

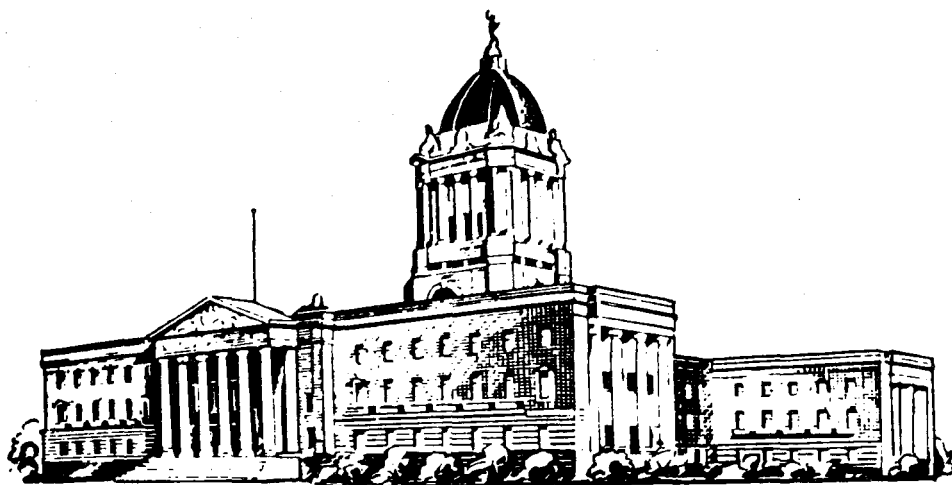


FOURTH SESSION — THIRTIETH LEGISLATURE
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**DEBATES
and
PROCEEDINGS**

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CONCURRENT COMMITTEES OF SUPPLY

ESTIMATES — PUBLIC WORKS

MR. CHAIRMAN, Mr. D. James Waiding (St. Vital): We have a quorum gentlemen. The Committee will come to order. I would refer the attention of honourable members to Page 51 in their Estimates Book. Department of Public Works. Resolution 100(c)(3) Workshop Minor Projects. The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, before we broke at 4:30 this afternoon, the Minister had explained what Workshop Operations under (c)(2) was and he gave us an outline. Could he do the same thing under (c)(3) Workshop Minor Projects and sort of tell us what the difference is between the two?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Basically, Mr. Chairman, minor repairs, renovations, fixing furniture, making the odd light fixture and repairing the same, etc.

MR. STEEN: Mr. Chairman, to the Minister, Workshop Operations, he mentioned about carpenters and painters and so on. Is there that much difference between Workshop Operations and Workshop Minor Projects or is it just a method of budgeting that the department uses to put it in the book as two separate items?

MR. DOERN: I might ask the honourable member if he would repeat his question so that I could just listen to it again.

MR. STEEN: Mr. Chairman, through you to the Minister, there is over \$600,000 worth of moneys in the budget for Workshop Operations and Workshop Minor Projects. As I said earlier, the Minister gave us an outline as to Workshop Operations was a department within the Department of Public Works that did painting and repair work of existing buildings and properties and he has now said that Workshop Minor Projects is minor items such as light switches, etc. and so on.

MR. DOERN: And fixtures.

MR. STEEN: And fixtures. Can he tell me, is one, operations the part of the Department that actually does the physical work and two, Workshop Minor Projects manufactures the items that are going to be installed? Is that why the items in the budget are separated rather than lumped together?

MR. DOERN: Apparently the Operations are the general operations of the Department and the Workshop Minor Projects are small specific projects which come into the shop. I suppose it is primarily an accounting split and I think it would be difficult to really make a sharp distinction.

MR. STEEN: Mr. Chairman, it is my understanding that a couple of years ago, an investigation was done as to improving upon the sound system within the Legislature. Can the Minister tell me if such an investigation was done and if so, what has happened with the investigation and what does the department propose to do.

MR. DOERN: Within the Chamber?

MR. STEEN: Within the Chamber.

MR. DOERN: Well, I have dealt on rare occasion with acoustical engineers or acoustic specialists, whatever they are, and I really don't know if anyone in that field knows what they're doing, because it seems extremely difficult to find someone who is an expert in that field. If my memory serves me correctly, I think you can look at some of the great new opera houses and concert halls that have been built in the last 10, 20 years in the United States and elsewhere, and they have had tremendous problems with acoustics. I think our own Concert Hall which to me is really a magnificent creation, I think there, they also had some problem or had to make certain adjustments and so on there. Now we had problems in terms of our Chamber and a few years ago I think we called some experts in for advice. I know, for instance, experts were called in the grand staircase at the front, if you ever look at the ceiling. I've never liked the colours in the ceiling but they were the advice apparently of one of the noteworthy professors on campus.

A MEMBER: Conservative blue.

MR. DOERN: Conservative blue with a little red, I think, and a little green and some other colours that I'm not so sure go together.

MR. STEEN: Well red was the . . .

MR. DOERN: A little pink perhaps.

MR. STEEN: Mr. Chairman, red was in respect of the Liberals. And in the days in 1962, the NDP was using green as a principal colour.

MR. DOERN: That's right.

MR. STEEN: That's likely the selection of those colours and the reasons.

MR. DOERN: In fact I'm one of those who tried to persuade my colleagues not to use green and yellow which I thought were a putrid combination. I suggested orange and we started using orange. Now we're using orange and black. And my colleague is using an orange shirt for example.

MR. STEEN: We'll have trouble blending the red in with the orange but . . .

MR. CHAIRMAN: Resolution 100(c)(3).

MR. DOERN: Just to continue, Mr. Chairman.

MR. STEEN: Mr. Chairman, was such a study and a report prepared for the department?

MR. DOERN: Well, yes. We did get advice and what we did, I recall quite clearly, there were some old curtains in there which were really apparently not drapes but rather some sort of a thin fabric, and some sort of a makeshift acoustic tile or something on sticks or poles behind it. You couldn't see it, but it was there. So I think we wound up with professional advice and we glued carpeting — just portions of the walls we glued, and then we put in new drapery. Now the same thing goes with lighting. I can tell you I am not happy with the lighting in the Chamber. I don't like the lighting. But how can you make adjustments if you did what we did here, namely, you drop the ceiling to about 15,20 feet and wreck the beauty of the Chamber and put in some good lighting. Then you would have nice, even lighting and you would probably have excellent acoustics. But we're trying to work around a beautiful design and we've worked on the acoustics, I think with limited success, and we've worked on improving the lighting and I think again, haven't done too well in that regard. But we have made a slight improvement.

MR. STEEN: Well, Mr. Chairman, to the Minister. Is the sound system used in the Chamber, is it a very old one and one that is considered outdated?

MR. DOERN: We apparently made some improvement in the sound system and apparently had planned, I suppose on recommendation of the Speaker and internal economy, to put in a new sound system. That was recommended and deleted in the restraint exercise. So if my honourable friends are recommending that, I'd be happy to relay that next year at Estimates time.

MR. STEEN: That's fine on this item for me, Sir.

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

MR. GRAHAM: Mr. Chairman, I want to speak on a matter of privilege, and I realize that in our Committee it is very inappropriate for members of the Civil Service to stand up and speak. So, I will speak on their behalf, and I would ask the Minister to reconsider his comments when he referred to members in this committee room wearing orange shirts. Maybe those that are in this room may have orange shirts and want to be identified as wearing orange shirts, but I don't think it was an appropriate comment.

MR. DOERN: Well I was referring to your shirt. And I didn't realize you were a member of the Civil Service.

MR. GRAHAM: Mr. Chairman, I was looking around the room.

MR. CHAIRMAN: Order please. I don't believe either member had a matter of privilege. The Honourable Member for Swan River.

MR. JAMES H. BILTON: Mr. Chairman, I am rather curious about these items, and I would like the Minister to give us a better explanation than he has thus far. If we look at the Salaries of \$1,228,000, that's covering a lot of people. And over a half a million dollars in Workshop Operations and Minor Projects. Just to be curious, does this item of Minor Work Projects cover all public buildings, not only in the City of Winnipeg, but throughout the province?

MR. DOERN: Yes.

MR. BILTON: And does it include Headingley Jail?

MR. DOERN: Yes.

MR. BILTON: Could the Minister give us a something of a breakdown as to how this money is spread out, and I recall so well the public building in Swan River which is comparatively new as you know, and I noticed with some interest that considerable office space was provided for incoming personnel — there's nothing wrong with that, Mr. Minister, don't misunderstand me — but, I also notice, Mr. Chairman, that in the handling of that project the civil servants were taken from Winnipeg, as I understand it, and they spent four or five months there altering that building, and this item would cover those particular people would it not?

MR. DOERN: Apparently the reason for that is that we were prepared to tender the project out in the Swan River area but we couldn't get any local people to undertake it, so as a result we brought in our own forces from Winnipeg.

MR. BILTON: Was it advertised in the local paper, Mr. Minister?

MR. DOERN: Well, I'm not sure whether it was inserted in the outstanding local paper, but apparently there was a search made, perhaps unofficially or perhaps we relied on some of our staff to inform us, there was a search of some kind and it was determined that they couldn't locate people to undertake the job.

MR. BILTON: Mr. Chairman, is that the policy of the department as and when reconstruction or repairs or changes in public buildings outside of the City of Winnipeg, is it the policy of the department to send their personnel from this area and pay their transportation and accommodation and so on and, if so, does the Minister consider that economical?

MR. DOERN: Well, the preference of the department is clear. It's to use local tradesmen, it's obviously a lot cheaper to use somebody for a couple of hundred dollars rather than fly someone in, but if we ascertain that we can't get someone to do the job, or there's nobody there who can do the job, then we must resort to flying in our own people, or having them drive there.

MR. BILTON: Well, with due respect, Mr. Chairman, through you to the Minister, my understanding is that the local tradesmen were entirely ignored in this particular project and I thought that was rather unfortunate, particularly when there were a considerable number of men — there were electricians and as I recall it, plumbers and plasterers and what have you — all of which were available locally. Heaven knows we need those local jobs and they've got to be competitive but I see no purpose, in my humble opinion, Mr. Chairman, that tradesmen are transported from Winnipeg 300 miles north and are there for four or five months, if not longer, doing this work when local people could have very well done it.

MR. DOERN: We apparently tendered all the sub-contracts which would mean that we acted as the general contractor and some of them were awarded — for example, Brandon contractor in one instance was the lowest bidder and they received that part of the component.

MR. BILTON: I just merely bring these matters to the attention of the Minister for what they are worth and I'm sure the department has a considerable number of buildings in The Pas, much more than they possibly have elsewhere outside of Brandon, and I would hope that in the future the department would give the local businessmen, or the local tradesmen, the benefit of whatever business may be available through the department.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: I wonder if the Minister could tell us what the renovations to the courthouse building in Minnedosa cost, and if the recently renovated space in that building is now fully utilized, and who occupies that space?

MR. DOERN: We'll have to dig that up. Maybe we could go on and come back to that in a minute or two.

MR. BLAKE: Very good.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: I would like to ask, through you to the Minister, if any of the historical buildings in this province are a responsibility of Public Works?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: No *not perse*. I suppose some government buildings might be regarded as historic but that really doesn't fall into our responsibility like renovating say, Dalnavert which is on Carlton Street or something like that. We haven't undertaken those projects, but this is certainly a historic building and the Law Courts is, and the Auditorium is, in my judgment, a historic building' and Land Titles is, etc., so to that extent, but in the general sense of the word historic we are not renovators outside of government buildings that are considered historic.

MR. EINARSON: Could the Minister tell us what is the cost of the rest room station across the street on the north side of Broadway, and the time that was built?

MR. DOERN: We'll have to dig that one up too.

MR. CHAIRMAN: Resolution 100(c)(3). The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, while we're dealing with that phase of it, does the power house over here fall into the same category?

MR. DOERN: Of a historic building?

MR. GRAHAM: Well, it falls within your responsibility does it not?

MR. DOERN: It certainly does. That's the general source of heat and air conditioning in the core area here.

MR. GRAHAM: Can the Minister indicate what plans the government has for the renovations within that building?

MR. DOERN: Of the Power House?

MR. GRAHAM: Yes.

MR. DOERN: I assume the member isn't confusing the Land Titles with the Power House.

MR. GRAHAM: No, the Power House.

MR. DOERN: The Power House. Well, we put on an addition there, I guess a few years ago, a couple of years ago' and I don't believe there are any plans to do anything there beyond that.

MR. GRAHAM: All the equipment in the Power House at the present time then is modern and up-to-date is it?

MR. DOERN: Yes.

MR. GRAHAM: Okay.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: For the edification of my colleague and certainly the Minister, probably my colleague is referring to that part in that area that was set aside for parolees?

MR. DOERN: Are you talking about the Vaughan Street Detention Home or something?

MR. BILTON: No, it was in the old steam building, as I recall it. Is that the space he is referring to?

MR. DOERN: It's still being used for day parolees.

MR. BILTON: It's still being used.

MR. DOERN: Of course old Vaughan Street is too.

MR. BILTON: Yes, well probably that was what my colleague from Birtle-Russell was referring to, I don't know. I just threw that in for what it was worth.

MR. DOERN: He talked about equipment.

MR. CHAIRMAN: Resolution 100(c)(3)—pass; (c)(4) Furniture and Furnishings. The Honourable Member for Rock Lake.

MR. EINARSON: Yes, Mr. Chairman, I'd like to ask the Minister on (c)(4) Furniture and Furnishings, what are the funds used for, is it making furniture, purchasing new furniture? — \$937,000, some odd — almost a million dollars.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: That's right across the system and that's basically, I suppose, new furniture.

MR. EINARSON: New furniture. Then I would imagine there are sometimes old furniture that are being changed and not being used anymore. Can the Minister indicate what happens to that furniture that probably still could be used by someone.

MR. DOERN: Well, if it's of a certain quality like these chairs on the sides here, these are old but honourable chairs, and the chairs that you're sitting on, etc., we take some care in keeping them going. In other cases we auction off furniture occasionally. In other cases, of course, simply discard what is really beyond repair. But, I think that we recycle our furniture quite well. I think that it tends to be used indefinitely. That's the sort of general policy, but every now and then we discard and auction.

MR. EINARSON: Well, Mr. Chairman, the Minister indicates that they do have an auction on furniture at times. Can the Minister indicate when was the last time they had an auction sale?

MR. DOERN: January 15th of this year was the last.

MR. EINARSON: Could the Minister indicate, January 15th of this year, was there an auction sale held at all in 1976 of the furniture that probably could still be of value to someone?

MR. DOERN: Yes there was.

MR. EINARSON: Mr. Chairman, how was this made aware to the public as to when these auction sales are held?

MR. DOERN: Apparently a rough example might be about half a dozen times a year and there are ads placed in the papers. Now I assume they are just in the Winnipeg dailies, and rural Manitoba, some weekly advertising.

MR. EINARSON: Are these put in the daily papers? I understand, Mr. Chairman, that the staff say the advertisements are placed in the daily papers as well as the local papers throughout the rural parts of the Province of Manitoba?

MR. DOERN: Some weekly papers. I couldn't give you a list of them but I guess there is a sampling.

MR. EINARSON: Mr. Chairman, I posed a direct question to the Minister about a year ago asking about this very thing and through his Deputy I was given to understand that — because I asked of a particular case where people were interested in knowing when an auction sale would take place, and whether he just omitted to inform us, forgot about it or what, but we never did hear about it. This is one of the reasons why I'm asking these questions as to whether, if a request like that comes to me again then I would have them watch for the papers and take note of when the sales are being held.

MR. DOERN: I'll ask one of my assistants to let us know the next date and we'll attempt to inform the honourable member. I assume he knows that my Deputy has suffered a heart attack and otherwise would be here. Mr. Nordman who is my right-hand man suffered a heart attack on Thursday and has been in intensive care and may just now be out of it, and then he's going to probably require a couple more weeks of recuperation in the hospital and maybe another couple of months before it's business as usual, so we are all rather saddened by that. Mr. Osler is my Assistant Deputy and he is filling the breach.

MR. EINARSON: Mr. Chairman, I was not aware of the illness of your Deputy Minister, a gentleman who I know and who has relations in my constituency and I'm sorry to hear about that. I wish him well and hope that he will be back with you soon.

I wonder if the Minister, Mr. Chairman, could give us the cost of the furniture in our dining-room downstairs that was established last year? Is it itemized separately?

MR. DOERN: No, we would have to break that out for you. We certainly have that but I don't know if we can put our finger on it right now.

MR. EINARSON: On these sales, where is the revenue shown on auction sales when you sell

furniture or anything that was once the property of government?

MR. DOERN: We don't have it here in our Estimates. The money is acquired and passed on to Consolidated Revenue so although we could obtain that, again we don't have an item in our Estimates.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON: Mr. Chairman, my question was partly answered, I was just wondering about the lunch-room facilities and the equipment costs for the basement. Do you know that figure?

MR. DOERN: Well, my memory fails me again. I certainly recall the debate with the press. I don't really recall the precise amount of money for renovations and furnishings but we'll get that.

MR. HENDERSON: It seems to me the press was running about \$300,000 and it was only about a half of it.

MR. DOERN: That's right. I think it's considerably less than that.

MR. HENDERSON: I would just like to get the final figures on that.

MR. DOERN: I'm sure my honourable friend will agree it was money well spent.

MR. HENDERSON: It certainly is an improvement and I don't think it was too lavish considering it was being done with the times. And it's to do for many years to come, I have to agree with you there.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, I notice, and I compliment the Minister, there was a cutback of something in the neighbourhood of \$400,000 in this item. I realize that possibly last year's figures of over a million dollars included no doubt the furnishing of the Woodsworth Building and possibly public buildings in Brandon. But \$937,200 is quite a lot of money. In going through government offices from time to time when I have the occasion to do so, I notice that the equipment is fully modern and right up-to-date and I have wondered sometimes what has happened with regard to a lot of these steel filing cabinets that are as good as the day they were bought and they are simply cast aside for more modern furnishings. I just wonder if this is not being overdone and that money might be saved, particularly in this particular time of inflation and so on, in the continual use of some of the furnishings which, as I said a moment ago, are as good as the day they were bought but not as modern as they may look. I wonder if the Minister is keeping his finger on that?

While I'm on that subject, I wonder if this item includes the furnishing of the lodge at Hecla Island? Added to that, to finish off my questions, Mr. Chairman, through you to the Minister, I wonder how much of this money is going to the Indian — for the use of a better term, I've seen it somewhere — Furniture Factory that is producing furniture. Are there certain funds here going to them in buying their product for use in government buildings, and if so, how much?

