

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 30, 1978

Time: 8:00 p.m.

SUPPLY — EXECUTIVE COUNCIL

MR. CHAIRMAN: Gentlemen, we have a quorum. We are on Manitoba Housing and Renewal Corporation, Page 6, Resolution 7. 5(a)—pass — The Member for Transcona.

MR. PARASIUK: Thank you, Mr. Chairman. I have reflected a bit over the supper hour regarding the federal offer of providing some short-term inducements while, at the same time, taking away the cost-shared rent supplements or rent subsidies for housing co-operatives and non-profit housing. Also the fact that the Federal Government is interested in phasing out Section 43 financing which means that also there will be no Section 44 cost-shared subsidies applied to newly constructed senior citizens' public housing because there wouldn't be newly constructed senior citizens' public housing conceivably in three or four years if the Federal Government goes ahead with phasing out Section 43 funds.

It strikes me that the situation that we will have as a result would be, in a sense, moderate or middle-income senior citizens' housing and non-profit entities and possibly in housing co-operatives and we wouldn't have the possibility of getting low-income senior citizens into those too. So I pass from this subject now with the request that the Minister pursue this matter very strenuously in negotiations with the Federal Government and frankly, when you consider the trade-offs, please don't trade off that particular characteristic of past federal programs, namely the cost-sharing of subsidies especially with respect to senior citizens. You can't predict operating costs into the future well and it strikes me that if we accept this new program or package that the Federal Government is offering and accept at the same time their getting out of 50/50 cost-sharing of subsidies, we'll be buying a pig in a poke and we should just turn it down.

MR. CHAIRMAN: The Minister.

MR. JOHNSTON: Well, I can only say to the honourable member that we will argue this as strenuously as we can with the Federal Government to get the best arrangement for Manitoba. I appreciate the member's concern. We will put up an argument and I hope the member bears in mind that it might not be our choice in the end but we will certainly put up a fight on what you've just spoken of and what you spoke of this afternoon.

MR. PARASIUK: If you might, just one little point on this. You might just draw up some examples showing that even under the interest write-down, it will be impossible for senior citizens who are getting an old age pension to be able to get a suite for \$65.00 a month which is the rental they pay right now in a senior citizens' home owned by MHRC.

MR. JOHNSTON: Well, we've already provided just about all the data on this to the Federal Government. As I said, we have had five meetings with the federal people and the other provinces and we have pointed out to them the disadvantages that we see in the program as far as Manitoba is concerned and we will continue to discuss it with them although we must get something done pretty soon and come to some agreement on the negotiations with the Federal Government so that we can move on with our programs.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: Mr. Chairman, prior to the supper hour break, among other things we were talking about the development of housing in the inner core. There was some discussion about expropriations and the method for obtaining land and the Minister made some comments about how he regretted having to use the mechanism of court or the technique of having the courts provide the evaluation, if you will, of the land. I'd like to ask the Minister then, how does he intend to proceed if he is not satisfied with the expropriation method in order to obtain satisfactory sites in the inner portion

of the City of Winnipeg? How does he intend to proceed in future and to obtain suitable land sites for family housing?

MR. JOHNSTON: Mr. Chairman, I informed the Member for Brandon East before supper we were continuing with a large number of the expropriations. There are many of the people who were expropriated that weren't unhappy about it and certainly where it was derelict property, we are moving along. You're quite right, I don't favour expropriation. I don't think any government should walk up at any time and one day and say, "You're property is mine."

A MEMBER: They're doing that every day.

MR. JOHNSTON: For roads or something of that nature, or parks, but when a person owns a piece of property that he believes is his for commercial use, I don't really think it's the best way to go about it but it's been done; we are continuing with some of the expropriations and I can say that our real estate department is continually looking for pieces of property in Winnipeg. We have been successful in a couple of small ones in that it enhanced the property we had which is our policy to only purchase land at the present time which will enhance what we have. In the City of Winnipeg at the present time, we have enough property to move ahead with what we want to do in the core area.

MR. EVANS: Well, Mr. Chairman, the Minister says he has enough property to proceed. I take it he's referring to the 1978 construction year. What about the following year? Does he have enough land to build what may be a targetted amount to meet the need?

MR. JOHNSTON: Yes we have.

MR. EVANS: For the year 1978?

MR. JOHNSTON: Yes.

MR. EVANS: Well what happens when you run out of the land that has been acquired through this expropriation method? Incidentally, I might say that my understanding was that the staff who identified these particular parcels of land and bits of property to be expropriated assured me that what they were zeroing in on would be either under-utilized or unutilized land or condemned vacant buildings, derelict buildings, fire hazards, you know, so that people weren't necessarily being forced out of existing accommodation but they were careful to obtain or they were supposed to be careful to attempt to obtain those properties which did not affect at least the living pattern and did not take away from the housing stock adequate housing accommodation but they were instructed to go after pieces of land that were either under-utilized or were not being utilized or property which contained perhaps condemned buildings, fire hazards and the like.

The point is, of course, that through the court system, people do have the opportunity to have a hearing and presumably get a just and equitable price and this is why we wanted to use the courts so that that would happen rather than us trying to set a price arbitrarily ourselves. But what does the Minister intend to do next year? Will this be the end of the inner core development program?

MR. JOHNSTON: No, we have enough for next year too.

MR. EVANS: You have enough for next year too. Well then, can the Minister advise what he estimates to be constructed this year?

MR. JOHNSTON: For the third time, I have said that we will be moving ahead with Midlands and our plans for the core area have not been finalized as yet and we are also waiting, in some cases, to find out what we will be paying for the expropriated land. I think I made that clear before that until we know what the land is going to cost us, until we know what participation CMHC are going to be actively involved in after we know what the land is going to cost us, we won't be building on it. We have enough land of our own at the present time to move forward with some projects. As I said, at the present time, we're strapped with \$14 million which has to be spread around through the whole province.

MR. EVANS: So, to recap what the Minister, as I understand the Minister, he's simply not in a position to give us any figure or any estimate of a quantity for that type of program in that part

of the province, in the inner city of Winnipeg. He's saying that he's got problems, which he's just enumerated, and therefore he's not in a position to give us an estimate.

MR. JOHNSTON: That's correct.

MR. EVANS: What is the Minister or the government intending to do to stimulate construction by the private sector? You're saying that the feds, the Federal Government, may be bringing public housing to an end, the moneys for public housing at least, for new construction; you yourself have indicated, or the Minister's indicated, Mr. Chairman, that he feels there is more room for private developers and he talks about the cost of subsidization of public housing and so on. So, my question then is, given his concerns, could he indicate how he may stimulate the private sector to fill the gap because as I indicated this afternoon, the reason government is involved, even the existence of the National Housing Act, indicates that the private sector, the private market or the pure market economy, doesn't work in providing housing for people. If it worked, there would be absolutely no government involvement. There would be no NHA approved loans; there would be no NHA rates of interest as opposed to private mortgage rates of interest. There would simply be no government involvement in financing and so forth. But we don't have that; we have an industry that is very much controlled and affected by governmental regulation. But given the fact that we do have a Housing Corporation and given the fact that the Minister has indicated he would like to reduce the public portion, the public segment of its activities, what does he intend to do to stimulate the private sector?

MR. JOHNSTON: Mr. Chairman, I have indicated that if we are going to use a rent supplement of some kind, if we are going to be paying a total of \$208.00 a month subsidy on every unit, split with the Federal Government, if it costs us \$350.00 per month per unit of public housing in this province, there is no reason why that money cannot be used to be in accommodation owned by somebody other than the government. We have been through this before but I will say that I see nowhere in the terms of reference of the MHRC Act that says that the MHRC is a work project organization. MHRC is an organization which is to supply housing to those of low income in need. When he mentions the CMHA projects and when he talks about the Federal Government having a CMHC, the Federal Government deals with all kinds of private people. They have AHOP Programs; they have all kinds of programs that stimulate the private market to build and we can be in the same position.

MR. EVANS: Mr. Chairman, the Minister more or less is repeating what he said before and I heard what he said before but I was wondering if he could be more specific and elaborate just on how he is going to stimulate the private sector. I understood him, from previous remarks, that he was going to possibly provide subsidies to supplement rents of low-income people and senior citizens, in other words, help them pay the rental costs of privately-owned apartments. I heard that, but what other techniques? Is there anything else that the Minister is suggesting: subsidization of interest rates paid by private developers; giving the private industry private sector land for \$1.00 or whatever? There are all kinds of ways and means that the government can hand out money to the private sector, there is no question about it. But having done so, incidentally, Mr. Chairman, let's not talk about the market economy because market economy means no government subsidy. If you are talking about a market economy delivering housing, that means not only no government involvement in terms of programming, it means no government involvement, period, no housing subsidies whatsoever. The private sector makes it on its own and the people who are in the market to buy housing have to make it on their own. So what the Minister is saying when he is saying he is thinking of a subsidy program to supplement rents, the government is still involved, there is no question about it even though he is going to rely more heavily on the private sector. So could he elaborate just on how he's going to cause the private sector to produce the kind of housing that is presumably needed by various groups in our society that cannot seem to afford that housing otherwise?

MR. JOHNSTON: Mr. Chairman, to give one example we could go the way they do in in Ontario in one of their programs. Where the private sector if a man owns property he builds, he comes to MHRC, or in this case he goes to the Ontario Housing and he puts up houses that they approve of, they are rented to people and they subsidize them up to 15 years and then the houses belong to that contractor. That's one program that is used in Ontario. I told the member before that I firmly believe that the private sector will build. There is no reason for us to be in the amount of construction that we are, but I've also said that we are not going to be completely out of the responsibility of looking after low-income people and senior citizens or families in specific areas where we feel it will be our responsibility and the private sector won't be involved.

MR. CHAIRMAN: The Member for Transcona

MR. PARASIUK: Mr. Chairman, I'd just like to clarify a point that the Minister keeps making and that is that somehow the public sector builds housing in the past, and now the private sector will build housing under this particular government. The private sector builds both types of housing. The private sector builds housing for MHRC and the private sector no doubt will build housing for other private owners of property. The question is ownership, who will own the property and who will own the facilities and I can think of very few Crown corporations actually involved in the construction. You had many companies, many architectural companies, many private engineering, structural engineering firms involved in the building of facilities which were owned by the people of Manitoba. So, I would think that when he starts talking about the private sector building now as opposed to not building in the past, I think he's being somewhat misleading in that respect.

I think that one of the reasons why we keep coming back, to asking the Minister whether in fact he has any concrete programs in place to stimulate the private sector is because he has made statements saying that he is not in favour of the public being the largest landlord, he has made those statements some time ago, he has indicated that he will be doing certain things to stimulate the private sector and we haven't seen any of the concrete specific proposals. When a new government is elected it comes forward with a whole set of possibilities, and frankly, the Conservative Party in the last election, did put forward a number of suggestions. In fact, some people argued that it ran a completely negative campaign, I didn't think so, I thought that in the area of housing it was putting forward positive concrete proposals. That's what it did in the campaign; unfortunately, it's been government now for some time and we're coming into this construction season, we're coming into a period where we're given the lead time required for apartment building, you need to get started on these concrete programs right now. Because if your concrete programs are to have any effect two years from now, you have to announce them now, you have to let the people know what types of subsidy program they might expect if, in fact, they're going to say, undertake a \$5 million investment in a fairly large apartment block which conceivably may provide apartment units to senior citizens, or conceivably may provide units to low-income families. So, that's why people in a sense on this side of the House or this side of the table keep asking for specific concrete programs. I can appreciate the Minister saying well, you know, this is what they're doing in Ontario or this is what they're doing in Alberta or this is what they're doing possibly in the United States, but I think that the people of Manitoba can ask, well, what are we doing? What specifically are we going to do of a positive nature with respect to housing? I think that's a fair question.

MR. JOHNSTON: It is a fair question and I think I've been trying to answer that as soon as we have our long-term arrangements settled with the Federal Government we will be moving ahead. I have every confidence that the private sector will be very happy. In fact, we had some people come forward to us, I think the member mentioned in the House, that the private sector will come to you asking for subsidies for people in low-income housing. There's all kinds of plans that can be used that we are looking at at the present time, and I outlined some of them to the Member for Fort Rouge the other night that we are presently studying.

MR. PARASIUK: But you have no specific commitment to make at this particular time.

MR. JOHNSTON: I . . . the specific commitment to date at this particular time and we are studying it as I said. But I can say that there are no plans in the works right now for any public housing in the core area other than the Midland Development.

MR. PARASIUK: How many would there be in the Midland, I forget?

MR. JOHNSTON: We have pretty well worked with the City of Winnipeg on that particular development. A group of people down there have come forward and they want to go ahead with 56 single family dwellings at the present time.

MR. PARASIUK: I think 56 single family dwellings is better than nothing. I think the Minister would agree that given the magnitude of the housing dilemma in the core area, that's not enough, but I'm thankful that we're proceeding with 56. In this connection I'd like to ask the Minister whether he has had further discussions with the City of Winnipeg regarding the City of Winnipeg Non-Profit Housing Corporation. I had asked him some questions in the House on this regarding the \$1 million commitment and the Minister, if I can recall, said that — well, I wasn't quite sure about his answer. He said the \$1 million is there, does that mean the \$1 million is there committed to the City of Winnipeg, or the \$1 million is there if the City of Winnipeg wants to use it, but it hasn't quite made

up it's mind, or it hasn't formally asked him, I wasn't clear on that situation. What is the status of the City of Winnipeg Non-Profit Housing Corporation? Does the province intend to provide any seed money toward it to get it off the ground?

MR. JOHNSTON: At the present time, Mr. Chairman, the commitment to the City of Winnipeg regarding the Non-Profit Housing Corporation, the \$1 million that was set aside for them has not been spent, it's still set aside to work with the City of Winnipeg in their non-profit housing. One of the reasons we didn't proceed with it is that we couldn't see that the \$1 million was going to become a revolving fund the same as it was intended to be, so we're going to work with the City and many of the organizations that are working down their to try and put that money to the best use. We have been discussing that over the past month and we'll be pursuing it very fast in the near future as to what that \$1 million will be used for.

MR. PARASIUK: Is that a carry-over from last year, the \$1 million?

MR. JOHNSTON: The \$1 million, no, it wasn't a carry-over, it was a commitment that was made to the city by the previous premier that we have decided to honour.

MR. PARASIUK: So, the government of Manitoba is honouring the commitment of the previous Premier of Manitoba that \$1 million would be provided to non-profit housing in the City of Winnipeg, when the City of Winnipeg gets its organization underway and conceivably ties into the Federal program.

MR. JOHNSTON: The \$1 million is capital that was in the Winter Works or Municipal Loan Fund.

MR. PARASIUK: So, that means it is a carry-over from last year if it was in the Municipal Loan Fund.

MR. JOHNSTON: It was not in our budget.

MR. PARASIUK: So that is a carryover from last year. That is part of the "deficit" and is being carried forward and it will be utilized in this year or the next year, in terms of programming?

MR. JOHNSTON: No, I think you'd have to get that clearer from somebody else other than me. The million dollars was never in the budget of MHRC.

MR. PARASIUK: Well, I just want to clarify this because you can't have a million dollars that's there for the city and not have it voted anywhere by the House, and I would think that it must have been voted somewhere in the House. It might be under Unallocated Capital, but it still exists.

MR. JOHNSTON: It's still there from where the previous Premier made the commitment from.

MR. PARASIUK: Okay, and it's there and the province is not renegeing on that commitment, and you are in the process of negotiating with the City of Winnipeg, as to the best ways of spending that million dollars.

MR. JOHNSTON: That is correct.

MR. PARASIUK: For housing in the City of Winnipeg.

MR. JOHNSTON: That is correct.

MR. PARASIUK: Because I had heard Councillor Bockstael, who I think is head of the non-profit housing corporation, indicate that he had been having some, possibly lack of communication with the province in this respect and that he would be trying to raise this matter up with the official delegation meetings with the city. He said that what they needed right now to get on the road, so to speak, was not a million dollars, although I'm glad that the million dollars is there, but \$150,000.00. Has the Minister been apprised of that need by Councillor Bockstael, who is also head of the City of Winnipeg Non-Profit Housing Corporation?

MR. JOHNSTON: Yes.

MR. PARASIUK: Do you agree with him that that's what is required to get the ball rolling with respect to non-profit housing in the city?

MR. JOHNSTON: Well, I'm in agreement with the money going out gradually; I think that's a very commendable suggestion of Councillor Bockstael. We're not completely in agreement with the way the money was going to be used.

MR. PARASIUK: How did they want to use it?

MR. JOHNSTON: Well, the money was going to be used to purchase older homes, and the older homes would then be repaired, fixed up and resold, and the money that comes from them would be back into a revolving fund to be continually working in the area doing just what I described. There is no way that we can see that the money would become a revolving fund; it would be gone in less than two or three years. If you purchase a house in the core area for \$15,000, and you spend \$15,000 on it, you're now into the \$30,000 area of a house in the core area which you probably will have trouble getting your money out of, then you will have to rent it or maybe start in the subsidy.

The program is just not going to preserve the million dollars the way they expected it would be done. We would like to talk to them on better uses of that money in the core area.

MR. PARASIUK: Have you made any counter proposals to the city as to how they could get that?

MR. JOHNSTON: Not as yet.

MR. PARASIUK: Because I think possibly, since municipalities haven't been that involved in the provision of housing or looking at housing problems per se, that sometimes it requires some leadership on the part of a more senior government to get the ball rolling, and I think that in the case of the City of Winnipeg possibly MHRC staff, who had some experience in developing housing programs, could be a bit creative and put forward some creative suggestions to the City of Winnipeg Non-Profit Housing Corporation. Otherwise, there will be a lot of talk about non-profit housing but there will be very little performance and I just note that CMHC has in the past talked a great deal about non-profit housing. And yet when I looked at their budget for this year and when I checked with the regional office, despite all their talk about non-profit housing, they had no start-up money in the budget so that if a non-profit corporation came to it and asked for the \$10,000 which has now been expanded to \$75,000, this start up seed money, they couldn't get the \$10,000 because there was nothing in the Federal budget. So what I am afraid of, are paper programs without anything actually happening, and it strikes me what CMHC has done is increase the seed money to \$75,000 from \$10,000, but they never had the \$10,000 in place in the first place.

So I am again suggesting to the Minister that he sit down with the city and see if he can get the ball rolling with respect to this non-profit housing corporation.

MR. JOHNSTON: Well, we certainly intend to.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Chairman, the Minister was indicating on a number of occasions during the course of the Estimates Debate, the intent to rely more on private sector through subsidization. What kind of assurance is he prepared to give to the private sector who presumably would want to invest certain sums of money towards low-cost housing, or subsidized housing? What are the mechanics of encouraging that kind of investment? The reason I raise that question is that unless there is some contractual arrangement over a long period of time, that no sane individual with any money to invest would want to risk the vagaries of governments in power, and governments coming in and going out of power. They certainly couldn't risk millions of dollars of investment on the so-called policy of an existing government. They would have to have greater assurance than that. So what are the mechanics that would give them that kind of assurance?

MR. JOHNSTON: Well, Mr. Chairman, the housing constructed by MHRC has resulted in a fifty-year commitment of subsidies.

MR. USKIW: A government commitment.

