked after in the other areas. So as I say, I am very pleased that in fact we do have a Minister who is devoting full time to this and can address himself to the issue and to the problems as they arise on a daily basis; and also who has the time to think ahead and to plan ahead and to meet with the board periodically to determine the direction of MPIC and what is occurring in MPIC, particularly now that MPIC has entered the general insurance field, that too is a new venture, new development, and I'd much rather that there was somebody, as I say, giving full time to it than just hoping that things were going right and then finding out later on that perhaps things hadn't gone as one had anticipated.

As the Minister pointed out, the MPIC will be before committee. Members may not be able to vote, it's true, not all members, but they certainly can ask questions. They can be there, they can participate in all the discussions that take place. Insofar as voting is concerned, when we get to Executive Council members opposite can of course indicate their displeasure with the performance of the Minister by voting against his salary, and that is not uncommon in this House. So that they have that particular time in which they can discuss this whole matter; they can raise the question of whether there should be a Minister responsible for MPIC, they can question it, and in the final analysis they can vote against it. So there is ample opportunity for members (a) to participate in discussions and hearings on MPIC and (b) to question the Minister himself, to question the need for a Minister and to question the salary which is paid to the Minister.

Mr. Speaker, I rose only to cover some of the points which I felt the Minister himself was unable to cover because of lack of time. I don't intend to move an amendment on this motion but I felt that some of the points raised by the opposition had to be countered.

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

MR. MINAKER: Thank you, Mr. Speaker. I couldn't resist rising to take part in this debate after hearing the Honourable Minister of Mines and Environment with his usual logical comments with regards to premiums versus the tax principle of paying for the service. But before that I'd like to say that I support the resolution before us, and like my honourable colleague from Crescentwood, that if the position requires a Minister then I believe it should be presented in the House like any other department that a Minister represents. I won't elaborate any further than that, I think the Honourable Member from Crescentwood gave many of the reasons that I would put forward.

I would like to comment with regards to two subjects, one that the premium versus the tax and also the concern of the Honourable Minister responsible for Autopac, his concern about that two cents tax on gas. He always claims that it's not a subsidy but it's a transfer payment, and one always wonders what's the difference between a transfer payment and a subsidy. I'm sure one of the things that the Honourable Minister goes home and has sleepless nights about is the fact that, golly, if those electric cars ever take over what are we going to do? You know, I can see a real problem between him and the First Minister, because if the little electric car really takes on and starts zooming around Winnipeg and around the country - you know, how are they going to pick up that two cents per gallon? So then the question probably I'm sure running through the Honourable Minister's mind right now is: are we going to have a little meter on the car when it plugs in that if it uses so many units of hydro power that we'll charge it to Hydro.

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(MR. MINAKER cont'd) We'll charge him more on his bill but then we'll have to transfer payment from Hydro over to Autopac. I'm sure that the Honourable Minister is quite concerned about the efficiency of these little electric cars and I'm sure he's hoping that they won't work where on the other hand we have the Honourable Minister of Public Works, he's got his fingers crossed that they'll really work and show that he made the right decision in buying these electric cars.

It is an important resolution before us particularly with the Minister's department getting involved in general insurance. We are the - and when I say "we" the government and as a member of the Legislature and a Manitoban, we are the biggest landlords probably in Manitoba. If the government is now getting involved in insuring itself, its buildings its schools and so forth, if it's getting in this approach to this type of policy then it's more important that it is brought into this House, that we can deal with it and we can vote on it and not just a selected few on that committee make the decisions and have the vote. I think it's very important that it be brought into the House and be debated and be discussed like we are now in various Estimates before us.

Now with regards to the Honourable Minister of Mines and Environment, with his logic on the tax paying for the car insurance rather than the premium and if I understood the Minister correctly when he took part in this debate, and I questioned him when he was leaving if that's what he meant, that he preferred to see Autopac paid by a tax on gas. His logic, and I can see his reasoning, he's a very logical man, is that well, the more gas you use obviously you're driving your car further so therefore you're a greater insurance risk and therefore it'll come out in the wash that if you pay more tax for gas or buy more gas and pay more tax it'll work out that you're putting on more miles than somebody else. I can buy that logic when it comes to Autopac. When I say buy it, I can see his reasoning. I wouldn't accept the principle but I can see the Minister's logic. But he comes forward and says that premiums are no good, tax is the method. I would presume that that is the case for Medicare. Your government was very proud when they took Medicare off a premium system and put it on a tax system.

Well, let's follow the logic that the Honourable Minister uses for Autopac. Let's use it on Medicare. Now we would presume the more you use Medicare, the more tax you pay. But is that the case? I understand the more you work, the more money you make, the more tax you pay so the more you pay for the Medicare. So if you're healthy and you're working and not using Medicare you're paying more tax for Medicare than somebody that's home sick using it. So I can't quite follow the logic of this government when it comes to premium versus tax.

Mr. Speaker, if the government wants to apply the premium tax principle to Autopac, why don't they apply it to Medicare? Where does this logic break down? You know I can buy the approach that the Honourable Minister takes with Autopac. You know it seems sensible to me. I think I'm a logical person too but for some reason I cannot buy his logic or the government's logic on Medicare. It appears that there's a complete 180 degree reverse in logic, that the more you work, the more you pay to not get sick. I cannot see this logic that the Minister is putting forward and I hope some day that we get a reply to this because he is very proud of the fact that services of this type should be paid on the basis of tax and I would presume based on the usage of the service.

I cannot understand how this logic can be applied to Medicare and I hope that this government will correct that situation, that if you're healthy and you don't use Medicare and you are able to work that you pay a little less towards Medicare. A real incentive, that would be a real incentive. Mr. Speaker, I hope that the government some day will explain this logic.

Mr. Speaker, at any rate we believe that this resolution is a sound one, that if there is a Minister required for this portfolio that it be brought into the House as Estimates are for other responsible Ministers where it can be properly examined and debated and questions raised and particularly so, as I indicated earlier, when the government is planning on going into bigger areas of responsibility on general insurance. Because we will get into a situation where we will be insuring ourselves for our buildings but who is scrutinizing the people that are running these buildings? Who is inspecting

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(MR. MINAKER cont'd) them to make sure that they're not hazardous? Who is keeping that tab? Because right now--(Interjection)--I think the Honourable Minister realizes that I'll answer questions when we're finished. Who will be looking into these buildings to make sure that hazards don't exist so that if fires occur or explosions occur that we are self-insuring ourselves. Who is going to scrutinize ourselves? This is the big question and it becomes very important so that the same thing applies to the portfolio that we're discussing at this time. It deserves review; it deserves inspection and it deserves review and inspection in this House and I support the resolution before us.

MR. SPEAKER: The Honourable Minister of Public Insurance Corporation.

MR. URUSKI: Mr. Speaker, the honourable member made a statement to the effect as to who is going to scrutinize the rates. Does the honourable member feel that the insurance held by the private sector on large risks is not re-insured through the world market as would be the case with the Corporation as well? Does he realize that we would also be on the open market for rating of large risks whether it be public or private corporations?

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

MR. JOHANNSON: Would the honourable member permit another question? Would the honourable member mind telling us what appropriation other than the Minister's compensation can be voted by the Legislature with respect to Autopac?

QUESTION put, MOTION lost.

MR. SPEAKER: Do we call it 5:30? I am now leaving the Chair and the House will recess till 8 p.m. at which time the Honourable Deputy Speaker will return to the Chair in Committee of Supply.