MR. DOERN: Apparently all that steel desk furniture you are talking about is still around. It's shifted around. I could show you, I guess, places where you have some very old wooden desks that have been used for decades and similarly the steel furniture is around. It may be shifted, but it's in use and some of it has been renovated and patched up, etc. I'm informed that there has been about \$100,000 worth of recycling, including repairs to it, etc.

Hecla Island, or Gull Harbour, we have nothing to do with in Public Works, that's not our project.

We answered last night for the Member for Lakeside who asked a question on purchases from St. Laurent. They have a furniture co-op or something and we have bought material from them, some chairs and desks and coat racks, etc. We tried to offer some guidance and also to work with their representatives but we found that the difficult problem there was sort of production and price. Although their product is not bad, their ability to deliver quantities is not that good, and so we have made purchases but we haven't found them to be a satisfactory supplier.

MR. BILTON: Just one other question. I appreciate the Minister's interest in this government-sponsored project of the Indian people. Does the Minister have the authority for purchasing furniture for these wayside parks throughout the province?

MR. DOERN: That would come under Tourism and Recreation.

MR. BILTON: They buy that furniture, do they?

MR. DOERN: And manufacture some of it themselves.

MR. BILTON: And they manufacture some of it themselves. Thank you very much.

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

MR. GRAHAM: Mr. Chairman, just to carry on in that vein, I was wondering if the government is considering the purchase of a considerable number of paddles from the Xyloid Corporation in Dauphin seeing as how we are heading into the election season in the near future?

MR. DOERN: Bearing in mind that there will be a drought, I don't know if we will need them.

MR. GRAHAM: Mr. Chairman, seriously, I was wondering, in the field of refurbishing of furniture, how much of the work is done by the department itself and how much of it is contracted out?

MR. DOERN: In terms of repair, the greatest percentage is done within the department. In terms of new production, we do some production but essentially I guess most of the purchasing of new furniture is naturally outside and most of the repairs are done by us. Some of our very highly qualified

employees are people who can refinish tables in the sense of experts with wood and table top renovations, cabinet makers, etc., outstanding work done in the shop.

MR. GRAHAM: Mr. Chairman, the reason I asked the question, I believe just down the hall in what used to be the library, I noticed that there are a considerable number of chairs of this type that are stacked there. I imagine they are there for repairs and I was wondering whether the department planned on doing that work themselves or contracting it out?

MR. DOERN: Two points on an earlier question. As an example, in the lounge downstairs, the Members' Lounge, those tables, I guess the coffee tables, etc., the wooden ones were made by our department and some of the chairs were upholstered — I think the red corduroy plush types — were done in our shop.

In terms of the library, those will be done, again, by us and there is some need there. I have asked my people to do something about those tables in the library which I think either have to be refinished or covered because they are in pretty sad condition. I think that's a beautiful room but the furniture is rather shabby in there and I think it's time it was upgraded.

MR. GRAHAM: Mr. Chairman, I believe in the past the department or the government has, I think, sent some of the expensive high-grade furniture to eastern establishments for refurbishing.

MR. DOERN: Not that we are aware of.

MR. GRAHAM: It's all done right here then?

MR. DOERN: Yes.

MR. GRAHAM: Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, through you to the Minister, there's a \$400,000 reduction in the budget this year. What was it in 1976 for this item, do you have that figure available, and was 1977 an exceptionally high year because of the furnishing of the Woodsworth Building?

MR. DOERN: The previous year the figure was considerably higher, it was \$2.1 million, and then it went down to this \$1.3 and this coming year our projection is for \$900,000.00.

MR. STEEN: Mr. Chairman, I as a taxpayer welcome the reductions but was the 1976 high and then the 1977 year, was that to furnish major buildings like the Woodsworth, things that don't come up each and every year?

MR. DOERN: These are a score of projects, etc. for furnishings, but did not include the Woodsworth Building.

MR. STEEN: Mr. Chairman, the Woodsworth Building furnishings would have been included in the total cost of that building, when it was capitalized.

MR. DOERN: Yes, and I think there is an amount, as I recall, of about \$2.5 million for furniture, furnishings, etc.

MR. STEEN: Over the past few years we spent more than we are this year on furnishings, were we in a catch-up period there for awhile and we're sort of caught up? Or is the great reduction, again, like you answered a question this afternoon, caused because Cabinet said we must reduce the costs?

MR. DOERN: Going back a few years, there have been varying increases in the absolute size of the Civil Service, and I guess a few years ago there is always a sort of a time lag. If you add, say, 100 employees, you don't buy the furniture for them the same day, there's a sort of a lag in terms of when they are phased in and when the furniture is required, the work stations, etc. So this was basically a catch-up from a few years ago and over the last couple of years we have been cutting down the size of the increases. It is also a reflection of the number of employees added and obviously it has gone from \$2 million to \$1 million something to less than a million.

MR. STEEN: Mr. Chairman, to the Minister, when the Department of Public Works is in the market to purchase furnishings, I would trust that it is done by tender. Is it done by quotation if it's a small enough item, rather than going to actual public tender?

MR. DOERN: Very small items would be done by emergency purchase or by phone tendering but normally it's . . .

MR. STEEN: Advertised tendering for every item? Pretty well?

MR. DOERN: Or invitation to tender. We have lists of available or known suppliers, people we do business with, people who want to be on the list, etc.

MR. STEEN: In the Manitoba market, are there sufficient numbers of persons interested in tendering for government furnishings, or do we have to go outside the province in many of the cases?

MR. STEEN: Getting back to a question I asked earlier, Mr. Chairman, by the Member for Rock Lake, regarding the auctions in the sale of used furniture and so on, I believe the Minister said that such auctions may occur as frequently as six times a year. Could he inform the Committee as to the dollars that are derived from these sales?

MR. DOERN: For the past twelve months, about \$30,000.00.

MR. STEEN: Mr. Chairman, the purchasers of such furnishings would pay the Minister of Finance, and that's the reason why the money does not go into the department.

MR. DOERN: Right.

MR. STEEN: And that is why you don't have a recoverable in this item, eh?

MR. DOERN: Correct.

MR. STEEN: No further questions.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, I don't want to be accused of being parochial but I think that I'd like to bring to the attention of the Minister through you, Mr. Chairman, something which I would hope that he is considering and is in this figure over-all as my last kick of the cat. I wondered if the Minister is considering lighting befitting the aggregation of famous men on the Speaker's public gallery out here.

MR. DOERN: Well, Mr. Chairman, when the honourable member finally does retire and we go down to the basement and break open that case, the way they used to break open the Pharaoh's tomb and put his picture in the hallway, I'm sure that his picture will illuminate the others.

MR. BILTON: The lighting, that's horrible.

MR. DOERN: Well, I'll tell you what my plan is. The Speaker and I have different views on this, the present Speaker and I. My plan is, assuming I can get concurrence, there is a similar room to this on the other side of the hallway which is really in very dreadful condition. We've been using it. If you want to see the cheapest renovation ever done by the Department of Public Works, we can take you in there. I think it cost 36 cents, because it's used as is and it's the same kind of room and we've had people in there for the past year. I think that in the future, either in the next year or the next couple of years, it should be renovated to another hearing room. There apparently is a need for another room of this. . . .

MR. BILTON: Committee room.

MR. DOERN: . . . kind, a committee room. And my thought was, when that room is developed, one or two years from now, if ever, that that room should contain all the portraits of the Speakers. The present Speaker prefers the portraits to be in the hall. And we did look into lighting them, and have considered that. Somehow or other, it just never got done, about individual lighting. The problem with those portraits in the hall is that they have been damaged on occasion.

MR. BILTON: Lately?

MR. DOERN: Well, you may have noticed that up until a few weeks ago there was one of the large portraits missing. And it only takes one idiot one second to sink a ballpoint pen or a finger or a knife into the canvas. We've never had any problem here. But in the hallway, unless you have constant monitoring or you have TV cameras or guards or alarm systems or something — even then, as you know, somebody a couple of years ago went to St. Peter's Basilica with a hammer and started smashing one of Michelangelo's works. But I find it unsatisfactory. It's gloomy, but my inclination is to leave it as is until we renovate and then display in similar fashion all the portraits.

MR. BILTON: With my picture on the end, it will scare the hell out of them. They won't interfere with it.

MR. CHAIRMAN: Resolution 100(c)(4).

MR. DOERN: I must, Mr. Chairman, relate this anecdote to the Member for Swan River. One day

MR. BILTON: He can't hurt me now.

MR. DOERN: One day in the House, we were trying to think of slogans or statements that epitomize each member of the Legislature, a short phrase that would tell all about him. My suggestion for the Member for Inkster was as follows, "I'll show you how the opposite is true." That's his famous statement. But one was suggested for the Member for Swan River. And this would be in a mild circumstance, say, someone speeding 32 miles an hour when he was in his heyday as a member of the police force. And the saying that we felt would most typify him, put forward by a colleague of mine, was as follows: Someone doing a minor misdemeanour and the Member for Swan River appearing on the scene saying to that person, "You'll swing for this."

MR. CHAIRMAN: Resolution 100(c)(4)—pass; (c)—pass. Resolution 100(d) Leased Accommodations (1) Salaries. The Honourable Member for Crescentwood.

MR. STEEN: Under No. 1 - Salaries, Mr. Chairman, to the Minister. Can he tell me the number of staff in this particular division?

MR. DOERN: Five staff, and that's no change from last year.

MR. STEEN: Under Other Expenditures, I have a number of questions, but no further under Salaries.

MR. CHAIRMAN: Resolution 100(d)(1)—pass. pass; (d)(2) Other Expenditures. The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, I'd like the Minister — and I know that he is not going to have this information at his fingertips — but if he would get it for the Committee, it's of particular interest to me — as to the amount of office and commercial space that is leased by the Department of Public Works from private concerns, and if he could tell me, if it's not too big a job, who we are leasing our space

from, what companies.

MR. DOERN: I think the first figure we could come up with easily, but the other one I think would require an Order for Return. I recall last year producing a lengthy Order. I don't know if it's hundreds. Well, 300 different firms. Some of it is not that informative. I suppose what's informative are the rates paid. But you know, otherwise you get the name of a company and you may not know who on earth that is.

MR. STEEN: Mr. Chairman, to the Minister. I wasn't particularly interested if, say, the Department of Agriculture leased space in the town of Carman. What I was meaning was sizeable leasing arrangements where, for example, Autopac — and I believe they're still at the Bank of Montreal. I was meaning the sizeable ones in the metropolitan Winnipeg area, sizeable leasing arrangements. I'm not interested in the smaller ones in the rural areas.

MR. DOERN: Well, again, would you consider that to mean over 5,000 or 10,000 square feet or 20,000?

MR. STEEN: Something over 5,000 square feet. The larger leases. The reason why I'm asking the question is I'm wondering how much of the new downtown office building which the Mayor of our city is always bragging about, that we have a new building coming onstream almost every year — I'm wondering how much of this office space that's coming onstream each and every year is being utilized by the public service. I don't have access right now in asking the Federal Government or the City of Winnipeg, but I'm concerned as to how much of this office space is being utilized by the Provincial Government. So when the City of Winnipeg brags about the fact that there's another 15-storey building going up in Winnipeg, and that industry and commerce in Winnipeg is really booming, is it booming if 40 percent of that building is being occupied by public civil servants of the Provincial Government who are really just moving from one other building that might be five or six years old into the new one. Mr. Chairman, does the Minister follow my line of questioning?

MR. DOERN: Yes. I can give you a few . . .

MR. STEEN: Examples?

MR. DOERN: Large examples. First of all, my experience is that there have been some new developments coming onstream, and I find that most of them seem to be owned by banks and insurance companies which I suppose isn't surprising. But in the case of Winnipeg, which is our District No. 1, we lease in 76 buildings, and the total amount of leased accommodation is 718,000 square feet. So I figure the Woodsworth Building would be just under 200,000. . . is it 220 net or gross? Two hundred twenty gross. So, say, 190 or whatever it is net, would be the equivalent of almost four Woodsworth buildings.

MR. STEEN: Therefore, Mr. Chairman, what the Minister is saying is that in District 1, the province is leasing four times the space of the Woodsworth building.

MR. DOERN: Approximately.

MR. STEEN: Was my earlier question about the larger leasing arrangements, in which buildings they're in, is this possible to get this information?

MR. DOERN: Oh yes. Well, you know, bear in mind that I guess we're talking about . . . I don't know the exact size of the Civil Service . . . what is it, 12,000? Or is it 13,000 people?

MR. STEEN: Mr. Chairman, I'm not arguing or disputing the Minister's statement about the number of employees. I agree with him that they've got to be housed somewhere and they've got to be in reasonably suitable accommodation. The purpose of my question earlier was to find out how much of this new onstream downtown construction is being utilized by the province, (a); and (b) part would be: In the future, what is the department's thinking as to building further buildings like the Woodsworth building? If we are currently leasing four times approximately what the Woodsworth building is, is it practical for the province to either erect another similar building at an early date in the future, or buy an existing downtown building? Or are these leases in such small units that it is far better and more practical that these leases be with the private sector?

MR. DOERN: Well, the member is really getting into an interesting philosophical area close to my heart. You're raising a classical question about lease or build. I would assume that the Member for Crescentwood or some of his colleagues would be more inclined to lease space rather than build it to lease from private developers or private builders. My inclination is to build more because I believe that we can build as cheaply or operate as efficiently on a square-foot basis as any developer. We have certain advantages. For example, we don't pay federal sales tax. We don't require a profit. We can use the same contractors that they use, we can use the same architects that they use, and so on and so on.

I can tell you what our policy is in terms of rural Manitoba which has evolved in the last few years. The earlier policy of my department when I came in — I assume this was the policy prior to my arrival and perhaps prior to our government, I don't know about that — but the general policy was that when we were going to build provincial building in a rural centre, a town, that we would take up all the leases that we had, add in a growth factor and build, so that we would in effect consolidate all space in one building, plus a growth factor. In the last few years that has been debated further in Cabinet and

Tuesday, April 12, 1977

the new policy struck, namely, that we should tend to take up about two-thirds of the space. So it would be on a kind of two to one ratio, about 50 percent of what was in the building would be leased outside the building, so that it wouldn't have a harsh effect on the smalltown merchants and building owners, etc. Now in Winnipeg, it's harder to kind of come up with that particular formula. But the U.S. Government tends to follow that. I remember attending a seminar one time where American representatives were at and I recall their representatives saying they worked on a kind of a two to one ratio. I guess there are greater or lesser tendencies in my case. I am one of those who would argue that we should build and operate our own space to the largest possible extent. I wouldn't be prepared to take up all the leases, but I would be more inclined to build space required by the government. Others would be less inclined but the official government policy is about a two to one ratio of build to lease. But I think that's probably out of whack right now and we probably are leasing a higher percentage.

MR. STEEN: Mr. Chairman, I would trust that that policy is primarily in practice for the rural areas. It would be an impossible policy to follow in urban Winnipeg, I would think. It would take years to reach that point.

MR. DOERN: Well, as I said, the previous government was not inclined to build much. Let's look at a little bit of history here. The Norquay Building has a very interesting history. I have heard it enough to know that it's true, that one weekend the Campbell government decided they were going to put up a new office building. And they called in a firm of architects and said, "We want something for Monday." This was sort of on a Friday afternoon. So the boys went to work and I guess drafted some quick rough sketch of a plan and in a weekend the Norquay Building was born. Unfortunately, there are some very very serious flaws with the Norquay building. One is they're short of elevators, at least one or two elevators short, because the building was planned for a smaller size. Another one is the configuration of long corridors. You walk down a central hall and offices on left and right seems to be one of the worst designs. The square or greater rectangle seems to be a much better design. So the Norquay Building was built and opened in '59 or '60. Now from that time, to the Woodsworth Building, there were no office buildings of that type built. So that all the space requirements in the Roblin years, in effect, were leased. Now, other things were built. Red River Community College was built, and I can't help but say every time I think of Red River I get ill when I think of the amount of money that we have to spend to renovate that particular facility. There's a real misfortune there, namely that the architects hired a structural engineer who poorly designed segments of the complex which has cost a considerable amount of money to repair.

But, the Roblin government built a lot of schools and built some of the, I suppose, hospitals that we run or added to them, built Red River, etc. etc. But in terms of pure office buildings, from 1959 until the Woodsworth Building opened in '76, there were no buildings built in 17 years. So there was some catch-up required.

I would say a better policy would be to build one similar office tower every five years or so. That's probably about the ratio that you would require.

Excuse me, Mr. Chairman, that does not necessarily mean in the downtown area, that could be in other parts of the city and could be in the suburban areas or the core areas, could be at Fort Osborne, it could be on the outskirts, it could be low profile, it could be in smaller quantities, but, I think that it is a necessity. One of the things we continually do is this, we find that when departments are scattered in half a dozen or a dozen locations or more, it's just not efficient. The best type of operation is when you have your people all under one roof. It seems that that is most efficient for government and for business.

MR. STEEN: Mr. Chairman, I'm sure that when the Honourable Minister is sitting with the Honourable Minister of Highways and other colleagues around the Cabinet table, buildings to house civil servants must rank rather low on the priority list in relation to bridges and ditches and water drainage for agriculture and so on. So, I can appreciate the problem that any Minister of Public Works would have in trying to acquire a new building every five or six years.

On the subject of buildings, can the Minister tell me if there are any discussions going on with the Great West Life people about the possibility of acquiring that building? And if there are none now, were there some in the past, and can he update me as to the rumours I've heard in the past as to the possibility of the provincial government acquiring that property?

MR. DOERN: Well, I would also say in answer to your earlier statement that there seems to be a sharp dichotomy if the provincial government is building new buildings outside of Winnipeg, then it seems that we're greeted with open arms, that we can do no wrong when we build a new provincial government office building. —(Interjection)— In Dauphin, as my colleague and I are going up there on Monday to officially commence construction on the new Dauphin office building. And when we go out of the perimeter, we are conquering heroes and treated with great respect. In the City of Winnipeg, we get bricks and criticism and abuse and I really cannot reconcile the two. I just fail to comprehend the attitude of some Winnipeg politicians, both on council and in the legislature, I just fail to understand. I, too, am a Winnipeg politician and I think that it's beneficial to the City, but others

seem to take some other peculiar view. The solution, I suppose, would be to build all the buildings outside of Winnipeg and then everybody in Winnipeg would be happy, at least for about five minutes, and then everybody outside of Winnipeg would be happy. That would appear to be the solution, but it's not one I would recommend.