MR. JOHNSTON: The government. Now there are a variety of programs being contemplated that would lock the province into subsidies not to exceed 15 years, while at the same time provide the flexibility required to meet the changing housing needs that we have. There are programs that can be utilized. The honourable member just doesn't seem to realize that the provincial government has gone mainly on one particular program for housing in Manitoba, which is to build public housing owned and operated by the province. There are other programs that are available to shelter people.

MR. USKIW: Well, Mr. Chairman, is the Minister indicating that he is prepared to enter into a program where the public would be committed for a fifty-year period in terms of subsidization of private shelter. Is that what the Minister is suggesting to this committee?

MR. JOHNSTON: I said up to 15 years is the sum of the programs that we have been looking at.

MR. USKIW: Mr. Chairman, has the Minister any indication from investor groups as to the conditions that they would want in their arrangements with the province in terms of the time span and so on, in terms of a guarantee in other words?

MR. JOHNSTON: I think the conditions would be ours and we have had lots of people approach us, interested in working with us. Under the rules and regulations of CMHC that the programs that are available to us.

MR. USKIW: Mr. Chairman, the Minister indicates that the conditions would be the conditions of the public. That isn't necessarily so because one can place all sorts of conditions that may not bring forward one penny of private capital, so that in essence the conditions are the conditions of the private sector. The government would not be successful in inducing private investment capital into housing if it were government conditions. The only way in which that could happen is if the private sector was able to impose some conditions to protect its investment.

MR. JOHNSTON: Mr. Chairman, the contractor or the person building is probably not going to be building unless he has somebody or some guarantee, or some arrangement with us that we will be taking a subsidy for a certain length of time. Now if he is not going to build on the basis of a unit we believe should be subsidized, I think that we're both in a very good negotiating position. He would be using a private lender. The multi-housing Council of HUDAM in Manitoba has expressed a definite interest in this type of a program that has been carried on in Ontario.

MR. USKIW: Mr. Chairman, does the Minister agree though, that the private sector would only be involved if there was a fair amount of profit to be made out of the program in more than one way perhaps: a profit on rent plus perhaps some fairly substantial capital gain profits that may accrue over a long period of time. But it seems to me only logical that we would be building in fairly substantial profits into the housing program in which we are going to accommodate people who are of necessity going to be subsidized in terms of their rental payments.

MR. JOHNSTON: No, we would not be building in very great big profits.

MR. USKIW: Mr. Chairman, can the Minister then indicate to us what the margins of profit are to be or anticipated to be, with respect to any investment group that would put money into such a program.

MR. JOHNSTON: Mr. Chairman, at the present time we are the ones that own and operate; we are involved in the maintenance in the program that I am speaking of, the other man owns it. He has a right to have something for maintenance and investment, and certainly there will be a profit to be made by the private sector, but every indication is that the subsidy costs of the province will be substantially less. In fact, where we subsidize in privately owned accommodation, our average subsidy which is split by the Federal Government, is \$208 per unit. Our average subsidy, when we subsidize in private units, is \$80, which is a substantial saving to the province.

MR. USKIW: Mr. Chairman, could the Minister indicate to us, and perhaps he has already, but if he has perhaps it wouldn't be difficult for him to repeat it, what Manitoba's profit position is in MHRC. That is, the gain on assets accumulated over the years; do we have a figure on that, the value of our assets today compared to our investment costs.

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MR. JOHNSTON: Mr. Chairman, the question of assets, if you want to talk about replacement value, that's one thing; if you want to talk about assets and the value of the assets, that's another thing. And the best experience I can give you on government assets is Nassau Square where we have lost our shirt, and Bell Avenue, where we have lost our shirt, and it doesn't look good in Selkirk either. So the value of your assets is what you can get out of them and anybody purchasing any public housing, or if it was to be for sale, it's only valuable to somebody who is going to be guaranteed a subsidy, because the square footage in the senior citizen units that we build, are not such that a person could rent them for market without having a subsidy, they couldn't be rented for market. And much of our public housing is not in that good shape or situation that you could get what you call market prices. I can say to you that the replacement value is probably double what it was originally worth.

MR. USKIW: What would that be in terms of millions of dollars, Mr. Chairman?

MR. JOHNSTON: Well, our value of the asset, I think we've spent \$200 million —(Interjection)— \$225 million.

MR. USKIW: Is that the cost, the original cost, Mr. Chairman, or is that the present replacement cost?

MR. JOHNSTON: That's the book value of the assets.

MR. USKIW: As of now?

MR. JOHNSTON: Yes.

MR. USKIW: What percentage over and above cost is that, or what is the difference between cost and the present value?

MR. JOHNSTON: That's cost less depreciation on the basis of the amortized payment of the capital.

MR. USKIW: Mr. Chairman, then we're not talking about replacement value.

MR. JOHNSTON: Well, the replacement value, that's a fairly hard figure to come up with.

MR. USKIW: Well not really, everybody. . .

MR. JOHNSTON: Well, if he wants to take all the blueprints that we've got on file and have them re-tendered again to get it, fine. I would say that it is considerably more to replace it now than it cost us to build it.

MR. USKIW: Mr. Chairman, everyone knows that a building put up ten years ago is worth a lot more money today than it was ten years ago, even though theoretically it should have depreciated in value. Not only the building but the land on which it sits as well, and that's the point that I'm trying to get from the Minister. What is the estimated present value of MHRC assets in terms of the replacement value, not in terms of their costs?

MR. JOHNSTON: We don't have one.

MR. USKIW: Well, what is the benchmark then? How does one calculate this?

MR. JOHNSTON: Well, I would say to replace it today would cost more than it cost us to build it, but I cannot tell you what the value that you're speaking of is. Market value is what you can get for it and our experience has been not good in that particular area.

MR. USKIW: Mr. Chairman, the reason I raised that is because this is a point intentionally or otherwise lost sight of by members of government from time to time in discussing the costs of certain government programs versus the benefit of the program and they never do include the appreciation of value in physical assets. They always tend to set those aside as if they are meaningless, and that is not the kind of bookkeeping that you have in the private sector.

MR. JOHNSTON: Well, I think it is close to the same type of bookkeeping that you have in the

private sector. I think everybody knows that if they have something to sell they get what they can for it. We don't know what it would be worth on the private market today; we know it would cost us more to rebuild it. The other argument is that we are tied in on those for 50 years. Where it has happened in most areas they are tearing them down before 50 years and letting private builders rebuild them and then subsidizing the private builders, which is what we are talking about now, and it is happening all over the place.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: Mr. Chairman, the Minister made a statement a few minutes ago saying that about the only thrust — or words to this effect — about the only thrust of the previous government with MHRC was to put up public housing. While there was a great emphasis put on that and many units were built and as we recognize today — it was stated today — over 12,000 units have been put in place. Well, having said that, I would point out to the Minister, and it is available in all kinds of documents, in CMHC budgets of the past, in Annual Reports of Manitoba Housing, it is quite obvious that the previous government, through MHRC, was engaged in a whole host of programs over and above and beyond public housing.

For example, in the 1977 CMHC budget, sure there was \$32.3 million for Section 43, Public Housing, \$32.3 million. But there was another \$67-odd million for ..— other purposes. Let me just enumerate these and it is in public records as to where moneys were being spent. The Rural and Northern Program, \$9.8 million was allocated in 1977. That Rural and Northern Program is a program whereby the person purchases a home — with a subsidy, yes, but he purchases it over a 25-year period. Co-operative Housing, \$10 million. Section 15.1 Housing, \$9.9 million. Section 42, Land Assembly, \$6.1 million, and I would point out that land assembly is not land assembly for public housing only, it is land assembly for all kinds of ownership housing, private, co-operative, as well as public. Water and Sewage, \$13.1 million — this is a CMHC allocation. Moneys in the NIP areas. There is RRAP moneys, Residential Rehabilitation Assistance Program, \$1.8 million. There is RRAP moneys for non-profits, 1/3 million; RRAP moneys for Rural and Native Communities, \$1.2 million. NIP, Neighbourhood Improvement Program, 1/3 million. Direct Lending through AHOP, 1.1. Assisted Rental Program, 2.7. Then there is some other residual mortgage lending.

What I am saying, Mr. Chairman, is that if you look at the list of programs engaged in by Manitoba Housing in co-operation with CMHC over the years, you will see that while a great deal of public housing was built, nevertheless, tens of millions of dollars have been made available for housing infrastructure through NIP, through assistance to co-ops, through Rural and Native, through various subsidy programs, land assembly programs and so on. There is a great deal of moneys that were spent over and above and beyond public housing spending and I would submit that in many years these funds totalled far more than public housing expenditure. So you cannot say that all we were concerned about was building public housing. Yes, that received a lot of attention, but I am saying that millions, tens upon tens of millions of dollars were spent on Co-op Housing, Rural and Northern, which is ownership type, Land Assembly, NIP, and so on.

I would like to ask the Minister what is happening to the Uphill Neighbourhood Program? I don't know whether he has . . .

MR. JOHNSTON: I think the honourable member is reading from the 1977 CMHC budget.

MR. EVANS: Well, their allocation. I am not saying that that was spent, but I am suggesting that there are . . . Or you could read this . . .

MR. JOHNSTON: You are not saying it was spent?

MR. EVANS: No, I said it was the budget, there was an allocation. I am doing that to indicate that there is a broad spectrum of programs that MHRC has been engaged in in the past. Or you could read this report, your Annual Report, and read the same thing and read throughout descriptions of the Critical Home Repair Program which is moneys to tradesmen essentially to repair privately-owned dwellings and it's not public housing. There are millions of dollars, as the Minister knows, goes into that program. There are some AHOP funds that go for the province. There is moneys from the province into the northern and native housing. There has been moneys by the province into NIP and so on, and this is reported in the Annual Report.

The point I am making, Mr. Chairman, is that you can't say that public housing was the only thrust of the Corporation. It was one major fundamental thrust, but it is only one of a big spectrum

of housing and support housing programs.

MR. JOHNSTON: Mr. Chairman, I haven't had the opportunity to be questioned on that particular area. My statements have been, as far as the public housing and shelter for people has been concerned, has been mostly directed and was directed to Section 43. It was passed out today. In 1977-78, the vote on Assisted Home Ownership was \$125,000; this year it is \$150,000. The Elderly and Infirm Persons Housing Act, \$200,000 voted in 1978; we have done the same thing. Critical Home Repair, voted \$2 million; we have voted \$2.9 million. Co-op Housing, there was none voted last year; there is \$170,000 up front this year. Neighbourhood Improvement Program, \$715,000 in 1977-78; this year we have gone \$1,308,000 in the NIP program. Naturally the NIP program is over. Northern Research Studies is down but it was 81; it is 12.4. Administration, your sinking fund provisions. If the honourable member would take a closer look at the book, he would find a \$900,000 figure for a loss on Bell Avenue and Nassau Square and he will find another \$275,000 for a loss that is going to be in 1977-78.

So I'm well aware of the programs at the housing that we are involved in but these programs are with CMHC. The Rural and Northern Program is an ownership program, that's correct. Naturally we think it is a good program. As a matter of fact, this year, it was asked, in the Rural and Native Program for 1977 will be \$10.5 million, 174 elderly units and 155 family units. These units will be built in 1978. Pardon me, the elderly are rental; we don't sell those, but 155 family units. Those are being worked on and discussed with communities at the present time.

MR. EVANS: Well, Mr. Chairman, the Minister then recognizes that the thrust of MHRC was multifold, that we were into assisting people buying houses . . .

MR. JOHNSTON: The thrust of MHRC was mainly Section 43 housing. That's why, and I say to you, there are other programs that you can put low income people into houses other than Section 43 and that's what we're looking at.

MR. EVANS: Mr. Chairman, I said to the Minister that while public housing was our major thrust, there were many other programs that MHRC was engaged in, so you can't make out as though that's all MHRC had done in the past when it's engaged in neighborhood improvement programs, that is a program that helps a particular section of a city, whether it be the City of Winnipeg or a smaller city, and that benefits everyone that's in that particular area, and the Minister knows that. And likewise with all these other programs, whether it be land assembly or what have you.

The Minister mentions Bell Avenue and the loss. Now that's something that started before I was Minister, and I really think that MHRC and the Manitoba Government was trying to be overly kind to the community of The Pas. I would think that that maybe is the case. You're talking about the Bell Avenue subdivision in The Pas. I think that's unfortunate that the private sector was not building houses in The Pas. The private enterprise was not providing housing for the citizens of The Pas, so MHRC came along and said, "okay we'll build some houses to sell — these are to be privately owned. These are not public housing." The MHRC had built a lot of public housing in The Pas. The Town Council didn't want to have any more public housing for rent as I understand it. MHRC agreed to build this housing subdivision for sale to individuals and unfortunately the market was simply not there, and MHRC was pressured into building private houses for sale to private individuals. I think that this was a mistake. They should not have acceded to the wishes of the Town Council. They should have told the Town Council that the market was very weak for privately owned structures even though the Town Council wanted to see that and it's tough.

You know, I'm afraid that a harder-nosed attitude should have been taken by the corporation, but the fact is that there was a need for housing and the private sector wasn't providing that housing. And so what are you going to do? To help the town the corporation stepped in with this private subdivision. In retrospect that shouldn't perhaps have gone ahead. They should have concentrated on low income rental housing, which there is a great need for in the Town of The Pas.

So I would say, although that was before my time, if it was to be done again obviously nobody would do it, and you'd simply have to tell the Town Council of The Pas that sorry, you can't have your way, you want us to build a private subdivision? Sorry, if the private builders won't put it up, we're not going to engage in it either. We'll engage in some sort of subsidy program or low rental program which there is a great demand for in The Pas which the Town Council didn't seem to want more of, and leave it at that.

MR. JOHNSTON: It was built by the government, and if you want to take up the argument with the mayor of The Pas as to how it was there I'd suggest the member do that.

MR. CHAIRMAN: The Member for Brandon East. Is he finished on that subject? The Member for

Transcona.

MR. PARASIUK: I just wanted to comment single enterprise communities are communities that have one major enterprise and do run into problems of trying to provide a steady stream of housing. That's happened in Thompson. I would think that there are a number of private apartment owners who have vacant housing. You have private house owners there who have difficulty selling their houses. They're probably selling their houses at a loss from what they paid for them two or three years ago, and you have that situation in The Pas and you're going to have it in Sudbury undoubtedly. So that it's just not a problem that is inherent to the public sector. It's a tricky thing in these communities where you don't have that strong a market in operation and that's usually the case in northern or rural communities, so I would hope the Minister doesn't wind up taking a blanket position on the Crown being somewhat innovative with respect to some of the northern developments because I'm pretty sure that the Crown will have to step in in one way or the other to provide some type of guarantees to ensure that some housing goes in place.

And one of the things that he's pointing out, for example, is that the Federal Government is prepared to provide guarantees to the private sector and he is indicating that he is prepared to provide some types of guarantees to the private sector as well. It may turn out that having provided those guarantees they might be called. I would like to know how many private apartments are being subsidized right now by the MHRC program?

MR. JOHNSTON: I think we gave that figure the other day.

MR. PARASIUK: I missed it. I'm sorry.

MR. JOHNSTON: Is it 1,834?

MR. PARASIUK: So, that's quite a large number. 1,834. You're talking about something under six — you're talking about a six. Does MHRC have any targets with respect to this program for the next year? You're talking about doing more precise planning. I would think that if you are doing more precise planning you would have a very good idea of the target of subsidized private apartments.

MR. JOHNSTON: Our unofficial report from the Federal Government is that we can go to 590 units of rent supplement.

MR. PARASIUK: So you would expect that you can go up by roughly speaking another 600 units, so next year at this time we'll have something in the order of 2,430 subsidized private apartment units, if in fact you take up your full allotment. Is that an allotment that you're given in terms of the 50-50 cost share subsidy?

MR. JOHNSTON: Yes.

MR. PARASIUK: How do they determine that allotment? Do they do it on the basis of need or do they just sort of take a number and divide it by ten?

MR. JOHNSTON: Mr. Chairman, when he says that there'll be another 600 units I go back to the statement that I made before that we have examined all of the applications on senior citizens; we will be examining all the applications on the public housing units and going over them very thoroughly, and on the basis of need we will be accepting applications and studying them from that point of view.

MR. PARASIUK: But I'm just trying to determine whether the allotment for 590 subsidized units is sufficient or insufficient. You know, just because the Federal Government has allotted that amount it doesn't mean that it's the proper amount and I would like to know what the corporation feels about this, having done their analysis. Is this enough or is it too much? Maybe you should tell them it's \$90.00 — \$90 X amount too much and give it back; or secondly maybe it's not enough at which point you should obviously ask for more and demonstrate that you need more given the need that you can document.

MR. JOHNSTON: Mr. Chairman, then the member again is saying that we should go down and be in negotiation with the Federal Government which we intend to do. I said that that is not an official document that we have. It's the proposals that have been presented to us. Now, if we go over 590 at the present time if that's what we have, we pay 100 percent so we would have to go

back and negotiate with the Federal Government. Now the allotments to the provinces have been going on for years and this won't be the only government that didn't use all their allotment, and as I pointed out . . .

MR. PARASIUUK: I know, you pointed that out before and I could appreciate that. I think what's required though, if in fact that you feel that this is a good approach to take as you seem to indicate, and I think it's been done before, there is a good record to go on so you have some experience to draw on, that if this is the case I think the province should take a very tough approach with CMHC.

MR. JOHNSTON: In fact, Mr. Chairman, one of our thrusts with CMHC is that we believe that we should be stimulating home ownership much more than we should be stimulating rentals. We believe in home ownership.

I would like to answer the other member's question . You know, some of the experiments that have gone on — over here on Nassau Square when he talks about north — those are right in the City of Winnipeg and we haven't sold the units. The member's probably very aware of the fact that we have six houses in Wabowden, Manitoba that cost us \$372,000 working with the Federal Government which was an experiment, a straight experiment. We have the completion on the Pakwagan Log bi-level two units, \$71,000 each — completion 80 percent, experimental component \$4,529, which was ours. The probable selling price of the buildings is \$67,000, expected down payment is \$600, probable loan amount is \$66,400, full monthly payment is \$665.00, and estimated monthly payments, \$147.00. I can tell you that the experiments that we're talking about at Bell Avenue — you can speak of the north as you please but we have them right down in Winnipeg, and we have an experiment of housing in the north that has cost us all of this money which we will never recover — with a report after they were checked on that the construction practically was colder than the ones that were built in the normal fashion.

Now, you wonder, Mr. Chairman, why I have been sitting here for three days saying that the present government is taking a look at every possible approach we can for housing. We're taking a look at every possible program that can be put in place. I mentioned the Safer program that's in Alberta. I've mentioned the certificate program for hunting for houses. They're all being looked at. Now, I don't know what more I can say to you. We will have some work being done this year which has not been decided on as yet.

MR. PARASIUUK: Mr. Chairman, as I pointed out before the Minister raised these issues again, seven months after a government gets in, having been elected with some positive aspects to their program, one of the positive aspects being a housing program, that it's not unfair to ask what's happening with respect to that particular portion of their election platform, because they did have some specifics and we certainly will be raising some of these.

And the Minister goes back and points out some problems that have arisen over an eight year period, and I think that if you look anywhere in Canada you'd find those types of problems. You point out the S from Alberta; after program take a look at Fort MacMurray, we had two private companies tied into Syncrude, or CGIS, the great Canadian Oil Sands, providing lots and the lots there are selling at \$35,000 a piece, and most of the people as a result are living in a trailer court. And they've had horrible experiences with fires over the last three years. So it's not just cut and dried, and it's not black and white, everything that the public sector has done has been bad and everything that the private sector has done has been good. I think you have that varied experience and I would hope that the Minister would keep an open mind when he looks at all these experiences that are occurring across Canada, and not just pick out some examples of the public sector doing something that didn't turn out exactly according to plan. I think that is if you go over the Osborne Street bridge you will see a foundation that's been there for a long time. I don't assume that that foundation is a public foundation but perhaps it is. I don't know. But it's been sitting there for a long time. I thought someone was starting an apartment a while back.

MR. JOHNSTON: They sure wanted to sell it to us.

MR. PARASIUUK: No doubt. That's usually what the private sector does when they run into difficulty. They try and have the public sector bail them out and it's happened far too frequently in the past. —(Interjection)— Well, I think that the government also facilitates a lot of their development. Take a look at every suburban developer.

MR. JOHNSTON: And I might say, Mr. Chairman, if I may without interrupting — if I'm interrupting, I'm sorry — it was in the recommendation of things that we should purchase when I became

MR. PARASIUUK: I don't even know how the recommendations come about in MHRC. On the one hand the Minister says, "We've got fine staff", and I agree that he's got fine staff, and then he turns around and says, "I'm getting these crazy recommendations", so I don't think you can play it both ways.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: If I could interrupt the Member for Transcona. Specifically what was it that the staff had recommended that the Corporation should buy, exactly what? What property is the Minister referring to?

MR. JOHNSTON: By the bridge.

MR. EVANS: To buy the what?

MR. JOHNSTON: To purchase the property over here by the bridge, the foundation.

MR. CHAIRMAN: The southwest side of Osborne Street bridge.

MR. EVANS: I don't have any recollection of that, but I presume that's something recently that the staff had recommended or I don't know who recommended it.

MR. PARASIUUK: I think that person has been transferred to Shamattawa. I don't think he'll be making any more. . .

MR. EVANS: Maybe Red Sucker Lake.

MR. PARASIUUK: n I continue with my particular tions?

MR. CHAIRMAN: Yes. The Member for Transcona and then the Member for St. James, and then the Member for Pembina.

MR. PARASIUUK: Thank you. I wanted to ask, following this program sheet that was distributed this afternoon, whether the MHRC has any idea of how many co-operative units may in fact be started in this coming year? I know you budgeted \$170,000 for co-op housing. I don't know if this means that there is a corresponding reduction in the Department of Co-ops; I have not been able to check. Maybe you're anticipating something regarding the Department of Co-ops that we're not aware of, but nevertheless, how will this \$170,000 be spent since it has not been spent in the past, to new programs?

MR. JOHNSTON: Well, it's the high impact rent and there are three of them: Brandon, West Boyne, and Pembina Woods.

MR. PARASIUUK: Brandon, West Boyne, and Pembina Woods. So there's none in Winnipeg?

MR. JOHNSTON: No. Brandon, West Boyne and Pembina Woods.

MR. PARASIUUK: Okay. Is it going to be the intention of the Corporation to provide land to these co-ops as they come forward trying to get some projects off the ground? Is that how you envisage the co-operative housing program working?

MR. JOHNSTON: We haven't made any policy as to whether we'll . . . reading from here, "revisions of federal program make it necessary to complete review of the provincial status. Rent supplement will not be available from the Federal Government."

MR. PARASIUUK: Why wouldn't they want to provide a rent supplement to a co-op housing project when they are prepared to provide it to a private landlord? I just can't understand that, you know, they won't provide it to non-profit housing, they won't provide it to co-op housing, but they will provide it. . .

MR. JOHNSTON: I am informed with the new discussions that they are receiving a 2 percent interest rate, and they are also providing the opportunity for the co-op owners to buy the units.

MR. PARASIUK: I can appreciate all of those aspects, but at the same time, surely we shouldn't lose track of a principle that I thought had been established quite a while ago, and I think had been promoted by CMHC in the first place, and that's that lower income families shouldn't be spending more than 25 percent of their gross income on rent or on housing. And it strikes me that CMHC is building in a lot of pressures and institutions whereby they will be paying a lot more than 25 percent for their housing.

MR. JOHNSTON: Well, as I said earlier, they are changing that to not less than 25 percent on the new program.

MR. PARASIUK: Has the province taken a position with respect to that? Have they taken a formal public position saying that this is a complete departure from past federal programs and policies and a complete departure from the past federal policy which in a sense was pushed upon provinces by the CMHC many years ago?

MR. JOHNSTON: We haven't said it in those words. I have informed the Minister that I am not in favor of that going to 25 percent base on the new ones. The effective interest rate of 2 percent makes it more reasonable for the co-ops to finance the land through the CMHC rather than 5 percent rate to MHRC on the land provided.

MR. PARASIUK: It strikes me that what CMHC is doing and it might be smart politically, but I don't know if it's that smart in relation to the real need that exists. They're spreading their money around to different income groups in society, and that, you know, has some attractiveness but at the same time what happens to those people at say the bottom quarter of the income ladder who virtually can't afford any type of housing. If you look at any of these particular programs they just will not be able to get decent accommodation. Is it going to be a system whereby newer and better accommodation will go to, in a sense, the moderate middle income people, and the dregs will somehow go to the lower income people. I don't know if that's our conception of what constitutes fairness and justice in our particular society. I think it's important for us to make our position clear in Manitoba as to what our position is regarding the desirable mixes within a community and the fact that we don't think that lower income people shouldn't necessarily be living in blighted and substandard conditions.

MR. JOHNSTON: Well, Mr. Chairman, I have said to the member on two or three occasions that we are going down and we're still negotiating with CMHC. I find it very hard to debate or give you the reasons why CMHC are doing what they are doing. I have told the member that we are negotiating to have the best arrangements for the people of Manitoba and we will continue to do so. I just hope we can get the negotiations over with as soon as possible.

MR. PARASIUK: And all I'm doing, Mr. Chairman, is indicating to the Minister my concerns about certain parts of that negotiation which I think, all told, all through the discussion, he generally tends to agree with those concerns and I think that's fair.

MR. JOHNSTON: Well, I do, and I appreciate the member's concerns, and we are doing what we can.

MR. PARASIUK: Could I go on to the Assisted Home Ownership Program? We have how many units being provided for under this program?

MR. JOHNSTON: Six hundred and seventy-one units were approved; approved for federal subsidy was 299.

MR. PARASIUK: Excuse me, I didn't get that.

MR. JOHNSTON: There are 671 sales. Approved for federal subsidy was 299, 45 percent; and approved for provincial subsidy was 90, 13 percent.

MR. PARASIUK: Now, given the dollar amounts here, this program isn't that large a program. What seems to be the difficulty? I think it's not a matter of not having sufficient funds; is there a problem that people really can't keep up with the monthly payments?

MR. JOHNSTON: Well, I am told by my officials that the type of multiple housing units in the

market don't meet the expectations and that's basically the reason is the type of units that have been built. It has not been a popular program, there's no question about that.

MR. PARASIUK: Is it that the private sector hasn't been responding to this particular program in not providing the supply of housing that would qualify for this type of program, or that the people who are purchasing homes haven't been too responsive?

MR. JOHNSTON: Well, the cost limitation of \$39,500 I am told, is not allowing the people to build the type of accommodation that they want to build — single family units — and in Winnipeg we've had a lot of multiple units built.

MR. PARASIUK: Well, you see, I can appreciate some of the comments that the Minister was making yesterday with respect to South St. Boniface in particular, but even West Selkirk. And I think that in this respect, the private sector hasn't been as responsive as I think it should have been in providing the type of mix that I think it's technically capable of providing. I would hope that the Minister would watch this very closely, use whatever moral suasion he can on the private sector, and if necessary act directly in the case of South St. Boniface which I think he can, and provide lots which possibly would enable people to buy a single family detached house for under \$40,000, which I think they want, and I think there is a very strong market for that. It's a matter of technically trying to make that breakthrough. I've looked in other cities, and I see that they are providing single family detached housing, which qualifies for AHOP assistance although in other cities the ceiling might be a bit different. But I do think there is a tremendous market there. I think that a lot of people do in fact, want home ownership; I think that they also want single family detached home ownership. I think that one could develop a lot of technical arguments as to why it would be very good for them to live in row housing, and there are some very good row houses, but human nature being what it is they move slowly in that direction, so I think most of them are still looking to some good type of single family detached housing.

MR. JOHNSTON: Well, the member is right. In Western Canada, people are looking for single family units, or detached housing. There is no question, I have a son who says, "I will rent one of the others, but I won't buy it."

MR. PARASIUK: Yes. Now, on this, you were saying that a revised provincial form of assistance has been reviewed with the Federal people; they have not advised of its acceptability. Could you inform us what type of program that is, and whether in fact you have specific targets in mind for that program?

MR. JOHNSTON: We have been discussing with the Federal Government because of their change in their program, a revised Federal program, a revised provincial form of assistance has been reviewed. We have been looking at another program with them.

Well, Mr. Chairman, we have to come up with a program that defers the first five years because they're not allowed to stack with this new program, and we are working on — I'm hesitant to say exactly what it is because I'm not too sure at the present time that we will be able to do it, and I would prefer not to tell this committee that we are going to do something that we might not be able to do, because we have to get the arrangements settled with the Federal Government because we have to work in with their program, and anything we discuss with them they have to say, "Well, you can," or "You cannot," and at the present time I'd be very hesitant to say what we have been discussing with them. But I assure you that the House will be the first to know when we come to any agreements on that.

MR. PARASIUK: I believe that you are running into the problem of the Federal Government not allowing stacking on their AHOP program. That's a problem that I think the past administration had as well. I think that it was trying to actually diversify its program and this is an area of difficulty that they ran into with the Federal Government and you undoubtedly are running into the same problem. Again on this though, if I could just pass on another bit of advice and I can appreciate that at 9:25 after the third day it is certainly gratuitous advice, but sometimes the Minister appears as if he is going to take the Federal position as being final and definitive. My experience with them is that you shouldn't do that. I think that there will be instances, if you establish your priorities, where you can get much tougher with them than you think and they also have a responsibility in this area and it is up to them to ensure how the Assisted Home Ownership Program will actually fill the need even though they won't allow you to modify it in Manitoba in such a manner that would allow it to meet the needs of Manitobans in a better way. This is always the problem that exists in a federation like we have in Canada where in the centre people establish guidelines and regulations

which in a sense they assume fit the common denominator, which often is in Toronto, and that's not the area that you are representing and that I am representing either.

So I would hope that the Minister would use his legendary ability to occasionally pound the table or speak in a very gentle voice and get his point across occasionally. I hope that we will leave him with sufficient strength tonight so that he can go out there tomorrow and be a bit like Harry Truman.

MR. CHAIRMAN: 5.(a)—pass? Before the Member for Brandon East, I just thought that the Member for Transcona was going to leave the Minister with some strength. I thought he meant that he wanted to approve his Estimates at that point. The Member for St. James, then the Member for Pembina have been patiently waiting. The Member for St. James.

MR. MINAKER: Mr. Chairman, I am glad that you finally recognized me and my comments really relate to what Mr. Uskiw was talking about and his concern about appreciation of the value of the houses that have been constructed by MHRC. I think, Mr. Chairman, that the former government and particularly and possibly Mr. Uskiw, has lost sight of what the objective of MHRC is which is to provide shelter to not only senior citizens but also to the low-income people in our society. I think the objective is to provide that shelter at the least cost to the public of Manitoba. Really, it doesn't relate to the appreciated value of the facilities unless you are planning to sell them. If we look at the main objective of providing shelter for people who cannot necessarily attain it on their own income, then we have to look at the public sector as well and I understand and it is my thinking that our government is looking at this now, not just from its own point of view of building the facility itself but also looking at the private sector to see if in fact they can provide it at a better benefit to the people of Manitoba in terms of cost.

I think that what has to be considered when the government looks at this is what happens to the overall picture of Capital demands on the government itself, what Capital is available for certain priorities and obviously the opposition has spoken on that to great lengths so far this session. I know too that another consideration has to be the cost of the land to build these facilities. I know of my own personal experience when I was on council in St. James-Assiniboia some seven years ago, I guess, when MHRC started to get active in this particular field of constructing and operating and maintaining the facilities, we saw the price of land in St. James-Assiniboia double overnight. It went from something like \$15,000 an acre to \$30,000 an acre because MHRC for some reason wanted to buy land in our area. So this again has some impact on the overall picture, on whether the private sector or whether the government can do it more economically.

I am not really trying to create debate at this time of night, but I think that we must remind ourselves of what the objective is of MHRC. It is not just to necessarily own our own facilities but also, really, the prime objective is to provide facilities at the least cost to our people. I believe that it is not mandatory, but I think it is the responsibility of the government of the day to look at all avenues of providing these particular facilities at the least cost for the people of Manitoba and our government is looking at the idea or looking towards the private sector providing these facilities. I don't believe that really the appreciated value of any facility that the government owns becomes important unless you are going to sell it. Really, that is when it becomes important, if you are going to sell that particular facility.

Then the question comes up: what is the market value of that particular facility if in fact the only people who would be interested in purchasing the facility would be the low-income or senior citizen people who have limited income? So I question whether, you know, what is the market value or what is the appreciated value of a facility of this type. In the private sector, the market value would be, how much could they rent it for? In other words, I would think, in most cases, that is the revenue source for that particular facility if the individual cannot use it himself? For this reason, I think that a responsible government has to look at both cases and obviously our present government and the present Minister is looking at both situations and has indicated the cost of operating the present government-owned facilities and is looking into the avenue of private sector in providing similar facilities and seeing what the cost is. With the idea of a private sector providing the facilities, we can always control, through contracts, just how much they will want to charge for the rent of the facility. That can be controlled in a contract and for a certain length of time.

I think the fallacy that government-owned facilities or operated facilities can be just as efficient or more efficient than private isn't necessarily correct and I can give you an example of opening the drawer that is in front of me to see what we have got in here. You wonder when it was last cleaned and we look at the newspaper and what does it say? Wednesday, February 11, 1976, so we can't blame our present Minister of Public Works. We can blame him because it wasn't cleaned

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this year but we can blame the former Minister of Public Works. So we just can't take the idea that a government-owned facility is going to be better maintained than the private one.

So we have to look at all avenues when we are dealing with the subject because, Mr. Chairman —(Interjection)— The 1976 report is in there for Autopac? What I am getting at is that the main objective, I would hope, of any government, particularly with regard to MHRC, is that we provide the services at the least cost and we are not looking at speculating on building the facilities and selling them because I have never known a government who has done any good in the speculative field, really.

I would hope that our friends in the opposition don't lose sight of the fact that our objective is to provide shelter for the people of Manitoba who cannot provide it for themselves, and we don't lose sight of that.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Thank you, Mr. Chairman. I would like to make a comment first and then ask the Minister a question. In the course of the comments by the Member for Transcona, he indicated that he didn't have that much confidence in the private sector vis-a-vis supplying housing for a given set of circumstances. As an example, he used the fact that private homes in The Pas were not selling properly. Well, I might comment to the Member for Transcona that it is little wonder that private homes in The Pas aren't selling very well when there are nine homes on Bell Avenue plus 40-plus row houses from Bell Avenue that are for sale and on the housing market in The Pas right now. That would depress any small real estate and housing market and I don't think it indicates any detrimental reference to the private sector at all.

Mr. Minister, I would like to enquire about one line on the Statement of Operations from MHRC. On the bottom line, there is an indication that their staff man years of 99 in 1977-78 and 93 this year, in going up to about the middle of the Grants aspect of it, we see in Administration that there is a decrease of about \$855,000 in Administration Grants. My question, Mr. Minister, would be, how was that large an apparent saving in Administration accomplished through so few staff man years being eliminated? It looks pretty efficient.

MR. JOHNSTON: Mr. Chairman, I think that I announced that to the House and answered that question at the end of March when the press and everybody was asking me. We had a reduction of 20 contract employees.

MR. ORCHARD: Okay, thank you.

MR. JOHNSTON: I just wanted to say, in answer to Mr. Minaker's question that we are looking at it from the point of view of the most economical for the people of Manitoba. I think you have to take into consideration that by the time we pay the debt, we will have paid, including interest, four times the original cost of the buildings and the buildings will be 50 years old. Now, we feel that if the private industry and it is owned by somebody else other than ourselves providing the supplement in the units, rather than us owning all the public housing and I repeat again, we will own some — there is no question, there are areas where we will have to and we won't back away from that obligation — but we do feel there are many more ways to be looking at it, getting low-income people into shelter.

MR. CHAIRMAN: Has the Member for Pembina got a further question? Proceed please. The Member for Pembina.

MR. ORCHARD: Thank you, Mr. Chairman. I would just like to congratulate the Minister —(Interjections)— We seem to be getting a lot of adverse comments here and I can't understand why. But I would like to congratulate the Minister on his ability to not have the blinders on and look at only one aspect of public housing, in keeping his scope wide open to various methods of providing housing needs in the province. I think that is commendable.

I also want to comment that I fully hope that under his guidance in the department, that no longer will ten housing units, whether they be elderly housing or private housing, be built in Russell or any other town in the province for that matter, without you knowing, as was the case last year under the previous Minister's jurisdiction. I think that is the kind of, shall we put it, casual mismanagement that we don't need anymore and I congratulate the Minister on developing a broad, forward-looking program.

MR. CHAIRMAN: Thank you for your broad comments. You have just added an hour to the debate.

The Member for Transcona, then Brandon East.

MR. PARASIUK: I can't pass up that last comment. I would like to congratulate the Member for Pembina who obviously must be angling for some type of Legislative Assistant position and I can appreciate . . .

A MEMBER: He wants to get a new senior citizens' home in Pembina.

MR. PARASIUK: In what particular area? Is it housing? I would have thought that he must be angling for something to really polish the apple that much. Here we've had a Minister and I don't really criticize him and we haven't been that critical, but here we have a Minister saying, "Look, I'm exploring, I'm trying to figure out different options and I haven't been able to conclude on any of them and I don't have anything specific or concrete to tell you in the way of programs," and the Member for Pembina winding himself up, or having been wound up by someone, says, "I congratulate the Minister." That's fair enough. I guess we will have to see in August or September whether in fact he gets a reward or not, but I really don't think that is the way to go about it.

I wanted to comment on some of the comments by the Member for St. James in that I don't think it is just an either/or situation, I think we have discussed the Estimates of the Department of Public Works and in that situation, I think five-sixths of the facilities are publicly-owned and one-sixth are privately-owned and the Minister said that seemed to be a good ratio and he would be pursuing that. Even this incredibly monolithic NDP government had a proportion or ratio which was fairly close to that. You know, you had something in the order of 2,000 subsidized private apartments and you had over 12,000 publicly-owned units. The Minister is saying that he may increase that but at the same time he may also, while increasing the number of subsidized private apartments, he may also be increasing the stock of publicly-owned housing with the Midland Development and some other developments, surely the Rural and Native Housing Program as well. So I am glad that he, at least, is keeping some perspective and I hope he doesn't throw it into an either/or situation. Often when you get both sides arguing, they tend to throw it into that context .