Now, in regard to Great West Life, a couple of years ago I was engaged in negotiations with representatives of Great West Life, but I think because of the small progress that they have had in terms of untracking their development, the CN - Great West Development which, I think, is really maybe the largest ever in Manitoba's history, they're talking several hundred million dollars of development. That is going to take some time and even if they proceed this year or next year, it will take several years to build the buildings, even the first buildings for them to then move. So, you're talking three, four, five years down the road before, say, you will see Great West move its employees down Broadway into that new multi-million dollar development. But, because of, I guess, their negotiations with the City and so on, we have temporarily set out of our minds the possibility of acquiring that property and commencing any renovation to existing buildings or any new construction, but I think it makes great sense, eminent good sense to acquire that site. I wish it had been acquired years ago. I think — I believe it was the Campbell government — that had the chance of buying it in the days of Osborne Stadium, etc., but they let it go, and it's a natural tie in with this particular legislative core area.

I guess about the only thing we've done recently, other than acquiring the odd property around here, is last year we were able, with the support of all parties, to limit the heights in the area to make sure we don't get too many skyscrapers right across the street.

MR. STEEN: Mr. Chairman, the Minister remarked about the Norquay Building having some disadvantages as being a functional building. Would he consider the Great West Life building to be a much better building, as far as day-to-day functioning, than say a building like the Norquay Building?

MR. DOERN: Apparently, that's a difficult question to answer, there are some problems there too. Apparently there are some small subdivisions of space there etc., then I guess there are some large open spaces which are attractive and which I don't decry, but also doesn't maximize the function or utility of that building. But, I don't know how long the building has been there, I forget the year. — (Interjection)— '58. But I assume it would require some renovations to it. It's a fairly large building, but it seems to be in fairly good shape.

MR. STEEN: Mr. Chairman, I have two concerns about the province perhaps taking over the Great West Life building. I wonder if the camels that are placed above the main entrance at Christmas time would be maintained by the province, and secondly, I think one of the nicest spots in Winnipeg for scenery is at 4:30 in the afternoon in front of the Great West Life building. I wonder if there is any way that the Minister of Public Works could assure us that the camels and the scenery would stay.

MR. DOERN: I think the honourable member has the following problem. He works primarily in the Legislature where there are only 300 or 350 employees. Now, if he comes over to the Woodsworth Building where there are maybe 800 employees, I think he will see a larger representation of the fairer sex.

A MEMBER: But no camels.

MR. STEEN: Mr. Chairman, on the subject of leased accommodations, I should have asked this question on the previous item, so hopefully you will permit me to ask it. There was some talk about the province developing a parkade on Edmonton Street, north of Broadway, just south of the Convention Centre — (Interjection)— York Street. Can the Minister update the members of the Committee as to where that sits today?

MR. DOERN: That was approved by the government and we proceeded to design the structure. I mean you have to understand that the department has certain responsibilities, and our responsibility is to provide parking, and we recommended that parkade which also could take a building on top in the future. The structure was designed to take 1,200 vehicles. That was a recommendation of ours based on the number of employees in the area and future projections. And then my colleagues decided that they would be encouraging or continuing the use of the private car in the area and the general government policy is to favour public transit, so it was felt that in spite of the recommendation of our department that we required this much parking for now and in the future, the project was shelved on the theory that we should discourage our employees from coming to work in their cars, and encourage the use of transit.

MR. STEEN: Mr. Chairman, to the Minister, how much offstreet parking is there for government employees and people doing business with the government in the vicinity of the legislative buildings?

MR. DOERN: I don't have that handy.

MR. STEEN: I'm saying government owned, not commercially operated parking lots.

MR. DOERN: Right. We'd have to be guessing. The expert on parking is Mr. Nordman and he's not here. We'll have to dig that one out for you. But, I give you an example, the Woodsworth Building has,

I think, what — 8 parking spaces?

MR. STEEN: How did you ever get that past the City Environment Commission?

MR. DOERN: I don't know — smooth talker.

MR. STEEN: Mr. Chairman, to the Minister. Persons wanting to visit the Legislative Buildings, whether they be tourists or coming here to transact some business, what available parking is there on these grounds for non-employees?

MR. DOERN: Again, I have problems with numbers but there are, I suppose, several dozens of spaces available. There are areas for visitors. I don't know if it's an hour or a couple of hours; two hour parking. But, as you know, it's pretty tight. My Executive Assistant told me this morning he drove around and around and around and around for over half an hour trying to find a spot. I assume that should discourage one from bringing one's vehicle.

MR. STEEN: I have a tip for your Executive Assistant, he can usually get away with parking in the Leader of the Liberal Party's spot. It is very infrequently used.

MR. DOERN: I don't know if that's a plug for my EA or a slam at the Liberals.

MR. STEEN: I'm just trying to help him out.

Mr. Chairman, the Minister remarked earlier about how if the government builds a building in rural Manitoba they are greeted with open arms, yet they have difficulty building buildings in the City of Winnipeg. I might point out to him that one of the unfortunate problems — and I'm sure he is aware of it — that occurs in large cities is nobody wants to live on a bus line, but everybody wants that bus line to be on the next street. They want the availability of a bus route, yet they don't want it on their street. And when I was associated with the City of Winnipeg in the recreation field we were trying to find locations in Winnipeg in which to erect arenas. Everybody wanted an arena in his district, but damn it all, don't put it on my street or within a block of my home, because I don't want the congestion that goes with it. I think this is a similar problem that occurs with large buildings, and naturally the government being the landlord and the developer of such a building ends up being the whipping boy under such circumstances.

MR. DOERN: In that regard, Mr. Chairman, there's no doubt in my mind that that was the experience of the honourable member when he was a councillor, but our experience has been quite good. I am not really familiar with any great number of complaints or considerable flak or resistance in the towns of Manitoba or the other cities. We usually work out the locations with the council and we've had very little problem. I can't even recall an example, in my six years in the department, of a complaint along those lines. There may have been but none have come to my desk.

MR. STEEN: Mr. Chairman, usually the smaller councils appreciate having such structures. I'm sure the City of Brandon, when they got their new provincial building, appreciated such a structure.

The Minister mentioned earlier that he would be travelling to Dauphin for the opening of a new structure there shortly.

MR. DOERN: A sod-turning.

MR. STEEN: A sod-turning. It was mentioned to me some weeks ago that approximately two years ago you had an opening of a building in Thompson and at that time approximately thirty or more department people flew up for that occasion. I would hope that this time you are not going to need to take 30 some odd people department people with you to Dauphin for a sod-turning.

MR. DOERN: Well, I don't think that figure is accurate. I recall meeting with the Town to outline our : plans for the new Thompson office building, but I recall there was I think about eight of us in a plane including the architect, etc. So, certainly the figure 30 is incorrect. It was one plane and and eight, maybe ten people at the very most, up there. In the case of Dauphin, I intend to drive up and I suppose there'll be half a dozen people from my staff. We'll meet with the town council and the rural municipality. This is, I think, a project of some importance and consequence in the Dauphin area. It's a \$4 million building. These only come along once every ten or twenty years, so I think it deserves some attention.

MR. STEEN: Under Leased Accommodations Recoverable from Canada, 140,000, can the Minister tell me what that is as a result of?

MR. DOERN: Those are again cost-shared programs from various provincial departments.

MR. STEEN: That's fine, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, to come back to this item of Other Expenditures \$5,640,000 for Leased Accommodation. I've listened to what has been said so far, and I must say, Mr. Chairman, through you to the Minister with due respect, that I'm not very well satisfied with the explanation we've got. Here's one-fifth of the total budget for the department tied up in this one item. It seems to me for the last ten or fifteen minutes we've been talking about everything but. Can the Minister assure us that the space that this \$5,640,000 is covering, is being fully occupied, and if not, how much of it is not being occupied at this moment, and how much rent are we paying for that, or lease? It's a lot of money.

MR. DOERN: Well, first of all, I would draw to the attention of the member that if he considered the amount of money that he probably put into his house over a period of time on . . .

MR. BILTON: It's a log cabin.

MR. DOERN: . . . a log cabin.

MR. BILTON: Yes. Don't worry about that.

MR. DOERN: No. But I'm saying, the average person spends a fair amount of his time and his income supporting his house. You have to have a physical structure in which you either live or work. Some people also are more fortunate still and have summer cottages and other residences. In terms of our vacancy rate, the only way you can look at the efficiency of the department is to look at the vacancy rate. Our figure for the entire system is three percent, so we have a 97 percent occupancy at any given time, and that three percent is made up of a lot of nooks and crannies, a lot of small offices, etc., that are sprinkled throughout the system, or vacant space, some not usable, as well.

MR. BILTON: Is the Minister suggesting to us now then, that had not the Norquay Building been built, we would be dealing with \$7 million in leases, or did it make that much difference?

MR. DOERN: Are you talking about the Woodsworth Building or the Norquay Building?

MR. BILTON: The Woodsworth Building, yes.

MR. DOERN: Well, the Woodsworth Building is about 220,000 square feet gross. So if you had to rent that space at \$7 or \$8 a square foot you would have a factor there of another million and a half, or more.

MR. BILTON: Would it be possible for the Minister, through you, Mr. Chairman, to tell us what the total was under this item for 1975?

MR. DOERN: Bear in mind there's two things happening — one is, there's a takeup, and the second factor, of course, is that there is also an annual increase of staff. You want to know what it was

MR. BILTON: Just by way of comparison. Are we going down or going up?

MR. DOERN: The year previous, the figure was 4.2 million.

MR. BILTON: Well why the million last year and another 200,000 this year? Is it going to continue to go up? Do you foresee that?

MR. DOERN: It depends on two factors. You're talking leased here. If we have a building program, that'll go down. If we hold staff constant that'll stay. So it's in relation to those two variables. How much are we going to build, and then there'll be the annual increments in rent. So it's not easy to give an answer to that.

MR. BILTON: Mr. Chairman, through you to the Minister, does this figure concern the Minister? Is he worried about it? Does he see some way of reducing this enormous figure of leased property by the government, because it is, as I said a moment ago, it's one-fifth of your total budget.

MR. DOERN: The member is asking a very complex question. I have a number of conflicting concerns. I'd be prepared to reduce it somewhat by building, but at the same time, we also have a certain concern about unemployment and so on. If you cut the size of the civil service or you hang tough on the percentage increases and you have thousands of Manitobans employed and so on, I have that kind of a concern as well.

MR. BILTON: Just to throw our mind back just a little way, we had the Queen's Printer and all his accessories here in the basement, and we took over, or at least the Province took over the Civic Centre, I believe it's called, down here, the old auditorium. That, I'm suggesting to you Mr. Minister, provided considerable office space that you never had before. It's now paid for and now in use. That hasn't reduced your cost factor in this direction, because that came onstream, what, two years ago? But it hasn't reduced, you're still going up. And this is what concerns me on that figure.

MR. DOERN: No comment.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, the Minister spoke about the vacancy rate being three percent or thereabouts, and that most of those vacancies, or the largest portion are in nooks and corners and so on. I hope he doesn't think that the question I asked him, about ten days ago, which he answered, the vacancy in the Norquay Building was a nook in the corner.

MR. DOERN: I think that that particular case was most unfortunate. I can tell you that I was not aware of that vacancy when it was drawn to my attention, and I was quite displeased to learn about it. Since that time we've banged some heads together, and put some heads together and we have untracked that problem. That will be assigned to the Department of Labour and that should be ready in a couple of months. But I think that that was an unfortunate occurrence, somebody dropped the ball. There are explanations for it, but in fact it is an unfortunate thing that happened. I guess mistakes are made in this department, with other departments.

MR. STEEN: Mr. Chairman, I'm pleased to hear that the Minister has taken steps to correct such things happening again in the future. I would point out to him that I have been told that half of one floor in the Fletcher Building was vacant for a period of approximately 8 months. I'm also told — and one of the reasons I did not ask him this question in the House — the Provincial Government,

Department of Public Works, has a lease with McKeag — I better not use the name, but it's a fairly sizable lease — I was going to say McKeag Realty but I think I could be incorrect, so we better not have the name of the company said. I'm told that there's a fairly sizable lease and that the space is vacant. I can't tell him which building because the person who told me about it if I told you the building, I think you would find out how I found out the information. But I'm told that you people in your department have a fairly sizable commercial lease with a private concern in Winnipeg and the space has been vacant for a long time. Do you know anything about the Fletcher Building space?

MR. DOERN: Yes, I do. In the second instance, I'd have to ask the honourable member for details. I just don't know whether he's correct or incorrect. There's just not enough information to comment. In the case of the Fletcher Building, we have been aware of that and I have been aware of that. There has been some, I suppose, question within the Department of Education on the proper utilization of that facility, and there have been some suggestions made by us, etc.

When there is vacant space in the government that's of a sizable amount, someone is to blame. It is not always the Department of Public Works. I take little comfort in the fact that it may not be my department, but it may be a colleague's. We're all responsible, so if I'm off the hook and my colleague's on the hook, then I'm still on the hook. And in that particular instance, I'd say that occasionally there are departments which either are changing their mind or coming up with new programs, etc., etc., or some combination, but it is not necessarily the fault of this department, but it certainly is the fault of the government.

MR. STEEN: Perhaps, Mr. Chairman, in the case of the Fletcher Building it's not the Minister of Public Works' fault at all because the Minister of Education has had different thoughts regarding the 3Rs and perhaps it did vacate some space for them.

MR. CHAIRMAN: Resolution 100(d)(2)—pass; (d)—pass. Resolution 100(e) Employee Housing (1) Salaries. The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, to the Minister, could he tell us how many employees are listed in the Item (1) there?

MR. DOERN: Five. And there's no change from last year.

MR. STEEN: I think, Mr. Chairman, we could pass on (1) and ask the questions under (2).

MR. CHAIRMAN: Resolution 100(e)(1)—pass. (e)(2) The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, under Other Expenditures. I believe I noted in the Department of Public Works Annual Report an item that said 172 housing units. Can the Minister explain to me the reason for the housing units, where they're located basically, and what they're used for?

Again, Mr. Chairman, I'm not asking the Minister to read off 172 separate locations. Are they grouped in certain places and are they at campsites? Because I'm under the impression, Mr. Chairman, that the Hydro have their own housing, Telephones have their own housing, who is this housing accommodation for?

MR. DOERN: The general question is that they are primarily concentrated in the north. They're throughout the province, but I could just give you an example. There's three at Anama Bay, wherever that is, one at Arborg, two at Ashern, Asessippi Park, Barrows, Berens River, three at Birds Hill, four at Bissett, one at Boissevain, about a dozen in Brandon, one at Carman, four at Churchill, about eight at Cranberry Portage, etc.

MR. STEEN: Any in Winnipeg?

MR. DOERN: One in Winnipeg. At the school for the Deaf. There's two, apparently.

MR. STEEN: This housing, is it to accommodate personnel from the Department of Public Works, or in the cases of the north, is it for Northern Affairs employees?

MR. DOERN: Primarily Northern Affairs. I think in the total there's two from Public Works, but primarily Mines and Northern Affairs.

MR. STEEN: He mentioned two specific ones which are of interest — Boissevain' one home there, and half a dozen or so in Brandon. Is there a shortage of housing in Brandon? Is that why the government is providing it?

MR. DOERN: Those are at the mental hospital.

MR. STEEN: And the one in Boissevain? Is it to do with the Land Titles Office?

MR. DOERN: Forest Ranger.

MR. STEEN: Forest Ranger. So basically, the housing is usually attached, for example, as you have said, in Brandon with the hospital, Selkirk with the hospital, and at government institutions that are on the fringe area of a town, and the housing has been there for some years.

MR. DOERN: We do have some new construction, but it's primarily because there is just no housing available in the area, and since we have to provide decent accommodation — I guess it's been a policy, I suppose for decades in the government.

MR. STEEN: Mr. Chairman, years ago the Canada Cement Company, for example, had to provide housing at Fort Whyte in order to attract people to work out there. Now Fort Whyte is almost part of the City of Winnipeg, so I can understand where the government, from time to time, particularly in remote areas, has to use housing as a fringe benefit in order to attract competent personnel. Has the

numbers of housing units been increasing very much in recent years?

MR. DOERN: There's been a total decrease in the last few years and the recommendation from our department, which is generally followed, is to divest ourselves of homes in the towns, cities of the province, but we have, nevertheless, had to increase the amount of stock in the north, because we've had an expanded thrust by the government in northern Manitoba.

MR. STEEN: Mr. Chairman, the 250,600 is, I guess, basically, fuel and items to carry on and keep the house functional 12 months of the year? Is that what the Other Expenditures is? And to do minor repairs, etc.? There's no new structures, moneys to build new structures in that 250,000, is there?

MR. DOERN: Repair and materials.

MR. STEEN: Mr. Chairman, in certain towns and villages, does the province and the Department of Public Works pay municipal taxes for these homes, and if they do, is that in the 250,000?

MR. DOERN: We do in fact pay, I suppose, grants in lieu, but it's done through Municipal Affairs Department.

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

MR. GRAHAM: Mr. Chairman, I would just like to ask two or three questions. For instance, in the field of the universities, I understand the universities do provide a residence for the president. Does that come under your department or is that under the University Grants Commission?

MR. DOERN: That's under the Department of Continuing Education. That's, I suppose indirectly under them, directly under the university.

MR. GRAHAM: I also understand the Minister to say that his department had no involvement in the Hecla Island?

MR. DOERN: Right.

MR. GRAHAM: Does that apply to the entire Department of Tourism and Recreation, parks and that?

MR. DOERN: Hecla Island is under Tourism and Recreation. I suppose we were involved in land acquisition though. My Director of Land Acquisition aged considerably after that.

MR. GRAHAM: Mr. Chairman, I wouldn't doubt but what the Director of Land Acquisition should age in this province. I understand there's been considerable . . .

MR. DOERN: A Director, but not this director necessarily.

MR. GRAHAM: But that's getting off the subject, Mr. Chairman. It appears that in some of the examples you listed there, I think you listed Asessippi Park as being one of the residences you . . .

MR. DOERN: Yes.

MR. GRAHAM: Is that for the Department of Tourism?

MR. DOERN: Yes.

MR. GRAHAM: So then we find that in some cases your department is involved in the Department of Tourism, in some cases you aren't.

MR. DOERN: Remember that we are sort of the landlord for the government and I mentioned that in the case of employee housing, some 170-plus units, we only occupy two. The other 170 are for other departments.

MR. GRAHAM: I don't think that's the point that I was trying to get across at all, Mr. Chairman. I would like to know if it is the policy of this department to provide the accommodation, and we are dealing here with employee housing, if the Department of Tourism requests it?

MR. DOERN: Do we provide it?

MR. GRAHAM: Do you provide it?

MR. DOERN: Only if there is no other accommodation available.

MR. GRAHAM: So in essence in some cases the Department of Tourism provides it itself, and in other places your department provides it for them.

MR. DOERN: I suppose when it falls under the category of employee housing, essentially we provide it. If there are campground or other facilities like that, it could be done through their department.