I would like to point out to the Member for St. James that I can recall landlords coming up before the Rent Review Agency saying they did not like the rent controls because it wasn't fair to those apartment owners who refinanced the building and they would say, well, you know, we were charging rents on a building that was valued at \$100,000 and now we have refinanced it in relation to what the market value of that facility is and it is refinanced at \$150,000 or \$200,000 so they would like sufficient rents. They found that they could probably manage in a market situation, especially in a market situation where the vacancy rate is 1.3 percent, they could charge a rent that would amortize that refinanced apartment. —(Interjection)— Well, I would think that if the Finance Minister would do some checking with CMHC, he might be able to determine that there is a 1.3 percent vacancy rate in the City of Winnipeg.

MR. CRAIK: What part?

MR. PARASIUK: It's the entire City of Winnipeg and those are the statistics that just came out last week. If the Minister disputes that, that's fair enough.

MR. CHAIRMAN: Address your remarks through the Chair, please.

MR. PARASIUK: I just couldn't help but overhear a comment that really was quite untrue and I just wanted to point out to the Finance Minister that his understanding there was not correct, that CMHC has indeed published figures showing that the vacancy rate is quite low.

But the point that I was trying to make, Mr. Chairman, to the Member for St. James is that there is a danger, if you rely totally on the private sector, that people will be refinancing their apartment units and then trying to amortize that refinanced value in their rents. If you took the publicly-owned housing into account and you said, well, what if we refinanced it all and the Minister has indicated that what cost \$200 million to build is now worth \$400 million, so if you wanted a 10 percent return on that, in the first instance, you would have to pay something in the order of say \$20 million. —(Interjection)— No, it wouldn't, but the point is that the private people will refinance it.

MR. MINAKER: But if they are in contract with them what difference does it make?

MR. PARASIUK: How long will they be in a contract for? Now, you know, you are not going to

be able to establish a 50-year contract because surely when you get into the area of providing housing for senior citizens, it is going to have to be done over a long period of time. You are not going to say, we're just going to do it for 15 years and get out of it because 15 years from now you will still have senior citizens around; you will still have senior citizens around who require housing and some of those senior citizens will require some assistance. I think it would be very very problematic if you put your hands entirely into the private sector. No entity that I know of has done that, even Ontario has looked very closely at its Public Works Department and it has determined that it is probably best to have a ratio something in the order of five-sixths public, one-sixth private.

Now, I don't think we are in a position yet to try and establish that type of a ratio for housing but I do hope and I expect that the Minister will keep an open mind on both sectors and also on the third sector. Again, I hope that the third sector can become a viable option but it will only become a viable option if rental subsidies can be applied to it as well as to the private or public sector. If the rental subsidies aren't applied to the non-profit sector, it really will be a nice paper facade.

I would like to turn from the Assisted Home Ownership Program to the Neighbourhood Improvement Program and I believe there are about three more programs that aren't on this list that you gave us. One is the Critical Home Repair Program, the other is the Rural Mortgage Lending Program, and the other possibly isn't your program but I would like to ask one question about it and that's the Federal ARP Program because I think it does have some impact on the whole area of providing accommodation to those people who can't get it through the unassisted market.

MR. JOHNSTON: I can answer a couple of the member's questions. The 15 years he was talking about is we would be talking about a 15-year contract with an option, that is the way that it has been working in other areas and if you have a family, the contractor owns the unit. There is a 15-year contract with him or rent subsidy, with an option that we can take a look at it if the people involved, their income has not gone up accordingly or if there has been any problem that we haven't been able to foresee in 15 years time.

The other thing is that the rents — I just have the report here, April 1976, or pardon me, let's not go back that far, well, we can — April 1976 was 1.4; October 1976 was 1.1; April 1977 was 1.1 vacancy; October 1977 was 1.9; and April 1978 is 1.6. Now, we have a very definite indication from people in the industry that we have been working with in surveying, that it can get as high as 12 to 15 percent in some areas of the city, the vacancy rate, and I must say they are newer apartments, but you can get that high in some of the suburbs. CHMC has a way of doing this. They just have somebody making a call to the janitor. I'm not being critical but I can tell you that I don't think their survey is as accurate as the ones taken by the industry at times and we have indications from them that we have vacancies in apartments in Winnipeg, or in areas of Winnipeg, that are up as high as 15 to 17 percent. The survey that you were provided with which indicates a vacancy rate of April 1 for properties which have come onto the rental market within the last two years. It does not take into account the older buildings which at this time show a lower vacancy rate because of the rent control and the lack of movement in these buildings. St. James, 15.78 percent vacancy; Fort Richmond, 8.28; the Kildonans, 15.59; St. Vital, 25.88; Charleswood, 10.55 vacancy rate. Downtown, it is a brand new building that they are talking about and it has got 100 percent vacancy rate in it because it isn't finished yet or rented yet.

The member must realize that with the Federal program, the tax shelter situation, we have got some more coming on-stream later on this year, so our vacancy rate in Winnipeg is not going to be that low as some of the CMHC reports indicate. The last report that I have from CMHC, the one done in the fall of last year which is very extensive by district, does indicate that different districts are higher and they take an average. So it isn't just as black and white as that report shows. I agree with the member that the core area is in that area of 1.6.

MR. PARASIUKE: Mr. Chairman, if these figures are true that the Minister is giving us and if we are ending up with — it's a weighted average of 1.6, then we have virtually no vacancies in the inner core — if you have a weighted average and if you have these types of figures for the suburbs. The Minister has been trying to make the point in previous sessions that it is quite important for the province possibly not to put too much public housing in the suburbs but rather to put it in the inner core and no one has been disagreeing with him that much. We have been saying yes, let's put it in the inner core and let's get more than 56 units in place.

I do question his relying on the sources only from the industry. I think that CMHC over a number

of years has developed a fairly accurate objective technique of determining what the vacancy rate in the city is and when I hear a figure of 25 percent vacancy for, I don't know, was it St. Vital or North Kildonan or one of those places . . .

MR. JOHNSTON: They are new buildings.

MR. PARASIUK: . . . well, I would think that with new buildings you are possibly going to have a 25 percent vacancy rate. In fact, yesterday, the Minister made a point of saying that with the new buildings of MHRC with respect to senior citizens, we have a vacancy rate of less than 1 percent but he said that that 1 percent is a critical problem facing the public sector and was a sign of the inefficiency of MHRC. He has just given us statistics indicating that brand new buildings built and owned by private individuals or private corporations have vacancy rates as high as 26 percent and I think that possibly is the situation with brand new units, whether they are public or private. You might get what I think might be called lumpiness, you can't get 80 or 100 people coming into a particular area right at that time, or aware that that facility is available right at that month when the survey is taken.

I would like to ask the Minister some questions about the Critical Home Repair Program. There was \$2 million budgeted for it in 1977-78; there is \$2.964 million budgeted for 1978-79. Is this carry-over or is it in the Capital request for this year?

MR. JOHNSTON: It is not carry-over, it is part of the \$20 million.\$

MR. PARASIUK: Sorry, right, and it is not seen as Capital, it is going through straight as . . . How many units did you do in 1977-78?

MR. JOHNSTON: There were 2,332 applications; there were 54 cancelled; there were 402 approved. And when you go back to 1976-77 program, there were 12,509 received; cancelled 1,949; and approvals, 7,421. That was 1976 . . .

MR. PARASIUK: For one year or . . . No, that's an accumulative.

MR. JOHNSTON: That's an accumulating . . .

MR. PARASIUK: I'm trying to get some idea of how many, roughly speaking, are processed per year. I thought that there had been some general target as to how many would be done per year, in a rough and ready number.

MR. JOHNSTON: About 6,000.

MR. PARASIUK: Six thousand per year?

MR. JOHNSTON: As a target.

MR. PARASIUK: You are saying that only 2,280 were done in 1977-78?

MR. JOHNSTON: In 1976, received.

MR. PARASIUK: That's because you cut out applications. So what would the backlog be then? Just to get some idea of where we are because I see a fairly large, or an increase in the Critical Home Repair Program and yet we have our differences in semantics as to whether the program is deferred, cancelled, frozen, what?

MR. JOHNSTON: As of the date of this report, which is February 15, 5,015 we have on hand. In 1977 there were 4,400 which were serviced. I believe it is in the area, as I said in the House the other day, of approximately 4,000 backlog at the present time.

MR. PARASIUK: Has there been a reduction in the number of staff? I don't know if this has been dealt with elsewhere but there have been some rumours that the staff in the Critical Home Repair Program have been reduced to the point that the backlog really is a self-fulfilling prophecy and that it really can't be reduced because you don't have enough staff to reduce it. I don't know that; I am just asking that specifically.

MR. JOHNSTON: Well, many of the contract employees who were let go were involved in the winter

and summer painting program. We have redeployed people from our construction department, at the present time, who are working on this backlog.

MR. PARASIUK: Do you have the same number of staff working on it this year as you had last year?

MR. JOHNSTON: Yes, applications are being processed quicker than they were last year at the present time.

MR. PARASIUK: So when do you expect to get through this backlog and when do you think you might be asking for applications?

MR. JOHNSTON: Well, it's 2.9 million and the 2 million is to take care of the backlog that we have. The 1 million is to take care of the program for the balance of the year. Now, we hope to open up the program. I have been targeting for the end of July and I think we can do it. I have got my staff shaking their head at that but we would like to get it done. —(Interjection)— September. Well, we're going to have to try harder for July. You know, there is just so much you can do. The backlog was built up over a period of time with the increase in the program. There was an increase in the program.

MR. PARASIUK: I think the increase is understandable, if I might interject, Mr. Chairman, in that it is tied to the unemployment situation. It is a double-barrelled program in a sense. It tries to reduce unemployment and also provide a socially needed good, that is, repair to homes, privately-owned homes, especially senior citizens. So I think that both sides of the House were in agreement with the general objectives of that particular program. It is just a matter now of determining what the capacity is to carry that program and whether in fact it should be opened up soon. If it is opened up, as the Minister indicates it might be in July, what type of program does he foresee, or is that too premature at this stage?

MR. JOHNSTON: I foresee it as a very similar type of program to what we have now except that there has to be some changes in it. The one change that I think has taken place already, that as far as the senior citizen was concerned, you could have up to \$150.00 if you were a millionaire. That has been sort of discontinued at the present time. In other words, if you had a roof that had to be fixed and it was regarded as critical and it cost \$125.00, the honourable members in this room could have had it fixed — I shouldn't say that, not all of them are over 65 — but anybody over 65 could have it repaired. The Member for Fort Rouge asked if it is a declaration with tax slips, etc. to qualify, but the program was greatly expanded. It is the type of a program that it not only expands, it gets into the position that if you make one mistake, the neighbour next door says if he got it, I should get it. It is a very hard thing to police in that respect. We would like to get the program working smoothly again, as it was before. We said it is a good program and we will continue it.

MR. PARASIUK: I look forward to it and I think that the greater priority is to try to get the money to those who need the program more. So if you are saying that millionaires could get a \$150.00 grant, I think there possibly is some merit in taking that away although I don't like all these programs coming out strictly as welfare programs. I notice that with respect to the pensioner tax assistance program or the elderly citizens school tax assistance program, I understand that given the Conservative program there, a millionaire will get an extra \$100.00 on his or her property tax so I think that in that respect, the administration is a bit fragmented.

MR. JOHNSTON: I think the honourable member knows that percentage is very small.

MR. PARASIUK: The same thing with the Critical Home Repair Program.

MR. JOHNSTON: About the same percentages, no kidding around about it.

MR. CHAIRMAN: 5.(a)—pass — the Member for Brandon East.

MR. EVANS: I have a series of questions I want to ask the Minister. The Minister talked about new programs, investigations and research and so on. Could he advise us if the Corporation or if he and his staff are now investigating a starter home program, \$5,500 mortgages to supplement the \$38,000 allowed under the Federal Assisted Home Ownership Program, otherwise known as AHOP, as Ontario has apparently done? I gather that the homes would be only semi-finished and

designed for easy future expansion. Is the Minister and his staff investigating such a program to provide this type of funding for people who are interested in starter homes?

MR. JOHNSTON: I am informed we have done some work on that program. It isn't one that we have been putting a big push on at the present time. We are taking a look at all programs but there comes a time when you can keep looking and looking forever, you know. There comes a time when you have to say this is the proper thing and we think it is right and go. I have been saying that we have been studying but I also admit you can study forever and on that particular program, no, we haven't been working on that to any great extent.

MR. EVANS: A related program would be what has been referred to by the Conservative Party as the Uphill Neighbourhood Program, loans up to \$5,500 to help first-time home buyers upgrade older homes, a one-year payment holiday and forgiveness based on length of residency and personal financial contribution. Could the Minister advise whether that program is under consideration? I might say that when I was Minister, we were looking at a program to help people buy existing or older homes, older homes in particular, younger families who were trying to get started, with some type of assistance toward their monthly payments. This was not brought into being but we were very much on the way to implementing that. I gather the Uphill Neighbourhood Program is somewhat similar in intention at least if not in technique. Could the Minister advise whether any progress has been made in that respect or whether he intends to bring in such a program?

MR. JOHNSTON: There has been a lot of progress made in that respect. I can't say whether I am going to bring in that program right here and now, but I can assure you it has been worked on very hard. I think the member would be surprised if we weren't putting some attention on what was said during the election.

MR. EVANS: In regard to the rental accommodation, that other plank in the Conservative platform was low-interest loans to improve apartment block buildings to owners who accept controlled rents until the loans are repaid. Has anything been done in that respect?

MR. JOHNSTON: Not to any great extent. The statistics that we have from the department don't show us at the present time that that will fit in all that immediately.

MR. EVANS: Another plank in the Conservative election platform was with respect to senior citizens building or buying smaller neighbourhood residences and possible financial assistance to families who care for their senior relatives. Now, there are two things there: building or buying smaller neighbourhood residences for senior citizens; and the second one, possible financial assistance to families who care for their senior relatives.

MR. JOHNSTON: Well, the second one would not be in the Department of Housing. That would be in the Department of Social Welfare.

As far as building individual houses for senior citizens, no, that particular one has not been worked on that much.

MR. EVANS: The final one that I read in a statement that was made by the present Leader of the Conservative Party and the Premier, Sterling Lyon, at a special news conference to discuss the Conservative housing program, this is dated October 6 of last year, the last of the five points is respecting public housing: "To allow tenants to buy suites as their income rises and the income-related rent is converted into mortgage payments." There is another section of that but I'll just ask that particular one. Is there any work, any program development along this line?

MR. JOHNSTON: To buy suites?

MR. EVANS: Yes, allowing the tenants in public housing to buy suites as their income rises and the income-related rent is converted into mortgage payments. In other words, I guess it is something like a condominium, they would buy their suite and they would be making mortgage payments in the future, rather than rental payments.

MR. JOHNSTON: Well, in the new non-profit co-operative program with the Federal Government, that becomes an option, that they will be able to purchase their units. We are going to be pursuing that with them as we mentioned before. The Federal program where co-ops are concerned I'm not too sure that the co-ops are going to be all that happy about the fact that the Federal Government is going to allow the people to buy their units but that is what they are planning to do at the present

time. We are studying that program very carefully.

MR. EVANS: As a matter of clarification, Mr. Chairman, is the Minister talking about conversion of existing suites, existing projects, or those under construction from rental to ownership-type, in the co-operative sector? Or is this for future built . . . ?

MR. JOHNSTON: No, the best-buy principle, I think we are talking about for co-ops on that, aren't we? Non-profits.

MR. EVANS: I'm sorry is it co-ops and non-profits, or co-ops?

MR. JOHNSTON: Yes, with the best-buy principle.

MR. EVANS: And non-profits. This would apply to the new housing coming on stream in that segment, would it, or does it apply to that which is already in existence?

MR. JOHNSTON: Are you speaking of our public housing?

MR. EVANS: No, I am referring to the statement that the Minister made, Mr. Chairman, himself, saying that the new Federal program would apply to co-ops and non-profit housing, where they would have the opportunity to buy or own that particular suite such as a condominium.

MR. JOHNSTON: Yes, that's on the new ones.

MR. EVANS: So it doesn't apply retroactively to let's say an existing co-operative housing project?

MR. JOHNSTON: It could, if refinancing can be arranged, it could.

MR. EVANS: The other part of that last platform plank, the fifth plank, relating to public housing, it says: "Minimized concentrations and densities of public housing to blend into existing communities." In this respect, I would like to ask the Minister about the proposed high-rise for senior citizens at York and Garry. Now, I now the project has been deferred for various reasons . . .

MR. JOHNSTON: This is the third time I have answered that.

MR. EVANS: Well, I have heard the Minister in the past. The Minister says he has answered things three times.

MR. JOHNSTON: Yes, I have, I have seen the people trucking back and forth and I am really wondering why I have to answer questions three times, once from the Member for Fort Rouge, once from the Member for Transcona, and now from the Member for Brandon East.

MR. EVANS: Well, Mr. Chairman, all I can say is that the Minister without Portfolio, I should say to him join the club because in eight and a half years as Minister . . .

MR. JOHNSTON: I sat in this committee last year and never left it.

MR. EVANS: . . . I have had the experience of being asked a question about the same item several times. This was primarily in Industry and Commerce where I have had more experience, where people wandered in and out. I had the same experience of answering the same question several times. So it is nothing new and I answered them, of course, of Conservatives who were asking me the questions and they were wandering in and out and this has gone on for eight years. So we are not talking about a new phenomena and patience is a virtue.

What I was particularly concerned with is whether or not, is this project completely dead or will it at some time go ahead? I relate that to the Conservative platform on concentration because if you follow that platform on concentration I guess you don't build a Garry and York project ever.

MR. JOHNSTON: I would say it is close to completely dead.

MR. EVANS: It is close to completely dead?

MR. JOHNSTON: I would say very close.

MR. EVANS: Is the Minister knowledgeable about the waiting list at 185 Smith Street, at least it used to be very long? Apparently that is, I was told by staff many many a time that 185 Smith was our most popular senior citizen development in the City of Winnipeg. This is where most of the old people seem to want to be. They want to be downtown, close to the stores and the library and whatever, all the other facilities that exist there and for that reason, there was some merit, it was thought, to have additional housing in the downtown area and particularly if it was related to 185 Smith. You could provide additional programming, particularly enriched housing which would involve the Department of Health and Social Development. But nevertheless, this might be possible.

At any rate, I am asking the Minister if it is still the case, is it still true that 185 Smith Street, the senior citizens' building there, a very large one, is it still true that it is probably the most popular of all the senior citizens' buildings in Winnipeg in terms of the waiting list of people to get in? Is this still the case?

MR. JOHNSTON: Yes, but 185 Smith is not just popular because it is 330 units. 185 Smith is popular because it is downtown and it has a restaurant down there for senior citizens. It would be just as popular if it was 150 units and the waiting list would be just as long. Mr. Chairman, the letter I read the other night from the Minister of Health to the Honourable Leonard Evans at that time, suggesting that he not proceed with Garry and Smith, is something that we have taken into consideration. We have looked it over very carefully. We have talked to people in many social areas. We have talked to people in the Salvation Army and others. Placing 800 or 900 senior citizens in one square block is not going to be a benefit to them. We have other properties we can look at.