MR. GRAHAM: Well then in essence, really there is no clear-cut policy in this particular field?

MR. DOERN: I think it is clear-cut. If there is a need for a roof, assuming it cannot be satisfactorily leased in the area, the Department of Public Works will see to it that that house is built and maintained. I'm talking largely of remote areas, remember, or places where there is a shortage of accommodation.

MR. GRAHAM: The two examples we are using are remote areas and a relative shortage of accommodation.

MR. DOERN: Right.

MR. GRAHAM: Because I believe in Hecla Island they removed quite a few of the houses. That's all.

MR. CHAIRMAN: Resolution 100(e)(2)—pass; (e)—pass. Resolution 100(f) Security Services (1) Salaries. The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, to the Minister, can he give me the breakdown of employees in this particular category, please.

MR. DOERN: Forty-five.

MR. STEEN: Mr. Chairman, to the Minister, is that any change from last year?

MR. DOERN: No change.

MR. STEEN: Mr. Chairman, can the Minister tell me, Security Services, this is the Commissionaires that we see outside and within the building and so on?

MR. DOERN: Those are our own, a lot of them are our own that you are seeing around here.

MR. STEEN: So the 45, when he says 45, is that our own?

MR. DOERN: Yes.

MR. STEEN: And does the department contract Commissionaires?

MR. DOERN: Yes. I could give you a few figures here as an example, from Barnes we have 11 ½.

MR. STEEN: Is that year-round?

MR. DOERN: Yes. Metropolitan we have 16 staff. These are in various locations including some in Brandon. Corps of Commissionaires we have 20 ½. So you get them in our larger complexes, like Barnes is at Fort Osborne, Agricultural Services, 1181 Portage, Century Street; Metropolitan is at Brandon, at the Archives Building, at West Row and at 1075 Portage; Corps of Commissionaires is at 1181 Portage, traffic — that's around here, I suppose — and Red River Community College, they have 12 ½. So that's a total of about 48 people.

MR. STEEN: Mr. Chairman, of the 45 permanents, how many would be for the Legislative Grounds and Building itself?

MR. DOERN: We'll dig that out here.

MR. STEEN: I'm concerned about that painting for the Honourable Member for Swan River for the future, so I would hate to see a ballpoint pen go through his eye.

Basically, the buildings downtown, the Norquay, the Woodsworth and the Law Courts, Land Titles, etc., the security service is usually in-house people and the buildings away from the downtown core are usually contract security services, is that right?

MR. DOERN: That's the basic rule of thumb, right.

MR. STEEN: I have no further questions.

MR. CHAIRMAN: Resolution 100(f)(1). The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, are there any places where the government uses animals rather than persons for security reasons?

MR. DOERN: Our employees are instructed to bite if necessary, but no we don't have any dogs.

MR. CHAIRMAN: Resolution 100(f). The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, when you're dealing with Security Services, I take it we are not dealing with mechanical security, or is that included as well?

MR. DOERN: We do have some mechanical devices like door switches and government switches and so on. I guess Government House has a burglar alarm or security system, as an example. We are also starting to go into these walkie-talkies or radio communication devices and we have looked into TV cameras, closed-circuit TV cameras in this building, etc., in the Archives Building. We still don't have that though. That's been under consideration but we haven't moved in that direction yet.

MR. GRAHAM: What precautions have been taken to secure the privacy of, say, telephone communications in various government buildings?

MR. DOERN: Well, that's a very tricky hair-raising type of activity and I really don't have an answer for you on that. That we regard as the responsibility of Telephones, but you know, that whole area, it's really sort of a James Bond type of issue and, you know, you may have a concern — I think a lot of people are concerned that their telephones are being tapped, particularly I suppose, men in public life or in sensitive positions often have that uneasy feeling. I don't know if it's paranoia or a real concern, but I don't really know how one can ever resolve that because there are such sophisticated electronic devices these days. You remember Richard Nixon talking into flower pots and so on. But you can easily tap conversations with all sorts of sophisticated electronic gear from outside a building in a car. There are devices, I think you can beam something against a window and pick up a conversation in a room, so as to what kind of assurances we can give to people, I know of none. I suppose that if I were given a request by a Member of the Opposition that he had good reason to believe that his phone was tapped at home or in the building, that we would ask either the police or the RCMP or MTS to check that line. I think I would definitely attempt to accommodate that particular member. But other than that, there is just no ultimate safeguard.

MR. GRAHAM: Has the Minister had any requests in the past year for that type of service?

MR. DOERN: No.

MR. GRAHAM: Then can I ask the Minister if he considers it one of his prime responsibilities to give that assurance to Members of the Legislature, that he is constantly vigilant in that respect?

MR. DOERN: I don't know if that is within my responsibility or power. I regard it as generally being the responsibility of the Manitoba Telephone System, but you know, we are responsible for the

cleaners and for the general security of the building. We try to do our best in that regard.

MR. GRAHAM: Mr. Chairman, it's always been a fundamental, I think, in our British system of justice that not only must justice be done, it must seem to be done as well and I think that in the field of security we have to make sure that security is preserved and give the appearance of doing everything we can to ensure that security is preserved. I would hope the Minister would give that one of his priorities.

MR. DOERN: Public Works often operates — this seems to be a department where the amount of credit given to the department is rare. When someone gives us credit for something in the form of a letter or a compliment we undoubtedly circulate it because it's so rare and refreshing that we are almost dazed as a result. We tend to respond to complaints; we're used to complaints. Everybody can complain about something — lighting, heating, noise, maintenance, ashtray emptying, etc. One measure, I would say, of our success in that regard is in terms of complaints and I haven't had, to the best of my knowledge, any complaint, for example, from individual MLAs or Members of the Opposition saying either that documents are missing or papers rifled or attaché cases stolen or phones tapped. I do not recall any instance in the last six years where any member has said to me that he felt that the security was being breached in terms of papers or conversations.

Now, I do recall a case where the Member for Lakeside had his car stolen. The fact that he left the keys in the car and so on didn't exactly cause any sympathy on my part, but he was almost out a brand new Thunderbird and the Member for Charleswood, he too had his car taken from our grounds, but again, he had the keys in it. We have had a few instances like that.

MR. GRAHAM: Mr. Chairman, I think I can recall, when we are dealing with security, there was, I believe, a complaint from the Minister himself not too long ago regarding assistance that was requested, I believe, from his department. He seemed to be far from satisfied with the assistance he received at that time and I would like to ask the Minister if that situation has improved since that time?

MR. DOERN: I'm thinking of two or three instances; I wonder if the member could clarify that. I'm thinking about a number of things now.

MR. GRAHAM: What I recall, I think, was an intemperate outburst that appeared in the paper, by the Minister.

MR. DOERN: I don't recall that instance.

MR. GRAHAM: I'm referring to a case, I believe, where assistance was requested of the City Police and I think there was a question of when the call was put in and the assistance that was given and the time lag. I believe the Minister . . .

MR. DOERN: That's true, I don't believe that was an intemperate outburst, I think that was a temperate outburst. I do have a concern, I personally have the responsibility for security and you know, I'm simply one member of Cabinet. I have said to my colleagues on a number of occasions that I would like more personnel and a tighter security system within the building but they do not share that concern with me. They like the present system of a great easy-going atmosphere in the building and I'm always concerned about the possibility of some maniac or some isolated person getting carried away.

Now, we had an instance like that a year or so ago. Room 200, which is one of the finest rooms in this building, a considerable amount of money was spent about ten, twelve years ago to put that room into shape. I remember a figure of \$50,000 or something like that to fix it up. Some character came into the Premier's office and was sort of turned away and he went on a rampage. Unfortunately that room is locked ordinarily but somehow or the other there were workmen in there and they left the room open; somebody went running in there and within minutes did over \$2,000 damage, knocked down a large painting of the King and Queen, I guess it was George V or Edward VII, knocked down two paintings, kicked them in and smashed a whole bunch of things.

That's the sort of thing that I feel concerned about, but my colleagues don't share that concern. They think that those are isolated instances. I would like a tighter system rather than a looser system, but they'd prefer a more casual system.

MR. GRAHAM: Well, Mr. Chairman, failing the ability of the Minister to elicit additional forces from members of his Cabinet, can the Minister ensure us then that he is doing everything in his power to work in a very amicable way with the Police Force in the city, so that if necessary we can get the prompt and urgent assistance of their very capable forces.

MR. DOERN: I have had some discussion with the Chief. I have had an exchange of letters and so on, and I think that's been resolved. The last time they responded, I think I sent them a letter commending them. I think we did have some problems but I think it's been ironed out. I would like a rapid response. I am concerned about the people who work in this building, people of some public prominence and I think that we should have some priority when there's a problem in this area.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, to the Minister. A couple of Friday mornings ago we had better than a hundred supporters of the strikers from the Griffin Steel concern in the Gallery. What precautions does the security service have about some of these persons in that example getting carried away.

That's question (a).

Question (b) is, it's my understanding that they went down to see the Premier and the Premier was not available and they got into the Cabinet room. Were they invited into the Cabinet room or was the door unlocked and they walked in? And they were demanding the Premier to come and talk to them. —(Interjection)— The Member from Churchill says, "That's open government." But, I think you can have controlled open government. I wonder what would happen with a few persons going a bit haywire and that's only an example that I have personally witnessed.

MR. DOERN: Our security staff are not designed to fight in the sense they're not armed. They don't necessarily know karate. Many of them are Second World War veterans, etc. and they tend to be more of the guide rather than the police type of security person. I think we've been very successful with demonstrators in this building. You know, I think we've been extremely successful. We are very easy with them. We don't try to throw up groups of armed, or uniformed people who say, "You're not going to pass here." etc., etc. I recall one instance about a year or so ago where somebody, maybe it was this character who kicked in the paintings, was chased by one of our men who wrestled off his leather jacket and wrestled off his shirt and this fellow went sprinting away in the middle of winter stripped to the waist. And he was picked up minutes later by the police. He was fairly easy to identify. Blue on top. You know we've had student demonstrators here on opening day. We've had the Griffin people, I think the Griffin people essentially — the Premier's room, the Cabinet room was prepared for the Press Conference and there was a lot of press, I think, walking around and the door was open and he was going to appear. They just sort of burst in. You know they could burst in here right now very easily. I think we have asked demonstrators every time to leave their placards outside and to show some respect for the building and so on and they have in 99 percent of the cases. The Griffin strikers in the public galleries were well-behaved. There was no rowdiness or shouting or interference with the procedures of the Legislature so that policy seems to pay off. We've had no ugly scenes or no bad experiences, but the individual nut who will run into the Chamber or run around in a room slashing paintings, I don't know how we can guard against that. I would like to try, but I can't fine-tune the system and I can't guarantee it either.

MR. STEEN: Mr. Chairman, the Minister mentioned some moments ago about the persons in security contracted from elsewhere and he named off three companies and a total sum of persons. Are they accounted for under Other Expenditures? Is that primarily what Other Expenditures is? Other items that would fall into Other Expenditures would be uniforms and the walkie-talkies etc., eh?

MR. DOERN: Parking signage, etc.

MR. STEEN: Mr. Chairman, unless other members of the Committee have any questions on (f)(1) or (2), I'm quite prepared to pass them and move adjournment.

MR. CHAIRN: The Honourable Member for Swan River.

MR. BILTON: I have just an observation I'd like to make in that we're talking about security services. I'm one of those that tells people and visitors that this building belongs to them, to each and every Manitoban and I would be the last in the world to deny anybody the right to come in here. But I do feel that the Minister is on the right track and I would ask him to keep on trying because in this day and age with the insecurity of so many things it would be a terrible thing for a beautiful old building like this to be wilfully damaged just through lack of security. I do notice around, particularly in the circle to the entrance to the Chamber, I've seen people sitting there, scruffy, eating sunflower seeds, and this sort of thing and I'm not complaining at all, it's still their building, but I do feel that people should be moved along. Those kind of people should be quietly moved along. It's no refuge and the observation of people coming into this building can mean a lot. Just one or two men with top flight security knowledge can spot these people and it wouldn't hurt at all to have that kind of person on staff who would not only be able to oversee this sort of thing but would in turn probably instruct the staff along the same lines so that anybody that has any motives and it doesn't take very much to slip something under one's coat and put it in a corner of this building and probably blow the end of it out. So, I would ask the Minister in all sincerity, to keep up the fight because the security of this building is paramount. Regardless of how the Cabinet feel about it I think they've only got to look at the beauty of it to see to it that it warrants, in the name of the people, that extra money that it takes to give it the protection it rightfully deserves.

MR. CHAIRMAN: Resolution 100(f)(1)—pass; (f)(2)—pass; (f)—pass. Resolution 100: Resolved that there be granted to Her Majesty a sum not exceeding \$20,301,000 for Public Works—pass. The Honourable Member for Crescentwood.

MR. STEEN: Mr. Chairman, I move that we adjourn.

MR. CHAIRMAN: The Committee rise and report. Committee rise.

ESTIMATES - CONSUMER AND CORPORATE SERVICES

MR. CHAIRMAN, Mr. William Jenkins (Logan): I'd like to draw the attention of the honourable members to the gallery where we have 35 members of the 104th Winnipeg Cub Pack under the direction of Mr. Tweed. This Cub Pack is located in the constituency of the Honourable Member for Charleswood.

On behalf of all honourable members in the Chamber I bid you welcome.

I refer honourable members to Page 15 of their Estimates Book. Resolution 39(a). The Honourable Minister of Consumer, Corporate and Internal Services.

MR. TOUPIN: Mr. Chairman, I was going to make a few comments but the Member for Fort Rouge, and possibly other members, would want to bring their points now and I could attempt to deal with them later.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I would hate to pass up an invitation like that.

There are a couple of specific items, I think, that should be clarified on the operation of the Act itself. That during the course of the various hearings and examinations by both the board and by the rent review officers certain problems arose in the interpretation of the Act that bore upon some of the actual judgments about the rent increases to be allowed, and I'd ask the Minister to clarify those as well as perhaps respond to some of the issues that were raised this afternoon.

One is, in the Act where the issue was raised about the question of paying interest on moneys that were withheld while actions were pending or where appeals were being made, the Act was a little indefinite in the way it stated that, in fact interest money may be paid upon the sums of money that were withheld on the rent. I was wondering if the government had examined this particular problem, or the Rent Review Board, and decided under what circumstances is it possible for the question of interest to be paid on those moneys that would be withheld while the appeal was pending. And I believe that part of it depended upon whether the action was a result of the landlord deliberately withholding funds or his rebates, or whether in fact it was due to the action caused by the process or procedures of the Rent Review Board. That would be one question, I think, that should be clarified under the terms of the Act itself.

Another question which I think arose during the application of the Act and its procedures had to do with the question that came up in one — I believe it was the basis in one of the court cases — of the application where companies have several buildings and are attempting to charge off costs on a joint basis, where they are trying to write off costs and transfer sums from one apartment to another, and I know the decision is against that but I would ask for some clarification.

Thirdly, Mr. Chairman, the Minister, I guess in a debate of about three weeks ago, suggested that there was some consideration being given to the problem of allowing pass through cost for buildings which have to be refinanced, that many of the mortgages, particularly on older blocks, are on a five-year basis. The mortgages would be taken out when there was a lower interest rate, the interest rates on many buildings come due in the five-year period, the interest rate is two or three percentage points. It obviously adds substantially to the costs incurred by a property owner and again it would be useful to know exactly what discussion or decision is being made in relation to that particular problem of the pass through cost faced by those who are facing mortgages now.

I would add to that the question that I raised with the Minister this afternoon concerning the overlap between the timing of the new leases that are coming out and the fact that they will run over the period of a second phase, and what particular recommendation or advice would be given to tenants concerning the signing of new leases. And really I guess what in specific terms they are asking is should we be advising tenants who receive such leases to pay only that portion of the rent which accords with the Phase II rent increase, and really the opening question is what would they do on a lease that would have increased rents beyond the October 1st period, let's say for the continuation of the full year lease. So that what would happen if, say to give an example, where a lease was given that had more than an eight percent increase for a period beginning in July 1st, 1977, and running to the following year. Phase II would only cover four months of that. The landlord would obviously, under present conditions, be likely to provide a rent increase not subject to the Rent Control Act, and this is certainly causing a great deal of confusion on the part of many tenants. So I wonder if the Minister could supply answers to those four questions.

MR. CHAIRMAN: The Honourable Minister of Consumer, Corporate, and Internal Services.

MR. TOUPIN: Could the honourable member repeat the last question he had, please.

MR. AXWORTHY: Mr. Chairman, it comes down to the point that we were talking about this afternoon. That is that the overlap question between new leases that are now being sent out to tenants at the present time and that they only have one month, really, under The Landlord & Tenant Act to indicate whether they are prepared to accept that lease. The lease is presumed to be a binding document and many of them are confused as to what to do.

MR. TOUPIN: Yes, Mr. Chairman, I go back to comments made before adjournment at 5:30 this afternoon. I was not attempting to curtail discussions pertaining to Phase III. I only indicated to members of the House and members of the committee that I was not in a position to attempt to formulate government policy in the House or in committee, that is something that I would be doing with my colleagues in Cabinet. Certainly I welcome any advice and recommendations from members of the committee pertaining to what they consider to be advisable in regard to Phase III, if there is to be a Phase III decided by Cabinet, by the Lieutenant-Governor-in-Council.

I'm not in a position, first of all, to determine, or to indicate what will be contained, what times are involved, or not even to spell out the percentage, because I haven't had a recommendation based on incomplete data that was presented to me. There is information that has been presented to us, but I figure it's not enough to indicate to us exactly what the amount of percentage increase allowed for Phase III.

To deal with the overlap, or the possible overlap of leases, the Honourable Member for Fort Rouge is aware that Phase II is up to September 30, 1977. I indicated this afternoon that I'm hoping to have a government policy decision arrived at by the latest, May 31st, and such an announcement made by that time, allowing enough time for landlords and tenants to review, if need be, some of the agreements they've entered into, prior to, say, June 1st. Even if they didn't, as the honourable member is aware, when we announced Phase I of Rent Controls, what had been decided by The Act and regulations became law' and had to be respected by both parties concerned. So that would be the same case in regard to Phase III.

I'm hoping, by May 31st, that this will give enough lead time to the two parties concerned to arrive at a type of agreement reflecting the regulation to be considered by, and passed by Cabinet.

So that the question that the Honourable Member for Fort Rouge was posing of me, in regard to the direction that landlords and tenants should make now, I believe is to respect Phase II, as it was presented to them. In regards to a possible Phase III, we'll have to wait until that decision is arrived at.

En Français, Mr. Chairman, I'd like to ask the Honourable Member for Fort Rouge, or any other member here, who have had the opportunity to study other plans in other provinces or other countries of the world, to indicate to me what they would prefer pertaining to an alternative to just a plain old Phase III with certain provisions of a maximum percentage increase, if any. I've studied a few plans, but I certainly would have missed some in different parts of the world, or possibly even in other provinces in Canada. So if there is any advice in that vein, it would certainly be appreciated.

In regard to Limited Dividend Housing, well, again, it's a question of not wanting to duplicate what is being done by another level of the Crown. If the Federal Government wasn't involved through CMHC, it's certainly something that I believe we'd find a responsibility in regulating ourselves. But since it is being regulated by them, I am not in a position to indicate that their regulations are not meeting the content of tenants and/or landlords. But if there is a lack of justice on the part of that agency in dealing with rent controls, I suggest to those involved that they launch their complaint with the Federal Government because that is really not part of our responsibility. We haven't taken that as part of our responsibility because we just didn't want to duplicate. It's as simple as that. We can only presume in regard to the responsibility of that level of the Crown that they are controlling and limiting dividends so it is a subject matter that could be discussed with CMHC.

In regard to the interest factor on orders involved when landlords deliberately withhold funds, when the agency is responsible for lateness of rebate, we do not order interest. Each block must be dealt with on its own merits and costs. Blocks cannot be dealt with together even if they have the same landlord. So it is two separate applications as I understand the note here in regard to an order of the agency and/or an appeal to the board.

If that doesn't clarify the interest factor that the Honourable Member for Fort Rouge was talking about, I would invite him to clarify his point so we can deal with it — and equally in regard to several buildings being owned by a given landlord, if I took the inference as meaning a possible cross-subsidy between homes and/or blocks.

In regard to the cost pass-through, there will be a regulation passed pertaining to cost pass-through of existing mortgages that have to be refinanced, not at the will of the landlord, but falling due and having to be refinanced at a higher rate of interest, the difference, say as an example, between nine and fourteen percent if that is the case, or nine and twelve percent if that is the prevailing rate. The difference of three percent in that case would be allowed to be a pass-through. For that the Act does not have to be amended but a regulation has to be passed and that is the intent, to pass a regulation authorizing that cost pass-through where it is not at the discretion of the landlord but an obligation that he refinance because his five years is up and he has to refinance the loan. We will not allow the cost pass-through on an excess of the amount that was originally financed at, say again, nine percent. If there is an additional amount, that additional amount will not be allowed as a cost pass-through. It will be for the same amount or less.

I believe, Mr. Chairman, that that deals with the points raised by the Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I thank the Minister for those answers. It still requires, I think, some explanation and I would ask him to bear with me just to make sure I get clarification.

Going back to the issue of the leases at the present time, I understand from the Minister then that the advice that would be offered to tenants would be to sign the new leases that are being issued, and then if and when Phase III is established' by May 31st, then it would be retroactive and that would be made clear so that the —(Interjection)— Well, the point I am trying to make now is that many leases are now falling due. Because of the three month requirement of advance notice by the landlord, many tenants now have new leases in hand. Those new leases, the ones that I have seen, in fact include cost escalations that far exceed the eight percent of the Phase II period. Now it means that because a lease would fall due on July 1st or June 30th really, the leases let's say that are being delivered or have been delivered as of April to give the three months' notification have really two components to them. One is the component from June to October which still comes under the Phase II Rent Control Program. The second component is from October to the following June where there is no indication at the present time as to what limits there would be on the actual rent increases.

Now what has to be established, I think quite firmly, so that we can give the right advice when people ask is: Should tenants sign those leases even though they include rent increases that are far in excess of the eight percent of the Phase II for that period, let's say from October 1st, 1977, to June 30th, 1978, that eight-month period which is not presently covered under any statute or any regulation or any Order-in-Council. What I think we want to make sure is that if a tenant does sign that lease, then they would receive again a rebate for a period if there is a new percentage — six percent, eight percent, whatever it may be — for that eight months which we presently have no information about. I think that that is the kind of question I would really want to have clarified because it is a question of concern to many tenants at the present time and I think that many of them really don't know whether they should be signing the lease or not or whether they should simply wait until May 31st to hear. But if they do that, some of them are in danger of contravening The Landlord and Tenant Act where the landlord can honestly say that you have got to return my lease to me within a month after receipt of it, after the three-month notice. So I think again that I would ask the Minister to be a little bit more precise in establishing exactly what step tenants should take if they receive leases of that particular kind. I think that that is necessary to get that particular question established.

On the issue of the cost pass-throughs for existing mortgages, the question I would ask the Minister is: Will this new regulation that he is recommending to be issued, will that be retroactive to include buildings that have already been adjusted under the present last two periods, or will it be a law simply saying that from a certain date, May 31st, 1977, any refinancing will now be allowed?

Now again that is a degree of arbitrariness as to what date you pick because obviously many landlords — I think one of the court cases that is presently pending, I think will come up for hearing on Thursday morning if I am not mistaken, is based primarily upon that issue. A landlord is contending that he has had to refinance several hundred units of rental property under existing mortgages and I think that again it would be useful to know exactly what is being contemplated. Is it going to be one that will simply be applicable in the future, or will it be applicable to rent appeals that have already been established under the Phase I and Phase II programs of the Rent Stabilization Act? So I think again that we should have a clear definition of exactly what is intended in that respect.

Mr. Chairman, I also would suggest to the Minister that the potential programs and advice that he is looking for concerning what should be done, in part I would refer him to a Throne Speech reply that I gave on February 17th or 18th where our caucus put forward a series of recommendations to the government at that time, two months ago, as to what might be done and based upon examination of the different models that are being used in the Canadian context, Quebec, B. C. one as compared to our own and others, and suggested that the two options are either to follow the rent review scheme which is operative in the Province of Quebec wherein the onus is put on the tenant to initiate an appeal against any rent increase that they think is excessive and the landlord or property owner would therefore have to justify that particular rent increase based upon the costs that they have incurred. I would suggest, Mr. Chairman, that that is a position that again our own caucus had advocated since 1974 when a rent review scheme at that time had been introduced. But that is, as they say, water under the bridge.

The other option would be to come closer to the British Columbia model as recommended in a very extensive study that they did through their Rent Review Board that was completed last spring, where they put forward a series of formulas that could be used to calculate the different components of cost, not only the basic maintenance servicing cost, but also to take into account certain interest changes and certain equity charges that would be made, and that there would be a formula applied. Now, the trade-off between those two models is that one requires a heavier degree of administrative intervention than the other. The Quebec system really requires, first, a high degree of information being given to tenants so they know what their rights are, and a fairly elaborate administrative system to keep the thing operative. I believe that's been a problem in Quebec.

The other system in British Columbia — it's uncertain about its implementation because of the

changeover in government — seemed to come closer to establishing a fairly adequate series of formulas that could be used. What I would really be suggesting probably given the choice, that there be a Phase III established, set on a certain percentage rate, allowing for pass through costs based upon that kind of formula, with the intention that it would eventually transfer into a rent review procedure that would become, in part, a permanent fixture of the rental market, because I think that the private rental market has so altered itself that they're going to need that continuing protection. — (Interjection)— I think in this case, the thermostat to adjust — I apologize, Mr. Chairman, for answering a question the Minister posed from his seat — but would really be dependent upon the conditions in the housing market itself.

You're going to, as onerous as it may appear, have to maintain that formula control until such a time as we are able to add to the supply of rental apartments, so that we can get enough starts in the rental market so that there is a vacancy rate around five percent. I think that would be the trigger that would activate the end of that particular kind of scheme, and I would suggest that would be the particular formula that might be looked at. There would a time period for Phase III contingent upon the introduction of some housing programs and I hope we will have the opportunity to talk to the Minister of Housing about the kinds of things that could be done, both to improve the availability of existing apartments — the Minister has heard me speak previously in the House — the fact that a number of older apartments are being taken out of the market, that we are losing several hundred units a year from the existing housing market and that the introduction of serious stimulants into the private rental market to bring the supply up would then, once it has reached the stage where we can be fairly sure that there is an adequate vacancy rate and that the market system will apply, would then be the trigger upon which the government could then decide to move in to a more limited rent review procedure.

I believe, Mr. Chairman, that would be the kind of approach that would be acceptable to people on the property owning side, because if you look at the statements made by many builders as they appeared before the committee last spring, they indicated that they were prepared to provide for an acceptable rent review procedure, in fact they would welcome one. I think any statement or position taken by the government in relation to rent review or a continuation of the program into Phase III, then into a rent review, must be couched in more comprehensive terms of also the kind of stimulants that they would be adding in the rental apartment market, to bring the supply up. And I would hope that when the announcement is made on May 31st, it is not simply one that is restricted only to the specific question of rent stabilization or rent restraint, but also couched in terms of a broader program to provide for rental housing.

I think an additional component to that, which suggests negotiations should begin now with Central Mortgage and Housing is to work out ways in which the rent supplements may be available to certain tenants who can't afford any rent increases in that transition period. Many tenants are simply at a stage where they are spending high percentages of their income for rental housing. The only answer — I think probably a more affordable answer than trying to increasingly build more and more public housing units — is to move into a rent supplement scheme so that that would provide a certain easing or transition for tenants in these areas.

My colleague informs me, and I have to take his word, that there is a more extensive rent supplement program available in British Columbia. I know the only way in which rent supplements are presently available in Manitoba is if it's available for non-profit housing. I would suggest, Mr. Chairman, and I've said this before, if the government was to offer some incentives to builders in the rental market, that one of the conditions of that would be that a certain number of units in each of those projects, say 25 percent, would be available for lower, moderate income tenants. That would be one of the conditions of accepting that kind of advantage that may be offered you through a tax system or grant system or whatever formula they may apply. I would again predict that that would ensure there was an adequate supply, not only for tenants who can fend for themselves, but also those whose own incomes are not keeping up with the inflationary rate.

MR. CHAIRMAN: The Honourable Minister.

MR. TOUPIN: Mr. Chairman, in regard to leases signed before October 1, 1977, those leases would have to be in accordance with provisions contained within an announced Phase III, meaning that if need be, all those leases signed say, before October 1, 1977, tenants and landlords would have to take cognizance of a possible III Phase after the 1st of October.

In regard to the new regulation of cost pass through, I believe that I've explained that thoroughly enough. It would not be the intent to make that regulation retroactive, but if there was a hardship proven to have taken place in regard to assessment previously arrived at by the Rent Review Board itself — in some cases I happen to know that they've allowed, under the hardship clause, for cost pass through of such expenses — and that could be considered under that clause, without having the amendment that would become in force October 1, 1977. It would not be the intent to go back over the two phases and make that cost pass through applicable, but to use the hardship clause.

I've looked at the Quebec controls, and I fail to recognize how their controls deal with unreported gougers, and that seems to be a problem in some cases, depending I guess on the relationship between landlord and tenant. If a tenant doesn't report, by fear of being taken action upon by the landlord or a third person, in my understanding of their control, this would not deal with it, because if there's one report being submitted, they deal with that one report. They don't take the whole block in question. So I think we'll have to look at that when we talk about options, either for the third phase or following the third phase.

What are the criteria to be used? That's one question that we had to address ourselves to. What will be the formula? Will it be exactly the same, say, as they use in Montreal, or will it be somewhat different? What action for regress is proposed within the formula that will be contained? At this time, I don't see answers to these questions in the rent control procedure in the province of Quebec that I see being applied mainly in Montreal, and has been over the last thirty years, I am told.

And what is the real difference between a meaningful rent review and a meaningful rent control, if we're talking of two procedures that are meant to be sincere and wanting to deal with problems? I indicated that landlords and tenants should be signing leases. Right now, if they fall due, increases will be allowed for a 12 month period. They are only allowed one increase per 12 month period, under Phase I or Phase II. And it's the same now, they have to operate under the conditions of Phase II up to the 1st of October 1977. So if they sign leases now, conditions that are to be considered in Phase III will have to be made applicable, so I wouldn't hold back on the signing of leases.

As I understand the comment from the Honourable Member for Fort Rouge' Mr. Chairman, pertaining to following suit on Phase III, III, he would not put a time frame on Phase but make it conditional on achieving, say a five percent vacancy rate. I happen to appreciate that in the sense that I've always indicated that we, as being one of the three partners' have a responsibility in seeing that the housing stock reaches a certain level. But we are only one of the three partners. There's at least two others that I see having responsibility of supplying people with housing needs. I say three, the private, the public, and the co-operative sectors. So in that sense, in my other responsibility as Minister for Co-operative Development, I do intend to have an input in regard to the co-operative sector. We are meeting, and here I'm talking about the Minister of Industry and Commerce and myself, with the private sector. If I have my way in regard to incentives, the incentives will not be given to groups and companies, they will be offered to individuals. I see that as being more meaningful than talking about incentives to say, companies, and it's possible that individuals themselves will provide, directly or indirectly, through a subcontract, whatever needs they have. And I see a double component here, one of upgrading existing stock of housing which I feel is very important, mainly in the city of Winnipeg; secondly, new housing stock, and mainly again in the city of Winnipeg, by means of the three sectors.

Yes, I do accept the comments and recommendations of the Member for Fort Rouge that, being one of the three partners, we have a responsibility to work very closely with others in providing funds, apart from what is now being provided through the Federal Government in regard to the housing needs. I see that — and I've always said, Mr. Chairman, that that is the alternative to rent control. Rent control is not the long range solution to the problem that we have in housing. I think the stock of housing is controlled by means of the marketplace.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, taking in this Minister's comments, I expect that's about as far as we're going to be able to discern from him what the future intentions of the government will be, but I believe it's also important to find out from him what is intended in terms of the actual at agency itself. Looking at the estimates of the board, everyone recognizes that when the legislation came in a year ago, there was a requirement for some very hasty operations and I think that my colleague, the Member for Assiniboia indicated this afternoon, that one has to provide some commendation for the way in which a very difficult task was accommodated, by and large, quite efficiently, and I certainly believe that the survey I did in my own riding indicated that most people felt that as much as could be done was done, but there were still problems in the operation of the board and agency review officers.

Obviously, if we're going to continue into a Phase III program and get something out of it, we need something more than a secondment of officers from other departments. We need to discern whether the operation of the agency as it's presently established — there was a major turnover in staff of the agency half way through. Many of the rent review officers which I first saw, I didn't see again. I don't know if they got burned out or went for R and R somewhere, perhaps to B.C. or something, but the fact of the matter is that a lot of them just simply disappeared, and it would seem to me that one thing we should know, is what the intention of the government is in terms of continuing this agency. Do they intend to provide more permanent staff for it? Is the board composition going to stay the same? Will there be additional members brought in, perhaps, broadening the range of interest on the board?

One of the other issues which I would simply raise as a question, is whether examinations should be given to incorporating the Rent Review Agency with the Rentalsman office. Certainly during the

course of the last year, being involved in a number of these matters, there is a fair degree of confusion and I would expect duplication in referrals and information between the two offices of supply, that people sometimes didn't know the difference between the Rentalsman office and the Rent Review office. They both have the same name, they're within three blocks of one another in terms of their offices. I'm wondering if there is any intention to provide for a more permanent component in staff of the agency. If that is the case, will there be some training going on with that staff? In many cases, I felt that officers themselves, as diligent as they were, were sometimes about as confused as anyone else as to what the meaning of the legislation was and what the exact impact would be. Is there any intention now to provide for that kind of recruitment of people, because if you're looking at a May 31st date for an extended phase, then we're talking about six weeks, when all of a sudden the procedures will be starting all over again. The particular question of how many, what sort of training would be required, and particularly on the question of the board itself, the citizen board and the composition of it, should be examined in terms of the range of interests that are brought to bear. I think also of the issue of whether there couldn't be a degree of integration between the Rentalsman Office, which I know is busy enough, but also has a fair number of people who have been trained in the rent area, so that there would be at least a core component of staff available for supplying people to operate this particular agency. I think we should have some indication of what the intention is as far as the administrative organizational makeup of the board will be and what the government intends to do in terms of maintaining the Rent Stabilization Board and the officers that have been presently assigned to their tasks.

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

MR. WALLY JOHANSSON: Mr. Chairman, I have missed some of the discussion on the matter of the Rent Review Board, so if I'm repeating what some other members have contributed, or if I'm repeating questions, I apologize to the Minister. I'd like to make a number of points.

I am one of those who, when we passed The Rent Review Act, stated that I basically wasn't in favour of rent control as a principle. I agree with the Minister basically, philosophically, that the major thrust in solving housing problems, particularly for low income people, has to produce an increase in the housing stock. But right now, we're not producing that increase in housing stock. The Member for Fort Rouge has mentioned a study by the Planning Secretariat which indicates that there have been something between 1,500 and 2,000 demolitions in the inner city area over the past year or so. A lot of these demolitions are due to fires and also due to buildings that have simply passed beyond the usable state. Regardless, the fact is that the stock of housing for low income people has decreased very substantially over the last while and this has produced an additional pressure, especially on low income people in the inner city. Now, given this situation, I think that we, as a government, would be irresponsible not to continue the rent control program' and I certainly, as a member of the government, am in favour of a continuation of the rent control program until there is a substantial increase in housing stock. I can't spell out the percentage right now but certainly until there is a very substantial increase in housing stock, particularly for lower income people, I would have to advocate and strongly advocate within the government a continuation of the rent control program.

Now I want to ask the Minister a question about enforcement. I have in my constituency a lot of people who are non-English speaking. I have Portugese people, a lot of Portugese families, some Italian families who don't speak very good English and may not in some cases read English, Filipino families and — what's Adi Amin's country, Uganda? — there are Ugandans. There are a wide variety of people whose acquaintance with the English language is a bit imperfect and I would be concerned about the enforcement of the Act among the tenants who have difficulty with the English language, and I would ask the — perhaps I am being unfair, but I would ask the Minister if any effort is being made in this area to deal with the question of enforcement among non-English speaking peoples. And if there is no effort, I would urge the Minister to make an effort in that area.

I have just received a copy of a brief that is, I gather, being presented to the Minister by the Neighbourhood Service Centre. He has a copy of it. And the Neighbourhood Service Centre advocates, among other things, a continuation of the Rent Review Program. They also advocate a number of measures to acquaint tenants with their rights under the legislation, and they advocate, for example, a more effective public education program concerning their activities and purposes. This should include a consideration of language and cultural diversity in education levels. Radio and television should be utilized in addition to the various forms of print media. In addition the Rent Review Board should update and distribute its public information once a year.

In my constituency, Mr. Chairman, I distributed a pamphlet on the legal provisions of the Rent Review Act. However, I know that in a number of blocks there has been no rent review and I am certain that there are many single family dwellings or perhaps duplexes where rent review has not occurred, where there may be a problem with enforcement. I would like to know what the Minister is proposing to do about this area or this problem.