When he speaks about the enrichment, that means that it becomes nursing and everything else, with 900 to 1,000 people, senior citizens, in one square block, you haven't got enough facilities down there to handle them in that square block. What about the parks? What about everything else that has to go with it? Mr. Chairman, it is almost what you might call ghettoizing senior citizens. There is no question they want to be downtown.

MR. EVANS: Mr. Chairman, I didn't suggest that 185 Smith was popular because it was a high rise as opposed to being 150 units.

MR. JOHNSTON: Then you agree with me, it is popular because it is downtown?

MR. EVANS: Yes, but then the economics come into place. We were always accused of not being cost-conscious but the fact is that to build a 150-unit building in that part of the city is very very expensive. The most expensive land in the Province of Manitoba is in that area.

MR. JOHNSTON: I suggest that there will be one about 150 in that area and it will not be any more costly than the other.

MR. EVANS: On a per unit basis?

MR. JOHNSTON: I believe so.

MR. EVANS: Well, I guess we can see. As far as the Minister of Health is concerned, I have talked to the Minister of Health. He had some input to make with regard to the enriched housing program. He never conveyed to me in discussion or at any other meeting we had that he was against this particular building and certainly the feedback we received from the senior citizens at the time was very positive. However, the Minister is entitled to make his own mistakes as everybody else is.

MR. JOHNSTON: It is a mistake to put close to 1,000 senior citizens in one square block. We had a person who died in there and we didn't find him for four days. Now, that happens when they are too big and you cannot have these things happening. You have to take a look at the size of those units and I assure you that the popularity of Smith is not because it is big; it is because it is downtown, period.

MR. EVANS: Mr. Chairman, I never said it was popular because it was big.

MR. JOHNSTON: Well, then you agree with me. You are agreeing with me that it is popular because

it is downtown.

MR. EVANS: Of course, I have said that.

MR. JOHNSTON: We agree that there will be some more downtown.

MR. EVANS: Of course, but the point is that it becomes very very expensive to start covering downtown property with small buildings. It is just very very uneconomical and for a government that is very cost-conscious, I am surprised.

MR. JOHNSTON: I can assure you that plans to build over the lane and around the corner and everywhere else were just about as uneconomical.

MR. EVANS: The Minister makes reference to someone who died and not being discovered. I can tell him that it is the case that a lot of older people have died living in single-family housing and they haven't been known or discovered for many many days.

MR. JOHNSTON: Do you think that is good?

MR. EVANS: Of course it is not good.

MR. JOHNSTON: Well, that's fine. I am saying that we will try to avoid it as much as possible.

MR. EVANS: The argument just doesn't hold because you have got 20 floors rather than 10 floors, that all of a sudden it's . . . The point I am trying to make is that the Minister's logic is faulty and if the Minister would take the time to find out, he would know, Mr. Chairman, he would find that the senior citizens have an arrangement, I hope still, whereby they monitor each floor. They do this on a voluntary basis and they co-operate and they check. Now, I don't know what happened in this particular case.

MR. JOHNSTON: I have taken the time and I have found out and we still have a problem.

MR. EVANS: I think the tenants are to be commended for this. At any rate, it is categorical in that there will not be a new large development at Garry and York.

Another question I have, Mr. Chairman —(Interjection)—

MR. CHAIRMAN: The Member for Brandon East has got the floor. The Member for Emerson can have his turn when he puts his hand up.

MR. EVANS: With regard to tenants' participation, the Minister is experimenting, I guess is the word, with utilizing private real estate or rental agencies to administer certain newly-constructed public housing units.

MR. JOHNSTON: Mr. Chairman, that answer is in Hansard.

MR. EVANS: Well, what is the question?

MR. JOHNSTON: Twice, about using Oldfield, Kirby and Gardner for management?

MR. EVANS: Yes, well, what is my question then, Mr. Chairman? If the answer is in Hansard, what is my question?

MR. JOHNSTON: All right, ask the question and we'll see if it is in Hansard.

MR. EVANS: My question is, how is it possible for tenant participation to take place when you have a privately-administered rental unit? In Winnipeg — not only in Winnipeg but throughout Manitoba — I believe we have a very admirable setup whereby the local housing boards are comprised of one-third appointees by the local municipality; one-third by the province; but also one-third by the tenants themselves. To what extent, therefore, can the tenants have a role to play in an area where you have privately-administered units, particularly if you go into a smaller town where there may only be one apartment block? Talking about this method in principle, if there is only one apartment block and it is administered by a private group, to what extent will the tenants

be able to participate in the decision making as they can now?

MR. JOHNSTON: It is in Hansard but I will say it again. The tenants are represented by three tenants who are voted to be on the Winnipeg Regional Housing Authority. Oldfield, Kirby and Gardner are answerable to them as to who goes in it. The Winnipeg Regional Housing Authority can also make recommendations as to what is happening in those particular apartments that are being managed by other people. I gave a commitment the other day to the Member for Transcona that I would take a very close look at that particular situation to make sure that the people who are in those particular units will be represented.

MR. EVANS: Thank you, Mr. Chairman. Going to a different subject then, with regard to Inkster Gardens, can the Minister give us an update on the lot disposal program? Just where does that now stand? Have you got lots available for sale and if so, who is handling it? Have you got any prices for us; what are lots selling for and what other detail you can give us as to the progress of Inkster Gardens?

MR. JOHNSTON: I have made a commitment. When the decision is made on how the lots will be disposed in Inkster Gardens, I will announce it in the House and we are just maybe an inch away. I made that commitment to the Member for Seven Oaks.

MR. CHAIRMAN: The Member for Transcona. You are taking the Member for St. George's time.

MR. PARASIUK: Yes, because we are on this topic and I think that if we can clear this topic up, it would be useful. You are saying that you are very close to arriving at a lot price or a disposal policy for the Inkster Gardens. That means, then, that you will be announcing the lot prices in sufficient time so that builders and private owners could actually get houses constructed in this construction season?

MR. JOHNSTON: Yes.

MR. PARASIUK: That means then that the sewer and water services are in place; that means that the roads are in place but not necessarily paved — I don't know if they are paved or not?

MR. JOHNSTON: They are nearly all paved.

MR. PARASIUK: Okay. How many units do you foresee coming on stream in this particular construction year? How many lots would be available?

MR. JOHNSTON: Two hundred and twenty-five.

MR. PARASIUK: Will you be offering them all for sale — 225 lots?

MR. JOHNSTON: Yes.

MR. PARASIUK: And these are generally standard lots, 50 by 100. Do they range?

MR. JOHNSTON: The design of the project is that there is single family, there is duplex, there is multiple, there is. . . R1, R2, RPL, R3B1, R3B2, park area and schools.

MR. PARASIUK: So the entire development will be coming onstream this year?

MR. JOHNSTON: Phase I.

MR. PARASIUK: Phase I.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. I know there were some questions raised about the Critical Home Repair Program in terms of the numbers of staff that are going to be continuing on with the program. I have a few specific questions that I'd like to ask the Minister. Could he give me a breakdown of the staff that was handling the Paint Program and the Critical Home Repair Program in separate numbers and which staff have to date been laid off in terms of numbers?

MR. JOHNSTON: There have been 20 contract employees laid off by the Corporation and the numbers. . .

MR. URUSKI: What would these people have been primarily handling in terms of workload, the Paint Program or would they have been the Critical Home Repair Program?

MR. JOHNSTON: Mr. Chairman, I can only say that we are processing more applications at the present time this year than we were this time last year. We just mentioned that we have approximately still a backlog of about 4,000. To give you a breakdown of the actual people that were. . .

MR. URUSKI: I don't want the names, but I'd like the. . . I will go on and tell you why I am asking these questions.

MR. JOHNSTON: They were involved in both; they were involved in Critical Home Repair; they were involved in Painting and where we felt that one person could handle the job, the recommendation of who was kept and who wasn't came from staff.

MR. URUSKI: All right.

MR. JOHNSTON: We have moved some staff from our construction department into working on Critical Home Repair at the present time.

MR. URUSKI: In terms of moving the staff from construction, these would have been staff that were handling actual on-site projects of supervision or what type of work were they doing in the construction area?

MR. JOHNSTON: Civil servant inspection staff. Construction inspectors.

MR. URUSKI: Of whether it would be low income housing or elderly persons housing and the like. All right.

MR. JOHNSTON: Yes.

MR. URUSKI: Are you going to be taking on new staff in terms of the Critical Home Repair Program or an expanded staff?

MR. JOHNSTON: Only if required. We are handling as I said more now than we were handling last year at this time when we were . . . We can do about 6,000 or so a year and we are working at it.

MR. URUSKI: You indicated in your early press releases that you would be down to a manageable level by July, and that was an announcement that was made in the early part of the year. Could you now give us an update as to how the numbers compare today relative to last — I think the announcement that you made was in February — how you have done in terms of numbers, that you have 4,000 left to go?

MR. JOHNSTON: We were at 5,015 at the end of February; we are approximately at 4,000 at the present time.

MR. URUSKI: So then you have handled in March, April, May — in three months — you've completed a thousand applications?

MR. JOHNSTON: Approximately.

MR. URUSKI: What were you handling then a month prior to that? If you say you are doing much better now today. . .

MR. JOHNSTON: Well, we are doing much better now because the snow is away. November, December, we were averaging around 200, the staff tells me.

MR. URUSKI: A month?

MR. JOHNSTON: Yes.

MR. URUSKI: But in similar times of the year previously, would you have been handling more or less?

MR. JOHNSTON: Well, we obviously have been handling more. In March, April, and May, we have been handling more. We don't handle as many in the wintertime. I said that we were handling more this year in April and May than we were last year in April and May.

MR. URUSKI: In April and May. You indicated that by July you would be in a position to announce whether you would be taking on any new applications. Have you made any announcements during the course of your Estimates now or are you still holding on that there will be no new applications taken until the backlog is completed and what do you consider as a manageable backlog before you will announce a continuation of the program?

MR. JOHNSTON: I'm still aiming for the end of July. As I said twenty minutes ago, my staff are a little bit in doubt, but I'm still aiming for the end of July.

MR. URUSKI: Well, if you're still aiming for the end of July, what mechanism are you going to be using to bring down the figure of 4,000 down to what numbers, what numbers are you going to indicate will be a manageable level where you will be in a position to announce that you will be taking further applications under the Critical Home Repair Program?

MR. JOHNSTON: I would say that it becomes more manageable when it's down to about 2,500.

MR. URUSKI: So are you indicating that when the numbers reach a working level of about 2,500, you will be then announcing that new applications will be taken?

MR. JOHNSTON: That is the intention at the present time, yes, and we have always intended to keep the Critical Home Repair Program going.

MR. URUSKI: Okay, I want to know that — so you expect that we will be down in the months of June and July, that you will be doing 1,500 — that you will be able to complete the 1,500 to reach the 2,500 number mark?

MR. JOHNSTON: I hope so.

MR. URUSKI: You hope so.

MR. JOHNSTON: The staff are making every effort and I hope they accomplish it.

MR. URUSKI: Mr. Chairman, it appears that although the Minister in his words is indicating that the Critical Home Repair Program is going to continue and he is hoping all kinds of things that the staff will complete the program, there certainly isn't any evidence to show or to indicate that they will be able to accomplish that given task in light of what has transpired in the last six months or in the last number of years that the program has been carried on. Are you intending to continue the program at its present level or how are you intending to operate it for the balance of the year, if by July you say, you indicate that the numbers — the magical figure of 2,500 before you will reopen applications — will be reached? How do you intend to operate thereafter? With the same numbers of staff or are you intending to hire new staff?

MR. JOHNSTON: Mr. Chairman, the program was in the position of being a year behind. When we get the backlog down to where we are hopefully 2 to 3 months behind, and that's what we're aiming at. The honourable member knows the way the snow falls in this province as well as I do. In March it's still pretty hard to work on some roofs and outside. In April and May, we've made real progress. We've come from the end of February to around 4,000 or less at the present time. In June and July, we expect to be moving ahead to get it down to about 2,500. Now if the honourable member can guarantee me no rain, nothing's going to happen in that respect, I think I could guarantee him I'll make it. I said we are hoping to and the staff is working hard. It is not our intention to hire new staff; there's only so much you can handle in the administration of the program.

MR. URUSKI: You are not hiring, you have no intention. . .

MR. JOHNSTON: You can have a thousand inspectors out there and if you don't have the staff to back them up, they're not going to get anything done.

MR. URUSKI: Yes. There's only so many contractors going. It's not my figures, Mr. Chairman, that I'm using. I have asked the Minister to come up with a figure that he intends to move and reannounce the program so that people who are in need, will be able to apply. There have been of course many requests about applications and people do realize that they will have to wait and take their turn. But certainly there is concern, these existing applications will continue on for a long period of time and there will really be basically no program, and that's the kind of concern that is being expressed. I wanted the assurance of the Minister that roughly the figures and the month he has given of the end of July, that he hopes to reach a figure of approximately 2,500 application workload, that the program will be reinstated, the applications will be taken in and around that figure. And he has given me that assurance, that it will be reinstated at a working level of staff at the present time. Could you give me the numbers of staff — I know you have probably given it to other members — that are currently employed on the Critical Home Repair Program?

MR. JOHNSTON: There are 26 people spending all or part time on the program.

MR. URUSKI: Twenty-six. That would include the secretarial, the contract staff and the permanent staff?

MR. JOHNSTON: Yes.

MR. URUSKI: If there is an intention to bring on any new people, will the Minister consider bringing on people who have had previous years experience who may wish to continue with that work who were on contract previously? Will consideration be given to those people that had experience in that program?

MR. JOHNSTON: Contract employees will be allowed to apply if we take on any new staff, but it is not the intention at the present time.

MR. URUSKI: Thank you, Mr. Chairman. I thank the Minister for his information there. Could the Minister indicate — I believe he has not announced any specific housing program. —(Interjection)— You know, you fellows may think that funny, but I think the Member for Minnedosa has said it in all earnest, the way he was putting it forward.

MR. JOHNSTON: Mr. Chairman, I've answered that question regarding our housing program, and telling the members that we are studying and working on it at the present time. . .

MR. URUSKI: I'm sorry, Mr. Chairman, but I was distracted. . .

MR. JOHNSTON: I'm not trying to be miserable with the member, but you know, we have gone through it for three days.

MR. URUSKI: I have some specific questions on a specific project, and it relates to the home that was planned for a community called Moosehorn. There were 12 units tendered; the land was purchased; the siting was handled. The tender did come in, I believe, high at the time and it was to be retendered. I would like to know as to where the project which was committed is within the program. Is it going to be retendered this year or has it been retendered and what is the intent on that very specific one?

MR. JOHNSTON: On Moosehorn, the tenders came in. The Federal Government would not fund to 90 percent; they would only fund to 81 percent. They felt that the number of units for the area was not right. We have examined it ourselves. We are looking at Moosehorn for the Rural and Native Program which comes under us and we think we will be moving . . . We are going into 155 units of senior citizens in the Rural and Native Program this year and Moosehorn is one of those that is being considered and worked on.

MR. URUSKI: For the 12 units?

MR. JOHNSTON: Not for 12.

MR. URUSKI: In terms of accommodations, could the Minister indicate whether the type of a project in physical terms would be similar to the motel-style concept or if they would be individual units like the ones, I believe, in Sprague or Piney?

MR. JOHNSTON: There would be about eight to ten duplex units, or eight to ten, which would be four to five duplex units.

MR. URUSKI: That's the kind of completely separate units on the property there?

MR. JOHNSTON: Yes.

MR. URUSKI: Is there adequate property to accommodate those units?

MR. JOHNSTON: Yes.

MR. URUSKI: And you are intending to tender it on that basis?

MR. JOHNSTON: Yes, that is the intention at the present time.

MR. URUSKI: Thank you.

MR. CHAIRMAN: 5.(a)—pass; 5.(b) — the Member for Brandon East.

MR. EVANS: We were talking about staff and the Minister earlier indicated that, I guess, full-time or permanent staff were reduced from 99 to 93 and he also said that there are 20 fewer contract employees now than there were a few months back. Just where is the reduction of those six members of the permanent staff, or whatever the term is, bulletin staff, I guess, 99 to 93? There are six fewer. There are six people who are no longer there. Just where is the reduction? What program area or what section of the corporation?

MR. JOHNSTON: Half in the development area and half in the administration, three and three.

MR. EVANS: Three and three. With regard to the 20 contract employees, were these all related to the Critical Home Repair Program, the painting program, interior and outside, or is it scattered throughout the corporation?

MR. JOHNSTON: Sixteen were Critical Home Repair and four were in . . . Well, 16 from Critical Home Repair and painting, and four from the 8ministrati ave division.

MR. EVANS: A question on land banking in the City of Brandon, can the Minister advise now whether a decision has been made to dispose of I think it is about 40 acres of land just south of Aberdeen Avenue in the City of Brandon? This was a subdivision that was going to be developed along the lines of Inkster Gardens. I asked the question of the Minister in the House a week or two ago and I was wondering whether now he could advise whether a decision has been made on whether the Corporation is going to keep that property and eventually develop it as a subdivision, selling lots to individuals, contractors and as well as maybe using some for public housing, or whether the land is going to be disposed of or is it just going to be left vacant or in a status quo position for the time being?

MR. JOHNSTON: Well, as I answered the member in the House the other day when he asked the question in the House, at that point I had had nothing in front of me. Since that time, there has been a recommendation by the board of MHRC to dispose of that land but the government policy has not been decided as yet regarding land bank.

MR. EVANS: As a clarification question then, Mr. Chairman, is the Minister saying that while the board or MHRC has recommended its disposition, it is a matter for the government to decide whether or not to go along with the board recommendation or overrule the board? In other words, the final decision on the disposal of land will be made by the government, not by the board of MHRC?

MR. JOHNSTON: That is correct.

MR. EVANS: Could the Minister advise, Mr. Chairman, when the government policy will be formulated on the land bank disposal?

MR. JOHNSTON: I'm afraid that I cannot advise, no, I can't.

MR. EVANS: Mr. Chairman, the Minister cannot advise when the government will make a policy decision. Is this with respect to all land bank or is this with respect to the Brandon . . . ? I was particularly asking about the Brandon situation.

MR. JOHNSTON: Brandon is part of the land bank and the policy decision regarding the disposal of land or use of the land bank has not been made yet. I can't answer the member as to when it will.

MR. CHAIRMAN: The Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. I would like to ask the Minister whether there has been a directive issued to the housing authorities that they are to cancel their insurance policies with MPIC on their housing units?

MR. JOHNSTON: They have not been issued a directive to cancel any insurance policies. They have been issued . . .

MR. URUSKI: No, to lapse, may be the word . . .

MR. JOHNSTON: When their insurance policies lapse, they are instructed to get tenders from everybody in town and to take the best tender, at renewal date rather than lapse.

MR. URUSKI: At renewal date they have been instructed to tender in each local area to ask quotes or to tender? What is the mechanism that you are intending to use?

MR. JOHNSTON: To receive quotes in each area.

MR. URUSKI: From the existing agents? But if there is one agent in that particular community, how do you propose to handle it? Will the agent give you a quote and handle it in that way, because there are communities where there is only one insurance agent in that community?

MR. JOHNSTON: I would be willing to bet the agent would represent several companies and we are going to ask for quotes, including the government insurance, certainly.

MR. URUSKI: Thank you.

MR. CHAIRMAN: 5.(a)—pass — the Member for Brandon East.

MR. EVANS: Mr. Chairman, can the Minister advise whether there has been or is about to be any major organizational changes in the Corporation? I am not talking about any minor adjustments because these take place all the time in any organization, be it public or private there are always changes that take place. But given the Minister's priorities and his own particular sense of direction, has there been a major change in the organizational setup of the Corporation and if so, could he just briefly enlighten the committee?

MR. JOHNSTON: Well, I don't know that it is a major change, there is the organizational chart as it stands now, the board of directors, the general manager, the assistant general manager, operations division, social division, research division, administration, and financial services, with their supporting staffs. You have the legal department and the corporate secretary up on either side.

MR. EVANS: Could the Minister indicate who the assistant general manager is now?

MR. JOHNSTON: We do not have an assistant general manager at the present time.

MR. EVANS: But there is provision for an assistant general manager?

MR. JOHNSTON: Yes. There is a provision for salary, too.

MR. EVANS: I beg your pardon?

MR. JOHNSTON: The provision is there and the salary is in the budget.

MR. EVANS: Is the general manager a full-time general manager? By that I mean, is he engaged as a general manager or is he engaged in other duties within the Corporation?

MR. JOHNSTON: He is a full-time general manager.

MR. EVANS: Is the Chairman of the Board a full-time chairman or is he engaged in other duties elsewhere in the government?

MR. JOHNSTON: He is the Chairman of the Board and as the Chairman of the Board, he acts as my Deputy. He does have some duties with one other Minister in the government.

MR. EVANS: One other Minister. Is this an onerous additional duty or is it a minor duty?

MR. JOHNSTON: It is a duty that he has been handling for a long time. He is involved with the Minister of Consumer and Corporate Affairs regarding lotteries.

MR. EVANS: I see. Well, does that take up 50 percent of his time or 30 percent of his time or 10 percent of his time or 5 percent?

MR. JOHNSTON: I have never measured it. I have always found that when I have some work for him to do, it is done.

MR. EVANS: Well, essentially then, he is a full-time chairman?

MR. JOHNSTON: He is a full-time Chairman of the Board, yes. He is the Chairman of the Board, but the Chairman of the Board previously was the Deputy. Mr. Currie was a Deputy Minister and a civil servant.

MR. EVANS: I would point out that Mr. Currie was the Deputy Minister of a department, the Department of Urban Affairs, which in effect meant that he had additional responsibilities, major responsibilities in dealing with the City of Winnipeg. So it would seem to me that this is probably the first time we have got more or less a full-time Chairman of the Board as opposed to what existed previously.

MR. JOHNSTON: Yes, and acting as my Deputy and working with the Minister, as I said, of Consumer and Corporate Affairs on Lotteries.

MR. EVANS: The question then to the Minister himself, does the Minister have other responsibilities in government? Is he Chairman of any other Cabinet Committee or apart from attending Cabinet meetings, which is normal, is the Minister . . .

MR. JOHNSTON: No.

MR. EVANS: Well, Mr. Chairman, what we have seen then, previously we had the Minister who acted as chairman and a manager, and there was an assistant manager but this is the first time, really, I would observe, Mr. Chairman, that we have a full-time general manager alongside a full-time chairman who I gather is the chief executive officer. Is that correct? Is the chairman the chief executive officer?

MR. JOHNSTON: I think that under the terms of the Act, the Chairman of the Board is the chief executive officer. The Chairman of the Board of most corporations is the chief executive officer and as such, automatically is the Deputy to the Minister, on that basis, yes.

MR. EVANS: So previously, last year we had the Minister and the chairman who were the same person and we had one manager. Now we have a full-time Minister of Housing and a full-time chairman and a full-time manager. So you have got three now whereas there was only one and a half staff man years before. In other words, there is a doubling in the senior executive level. I might add that this is . . .

MR. JOHNSTON: No, that is a ridiculous statement. You have got the Minister; you have got the

Chairman of the Board who is a civil servant, who always has been a civil servant, or has been for a long time; and you've got a general manager. If you want to go back to what I said before and when I said it in the House, I do not believe the Minister should be the Chairman of the Board and I told the honourable member that when he was.

MR. EVANS: Mr. Chairman, I observe that this is the first time that we have a Chairman of the Board and chief executive officer who does not also have some additional senior ongoing responsibility such as Mr. Currie, who was the Deputy Minister of Urban Affairs as well as being Chairman of the Board.

I would also observe that this is the first time, I believe, that the Minister responsible for the Housing Corporation does not have any other administrative duties. I not only think of myself but I think of the Member for Seven Oaks who was the Minister Responsible for the Housing Corporation and Minister of Urban Affairs, and Mr. Pawley, the Member for Selkirk, who was I believe Minister of Municipal Affairs and Attorney-General and responsible for the Housing Corporation. So it seems to me we've now got a Minister who is dedicating full time to the Housing Corporation, a Chairman and Executive Director who is full-time really, plus a general manager who is full-time and there's provision for a regular assistant general manager when that position is filled. So, there is no question in my mind that at the senior level there has been an increase in effect of personnel. There is no other conclusion that you can come to.

MR. JOHNSTON: Well, as I said, as Minister I'm not the Chairman of the Board, and as Minister, the Chairman of the Board is acting as my deputy, the same as Mr. Currie was. At that time, when Mr. Currie was Chairman of the Board, he was a Deputy Minister working with a Minister, and you had a general manager. It changed when you became the Chairman of the Board. So, if you are saying that you don't think there should be a Minister in charge of Housing in the government, that's your opinion.

MR. EVANS: Well, Mr. Chairman, I'm not offering any opinion; I'm trying to get a clarification that we have a full-time Minister in effect concerned with housing, a full-time Chairman and Chief Executive Officer of the Corporation and a full-time general manager and provision for an assistant general manager as well, and I think that speaks for itself. Now, you can interpret my question any way you like.

My question, does the Minister attend board meetings?

MR. JOHNSTON: Some.

MR. EVANS: Some. So that the communication . . . This is an administrative problem I would suggest, Mr. Chairman, it is not a question of what your housing policy is, it's not a matter of whether you believe in public housing or more privately built housing or what have you. This has got nothing to do with party platforms, it's strictly an administrative question, but it seems to me that if you have a Minister who is dedicated solely to housing — and maybe that's a good thing, because it is an important area — but if you have a Minister who has no other responsibilities within the administration of government apart from being a member of the general Cabinet, it seems to me — and if you have a board that is working making policies under the direction of the chairman — that there may be some room for the Minister himself being present at the board meetings. I can see a board operating apart from the Minister if the Minister is busy with other duties, but if the Minister is solely concerned with housing, it seems to me that it's just not very good administration to have a board making a lot of policies which eventually the Minister has got to be consulted on and give some direction. It seems to me rather awkward to give policy direction to the board that's making major decisions if the Minister isn't there. It seems to me that there's some inefficiency here that can arise and it's not necessary.

MR. JOHNSTON: I don't find it awkward at all and I don't find it inefficient.

MR. CHAIRMAN: 5.(a)—pass — the Member for Brandon East.

MR. EVANS: Mr. Chairman, I have before me the report on Government Organization and Economy, Volume II, Page 166 and 167. It states, "The continuance of the Manitoba Housing and Renewal Corporation as a Crown Corporation requires review. We understand from our meetings with the Corporation's senior management that CMHC is not constrained from dealing with the Department of Housing rather than a housing corporation. In the opinion of the Task Force, the Corporation has not been administered on the basis of sound business practice. While the Corporation's present

structure is capable of providing sound management if the roles of the general manager and the chairman of the board are clearly delineated, that has not been the experience to date."

So, Mr. Chairman, my question relates to this concern that was expressed by the Task Force itself, that there is requirement to delineate more clearly the roles of the general manager and the chairman and I would add to that the Minister. "The Task Force," — I'm quoting the last sentence "The Task Force has examined two options for the Corporation: (1) to lodge its functions with the Department of Housing or to retain its present structure." And it concludes, "has come to the conclusion on balance" — this is the Task Force — "that a Department of Housing would be preferable."

So I ask the Minister whether such an arrangement would be preferable because really as I can see it, a Department of Housing would put the Minister more directly in control of the administration of a very important area of government. He would have direct involvement and he would be more clearly and fully informed and in the stream of things. As it is now, it seems to me that when the Minister has full time responsibility for housing, that it just doesn't make sense to be sitting over here in the Legislative Building and having over on 185 Smith Street, boards and staff, a board meeting once a week or every other week, or whenever, making major policy and the Minister is sitting over here. One advantage I suppose of a department would be that you would eliminate a board, that would be one of the features of a department. The Minister would have direct contact with his staff, he wouldn't go through the medium of a board.

At any rate, again I repeat, Mr. Chairman, these are questions regarding administration, they have nothing to do with party policy or whether you like private housing or public housing. It is a matter of common sense, and it seems to me that there is a good reason, as long as you have a Crown Corporation, for the Minister to be Chairman of the Board to have him right in the stream of things as the Minister of Public Works so very well put it, to be right in the stream of things, but failing that, it would seem to me that the Task Force may have a very good recommendation here, that the Housing Department should be formed and allow the Minister to have direct administrative responsibility for what goes on in the Corporation.

MR. CHAIRMAN: 5.(a)—pass — the Honourable Minister.

MR. JOHNSTON: Well, Mr. Chairman, I would only refer the member to the Act. It's very clear as to the Minister's authority regarding MHRC when he is responsible for it. If you think I'm not in the stream of things, I suggest you speak to the staff and I think you'll find that I am. The deputy works out of my office so he's very close to myself and I don't believe that it's necessary to attend every board meeting, because when the Minister is at the board meetings they have a tendency to not make decisions because the Minister is there. They are looking for him to make the decisions all the time and don't make recommendations.

The Task Force report is a recommendation that is being studied and the points that they make, there is good and bad on both sides and it's being looked at.

MR. EVANS: Would the Minister care to offer any opinion as to the Task Force Report? It's being looked at by the government but has the Minister any view on — because it is very important to himself — has the Minister any view on changing the Act and setting up a department?

MR. JOHNSTON: Not at this time, we haven't studied it enough for me to make an opinion on it.

MR. EVANS: Mr. Chairman, the Minister is comfortable and feels that he's got a good liaison and that to have a board, considering that he is a full-time Minister and he has a full-time chairman of the board, that this isn't sort of like a fifth-wheel operation.

MR. JOHNSTON: Definitely not.

MR. CHAIRMAN: 5.(a)—pass; 5.(b)—pass. Resolution 7: Resolved that there be granted to Her Majesty a sum not exceeding \$19,987,200—pass.

Gentlemen that concludes the Estimates on the Housing and Renewal Corporation.
Committee rise.\$

SUPPLY — HEALTH

MR. CHAIRMAN, Mr. Abe Kovnats: I would like to draw the honourable members' attention to Page No. 39; we are on Resolution No. 60; Clause 4, Medical and Rehabilitative Services; (1)

pass. The Honourable Minister.

MR. SHERMAN: Mr. Chairman, just before we go on to that, I promised the Honourable Member for Seven Oaks an answer, late this afternoon, before the dinner break, to a question with respect to the Winnipeg Council of Self Help, and the grant that was voted in the amount of \$10,000 in 1977-78, and which is a non-existent grant this year. The \$10,000 that was voted in 1977-78 evidently was not paid to the Council of Self Help, Mr. Chairman, because the Council suspended operations early in 1977. It was no longer operating, and so the grant was not paid.

MR. CHAIRMAN: (1)—pass; (2)—pass; (3)—pass. The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, in this category, (a), could the Minister explain the drop in the amount shown for professional training?

MR. SHERMAN: Mr. Chairman, the items that the honourable member is referring to, Professional Training, had to do with training in mental health community workers and foster home sponsors, and the explanation is that the program is directed towards 80 community mental health workers and 75 foster home sponsors in the last fiscal year. There was similar training directed toward workers in the fields of mental retardation and vocational rehabilitation. The training in the mental retardation area is finished; it's been completed.

This year the emphasis is in the field of mental health and as a consequence, the amount required is less than was the case last year, because of the completion of the training in the mental retardation field.

MR. MILLER: Well, Mr. Chairman, is the Minister saying that the training is finished in the mental retardation field? But isn't the purpose of the training firstly to continue to upgrade those who already have been trained, and the other is to, because there is a considerable turnover of staff and people in this field, isn't the purpose to train new people as old ones retire, or simply drop out, so there's a constant turnover of people who require training. So, I don't quite understand it when he says they completed the training in the mental retardation field. I don't think it's ever finished, because of new people coming into the field. The same with foster home applicants. Surely there are new ones coming onstream all the time and they have to be upgraded or trained, if they haven't had any training at all. So that I just don't quite see how there can be that kind of drop, because it's considerable.

MR. SHERMAN: Well, Mr. Chairman, if we go back and look at the Professional Training item in total, we look at the fact that funds assigned for professional training are used for the support of two programs. I think I can answer the Honourable Member for Seven Oaks to his satisfaction; the type of training that he's talking about comes under the program which provides for stipends and bursaries for psychiatric nursing students and that appropriation is somewhat higher this year than it was last year. We are looking at \$348,800 in that area this year, compared to \$319,500 in 1977-78. This fund, as I say, pays stipends, and where necessary bursaries to psychiatric nursing students, and it's also used to provide bursaries for registered psychiatric nurses undergoing training, and the amount of money being requested from the Legislature is as I've described it.

Now, on the second program covered under this section in this vote is the training in the mental health field which last year took the form of training toward workers in the fields of mental retardation and vocational rehabilitation. The \$35,000 that the Legislature is being asked to vote for the province to spend in this field this year does not represent the total amount being spent in that area; it's simply the amount being asked in the vote in front of us at the present time. There will be an additional amount supplied by Canada Manpower. The total in this area is supplemented by Canada Manpower and will amount to approximately \$120,000, so we are asking the Legislature for \$35,000. The other \$85,000 will come from Canada Manpower. Thus, overall there will be \$120,000 expended in this field. So, it doesn't imply the kind of difficulty, or danger, that the Honourable Member for Seven Oaks has questioned me about.

MR. MILLER: Mr. Chairman, firstly, the federal involvement — this has nothing to do with the amount shown in the Estimates as recoverable from Canada. I see the shaking of the head; okay. So this is \$85,000 worth of training which Canada Manpower will pay for. Is that a new program on the part of Canada Manpower, or is that a program that existed last year in any case? I am wondering whether this is new money, or the continuation by Canada of an existing policy.

MR. SHERMAN: It's a continuation of a practice that was in effect last year too, Mr. Chairman.

MR. MILLER: Well, Mr. Chairman, then if it was a practice in existence last year as well, then when the Minister says, "Well, there's really no decrease in the program," then there has to be a decrease in the program. Because, if in fact Canada Manpower came up with \$85,000 or \$80,000, or whatever it was last year, but on top of that the program in operation last year required as much money as it did last year, then to simply say, the \$35,000 now in the Estimates, plus the Canada Manpower, will bring us to \$120,000 — the arithmetic may be right, but the amount spent in that field would be less because Canada Manpower last year also contributed X dollars — I assume about the same amount. So, to the extent that the Provincial Government is drawing back in its funding, is leaving more of it to Canada Manpower, really, if \$85,000 is federal and \$35,000 is provincial, it seems to me there is a decrease, unless I misunderstood what the Minister said.

MR. SHERMAN: Well, the explanation really lies in the numbers that were dealt with last year as compared to the numbers that are being accommodated this year, Mr. Chairman. Last year with the inception of the program there was a substantially larger number of persons that needed to be trained; all the foster home sponsors and workshop workers all required training, so that there was the initial seed money, the initial funding, the initial implementation, initial costs of getting the program onstream and in place. This year we're dealing with the field of mental health and those workers in the foster homes, the foster home sponsors and the workshop workers themselves, have been trained; they don't have to be retrained. Now we're dealing with additional personnel that are applied to the delivery of the service, but the basic group that required training has had that training. So, we're looking at a much reduced number of trainees, which explains the difference in the amount of money required.

MR. MILLER: Mr. Chairman, one other question is with regard to the World Congress on Rehabilitation that is going to be taking place in Canada. Is there funds in this particular section for the funds for that particular Congress? Is it in this section, or am I in the wrong section?

MR. SHERMAN: Well, this would be the section, Mr. Chairman, but there are no funds of a substantial nature voted or required for that Congress at this point in time. We have agreed to provide \$3,000, which is organizational money, and a support for the initial costs of organizing and planning, but the major amount that would be underwritten by the Province of Manitoba will not appear until we're looking at the appropriations requested by vote during 1979-80, the year of the Congress itself.

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

MR. DESJARDINS: Mr. Chairman, there might not be a major amount by the Province of Manitoba. Isn't it a fact that the way it was presented to the government, it was felt that the registration fees for the members should pay for most of it? I think that what they wanted was a loan. But, Mr. Chairman, it might well be, but there is no doubt that there should be some money spent by the Province of Manitoba, and at present, is the government, is anybody in the staff of the department working with the people that will host this Congress? It seems to me that the province will have to participate, and not only this department but the Department of Tourism, Recreation and Cultural Affairs. It seems to me that this is something that I hoped that we were going to do right and make the province proud, because I think we could expect as many as 5,000 people at this thing. —(Interjection)— 5,000 people. So that should be something that will benefit the Province of Manitoba; it's quite an honour and a privilege to have it here. There is no doubt that when you expect these people, you will have to have hospitality, and some kind of entertainment, and I hope that the two departments, the Department of Health, as well as the Minister of Tourism, Recreation and Cultural Affairs, I would imagine, and then maybe Urban Affairs, I don't know, will participate, maybe with the city and the other levels of government. It is held in Winnipeg, but it's also held in Canada, so it might be that we shouldn't wait until the last minute, and I hope it's going to be done well.

MR. CHAIRMAN: (3)—pass. The Honourable Minister.

MR. SHERMAN: Mr. Chairman, yes, the situation with respect to the Congress is being watched closely and does involve direct involvement by the government, by the Department of Health and Social Development on an ongoing liaison basis. We do have personnel from the department in touch with the World Congress body, the organizers of the Congress' international meetings and we will have a representative attending a meeting in June relative to the 1980 Congress here.

The Honourable Member for St. Boniface referred to the fact that much of the cost will be recoverable through registration fees; that's correct. My reference to a voted appropriation is to the possible requirement of having to put up some money because they won't have the cash flow at the time and then that would be recovered through registration fees.

MR. CHAIRMAN: (3)—pass; (a)—pass; (b)(1) Salaries—pass — the Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I wonder if the Minister could explain the reduction in the first two categories because it appears that there is a reduction here both in Salaries and in Other Expenditures.

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Yes, Mr. Chairman, there are three positions vacant at the present time which explains the reduction in Salaries. And as far as the reduction in Other Expenditures is concerned, it's a reduction of \$41.7 thousand from 1977-78 in contract staff moneys and in computer expenditures.

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

MR. DESJARDINS: Mr. Chairman, the concern that I have here is that much money is spent for those that are getting most of the care. I think that there is approximately 80-81 percent for those that are getting eight hours of care a day, at least. In other words, those that are hospitalized, and 15 percent for those that are getting just a very short — maybe 15, 20 minutes. And that leaves about 3 to 5 percent for all those between that.