MR. CHAIRMAN: The Honourable Minister of Consumer, Corporate and Internal Services.

MR. TOUPIN: Mr. Chairman, in response to the questions posed of me by the Member for Fort

Rouge, I would like to indicate that pertaining to the staffing complement for the upcoming provisions of rent controls, when that is decided upon, will depend on the type of controls that are accepted. For the time being, the 28 staff people that we have are all contractual for a six-month period. I think that is fair for both parties concerned. They ran out on the 31st of March. They were renewed for six months. The provision within the Estimates is for 35 staff man years. We have 28 on staff, all contractual and all for a period of six months.

Again depending on what is decided upon, pertaining to continuation, I think the staffing complement and the staffing conditions will actually reflect what is decided by government there. But there was no way that we could have a permanency attached to existing staff and based on the controls that ended September 30th in regard to Phase II.

Pertaining to the turnover in the staff, I would like to indicate to the honourable member that there has been only three of eighteen RROs that have left, so there are still fifteen on staff, that were initially taken on staff, that are still there. We think that a lot of the bugs have been withdrawn from the program and that with the core that remained with the agency, we will be able to deal more effectively with whatever is decided by government pertaining to further controls.

Yes, I like to think that we should contemplate again, if possible, the secondment of some staff wherever it is possible. I hate to hire more people than we actually need and sometimes you can pick on good seconded people to work in different agencies.

In regard to the board of directors, that is something, as the honourable member quite knows, that was appointed prior to my time. I feel happy with the members that I have sat with myself. I don't see a need to change any of the nine members now but that is something that can be considered, either by myself or other members of the Cabinet. And if the honourable member has serious concerns with any member of the board, he can bring it to my attention and I will attempt to deal with it, but I haven't had cases presented to me that would actually compel me to make a recommendation to my colleagues in Cabinet that we would alter members of the board at this time.

We do now have a , and if there liaison with the Rentalsman was a question of having a transfer of responsibility in total eventually, say of rent control, to the Rentalsman, we'd need certain amendments to The Rentalsman's Act. We'd certainly have to either withdraw from the books Bill 19 and have it contained within The Rentalsman's Act itself, that is something that can be considered. I personally would not contemplate having a bureaucracy on an ongoing basis completely separate, I think it is something that we should consider, but I wouldn't necessarily consider it now if the Phase III is decided upon starting on the 1st of October.

In regard to dealing with problems, the Honourable Member for St. Matthews dealing with problems with people that are not fluent in English, we attempt to make services available to them. I am told that it hasn't been a great problem but if the honourable member has cases that he would like to bring to our attention we would certainly look at it.

The same as the brief presented to me by the Neighbourhood agency is being reviewed, no recommendations have been arrived at yet in regard to formulating a policy decision by Cabinet but it is being considered.

I believe, Mr. Chairman, that deals with the questions posed of me.

MR. CHAIRMAN: Resolution 39(a). The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, again I would like to register the degree of satisfaction that we have in the agreeableness of the Minister to so many of these recommendations. I think it has been useful to get a clarification on many of these points. I only hope at this stage that we will be able to look forward then to more expeditious action than we have had in the past on this issue now that we have been able to find out that there is some serious consideration being given to many of these items.

There is one further issue I would raise with the Minister in relation to the operation of the board and the agency and that has to do with the —(Interjection)—

MR. CHAIRMAN: Order please.

MR. AXWORTHY: Thank you, Mr. Chairman. That is the first time that rent stabilization has provided levity in this House.

One of the questions or issues that I would raise with the Minister has to do with the consultative arrangements that should be established to ensure that there is an ongoing discussion with interested parties in this area, that it is obviously a matter of great import to property owners, landlords, equally so to tenants. This affects, I would suppose, in the City of Winnipeg itself, well over 100,000 to 150,000 people, which is no mean number, Perhaps a larger number if you take into consideration the number of units outside of Winnipeg.

There have been, as the Minister has expressed, he has held meetings with different representatives of the landlords and so on. I would suggest to him that perhaps again if we are contemplating an extension of the program into Phase III and then some future decisions, perhaps of the kind that we talked about, that maybe he should be having a form of advisory group, advisory

council' board, whatever it may be, where he would invite representatives of the different organizations, home builders and owners, some of the tenants organizations, groups like Neighbourhood Services who have expressed a brief, so there can be a fairly continuous discussion. He could use it as a sounding board because I believe it is a policy that requires a constant updating, review and assessment as to how it is working and that it would take away a fair amount of the sting from many of the criticisms that have been reached.

You know all this last year, Mr. Chairman, we were subject to a kind of — oh, I don't know, almost a kind of balkanization of rent politics in the city — where one group would hire a hall, usually the International Inn, hold a meeting, invite one or two MLAs, usually from the Conservative Party, to come and sort of harangue against rent controls. On the other side, then there would be meetings outside. — (Interjection)— Oh, I don't know where the Minister is. — (Interjection)— One doesn't have to be at the meeting to know what goes on. One can read a newspaper. I still think there is a degree of literacy in our caucus and we are able to read news reports. Now the fact of the matter is that that kind of continuous confrontation and yelling at each other through the pages of a newspaper or the television screen did not really add a great deal in the way of enlightened discussion about how the program should be going. And it would seem to me that one of the things that might have been required would be to set up that kind of ongoing consultative mechanism so that the groups who were involved would have that opportunity to make their case, to make sure that they felt that their case was being heard on a regular basis. And as I say that is of particular importance because of the necessity to go to Phase III, to also begin thinking about how to move out of that into a transition, perhaps into another stage, that this is not kind of going to be an arbitrary all-or-nothing program, it is going to have to be worked out in a series of stages. I think to provide for a much calmer, more moderate approach to that requires that kind of consultative mechanism which hasn't been available under the present program.

MR. TOUPIN: Mr. Chairman, the honourable member knows that the Act itself doesn't make provision for a compulsory consultation to take place between the Minister and/or the agency with the industry. I can't speak for my predecessor but I know that I have. I have met with them as often as I possibly could, I have had to cancel two meetings because of my Estimates here, one with the Association of Landlords, and the other one with the Building Managers. I am speaking at the Building Managers, as an example, on the 14th from 6:00 to 7:45. So these are things that I feel are a must in regard to government and I have consulted with them pertaining to possible changes and so on, on an informal basis without wanting to bypass the rights of members of the House. I think it is good for a Minister or an MLA, as a matter of fact, to consult with his or her constituents and I tend to do that, especially in this case, because it is not only controversial but it affects so many people.

MR. AXWORTHY: Mr. Chairman, just to complete the thought, I suggest though that while the Minister's efforts to maintain contact with those in the industry are recognized, it may not be necessarily the best way of doing it because again, the group that is often ignored in that procedure are those who are also affected, which are the tenants of it. And I can again say to him that there is a good deal of uncertainty about the program simply because there hasn't been an openness in that kind of consultative process. And I wouldn't want to deny him the opportunity to meet with landlords, but I would suggest that in a variety of other activities the government has, they do have a more regular advisory consultative arrangement, usually a council of some kind, to provide that constant advice in a more open surrounding and it brings the different parties together so there can be, not only some exchange with the Minister directly, but also amongst themselves to see how these problems can be worked out. And I know that oftentimes even the associations themselves are not fully representative, that they split themselves up into four or five different groups, each of which has a different interest. It would seem to me that that kind of more established, ongoing consultative mechanism would aid the Minister, government, whoever they may be, in terms of working this program through to the point where we can have both an adequate protection but also as we've all recognized, an adequate supply of housing stock so that we can avoid some of the problems that we now have.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I have to stand just for a few moments. I am taken with the ecumenical spirit that exists between the Member for Fort Rouge and the Minister and I think to a certain extent some of the considerations are justified. But in general I think that there is a caveat that has to be registered and the caveat is very real and it affects the quality of housing we have in this province. It affects very directly what will happen in the future, and it affects in a very real sense whether there will be any upgrading of the low standard of housing for so many people, that housing which is referred to as slum housing, that housing which requires improvement if people are going to be able to continue to live there.

Now I think that there is some recognition here, properly, that the State has some responsibility with respect to shelter, but the question of whether the rent control mechanism, the rent control procedures, what is being proposed, is in fact really the basic instrument for the improvement, for the

assistance, and for the development of the kind of shelter which will provide reasonable shelter to people so that they will be protected, is a real question that has to be raised and a judgment to be put.

In today's world, for anyone who has at any time either constructed or purchased rental property, the one thing that they are met with is the increasing escalation of costs of all sorts. And for any government to stand, to believe that somehow or other they are going to be able to control one element, and escalation not take into consideration the reality of the that is occurring all over with respect to other basic costs, and not to allow through this mechanism the ability for that cost pass through and a reasonable return — and then we come to a judgment of what reasonable return is to be allowed, will face the prospect — as I believe we could face in Manitoba, notwithstanding all that has been said — that we will not have in the years to come sufficient housing to meet our requirements because the private sector will not do what it has to do because it will be afraid of doing what it has to do because it will simply not put itself in a position of being done after it starts its programming and after it commences its construction, after it starts its upgrading, and find that it is going to be really essentially stopped, because their costs, the return, are not allowed.

Now we went through a very bad period of time with respect to our country, with respect to inflation. We're not through with it yet. There was a need for control and there was a need for an exercise of restraint on the part of everyone. But let's not kid ourselves with respect to what has happened. Cost escalation is occurring all over. And to take those who are involved as landlords and owners, and to put a penalty on them because they, in fact, are providing shelter in the private area, and not to allow them the return that they're entitled to get, is a penalty that they do not have to bear. It is a penalty of society completely, not a penalty that the landlord himself, or the groups of landlords themselves have to undertake. What has to be recognized is those costs that have increased have got to be passed through and the ability for a free market to reign has to occur, and the ability for people to be able to negotiate their own terms has to take place. Now you do that by the improvement of the economic conditions which will foster the private sector to develop and to build.

I want to, in this respect, now refer to the whole area of slum landlords and the whole area of those shelters that are, at this point, in a very bad state of repair and where people are living in conditions that are dreadful and terrible. And there are many. Our tax system, the allowances that government provides, the incentives that government should introduce for upgrading, for the very requirements that are needed now because they were not done years ago because the law was not enforced — it existed but it was not enforced — providing for that upgrading. Whatever happened in the past is irrelevant to what now has to take place. And there has to be some very real adjustment with respect to our tax laws to allow the costs to be deducted as a cost of operation, as a cost which will in fact be an incentive to those people to do the upgrading, to be able to provide — (Interjection) — No, because of the deficiencies of all governments. Because in effect the laws were not enforced. No. The Honourable Minister of Labour, I can say that his government has gone by. This is not peculiar to Manitoba, it exists all over. The problem, at this point, is the need to adjust our thinking and our procedures and our ways, so as to provide that opportunity for upgrading, to enforce the law to force the upgrading where it has to be, but to recognize that those who are going to do it — because they are going to have to do it or they will not be able to provide that shelter, by law — will be allowed, both by way of incentive to do it and will be in a position to be able to carry it through so that in fact, that upgrading and that improvement will take place. I don't think that has really taken place, neither on the federal level nor on the provincial level. And the kind of consultation that the Honourable Member for Fort Rouge is talking about is as much consultation directly between the Federal and Provincial Governments to start to change the laws so that this will happen.

Now we go to the other area, the area of public housing. Last year the Minister in his presentation—the former Minister—in dealing with his Estimates, pointed out the specifics that had occurred in this past period from 1969. But if one measured the results against that which was announced, by the present government from 1969, one knows that they fall very short. The reality is that the housing that was proposed and targeted for was not built. The reasons for it, I think, are several and maybe they are not germane to the argument, and I'm prepared to argue that, if we have to, but the fact is that the government did not build that housing. And that has been one of the very real reasons that we've had problems with respect to shelter in this province. Because the targets that they themselves had set, the targets that they themselves had announced, the housing starts that should have commenced by then were not done, were not achieved. — (Interjection) — Why? Well, you want to go into why? For some reason you changed your policy and I can guesstimate why you changed it. — (Interjection) — No, no. Not at all. Simply because in a very real sense, like so many other things that the NDP have done in the last little while, you lost your way. And in the course of losing your way, you failed. And unfortunately, the people of the province are failing because of that. The objectives were correct and the Honourable Member for St. Matthews, I think agreed last time, and I think he basically agreed when he talked just a few moments ago. It should have been done, it wasn't done and as a result there wasn't sufficient public housing. And as a result, there was additional pressures and those pressures have resulted in the kind of things that have happened here

and happened elsewhere where rent control has been put in. But it's not going to be solved simply by discussion with the sectors alone.

It's going to be resolved by a forthright policy that will recognize that up until now, a great deal of the cost pass through has not been allowed, that for many of those people who purchased properties, who took their limited savings and who became landlords, who were not necessarily landlords before, who have found that they've had absolutely no return, or a very small return, that from their point of view, with moneys that they had to borrow, with the problems of maintenance, with the problems of working within a limited budget area, that the margins for them have been so small that the returns themselves have been unsatisfactory and although they are in a position to do nothing at this point, the reality is that they are entitled and should be entitled to some reasonable return. And unless you have a lot of these people satisfied, then the incentive to commence construction, the incentive to do the things that are required in the private sector, the incentive to maintain, the incentive to be able to continue will not be there. And so the problem is very real. We're going into the next stage and I missed part of the earlier discussion, and the Minister, I think, acknowledges this and acknowledges that there are going to be adjustments, but I have to suggest that at this point, there has to be a far greater and a much more forthright policy announced by the government to encourage those people who are now landlords and those who must upgrade and should upgrade and should be forced to upgrade, to be able to do the things that are required. There has to be a forthright, comprehensive housing policy brought forward, including the very important component part of public housing. Now that doesn't exist yet. At least I don't think it has been put forward. And the Minister cannot basically do the work that he has to do in isolation of that policy. That policy is needed.

The consumer price index indicates that the cost of housing has risen in Manitoba substantially. We'll have more recent results of the consumer price index the next couple days. I don't know what it will hold but my guesstimate will be that housing will be very high again. Now there is a reason for that. And what is happening is what has happened in the past is bearing fruit and the requirement for the kind of comprehensive policy that I've talked about which would take into consideration the basic kind of policy that the Minister would want to introduce has to come forward and the government has to bring that forward and that means coming together in a way that you haven't up to now.

MR. PAULLEY: Mr. Chairman, I wonder if my honourable friend would permit a question. He used the phraseology that I'm often confronted with — (Interjection) — You with in many activities of human endeavour. wouldn't understand because it's incomprehensive as far as you are concerned but I do direct my question to the Honourable Member for River Heights. He used the phraseology a "reasonable return." I would like to know from my honourable friend his definition of the word "reasonable." It's one of those phrases that I am often confronted with in labour relations and other aspects of legislative responsibility and others as well. It's one that I haven't been able to really arrive at a precise definition that is applicable in general. I would like to know from my knowledgeable friend, the Member for River Heights, as against the other two members in the front bench that spoke, because I question their knowledgeability in any segment, but I would like to know from my honourable friend if he can give to me his concept of what is meant by a "reasonable return."

MR. SPIVAK: A reasonable return in real estate terms, and that's what we are talking about, is very different from a reasonable return in business terms. — (Interjection) — Well I'll come back to what I think in real estate terms is a reasonable return. A reasonable return in real estate terms is very different than a reasonable return for business. It's very different than a reasonable return with respect to wage negotiations. They're not the same thing and the factors are different. — (Interjection) — I'm sorry.

A MEMBER: The word is the same.

MR. SPIVAK: The word may be the same but it applies differently. Even in dealing with government, a reasonable return is not the same with some departments of government. I, as an example, would say that the Liquor Commission's return is not a reasonable return, but we would know that it's attached, and so we accept that it isn't reasonable return. And even some of the increases that are brought about are not reasonable in relation to costs' but nevertheless, they are undertaken. A reasonable return in real estate terms would be, at this point, between 10 and 12 percent on equity.

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

MR. TOUPIN: Mr. Chairman, the Honourable Member for Fort Rouge left me the impression that I should be possibly meeting more often with tenants. I haven't refused a meeting with tenants and/or landlords — I shouldn't say landlords because I have refused a meeting with a landlord group because I am not interested in being yelled at or yelling at anyone myself. I don't mind meeting with a smaller group of representatives, and that I'll do anytime as long as we can understand one another and arrive at a convenient date for both concerned. But there has to be a proper balance in regard to consulting with one another and by all means, tenants are as important, if not more important than landlords.

The Member for River Heights makes a good point in regard to the quality of housing. I can't agree with him more and I did make a point earlier in the discussion pertaining to possible upgrading of existing stock, whether that be homes with a separate part of the home being leased or rented out, or whether it be smaller apartment blocks. I think there has to be an incentive for people to operate their facilities. And hopefully, being one of the three partners, that we can contribute in regard to making that possible more so in the future than we have in the past. There are two ways that that can be done, Mr. Chairman, in my humble opinion. One is the cost pass through that can allowed to the taxation system. The other is a cost pass through to tenants or on the lease itself, that can be paid either by the tenants and/or the agency that is actually paying for them, because we are talking of a lot of problems pertaining to the housing stock for welfare recipients and/or the working poor. I believe that the Crown has a responsibility to see that adequate housing is being provided for that group that can't, in most cases, negotiate that adequately for themselves because of financial constraint. So I see the Crown being deeply involved in that sense.

There's a lot of factors, I believe, that contributed to a lowering of construction of new homes in the City of Winnipeg mainly because this is the area we have most of our problems in regard to housing. But rent controls, in my humble opinion, Mr. Chairman, have not been a factor, or shouldn't have been a factor because they are not under the controls for a period of five years. All new stock doesn't come under controls for a period of five years. So I don't see that as being a deterrent, at least for the immediate future. It is certainly for those planning for longer range period of time, and this is why in some cases, landlords are suffering financially under controls now, not because of new facilities, but because of older facilities that they had and had predicted a loss on the base, and that loss is continuing. And the Act doesn't allow us to alter the base itself, but the regulation can allow us to allow more pass through of cost. This is what is being contemplated by amendments to the regulations.

I believe that in a period of unemployment, that this is a pretty good time to discuss the problem of housing that we have in the Province of Manitoba and again, I say, mainly in the City of Winnipeg, where we have over half of the unemployed right here, especially that we have two major problems to address ourselves to, upgrading of existing facilities and construction of new facilities. Again I see a problem in regard to the lack of desire, based on the very clear cut policy of the Federal Government, to cost-share in the upgrading of existing facilities. There have been approaches, to my knowledge, by my colleague, the Minister of Industry and Commerce, in that vein, and it has not been accepted as a policy of the Federal Government, pertaining to sharing of upgrading of facilities. I'd like to see that done, not only in regard to upgrading in facilities, but in regard to having people that are being subsidized by the two levels of government now in new accommodation, that that be made applicable in older accommodations. I think that would be a very clear cut step forward.