So either you get an awful lot of care or very little care, and there is nothing in between. I know that it's a very difficult thing to get a handle on that but that concerns me quite a bit. It seems that there are some people that might not get this . . . It might be that we are coming back, that we are lucky to have the clinic such as Klinik and so that they are doing some of that work, at least helping.

Could the Minister tell us if there is any change in policies, or where they are going, what direction they are going in, or was there anything frozen on this, in this area?

MR. SHERMAN: There is no change in policy, Mr. Chairman. The honourable member appreciates that we're talking here about delivery of community mental health services and mental retardation, and rehabilitation services for the handicapped, and the co-ordination of that delivery with the operations of the mental health and retardation centres. That rationale has not changed in any way.

I'm not sure precisely what the Honourable Member for St. Boniface is troubled by in this respect unless it's the fact that he feels that even at best this particular branch of the service is not staffed or manned sufficiently to meet the requirements that he's concerned about, but there's certainly been no change in philosophy.

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

MR. DESJARDINS: No, Mr. Chairman, and I think that this is not a problem that just started on October 14th. I want to make it clear that this is not what I'm suggesting, but I think that this is another area that the Foster Parents are very important, and this is what I want to hear, what is being done in that area. I think that I had announced that we were going in that direction last year, and probably more important than anything else it's for the care for outpatients. Now, maybe the psychiatric beds for the children, I don't know if that's in there, but that might be one of the reasons why this will continue this year because the Minister recognizes this is one of the first priorities, but apparently the Minister is waiting to see if he can find beds somewhere.

Am I on the right item now, Mr. Chairman, or am I misleading the Minister at this time?

MR. CHAIAN: Yes.

MR. DESJARDINS: All right. I would like the Minister to tell us something, to give us at least a little more encouragement. I was very discouraged when the Minister said, not when he said that it was a first priority, the psychiatric beds, because he said that when he was sitting on this side

of the House, and he said that repeatedly, but he is saying that he waiting for new beds. Has he got a lead, or is that just a statement, because I can't see where he is going to get the beds, or is there something that might come out pretty soon that will free some beds that the Minister can start this 20-bed hospital. I'm not thinking only of those people, those twenty beds, I'm thinking of the work that then they will do, they're all set to go, they are eager to go at the Health Sciences Centre, and I hope it'll be near the Health Sciences Centre, but I'm thinking of the treatment for the day patients, and so on, you know, the ambulatory patient, this is where I think this will come out.

MR. CHAIRMAN: The Honourable Minister.

MR. SHEAN: Mr. Chairman, the Member for St. Boniface is quite right when he refers to my oft expressed concern for the shortage of acute psychiatric beds, particularly in the adolescent community, and my desire, like his desire, to try to reduce the problem in that area. The subject is a matter of very close discussion between my Chief Medical Consultant, er, Dr. Roy Taven and myself and my Deputy and other officials in my department, we had hoped to be able to announce before this that there would be some beds that we could free up in the Health Sciences Centre for acute psychiatric care of adolescents. It has not been possible yet to free those beds up, but it's something that we're working on very intensively. A number of alternatives are also being considered, including the utilization of other existing facilities in the City of Winnipeg.

There has been no further movement forward in respect to the construction of a 20-bed psychiatric facility of the kind proposed by the honourable member when he was Minister adjacent to the Health Sciences Centre, largely on the grounds that I feel there is an excellent opportunity to obtain accommodations of that kind in existing sites, in existing facilities, which are under study at the present time. The need is recognized, and I noticed a reference in one report to the fact that I had admitted that there was crisis in the field of psychiatric beds for juveniles and adolescents, and acute psychiatric beds generally.

I was rather dismayed by the use of the term admitted because it sounded as though I had denied it and denied it and then ultimately admitted it — I'm not referring to the Honourable Member for St. Boniface, this was another report entirely. The fact of the matter is it didn't require any admission by me, I volunteered it. I made the statement at an address to, I believe it was to the Manitoba Division of the Canadian Mental Health Association, to their annual meeting, and it certainly wasn't a statement that was extracted from me under duress, I volunteered it and I've said it before. I said it before I was Minister of Health, and I repeat it today. Whether we can resolve it short of constructing and erecting a new facility is still a question; I believe we can. I believe that there are beds and bed spaces available in existing facilities in the City. I don't want to suggest that anyone is a certainty, but there are facilities such as the old Grace Hospital, to mention one, where bed space of this kind could be made available if we can put the mechanics together that are necessary to have all parties concerned work together and co-operate to produce this result. That's what we're working on at the moment, so hopefully we will be able to supply them without going into construction of a new facility. I agree with the honourable member that those beds are needed. I consider that a top priority for me, as Minister, Mr. Chairman.

If we are looking at the proposed facility that was envisioned for the Health Sciences Centre property, the capital expenditure required would be approximately a million dollars plus, more than a million dollars. If we were able to use for example the old Grace, and I'm not suggesting we are close to a conclusion on that, but if we were able to use it, we would be looking at a capital investment in the neighbourhood of \$350,000, and in the interests of responsible financial and fiscal housekeeping I feel that we have to explore that possibility.

MR. DESJARDINS: What concerns me, Mr. Chairman, is that all this was done in the last few years. A year ago, a year and a half ago, we looked at Grace Hospital, the old Grace Hospital, and I don't remember exactly what the report was after thinking that we had something, that it couldn't be done, and the cost was a factor also and I'm very concerned because in the meantime I don't know if the Minister or any of the members in this House know what it is to have somebody full of anxiety and every minute is torture. And this is something that we're behind, we're not ahead, and it seems to me, I understand how important it is not to spend money foolishly, but a decision has to be made even if it doesn't meet the standard as far as the rooms are concerned, even if they are cubicles let's have something if we are going to plan.

I will go along with the Minister and say, "Well, let's plan, let's not waste money." But let's get somewhere, a cubicle anywhere, a broom closet if need be. Of course, I am exaggerating, but I

am trying to make a point here, Mr. Chairman, to show that it is quite urgent, that we can't go on and plan and plan and plan, and have to re-invent the wheel and start over in a couple of years. It seems to me that the Minister is not any further ahead than I was two years ago. I went through that trying experience of the department head, and everybody was concerned. Everybody agreed that something should be done, but I am afraid — and this was supposed to be done. There was some money there. They were supposed to have this construction, and now this has been stopped, and I would hope that at least there would be some kind of a compromise that we have something immediately that we — I don't know, we rent a place.

Another thing, we are liable to lose some valuable people also at the Health Sciences Centre, who were quite anxious to go and were ready to accept this and to play ball with us. As I say, this is only part of the program. I think that the outpatient people that will be treated there is also very important and in the foster homes that we can have — I'm going to, as far as I am concerned, leave this at this time, but again I think it is one of the — well, there is no debate. It was one of my high priorities and the Minister has repeatedly said that it is a priority of his. So let's please, together or with the help of everybody try to do something and do it now.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I wasn't sure whether I should discuss what I am going to discuss under the Health Services Commission or under this office, but in listening to the discussion I have come to the conclusion that it is this particular section where I should be talking about it. Because this is the office of Mental Health and Rehabilitation Services and it co-ordinates the development and delivery of community mental health services.

Very recently I was contacted by someone who had been a patient in a hospital, had undergone treatment in a psychiatric hospital in the city, and having gone through the treatment was then discharged because it was felt that they could go out of the institution. They then enrolled — they were asked to attend at a psychiatric day care program operated in this particular health institution, NT63 and there were I believe 30 or 40 people involved and suddenly the staff were informed that this particular program was simply being cancelled out, and the reason that it was being cancelled out is because the funds from Health Services Commission were inadequate to the hospital and therefore they had to pull back from this particular program.

Now, it's true, the Minister can say, well that's the Health Services Commission and that's the flow of funds from the Commission to the hospital and it is the hospital that is running the program, but this brings up the whole question of the separation of various facilities and the lack of linking both the treatment within a hospital and then the treatment that has to take place even after discharge but the continued contact and treatment through a day care program, which is still in the same facility and it takes place in the hospital although not by the psychiatrist himself. There are other psychiatric nurses involved who do it. It is an important treatment, because it is the logical and rational and only way that the step can be taken from being an inpatient to functioning outside of the hospital and getting the necessary support to the individual so they can carry on, go home, live at home, but nonetheless have the contact so they can come in every day or three times a week or what have you or what is necessary, until such time as they are able to function entirely on their own. And even then they come back periodically for the kind of support that will help them to continue to function outside the institution, or outside the hospital itself.

And I'm concerned that if this kind of financial pressure is being put on the hospitals, that they have to close down these kind of day care programs, then again we are being pennywise and dollar foolish, because what will happen to these people is that they will get worse, there will be a relapse, they will end up having to go to a psychiatrist on a one to one basis, which means that there is going to be fees paid to a psychiatrist or in the worst possible cases, there is a relapse and they have to go back into the hospital as in

So patients and that of course is more costly still. the logical and more cost-efficient way of doing it is to try to get the patient out of the bed, back into the home but with a day care program that the patient can work under and be involved in so that they can continue to live at home. And it is the cancellation of this kind of program which will seriously affect the delivery of services for those who require mental health support. There are many people involved. You know, many people affected by this kind of cutback. So when we hear that despite the decrease in funding there has been no visible effect in the services, the services are going on just as is, it just isn't so. The hospital in this case had no choice. It has a flexibility, it had, as the Minister might say, it's their budget, they can do with it what they want, but if the pie isn't big enough, then they have to resort to the basic primary services for which they must operate and they have to let go a service which has a feature to it, which should be very important to the Minister, that is the preventative to the

extent that it'll prevent people from going back into the hospital unnecessarily, that they can be supported and sustained through these day programs so they can still live at home and free up the beds that the Minister recognizes that there is a shortage of.

So, I would like his comments on this because I feel that we are stepping back, we are moving from the slow progress that had been made and we are now stepping backwards even further than we were five years ago.

MR. SHERMAN: Mr. Chairman, I'm not happy about the development to which the Honourable Member for Seven Oaks refers. I know the program and the hospital to which he is referring. That hospital has an inpatient load of 21 inpatients under psychiatric treatment. The day care outpatient program is a program that represents a concept that I certainly agree with as he does. I'm not trying to duck the question, Mr. Chairman, but this branch of the department really has nothing to do with whether or not that particular hospital continued that program or not. It really is a matter that comes under the aegis of the Health Services Commission, and the hospital budget. All I can say to the Honourable Member for Seven Oaks is that we have increased financial assistance in the area of support for community residences and foster home support for the mentally ill. We want to make it as possible and viable as we can for services programs to be delivered to the mentally ill and the post mentally ill in the community through foster homes and through community workers and through outreach and outpatient operations and day patient programs of the type that the honourable member has described, but I have to assume that in looking at its budget and in looking at its own redevelopment program and its planning for redevelopment, that that particular hospital board and administration made the decision that that was not a top priority aspect of the hospital's operation that could be supported at this time. This isn't to say that it will not be resumed in the future, this is not to say that it won't be dovetailed into any renovation or redevelopment plan, but for this particular year, going through the process that the hospital is going through, I can only assume that the decision was made by the board and the administration in the parameters of the knowledge that they have about their basic requirements and their redevelopment ambitions, and I can't challenge them. I believe it's the Misericordia that I'm thinking of, I believe that's the one that the honourable member was referring to, and I can't really challenge that decision. I suppose it's simple to say that if they had more money they would have continued that program. I'm not sure that that's the case. It may well be the case. If they had more money, they might use it for other purposes.

I haven't explored that specific subject with that hospital administration, but I'm confident that the concept will be included by that hospital board and administration in its future plans, that this is a decision relative to specific things they are planning and specific things they are limited to for this one year.

MR. CHAIRMAN: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, that answers what I predicted and said that the Minister might give, and that is that it is up to the hospital in how they handle their budget and up to the Health Services Commission. This is what bugs me. The Minister and other members of the government have said that the funding made available is adequate this year. There has been no diminution of services; there have been no cancellation of services; that the hospitals are able to function without any cutbacks in services. And yet here is a case where the Health Services Commission cuts, because it was ordered to by government, because the money they receive from government is inadequate, they placed a very low increase on the funds to the hospital. The hospital therefore has no choice but to start looking for cuts. It has no choice but to limit its operations, and faced with that sure they are going to have to give up this kind of program, which is not the traditional kind of hospital program — it's not the inpatients. They have to look after inpatients before they can look after those who come in on a day basis.

There is no doubt in my mind that the Executive Director of Misericordia Hospital says very honestly, "The recent decisions taken by government to limit funding in health care facilities now preclude us from using staff from other areas." Because they had one staff assigned to them, they borrowed staff from other areas in the hospital, but as the clamps are put on, then the flexibility they used to have is now gone and they are down to bone, literally. So they have to give up certain programs.

So for the Minister to say, "Well, it's, you know, the Health Services Commission and the hospitals, and they had to make their own decisions and prioritize." They are prioritizing all right, but at the cost of health services.

MR. ENNS: Now, now, now, now.

MR. MILLER: I'm sorry. This is a perfect example. The Minister of Public Works is saying, "Now, now." That is right, it is now that it is happening. That is the point, that is the point I am trying to make.

It is not enough for the Minister to sit back and say, "Well, it is the Health Services Commission." He has a responsibility in his department, called the Office of Mental Health and Rehabilitation Services, to co-ordinate the development and the delivery of Mental Health Services, to develop and co-ordinate, and I ask him, what is he co-ordinating if he says the hospital is out there in outer space. They have a responsibility to these people, how are they co-ordinating? They are co-ordinating by giving less money to the hospitals and saying, "Live with it, prioritize. If you can't do it, don't do it, but that is the hospital's responsibility." He is shucking it off and saying, "It's not me, it's the hospital."

He has a responsibility to develop services, to maintain services in this case. To maintain them, not something brand new, to maintain an existing service, and he says, "It is not me." Well, if he is not going to do, who is? Because actually, you know, the hospitals can take the position, that hospitals are for people who are bedridden, and that's all. They can take that position. It is a very traditional one. They finally have moved away from that and now the Minister is forcing them to go back to that traditional role.

So where is all this grandiose talk about services to people, to whole people, to not just treat people as patients in a hospital, but to give them the sort of services that they can be discharged from the hospital, go back into their homes as parents, in this case it's adults, who can function and yet be able to come in on a day treatment program on a regular basis, or on a casual basis, but to have the support so they don't crack up again and end up in bed as an inpatient, so they don't crack up and have to see a psychiatrist on a long-term program, which is even more costly.

So therefore I cannot accept the Minister saying, "It is not me." It is him, because this is under his department, to co-ordinate the development and delivery, and I am saying, "Never mind developing, maintain the damn thing." And he is not maintaining it.

The fiscal policies of this government are such that those programs cannot be maintained, and to hide behind the facade that it is the Commission and the hospital is nonsense. If you don't give them the money they can't do it. You know if you cut them down long enough and hard enough, they won't even be able to heat the building. But to put the hospitals in the position where they are being asked to carry the brunt and they are being asked somehow to be the bad guys in this little play, that was their decision, is nonsense; they were forced into it by lack of funds by this government.

This is a step backwards. It is not the expansion of the program, it is not even the maintenance of an existing program — a program that, if maintained, can in the long run save the government money. Since we hear so much about saving money, why don't you practice what you preach?

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Well, Mr. Chairman, all I would say is you can't put hospitals on a global budgeting basis and then turn around and interfere in all the decisions that they make. I think you can interfere in some, but I think it is preferable to limit that interference as widely as possible.

The hospitals and health facilities throughout the province generally are all in the same position of responding with their own innovativeness to the limited budgets that they face this year. They are all making adjustments and allocations of funding and programming on the best, most equitable, and most quality conscious basis that they can. I can assure the Honourable Member for Seven Oaks that by far the overwhelming majority have responded in a manner which does not call for a reduction of services, of patient services or care. They have been able to effect economies that perhaps were not pursued in more affluent years, because they didn't have to be pursued.

The Misericordia is in precisely the same position. If the Misericordia Board and administration had felt that this service was a service that had to be maintained at all costs, then presumably they would have effected an economy in some other area. It is not up to me as Minister to intrude directly and say, "Don't spend the money there, spend it somewhere else," except in an emergency situation. They obviously don't consider it an emergency situation.

Now, I don't quarrel with the member's position that it wouldn't be nicer to have more money and be able to have these ancillary services, and if they had more money there would be additional

services, additional ancillary services. That is a trend and a tendency that just grows naturally and it comes naturally to all of us, to everybody. It is human nature. Where do you draw the line? They know like the other hospitals and health facilities know that they are being called upon like professionals, semi-professionals, tradespeople, unskilled people, Manitobans generally, to meet a challenge of fiscal restraint this year. They have drawn the line where they felt they could most easily live with the line. If they felt that that was a service that had to be maintained at all cost, then I am sure that with their imagination and their innovativeness they could have effected the economy in some other area.

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

MR. DESJARDINS: Mr. Chairman, nobody has that much imagination, except maybe the Minister. You know, the Minister is misleading again.

The Minister is shifting, nobody talked about it, the Minister is now shifting certain responsibility for provincial policies to a certain hospital, because if the hospitals are told you are going to have only so much money, well of course they are going to come in, they are going to cut certain things. The Minister said, "Well, it's global budget, so it's their responsibility and they'll do what they think they should do," but the Minister didn't hesitate to tell the St. Boniface Hospital that they had — e, I still don't believe I still believe that this government had intended to finance this program on the heart surgery, it was in the Throne Speech and we'll come back to that when we go to the hospital. But all of a sudden, the St. Boniface Hospital had to do it, a brand new program because it's an expansion, it's considered a new program, and they had to cut down in an area to keep up the service that they were giving. They had to cut down to bring in another service, so that is not — what was the total increase? — 2.9 — that makes it less than that.

But, Mr. Chairman, even if that was the case, the Minister then is responsible. If he says this is what we're saying, and when we remind him then he says, "Cost first and need after," and, you know, they are doing their best. All of a sudden the Minister would want us to start discussing if the hospitals are doing a good job. Well, we aren't going to be lured into that, we're talking about the department, the Province of Manitoba. If there is no money, if you're told this is all there's going to be, well either they are going to do certain things — then we're accused of criticizing if we bring in that some people are going to two meals a day, other people are not changing the sheets regularly, or they're cutting down on needed service.

But, Sir, there's something else in this, the government is supposed to co-ordinate these programs. It's up to the government. You can't just leave it to 50 hospitals to decide they have a global budget, they'll do what they want. You can do that up to a certain point providing all the service that you want to give the people of Manitoba is provided.

Now let's look at the policy of the government, the past government, and this government is saying, "We believe in the same policies." The Minister this afternoon told us that he would want to start getting people out of institutions, right? We all agree to that. Well, in 1969 to 1976, at the Brandon Mental Health Centre, there was a decrease from 888 to 569, that's not a bad record. And at Selkirk Mental Health Centre, from 1969-76 they went down from 764 to 337. All right, at the same time, in 1973, the Psychiatric Institute was integrated with the Health Sciences Centre as the first step to rationalizing the system in a way to reduce the transfer to these hospitals. In other words, that means that there's a new policy, that you are not putting people away in a mental hospital away from their residence, you try to bring them back home. There should be more foster homes, foster homes would cost what? \$5 to \$10 a day. There should be more community group homes, that should be what? \$25 a day instead of the \$35 to \$40 or \$50 a day that we have in these institutions.