I wish to thank the Honourable Member for River Heights and other members who have contributed to this debate.

MR. CHAIRMAN: Resolution 39(a)— pass; 39(b) Other Expenditures—pass. Resolution 39: Resolved that there be granted to Her Majesty a sum not exceeding \$737,100 for Consumer, Corporate and Internal Services—pass.

I now refer honourable members back to Page 15. Resolution 31(a) Minister's Compensation and Representation Allowance—pass? The Honourable Member for Wolseley.

MR. WILSON: Thank you, Mr. Chairman. The Minister's salary usually gives the member the opportunity to review some of his comments and add anything that he might have overlooked, so that it will be recorded for the Minister review and see if changes can be made in the coming year to examine suggestions that are made and see if they have any validity, and give a chance to offer these suggestions to the Minister and of course, examine and criticize where you think there are some problems. I looked and tried to imagine the achievements of this particular department, going back under the Consumer's Bureau where we talked about new programs, and it didn't seem to be that there was very many. We talked about in 1969 a \$431,000 total budget and now we have \$3.5 million. There seems to be an expansion here. There are a number of contract people that have been hired. We notice under the Consumer's Bureau that for the first time we have an expanded outreach program where we've engaged in 504 personal visits. I wonder if this thrust is necessary. I would certainly advocate it for sick and handicapped people. But I think when we start into this particular area it is a matter of priorities and I can't see these personal visits having that much of a priority when there are so many other important things under consumer protection to deal with.

I wanted to talk about the duplication of service where I felt that certainly the government is giving grants to the Consumer Credit Counselling at 536 ½ Main Street. It seemed to me that they are talking about the exact things that the Minister was giving his staff credit for and I can't understand why the government would pay through grants an organization to operate on Main Street when they are doing this work themselves. So either they should have a satellite office on Main Street and stop this duplication of service.

Tuesday, April 12, 1977

It seemed to me that under Rent Stabilization of course he has talked about his expanded staff from 29 to 35. I stayed out of the debate because I can't see any way that anywhere in the future the government can ever hope of getting out of the controls so I didn't want to waste a bunch of motherhood words to a system that I think there is no way in the future of getting out of it.

I took the opportunity of course to rub into the Member for St. Matthews and the Minister, who at the time had bragged that the Consumers Act and the Rentalsman was the best Act in North America, and the headlines in the paper in the last couple of weeks, the Minister has admitted that landlords have gotten a raw deal and certain other problems that have come up due to this legislation. We talk about the known fact the damage deposits seem to go to the tenants and the landlords are put on a very stringent proving basis and get no damage deposits or protection under the Act the way it is and the fact that only thirteen complaints by the landlords is an indication that this was true.

I didn't like the charges of bias and the name-calling that went on by the members opposite. However I took it with a grain of salt. It did prompt me, though, to investigate and I found out so many of my ex-colleagues from my industry — I wondered where they all disappeared after the government knocked them out of business in 1969 — I find them now working for the government so it seems we all have something to contribute. —(Interjection)— Well, maybe more of them should become MLAs, who knows? However we felt that, at least I had suggested and I think the Member for Churchill agreed, that more telephone calls should be made. There are too many heaps of large stationery and letters being written and I felt the outreach thrust and of course the accusation that I made, that they are really becoming agents for Legal Aid, I felt that many cases, the trick is to stay out of court, and I thought many of these problems could solve the consumer complaints because after all, what is the intention in the Minister's presentation? He said it was a remedial department. They were to negotiate complaints and basically try to solve them without any cost to the taxpayer.

I remember on city council we would spend \$3,000 or \$4,000 of taxpayers' money to bring a person to court on a by-law infraction and he would get fined 50 cents for having chickens in his basement or something. And this was the kind of thing, the fellow was breaking the law, yet it could have been resolved if there had been a personal contact and a resolving of the situation without going to court because it just seemed it was a waste of taxpayers' money. And I am urging this Minister to urge his staff to engage in more solving type of situations. —(Interjection)— Well, the heavy hand never seems to get anywhere and it seems that if a particular staff member runs into two or three complaints against big corporations and as soon as the large law firms get involved, he files it away and immediately takes his disappointment out on a small businessman or the rest of the day he just doesn't seem to be able to take these large corporations.

And as the Member for Fort Rouge was talking about the inequities when dealing with some of these large corporations, I think that that is where the emphasis should be put. The rest should be negotiation and I would think that because there shouldn't be a trophy for convictions. We are talking about public relations, solving complaints, and I don't think there should be this large amount of red tape that seems to be building up because certainly the costs are mounting yearly and I am sure that more citizens would use his department if they could just pick up the telephone and be able to solve some of those. I agree the Minister has got a policy that they must put the complaint in writing. I can agree with that, but subsequent three or four other letters and three or four other letters going back, giving our Federal Government added revenue in the postal service, is to me uncalled for when we have our own Manitoba Telephone System that should be put to use.

The Minister of course, if I could refer to just a sidelight a little bit, when he talked about savings, he tried to engage in the figure magic ability that is so often used by the First Minister but somehow or other he didn't seem too sincere in his debate with the Member for Lakeside and I was convinced when I first raised it that there definitely in my short lifetime has been certainly an increase in government advertising. I was hoping, as I say, again I have not changed my opinion when I talk about the impression that I had that not only the Member for Lakeside but certain members in the government opposite and the general public feel that there is far too much government advertising — for what? And we would like to see that curtailed.

The Minister again talked about his figures and the impressive saving that he was talking about and I couldn't believe that this really took place. I still would appreciate if the Minister could some time or other enlighten at least this member about some of the secret goings-on and secret benefits to members so that we can all be treated equally in this House as 57 parts of a political pie.

The printing activity of course, I didn't believe that \$2.754 million, and as the Member for St. Johns said there is a lot of blood letting, I couldn't see when you almost spend \$3 million on printing activity that there was really that much blood letting going on in trying to curtail this section.

The research group, again I did want to talk about the research group but I also wanted to talk about the federal Consumers Bureau because I get a feeling the west is being ignored here and I think when we have got members of the Liberal Party in this House who are failing to carry the concerns of western Canada down to Ottawa, then I think that we have to rely on this government and all of us to go to the Federal Government and say, "Give us the money and we will show you how the province

can do the job better."

Well, we are talking about the price of milk going up 11 cents a quart. Where is the protection for all of us? When you deal with the cost of food and housing, naturally all of us have to say it is a federal responsibility because when you pick up the phone and phone the Minister's department, they simply refer you on to the Federal Government anyway. But somehow or other I don't think the Federal Government is getting the message and I think we need protection. I think the Minister has to either demand the money and negotiate like he did for cablevision that some of the rights that are now the federal responsibility be transferred to the province, because I am afraid there is no justification for food prices in Winnipeg being so much higher than they are in Toronto and especially in the area of meats and things like that when we have a packinghouse industry right here

I think really these are some of the primary needs and protections demanded by certainly the consumers that write me, in contrast to sort of low priority and secondary type of things like the Minister engages in. Like I remember past pamphlets, the former Minister behind you used to and of course the former Minister, now Minister of Education, would have his picture in all the pamphlets. I am hoping that will be cut out and I don't really think the Minister should have a second printing of his \$175 kit. I think we have to hold up on that until this other problem is solved pertaining to some of the major things that consumers are demanding protection from. I think the educational program, if it is good, that it is good for five or ten years as the Minister talked about, then we should be able to just leave it at the first printing and go a little slow in introducing this to the educational system.

So with those few words I basically wanted to say that everyone that I talk to looks upon the government as the main resource for the purchaser. In other words a lot of them can do talking for themselves but there are those that possibly the Member for St. Matthews wouldn't talk to because they are not' as he would quote in his article, not intelligent enough or whatever, but these are the kinds of things that those types of purchasers that can't engage and can't help themselves because of the unknown factors in the consuming world, they need government protection. And this is the role that this Minister's department should be engaged in and not some of these things that he is getting side-tracked with.

MR. CHAIRMAN: The Honourable Minister of Continuing Education.

HONOURABLE BEN HANUSCHAK (Burrows): Mr. Chairman, I listened to the Honourable Member for Wolseley with interest and I am wondering if he would mind explaining one comment that he made when he spoke about the need for some form of control upon the increasing food costs, housing costs, etc., and how that statement of his squares with something which I believe was adopted as party policy, or it was stated as party policy by his leader at their convention two weeks ago, that the Progressive Conservative objectives are to restore a climate in Manitoba where responsible private enterprise is encouraged. Now this, I believe, is all the result of private enterprise but he is talking about government control. Would he explain that, please? —(Interjections)—

MR. CHAIRMAN: Order please. The Honourable Member for Wolseley.

MR. WILSON: Well, responding to the Minister of Tourism, again I am going by what our leader said at the convention and not what the Minister read. I could hardly hear him but he could repeat it again if he wants to, but basically what we are talking about here, we are talking about the Federal Government having all of these responsibilities, setting up an office on Main Street with a large staff. In fact they have frozen the staff now at a time when we need them — and my feeling that we are being ignored by Ottawa when it comes to controls on certain items, especially in the food section. And I am saying that if the Federal Government isn't doing the job, this Minister, who already has some staff people for window-dressing purposes when you phone up, in fact he announced that there was a girl in his department you could phone, and when you call her she refers you on to the Federal Government. So that is what I meant.

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

MR. JOHANNSON: Thank you, Mr. Chairman. I wanted to say a few words on the Minister's Salary and the first thing I would like to do is I would like to extend an apology to the Member for Wolseley. I did make a mistake when I referred to his being convicted under The Consumer Protection Act. I have checked the records of the Court of Queen's Bench and my statement was wrong but I did find out some other things which I want to touch on shortly.

Having finished with the apology, Mr. Chairman, I would like to comment on the performance of the Member for Wolseley as critic of the Consumer and Corporate Affairs Department. You know, Mr. Chairman, if it were possible, I would like to move a resolution to reduce his salary as an MLA to a nickel. And actually, Mr. Chairman, that is five cents more than he is worth. That is five cents more than he is worth as a critic of this department. —(Interjections)—

MR. CHAIRMAN: Order please. ORDER PLEASE! The Honourable Member for Lakeside wants to make a speech, I am delighted to recognize him in his turn. The Honourable Member for St. Matthews.

MR. JOHANNSON: Yes, Mr. Chairman, I was commenting, expressing my genuine, honest views on the performance of the Member for Wolseley in this House. He has repeatedly made charges without producing substantiation. He has made a whole series of accusations on a whole variety of things including Christmas cards and he has really substantiated nothing. He is a discredit to the Tory Party.

A MEMBER: Oh, that is stretching it too far. That is stretching it too far.

MR. JOHANNSON: Mr. Chairman, I was saying he is a discredit to the Tory Party

A MEMBER: To the political philosophy of mankind.

MR. JOHANNSON: Mr. Chairman, he continually refers to his qualifications as critic in this area. He has even talked of his degree in Life. Mr. Chairman, I have never heard of any member on this side of the House talk about his degrees, whether he has any or not. I haven't heard of any other members on the opposite side talk of their degrees, whether they have any or not. Here we have the Member for Wolseley talking about a degree in Life and Mr. Chairman, what is a degree in Life? I had never heard of one. I had never heard of one. Perhaps the honourable member could inform the members of the House what institution, what educational institution in this province confers this particular degree. The Minister of Education would be interested in finding out.

He talks about his experience in the credit industry and as I said, I did make a mistake when I referred to his past experience in the credit industry. I did make a mistake so I did some research and I found out some interesting things about the honourable member's experience in the credit industry which he equated with the experience of the Minister. And Mr. Chairman, I don't want to make vague statements based on nothing, I want to quote from court records. And the first case I want to quote from is a judgment in the Queen's Bench between Richard Magus, Plaintiff, and Roger Prairie, trading under the firm name and style of Douglas Shell Service and the said Douglas Shell Service, Robert Wilson, trading under the firm name and style of Canadian Credit Control and the said Canadian Credit Control, Northern Credits Ltd. and Hirst Enterprises, defendants. This is a judgment by Justice Hall in 1971 and it is a judgment under the Garage Keeper's Act. He says some interesting things about the critic who represents the Tory Party in the field of Consumer and Corporate Affairs. "Mr. Wilson," and I quote, "failed to tell the truth and in fact engaged in deliberate falsehoods in dealing with the plaintiff, the banker and the lawyer in their efforts to bring about a redemption of the property seized."

A MEMBER: It's still going on the same way.

MR. JOHANNSON: On the whole, and I quote again: "On the whole of the evidence, the conclusion is most compelling that throughout Mr. Wilson acted and conducted himself in a high-handed and arbitrary manner and in complete and utter disregard of the plaintiff's statutory and other rights." And I quote again from the same document, "May I add by way of emphasis that Mr. Wilson and others in the same undertaking must know that in respect of extra judicial seizure of automobiles they must act honestly, in good faith and with due regard for the statutory and other rights of the party whose property is seized."

MR. CHAIRMAN: The honourable member state his point of privilege.

MR. SPIVAK: On a question of point of privilege. If the present member intends to continue in the vein he is, does he recognize that the same type of debate can be offered on this side affecting members on his side? Is he prepared for other judgments and other decisions concerning — (Interjection)— No, I want him to be very much aware of this. Is he prepared to have introduced into this House judgments, other decisions affecting members sitting on the other side? And I want him to acknowledge that now so that the consequences of his act will be understood by all the members on the opposite side.

MR. JOHANNSON: Mr. Chairman, that was not a point of privilege.

Mr. Chairman, I have not been talking about the private life of the honourable member, which is his affair. I am talking about his public life, his experience in the credit industry which he has raised in this house.

MR. CHAIRMAN: The Honourable Member for River Heights state his point of privilege.

MR. SPIVAK: Again I ask the member whether he is prepared to have voiced in this House and read into the record the decisions of administrative bodies as well as judicial bodies affecting members on the other side? Is he prepared for the consequences of that? I suggest to him and I suggest very strongly, that he doesn't know the consequences of that, because he does not know the private life or the public life of some of the members on the opposite side. Mr. Chairman, I ask him again, is he prepared to continue this type of attack, recognizing that it is a double-edged sword and can be used against the members opposite.

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, on the point of order raised by the Honourable Member for River Heights. I don't think that it is a point of order at all, that the Honourable Member for St. Matthews has the right to raise any question pertaining to events that have taken place, that the Member for River Heights has no point of order. If he wishes to raise in this House, indeed if he can, any cases similar to

that being raised by the Member for St. Matthews, the Member for River Heights has that privilege.

But the member, I suggest to you, Mr. Chairman, the Member for River Heights has not got a point of order, that the Member for St. Matthews has the right in this Assembly to discuss any matter that is not before the courts at the present time even though it may have some reference to an honourable member of this House prior to he becoming a member of this House, and that, Mr. Chairman, I suggest does not constitute a point of order by the Honourable Member for River Heights. — (Interjection)— Yes, that's right and I remember it and I'm prepared, Mr. Chairman, I'm prepared, if the Honourable Member for River Heights will raise any matter of concern of myself who has been associated with this Assembly longer than anybody else else, and in that 25 odd years may have transgressed the laws of Manitoba, or Canada. If my honourable friend the Member for River Heights wants to resurrect that type of involvement, then he has the privilege of doing it providing it's not before the courts. I say the Honourable Member for River Heights is not raising a point of order or privilege on behalf of the Member for Wolseley.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I suggest to the Honourable Minister of Labour and the Acting House Leader that if this line of debate continues there will be brought forward in this House incidents that he knows nothing about affecting members on the opposite side. And if he wants those matters brought in as a matter of record and he's prepared to acknowledge that that is now permissible under the rules, that he and the Member from St. Matthews bear the consequences of that kind of information being produced.

MR. PAULLEY: Mr. Chairman, to the Honourable Member for River Heights and I think that he knows it, I think that the Honourable Member for River Heights knows it, that I could raise many questions pertaining to the conduct of the Honourable the Member for River Heights during the period of time that he was a Minister of this Crown and an MLA. Whether I choose to do it or not rests with me and I'm sure that the Honourable Member for River Heights knows of what I am talking about, involving millions of dollars of taxpayers' money. — (Interjection)— It's not dying at all and I am not dead yet.

MR. CHAIRMAN: Order please. The Honourable for Fort Rouge on the same point of order.

MR. AXWORTHY: Just as a matter of the Rules of the Committee, I wonder if the Chair could rule on the matter so that we could revert back to the business of this Committee, which is discussing the Salary of the Minister of Consumer Affairs, which we haven't discussed for the last 20 minutes.

MR. CHAIRMAN: The Honourable Member . . . Order please. Order please. ORDER PLEASE.

There is nothing in our rules covering this. This matter arose once before and I really don't know what the decision should be, but I mean it's on the heads of any member. If they wish to raise this matter, that is on their responsibility as members of this Chamber.

The Honourable Member for St. Matthews.

MR. JOHANNSON: Yes, Mr. Chairman, I have some more material here but I shall withhold it. I'm not withholding it because of the threat of the the Honourable Member for River Heights, because his point was not a point of privilege. His point was a threat. And, let me tell the Honourable Member for River Heights that his threats don't scare me because I have nothing to be scared about. I have nothing to be scared about. — (Interjection)— The honourable member was talking about me. I have not touched on the private life of the honourable member because I regard that as his private affair.

Now that has not been the behaviour of the members opposite, because I can recall the last election campaign, and there were some dirty filthy vile things done by members of the Conservative Party. And they happened in a number of constituencies. I know how the gentlemen opposite behave when it comes to an election campaign. I was talking about the public life of the Honourable Member for Wolseley, who has been selected and given the mantle of the Consumer and Corporate Affairs critic. Mr. Chairman, I think he's a disgrace to the Tory Party. I think he's a disgrace to this House. If he is the representative of Tory consumer protection, then I am looking forward to the next election campaign with great relish.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I'm afraid that the intent of my remarks may seem somewhat out of character than what we've heard recently, but if possible I'd like to return back to issue at point, which is the Salary of the Minister of Consumer and Corporate Affairs and the general operation of his department.

We have attempted in our group to spend a lot of time on this department, for one very important reason, beginning, I suppose, with the fairly dramatic announcements of over a year ago concerning the wage and price controls. I think many Canadians began to recognize that we were existing under a very different economic order in this country, that many of the rules that we had believed were the way in which the market economy worked were no longer the way they worked and that some fairly serious initiatives had to be taken to bring the problem of inflation under control, particularly the question of prices and escalating costs. That particular change in the recognition of a new economic system puts, Mr. Chairman, we believe, a particular onus upon the Department of Consumer and

Corporate Affairs in every province and certainly on the federal level.

I was involved in 1968 in the original development of the Federal Consumer Affairs Department, which I believe was the first in this country. At that time it was kind of a new fad and everyone thought that the consumer should be somehow protected. It seemed to me we went through a phase where the nature of protection was in education, information giving, and referral services; a number of useful, but relatively innocuous kinds of services and activities.

I think, Mr. Chairman, that since that point in time, we realize that that role of the Consumer Affairs Department must be seriously reconsidered, that in many ways the Minister responsible for Consumer and Corporate matters is really very much in the forefront of a very fundamental fight to try to reorganize a lot of the things happening in our society ' particularly in trying to right many of the inequities and imbalances in the relative position of consumers in relation to the very large economic groups and organizations that exist in Canada.

Therefore, Mr. Chairman, we've attempted during the last week and a half I guess it is, as we have been examining these Estimates — perhaps closer to two weeks now, I'm not sure — to raise a number of questions concerning the role and activity of the Department of Consumer Affairs, beginning with the Consumer Bureau and the role that it plays as an advocate and proponent of consumer rights, as opposed to simply a referral information agency. We also felt, Mr. Chairman, that there were particular concerns on the provincial level in those areas which do not come under the guidelines of the AIB program. The areas of public utilities and the areas which are oftentimes, in fact most often, operated by Crown agencies of this government; hydro, telephones, other areas, which are subject to the monopoly controls and again felt that the adequacy of our present system of handling those costs were not anywhere near what they should be in order to provide the kind of guarantees and protections that were necessary.

So the interest of our own caucus in examining this department was one that we felt, rather than continuing incrementally, step by step doing a little bit more than what has been going on before, that the Department of Consumer and Corporate Affairs required some pretty major shake-up. It really required some very major changes in its orientation and its purposes and its practices. Therefore, we felt that the present performance was not in keeping with the demands of the economic system as we now have it. For that reason, Mr. Chairman, we were particularly critical of the operation of the Consumer Bureau as it presently is, the inadequacy of investigation into food prices, the operation of the public utilities boards, and just latterly as we looked at it this evening, the question of rents, which again is very much within the provincial jurisdiction.

like, I suppose, Mr. Chairman, I would to review many of these and I think under the circumstances of what's preceded that it would probably be no doubt valuable. I think the record is very clear in terms of our position in relation to Consumer Affairs because we feel that for a department that is oftentimes a little bit in the backwater of governmental activity, this one should be brought very much into the forefront and be given a much higher degree of responsibility. And if there is any area where the activity of government could be strengthened, not necessarily in higher degrees of intervention, but certainly in its regulatory advocacy positions, then this department is one that really requires that basic reorganization.

Now, Mr. Chairman, in particular we feel that the question of the problems of rent control and stabilization have not been handled well by this government. I fully recognize the difficulties of having brought in a program under duress and circumstances, and I expect, frankly, Mr. Chairman, if it had been left to this provincial government alone without the instruction of the Federal AIB program, we would not have had a rent control program of any kind, because certainly up until the introduction of AIB, the position taken by the Premier certainly and other senior members of the government was dead opposed, adamantly opposed, in many cases to a rent review or a rent procedure. I can recall several debates in this House in past years when we received opposition that we expect from this side, but somewhat curious about why there was so much opposition from that side to any rent program. Therefore, we realize that the Rent Stabilization Act was brought in under some conditions that perhaps where many members opposite felt that they were being pulled into it rather than doing it out of a sense of need.

In that respect, Mr. Chairman, they haven't really quite lost their ability to be kind of the reluctant bridegroom in this marriage, that they have not pursued the question of a proper rent program in the Province of Manitoba, again, with the sort of zeal and effectiveness of approach that was otherwise required. It is only really in the last couple of hours, this afternoon and this evening, that we've been able finally to come to grips, in some small way, with what are some of the intentions of the government in relation to the continuation of the program. I don't like to take words from the Minister's mouth but it does sound finally, that they are prepared to do a Phase III program, and for that I think we will provide some commendation, but I think that beyond that, as other members as well as members from this group, have pointed out, the problem doesn't stop there. The problem has a much wider orbit than simply introducing Phase III and we must address ourselves to a wide variety of issues related to the supply of housing in the City of Winnipeg and in the overall province.

What does concern me, Mr. Chairman, is this. The Minister has indicated that there will not be an announcement of any kind of program until the end of May. If predictions hold true, that would mean that announcement will be made after this House is adjourned. Mr. Chairman, I do not want to leave this House until a decision has been made. I feel that it would be a dereliction of responsibility for this government not to present members of this House, while we are still sitting, with a very clear indication of what their program will be before this House comes to an end. Because to do that without giving all members of this House, particularly those who have a large number of tenants in their riding, the opportunity to engage in the exchange, make comments, would simply be really unfathomable and really highly objectionable. I simply say, Mr. Chairman, that I would strongly advocate that the Minister be prepared to issue a form of position paper or whatever format it would take before this House adjourns so that the members of the House will have an opportunity to see what the government is preparing to do, what kind of program can be expected and afford the opportunity for a clear debate while we are still sitting.

I think it would be wrong to leave it up in the air and certainly if, again, anticipation by certain members, which I read about only, in the House, about adjournment in the middle of May, whatever time in order to get elections under way, to have that kind of an election called before this matter is cleared up, again would be a serious disservice. So, Mr. Chairman, one of the things that I would certainly put forward as a request, an assertion, if you like' is that the Minister of Consumer Affairs, who has been very agreeable, very pleasant, very co-operative during the discussion of these Estimates, has taken note of numbers of suggestions, that he now begin to exercise his muscle and leverage amongst his cabinet colleagues, to get them off their duffs so that we will have something fully adequate, not just the regulations, not just some amendments to the Act, but a full, effective program dealing with rental housing in the province of Manitoba. That has got to happen before we leave this House, otherwise there will just simply be hundreds of thousands of people left up in the air. If there is any message that I can leave with the Minister in relation to his salary, it is incumbent upon him, as a Minister of Consumer Affairs, to perform that duty in the shortest time possible, and certainly before this House adjourns.

I think that that, Mr. Chairman, and recognizing the limitation of our numbers, is really a non-negotiable item. I think it is something that has to happen, otherwise I think that there would be a lot of people in this province who are looking to this House for a certain degree of leadership and direction would be sorely disappointed and only add to what is already, I suppose, a degree of hardship that they suffer because of the uncertainties that have thereby been created.

Mr. Chairman, that is the point. We simply feel that this activity of Consumer Affairs, has really got to be removed from second order of priority and brought right into the front line of governmental activity. I believe it will be not something of a short term nature, but be of a continuing nature, simply because of the way in which our own economic system is undergoing these kinds of changes.

I would really hope that we will see something very shortly forthcoming in terms of a program that would not only indicate the nature of the Rent Stabilization Program and what it would do, but also a wider orbit of a housing program. We have made many recommendations including providing for interest rate advantages for the production of rental housing contingent upon the supply that certain percentages of those units be available for lower income people, the renewal of older houses, I think that on record, if I counted them, they'd probably amount to hundreds of recommendations we've made over a period of time' what could be done. I think there's enough material there. It's simply a matter of the Minister now pulling together, presenting the package to his colleagues, and coming out within the next week or ten days or two weeks with something very clear and understandable so that we will have an opportunity to debate where we go from here. If it does happen to become an election issue, fine, then we can debate it in that case. But I think that it is incumbent upon the Minister to exercise the muscle that he should have as a Minister of Consumer Affairs.

MR. CHAIRMAN: Order please. The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON: Thank you, Mr. Chairman. Mr. Chairman, I want to speak to the Minister regarding his portfolio as being in charge of the Manitoba Telephones and the Computer Centre that they are presently setting up, which was started, I believe, a year and a half ago. First I would like to say that we all have public lives in this House. I personally have one, and I do business every day with people. I think most of us have a responsibility, though, to our constituents, and the answer that the Member for St. Matthews is going to have to give his constituents is why he has, in the past few days, used the word "liars" and tonight, made another step towards degrading the debate in this House. I would prefer him to explain that to his constituents as to why he has consistently, in the past while, trying to make that step and help the debate of this House go lower.

Mr. Chairman, the computer bank that the Manitoba Telephone System is setting up at the present time is, really, I don't have any objection to it if they go into business and go out into industry and they sell their services to industry, to people who require it at a profit but at the present time, that particular organization that has been set up by the Manitoba Telephone System is presently using

and selling its services, mainly to government. As a matter of fact, the Hydro is almost being forced to use that system, and I use that word "forced" because if Hydro has enough computer capacity within their own right, that they would not have to use the computer system of the Telephones, that the Telephones have set up.

Many of the departments of government already have their own computer systems and very exceptionally good ones, but at the same time, are now starting to use the Manitoba Telephone System set-up. I would advise the Minister and ask him in his position as Minister over the Manitoba Telephones, to take a very close look at the industry that the Manitoba Telephone System has gone into, and see if it can't be put on a paying basis in a competitive field with other people, rather than be relying on taxpayers' money to build up that business, and that's basically what is happening at the present time.

Mr. Chairman, that's really all I have to say on the subject, and I would ask the Minister to watch that situation very closely. The Province of Manitoba is the largest customer of IBM in the whole of western Canada, and when we consider other provinces to the west of us that are much bigger, that's quite a figure. So I would advise that the business that the Manitoba Telephone System is going into, go into it and make it pay on a basis of competitiveness instead of depending on taxpayers' money to build the business.

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

MR. ADAM: Thank you very much, Mr. Chairman. I intend to be brief. First, I would like to comment on the exchange that took place just a little while ago. I find it very odd, in the last seven years that I have been a member of this Assembly, I've heard many vicious attacks against different people in government by members of the opposition, and perhaps I could name a few. I remember the attacks that were made against a Deputy Minister, Dr. Tulchinski. On many occasions, more recently, I've heard very severe attacks against the person of Mr. Cass-Beggs, and I even heard attacks against the Minister that we are now debating the Estimates on. I've heard the Member for Wolseley make attacks against Murdoch MacKay.

It's very odd that some of the members in the opposite bench are very adept at making personal attacks on people in government and Ministers, but they are very reluctant to accept any attacks themselves. In other words, they are very very adept at handing it out, but they can't take it. — (Interjection)— Well, at least your colleagues seem to be quite concerned on what was taking place and I want to say that some of the comments made by the critic for the Consumer bench on the Conservative side criticized about the advertising that was taking place.

I think he mentioned a figure of \$3 million that the government was, according to him, perhaps wasting on advertising. But I want to remind the honourable member that I recall the government of the day back in the Sixties, 1964, 1965 or prior to that, that they advertised, I believe, all over Europe, and the headlines were something to the effect that there was \$100 million available for the asking for anybody who would come out to Manitoba, and somebody did finally come. A fellow by the name of Kasser came out. That was a very expensive piece of advertising, Sir. — (Interjection)— I'm saying that \$3 million in advertising today would probably take 30 to 40 years of that one advertising that the Conservatives did back in the Sixties to attract industry to Manitoba.

The reason I did rise to speak, Mr. Chairman, there are a couple of things that do bother me and I believe that they are probably federal responsibilities, but I would like to see more provincial involvement in consumer protection, and there are a couple of things that come to mind. There are probably many many more, but one is the beef industry which has been much in the news this year.

In the packaging of the beef in the shopping centres and in the stores, I would like to see better identification of the beef that's on display. I would like to see the beef identified as to sex of the animal and where the beef comes from. I would like to know if this beef is imported or whether it's Canadian beef. — (Interjection)— Yes, Mr. Chairman, here you have. . . yes, he says "Come on". I suggest to you that they are doing this now in other areas, and I would like to see this advertised. If we want to buy unpolluted beef, that it does not contain hormones such as Stilbesterol, I want to have that privilege. I don't want to buy beef that's polluted with chemicals. Because of mismanagement in the States it's now pouring into Canada, it's causing serious problems in the State of Michigan, and it's spilling over into Canada. I know that this is probably a Federal responsibility, but I would like to see more involvement in this area. Myself, I would be prepared to pay more money to buy our Canadian beef.

I know the Member for Roblin is disgusted. He is going out. I'm sure he would prefer to buy American beef and leave our beef on the farm of the Member for Lakeside. That's his philosophy. — (Interjection)— I'm not criticizing you. I'm not criticizing the Member for Lakeside. In fact, I'm trying to help you.

Another point I would like to raise, again, I think it's Federal, but I would like to see more provincial involvement in . . . A few years back, Mr. Chairman, in the days of the Member for Pembina, that is a few years back, the gas that was sold in those days, as I recall there was two grades of gas, one was unleaded and one was leaded. And the leaded gas was considerably higher than the regular gas. The

reason that it was more expensive was because the lead content of the gas was supposed to eliminate the pinging and the knocking of the motor. Now today, you see this very same thing happening now, they are removing, they are selling unleaded gas without the lead, and it's more money. It's about ten cents a gallon more. The reason they gave in those days, why the leaded gas was more, was because they had to put lead in it. They had to put lead in it, and they were charging for that. Today, they are saying they have to charge ten cents a gallon more because they have to take the lead out. That is what the argument is today, and I want to tell you that I would like to see the octane content of some of this product that's being sold right here in the City of Winnipeg. The octane content should be checked because I know that some of the gas that is being sold today doesn't have the right octane content, and instead of getting 15, 16, 17 miles to the gallon, you might get 12 gallons, and that makes very expensive gas, I can tell you. I know that these are Federal responsibilities, but I would like to see the Province more involved in this type of thing.

I want to bring a few concerns that have been coming to me from some of the areas in my constituency that have to do with the size of the exchanges in the Ste. Rose constituency. We hope that before too long we will see a larger exchange in the rural areas. Some of the rural areas now are changing dramatically. The shopping centres, the service centres are getting further apart, and it leaves a lot of areas with no contact with the service centre at all. It's only long distance exchange of maybe ten miles or so. I speak in particular about the Winnipegosis, Mossy River municipalities, a difficult area there, and also at the southern end of the Ste. Rose constituency is the Riding Mountain and Kelwood area and McCreary area. There are some problems there. The exchanges seem to be too small for today's economic situation in the rural areas.

I realize that probably the Manitoba Telephone System is concentrating on reducing the number of subscribers on the line, and I think this is certainly welcome. I know that we have eight subscribers on my line, four on each side. It's a problem but I know that the Minister is doing everything he can in this particular area, but I do want to bring those concerns of the smaller exchanges to see if we can't do something about that before too long.

I think that's about all I have to say.

MR. CHAIRMAN: The Honourable Minister of Consumer, Corporate and Internal Services.

MR. TOUPIN: Mr. Chairman, I'm not going to be lengthy in my remarks, but I would like to deal briefly with some of the comments made by honourable members. I'm not going to attempt to judge which is considered to be a contribution or not, that's not for me to decide. I believe that's for the ratepayers, for the electorate to decide what is considered to be best for them. But I guess no one is so deaf as that person who will not hear and I say this for the Honourable Member for Wolseley and I go back to his opening remarks on my salary, indicating that he figures there was too much of a staff increase in regard to Consumer and Corporate Affairs. And I go back to my opening remarks in regard to the Estimates themselves where I said there was a reduction in the staff. Now, we can't have it both ways. There was an increase in overall sums sought in the current fiscal year that we are talking about, but a reduction in staff.

The increase in funds is mainly because of an increase cost of rendering services and an increase in salaries that are being paid and negotiated by unions that are speaking for employees. So I can't really take that comment very seriously.

The Honourable Member for Wolseley indicates that we should negotiate with the Federal Government to transfer responsibility for Federal Statutes to the province. Well, how can we do that and reduce expenditures provincially? If there was a possibility of transferring responsibilities from the province to the feds, and lower our expenditures, that would be understandable, but we can't keep on putting additional responsibilities on existing staff and expect it to do it for less funds. That's not possible. —(Interjection)—

The Honourable Member for Fort Rouge indicates that we have done a lousy job, and that's not using his term, but which meant a lousy job in regard to the handling —(Interjection)— of rent controls and that we only put on rent controls because of AIB. Well, I could tell him that the AIB provisions were put on mainly because of the stand taken by the Conservatives —(Interjections)— Really, because the Liberals at that time were against controls.

I think that we have to change our perspective on life depending on needs of people and if we have handled rent controls in such a lousy form —(Interjection)— Yes, we are attempting to amend some of these things, by looking at regulations, by looking at the methods of operation in regard to a possible Phase III that I did not commit. The honourable member can't put words in my mouth. I said that Cabinet would be contemplating what happens after Phase II which ends September 30th. Regulations that will be considered will have to be considered by Cabinet and obviously if my commitment to have it considered, say, by May 31st — it could be before — obviously the honourable member can deal with myself in the House by means of questions or other forms that are usually used in the House to discuss government programs.

A MEMBER: He wants an election before May 31st.

MR. TOUPIN: I agreed with the Honourable Member for River Heights who had to leave the

Tuesday, April 12, 1977

House, that the problem that we have is not mainly, you know, in regard to rent control but the stock of housing, and we have to address ourselves to that.

The Member for Sturgeon Creek raised a point I'm sorry he didn't raise at the meeting of Public Utilities when we had the Telephone System there, but I can inform him, only as an example, and he used Hydro as an example — I can tell him, in my recollection, and I'll correct it if I'm wrong — that the proposals that I saw pertaining to having Hydro come on to MDS which is owned, operated by MTS, it cost a savings to Hydro of approximately a half-million dollars based on the existing contractual arrangement that they now have, if they converted to MDS, which they will hopefully in 1977.

MDS is attempting to be competitive in regard to the computer field. They have a lot to do and I think a question of being able to be more competitive will be based on volume in the future. I am quite confident that MDS has to be part of the mix; it can't expect to get all of the business in Manitoba, but based on an increased volume, I'm assured that they would be able to be more competitive in regard to offering that type of service to consumers.

The problems raised by the Member for Ste. Rose, Mr. Chairman, are mainly of federal concern because they deal with Federal Statutes although we have dealt with some of his concerns in regard to beef and classification and standards of same on a provincial basis. It's always something that we can discuss but I don't believe that it is the intent of members of the House to go into that matter this evening. But I wish to thank him for his contribution.

MR. CHAIRMAN: Resolution 31(a)—pass. Resolution 31: Resolved that there be granted to Her Majesty a sum not exceeding \$550,900 for Consumer, Corporate and Internal Services—pass. That concludes the Department of Consumer, Corporate and Internal Services.

It is my understanding that the Department of Northern Affairs will follow. Committee rise. Call in the Speaker.

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

IN SESSION

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW: I beg to move, seconded by the Member for Churchill, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The hour of adjournment having arrived the House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.