But if you follow me, Mr. Chairman, there was a reduction of people in Selkirk and in Brandon. That meant that some of the people from different areas of the City in Manitoba were sent back home, others who were at home waiting to be admitted were told, "You can't come in." There wasn't that much of a reduction in staff because of wanting to keep — there was some — the patient and the staff ratio. You know what happened, that backed into the psychiatric wards of the different hospitals in the City, and that's where the problem is, I say to the Minister.

So therefore I don't think it's because of this policy, because all these are part of a program, the depopulation, service at home, in the communities, and it was felt that people in these psychiatric wards should be there for a short duration, and try to send them back then to either foster homes or in their homes or in the community. Well, if that service is not provided there's something lacking, and we can have pious statements like all of us make so often about wanting to do something, of knowing that there should be some group homes, but what is done? Is there any money for

group homes in Mental Health? Are there group homes that will go this year? There's no group homes that'll go this year the depopulation of these centres, and you're not doing anything for the psychiatric wards in the hospital, what the hell's going on? Where's the service being done?

Could the Minister stand up and say, "Well, that's up to the Misericordia, and if they cut — I told them that they could go on 2.9 — if they cut this and if they want more for that, well, that's their decision. I can't butt in. I can butt in when it's heart surgery, I can butt in because we made a big thing of saying in the Throne Speech this would be done, I can order them to do it, but I can't do it in here."

There was a commitment that there would be a 20-bed hospital for children and another 20-bed hospital for adults, that was together at the Health Sciences Centre, that's not going ahead. There's new drugs now, many of these people are taken care of in personal care homes — there's a freeze on personal care homes. There's less money being spent on home care, and we're going to be told by this government, "We're going to wait for dollars." This is what separates the two, and we resent this and we will fight this, and we don't want this, and there is no way that the Minister could keep on, item after item, to say there's no cutback, we're doing as much, maybe a little more money, you didn't spend the money last year because they froze it come October or November. Sir, this is going to go back that we will not have a system at all and the people of Manitoba will suffer. As I said earlier, if you know of anybody who is full of anxiety, they can't live on promises. You know hell was paved with good intentions, but that's not good enough. You can't go on, you don't have to go into politics for that, you can preach on Sunday and say, "Wouldn't it be nice if we had this care, wouldn't it be nice?" Are we afraid, do we call this big government, are we afraid of this service, are we going to deprive the people of Manitoba of this service? This is exactly what we're doing, Mr. Chairman, and I can't see — I agree with my colleagues — especially in this area because the government, you might say that he inherited that, but he said that he went along with it. He believed in it.

They set up policies, they took people out of Selkirk, quite a few and I gave you the numbers. They took people out of Brandon, and they say that you're not going to leave Thompson from now on and go to Brandon, and you're not going to leave St. Vital and go to this other area, you're not going to leave Winnipeg and go to Brandon or Selkirk, you're going to have the service because we are going to bring it to you.

First of all, there is going to be home care. We're going to help you. Then we'll have centres around all the hospitals, and you will walk in as a day care centre, or you will have received your treatment, we are going to have these discussions together with the expert, the best expert and we have some good ones, and then you are going to go home and you'll fit in. You'll have trouble, but you'll come back and you'll get rid of your anxieties. You won't have to be transferred in this area.

Then, if it's a little tougher and if you have no family we'll fix it because we'll have foster homes. We'll have foster homes and they're going to help you and we're going to raise the per diem rate for foster homes if they want to take a course and if they understand and they can help you. If you are a little tougher than that, we're going to have — and foster homes will cost from \$5.00 to \$10.00 — but that's part of the system. You can't just have one, you must have the other, and then if it's a little tougher, we'll have these group homes, and that might cost about 20 to 25 dollars. But no, we do the one part, we kick them out of Selkirk and Brandon, we don't do a thing to improve the home care or the foster homes or the group homes or the day patient. We don't do anything for that and then we leave it. The Minister would have us believe that it is then up to the individual hospitals to decide should they spend that 2.9 percent in doing a little more in this area. We've cut down in other areas or they go in something else, that doesn't make sense.

You know, we are not married to this global budget. I believe in the global budget in many instances, but I know that when I was at the Commission, then I became the Minister when we talked about global budget, I can tell you what the hospitals would do. They knew that we were forced to do certain things because of policies, and they would say, this is the first thing we're going to cut, you know, global budget. Oh, no, just a minute, that you don't cut. They had a caveat, and they said you have to do that. That's one area that you can't cut. And the Minister has, not only the right, but the duty, the responsibility to do that. And I say, Mr. Chairman, if he underrated, if he didn't realize how bad this thing was, he's got to go back. It is not a question of eating crow, it is a question of being strong enough to say I was wrong, this government was wrong, and in fact, they weren't that far wrong. They were wrong in thinking that there was all kinds of abuse, that all kinds of programs could be cancelled.

And this is the Minister that really can see it, and this department spends 40 percent of the total cost. They weren't that wrong, because when they were sitting on this side, and when the

then Leader of the Opposition said, and during the campaigns, these are programs, in fact he said that 80 percent or 90 percent of those were started by a Conservative Government. I don't give a damn if the Ku Klux Klan started the program.

Mr. Chairman, I think that we've got to deliver those services now, and if it means going back and telling the hospital, well, just a minute, you don't cut down, that was a good exercise, it wasn't wasted, it would make you realize what you have to do, and it was a good exercise. It is nothing new. We did the same thing last year and the year before. I'll bring that later on during this debate. I'll bring some of the reports and some press clippings where the hospitals in those days thought that this would be so difficult but they were going to try — I think one of them said we're going to try like hell. And they tried and that's a good exercise.

If the government realizing that they went too far, if the government says now, just a minute, there is need. The Minister said, when I said cost, the needs. I was only talking about construction, well, construction is part of the treatment. But let's say he wants to drag his feet a little, we'll suffer because of that, especially in the personal care home, but he said that wasn't the case with the programs, but every single program that we've looked at since then it's exactly that, dollars, dollar sign, cost, then needs. I say that the people of Manitoba can't wait. These people are sick and they need help, and if they don't get help, do you know what is going to happen? They are going to go back in Selkirk, they are going to go back in Brandon, you'll have to put in more beds, you'll have to put in more staff, you might have to build a wing because it will be too late, the foster homes or the day patient service will not do the trick then, they'll have to go back into these institutions and that's going to cost this government, who wants to save so much money, who waited to make sure that they were spending wisely, who waited instead of spending \$25.00 or \$10.00, they are going to spend \$45.00 and \$50.00 plus capital cost.

That's what we are saying. If the government is saying from now on you can argue, you can say they are callous, you can say they are inhuman, but if the government can stand up and say from now on, this is the service that we are providing, that's the maximum, period, I want you to know that, fine. That's what we are going to argue. But the government is in effect doing that, but pretending that they are not doing that, pretending that they are in favour of every program. In the meantime they are wasting money, they are losing staff, they are creating all kinds of unrest and they are not, as I say, saving money at all. It's going to cost a hell of a lot more money, Mr. Chairman.

So, I say, it was a good exercise. The Minister said not too long ago, he said there wasn't that much fat as far as I can see. The programs are good. There is only one program so far, he said so far, he might develop something, that I've had to cut down and that's the Alcoholism Foundation, and I'm not saying that this is finished. That's what he said last week or the week before. Well, if that is the case, and if he can see that things that were started are not going ahead, well, the next step is for him to say we meant well, we want to cut down in these areas, it's difficult — let him cut some programs.

This afternoon, before the dinner hour, he said to the Honourable Member for Wellington, well, the Lunch and After School Program is something that we've inherited, we are replacing that by day care, and if there is anything that's what's going to be done, we don't expect to do any more. Fine. My friend didn't accept that, but that was a fair, honest, declaration of policy or what the future is going to do.

And that's it, and in some areas he'll have to do it. It might be that an opposition who doesn't believe in it will criticize him or an unfair opposition might criticize him for everything. I hope that if I agree with him that I can say so publicly to help him, but on the other hand, if he says that then, if he feels that money comes first in this, well, that's it. But if he doesn't, he's got to come back to his colleagues and he is going to say, just a minute we've got to raise the taxes you know, we didn't know too much about it, and there's not too many that knew, in that group there's not too many that knew anything about health. I'm not saying that as criticizing them, they never had the chance. There are very few that knew anything about health, about the province I'm not chastising them for that, that's politics, that's partisan politics, but they were going to do this, and they were going to do that, and now they realize, and I'm just talking about this department in the Health and Social Services Programs that it's not that easy. I think if they really want to prove that they are somebody, then we will be left with our mouths open and we won't be able to say a damn word. They can say, all right, we looked at it. In some areas we found fat, we cut it off; in other areas we were wrong, and we realize that now we are going to spend money. We are not going to save money, in the long run it is going to cost us money.

Therefore we are reinstating that, we are saying to certain hospitals, all right, you've got your global budget at 2.9 but I, the Minister, and my staff, are going to look, and then we say to you,

you will provide more, you'll step up the service in that, and we'll provide the funds. At least it will be that it won't be a loss. This hard line they took on the hospital will bear some fruit, but let's not be pigheaded enough it to say come hell or high water it's cost first then need after.

If this government, in their wisdom, or their ideology if that's what they want, well, at least let's call a spade a spade and tell the people of Manitoba that's it. You are so confident, if that's what you want, if that's what you really believe in, you're confident, you tell us every day that you're going to be there for 20 more years or 25 more years. Well, let the people of Manitoba realize what it is, do they want to go in debt, do they want to help to help some people that can't help themselves, or do they think that first of all you've got to be competitive, the big company's got to make as much money, as we're told, that's all you want. The big company has got to make enough money so they won't move to Alberta or anywhere else. There's only one way of doing it, give them more profit. As far as the government is concerned there's only a few ways of making sure that they get more profit, is cutting down their taxes, making sure there's very low minimum wages. These kinds of things, and making a statement that you're not going to allow any strikes, making these kind of things. And then, am I not justified, Mr. JChairman, in saying that you are doing that at the expense of who? I believe, I would like to see people make profit. I believe greatly in free enterprise. I believe in that, Mr. Chairman. But you know, I place myself as a legislator, I place myself as the head of a family, as a father, and I say at the expense of who? You know as a father I might like to go golfing, I like to belong to a club, I like to have a nice car, but at the expense of who? I don't want to be melodramatic but will I take food away from my kids?

A MEMBER: I got that nice car.

MR. DESJARDINS: You got that nice car, well, all right. You're happy with it, okay. I got a nice car, I've got a better car than you, and I paid for it myself. I've got a better car than you have now, it's mine, I'm happy. When I lost my job I did what the ladies do when they are in bad shape, they go and buy a hat. I felt sorry for myself, I went and bought myself a car, and it gave me a lift. —(Interjection)— Well, I took care of it. I took care of it. I was very conscious that it belonged to the people of Manitoba and I wanted to make sure that —(Interjection)— Well, they were going to have me double as the Fire Commissioner out there.

Well, any way, Mr. Chairman, I really seriously say that, that it is at the expense of who? You know, you can carry this thing if you want to make the people, and I can see the speech of the Minister in charge of housing, and I know how sincere he is, and I also know how unhappy he is. I've seen him smile twice in eight years, you know, and he was saying all we want is to give the people a chance. We want competition. And I can see him make that speech when they try to abolish slavery. I can just see him, just as sincerely, and say, but if we abolish slavery the people are going to make less money and this country would still have slavery. We can't compete. I'm not joking at all, Mr. Chairman, I'm making a comparison that is valid. I'm making a comparison that is valid, but enough of that. If we reduce the taxes and so on, I say —(Interjection)— does the Minister wish to make comment on slavery? What item on slavery, I think it should be filed under Conservative. I think it should be filed under Conservative because that's exactly what we're going to get. You know, you're giving choices of what? Of nothing or less than nothing.

So, Mr. Chairman, you know we can't rehash the whole thing, the campaign and so on, but I say to the Minister, all right you've served a purpose by this tough line, the people believe it, the hospitals believe it, and I'm sure they made a very good effort. I'm sure that when we said that two years ago, and last year, they felt that there was no room at all and they found some. And you can go on and on and on until they close the door and there'll always be something, you know that. But I say that you should go back to your colleagues, and say to them, well, you know, I found out, I had an education, things were brought ' up to me and then we discussed these things and we're not going to save that much money and it's raising hell with the people of Manitoba because this is not good enough. We're not going to let the Minister get away with this at this time, to say well, Misericordia Hospital must think that they're doing the right thing because they don't want to spend any more money especially when the government has moved them out of Brandon and Selkirk.

So, I say, Mr. Chairman, this is not satisfactory. The whole system, the whole treatment, the whole policy, the whole planning is falling apart if this is allowed. And I do very sincerely hope that the Minister will reconsider, will think of this very seriously and go back to his colleagues and see what can be done especially in this field.

MR. CHAIRMAN: I.—pass—the Honourable Member for Seven Oaks.\$

MR. MILLER: Mr. Chairman, the Minister in responding to me indicated again that somehow the responsibility was the hospitals, and if they chose to close this particular unit that was their decision, and he implied somehow that they did it without too many qualms. Mr. Chairman, Mayor Steen happens to be a Member of the Board of Directors of the Misericordia Hospital, he may even be the Chairman, I'm not sure, but in a letter to one of the people involved he indicated that the matter was brought to the Board of Directors at their last meeting and they instructed him to write and inform them that in fact the board was supportive of the desired retention of the service. However, we have been unsuccessful in getting the support of either the Provincial Government or the Health Services Commission to fund such a program due to recent restraint program which has affected health care institutions. It will be impossible any longer to continue this program because there is no longer any money whatsoever to do so."

So, Mr. Chairman, in his letter he indicates that neither the Provincial Government nor the Health Services Commission will fund it, and that's why I blame this Minister, because if he is responsible for the coordination and delivery of services, this is a service which is not being delivered, it's being cut out, and therefore I place the blame on his doorstep and not on that of the Commission. The Commission was funding what they consider the traditional role of an acute care hospital. This is not the traditional role, but it's up to the Minister to provide the funds for these kinds of services. And he has failed to do that, and to simply blame it on the hospital when they would like to very much, but if you don't give them enough money they can't do it. And to say it's a global budget and it is their responsibility is to try to foist the blame on somebody else, and I think the Minister should stand up and say, "I'm taking the responsibility" because that's where it lies. Don't blame the hospital board. They haven't got the funds. You haven't given it to them. They're not cutting out these services because they want to, because you squeeze them so hard that they have to cut out something, and they have no alternative. The other alternative could have been to say, "Well, we have 21 bed inpatients in patient beds, we'll cut it down to 15 or we'll cut it down to 10." Then the Minister would react. He wouldn't allow that. You're darn tooting he wouldn't, neither would the commission. But it is these kinds of programs which are so important to mental health in the province but the Minister sits idly by and says, "It's not me. It's the commission." Well, he's shucking his responsibility. He's hiding behind the Health Services Commission and he's hiding behind the autonomy of the hospital and saying they are to blame. They are not to blame. The fault is on the doorstep of this Minister.

MR. CHAIRMAN: The Honourable Member for Wellington.

MR. CORRIN: Mr. Chairman, I wanted to ask a question, or questions of the Minister respecting community health services. The Minister evinced a bias, a predisposition towards decentralizing the delivery of mental health services and I might say, and I believe the Member for St. Boniface has already indicated that that may be an ideal that we all anticipate with some relish, but I was wondering, in terms of progress, if the Minister could illuminate the Committee by providing us with some statistics that would be illustrative of what measures his government has taken in this respect. I would be particularly interested in hearing of statistics relative to expenditures on large versus decentralized institutions throughout the province; that is to say, the percentage of expenditures on a global basis spent with respect to the larger institutional settings as opposed to those amounts of funds spent on the decentralized smaller scope settings. If the Minister could place that in perspective by perhaps breaking that down as between last year as against this year or the last two years as against this year, it would be of some information to the Committee I'm sure.

I might also indicate to the Minister that I would also be curious whether or not it is his intention to follow the recommendation of the Task Force and reduce the number of nurses in community mental health care. I note that the Task Force recommended this and I know this was met with some shock by certain people in the mental health field, and I was wondering whether the Minister could indicate to the Assembly, or to the Committee rather, whether or not he will be advocating the implementation of this particular recommendation.

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

MR. DOMINO: Thank you, Mr. Chairman. Well, the Minister I'm sure could use some time to find all those facts. I wanted to say something in connection with the comments made by the Member for Seven Oaks and the Member for St. Boniface. I've been listening to the Health Estimates. We've been here a long time and I think that generally their contribution has been constructive and they've been doing a good job of reviewing the Estimates. However, I think it's also very important that

we have consistency and that we approach this in as honest a manner as we can when we're discussing something as important as health services.

Recently in the newspapers we've been notified once again that the public does not hold politicians in very high esteem, that 'indeed we rate, along with car salesmen, used car salesmen, at the bottom of the barrel. I think it's important . . .

MR. DOMINO: it's important because of the fact, because of the sort of statements and the sort of attitude that the Member for Seven Oaks took just recently. I, as a backbencher have no definite responsibilities, and I have a little more time than maybe some of the front bench people so I've been reading through old Hansards. I found it very interesting to note some of the comments and some of the things that were said by the Member for Seven Oaks when he had the responsibility of answering for the Health Estimates.

In the summer of 1974 when he was asked about the policy that some hospitals had of going on short hours for the summer and there were articles in the paper and there was concern from the doctors and staff and administrators that this was a horrible procedure, his answer, and I quote, this is from Page 3914, 1974 Hansard, "It's not my decision to review. The hospitals run their own institutions. They go on summer schedules as other institutions do." He suggested a little further on in his comments that somehow the Minister of Health should intervene over and over again and that the global budgeting procedure should be set aside and that every time there's a little pressure applied by the media or by members of the opposition that the Minister of Health should get in there and take on the job of running the hospitals. That's not possible. The Member for Elmwood mentioned earlier in the day already how overworked the Ministers of Health have been recently.

Well, let me quote again from the Minister of Seven Oaks. Again this is from Page 321, 1974, and he said exactly, quote, "I have a clipping here and it refers to the Manitoba Health Commission which has indicated that they are going to put a limitation on the budget increases and the headline on this one reads, "Hospitals predict cuts in services. "And I have another one here and it deals with some Winnipeg hospitals, and the headline here is "Hospital service cuts predicted". Both were written by Mr. Manfred Jager. The only difference is, Mr. Chairman, that one was written in 1974 and the other in 1966, so to those who are suggesting that this is something new and has just come up, this is an annual problem. The hospitals want an increase. I don't doubt that. And the Health Services Commission has a problem to try to control the cost, to try to make our facilities more efficient than they are. I think it's important that we remember the problem recurs and that it always seems to be one that's easy for the media to use.

Another quote. This one refers more directly to global budgeting and its effect. Again from the Minister for Seven Oaks when he was answering in the Estimates. This is Page 2879, 1974. He's talking here about the global budgeting and the ceiling the government placed through the Health Services Commission on hospitals and the fact that there was a great hue and cry that year about a need for salary increases and problems at the hospital and cutbacks in services again. This time he said, "This ceiling that's being referred to constantly is a global ceiling, a global amount that is turned over to the hospital and within that global amount they determine the allocation of funds. It does not mean that any particular salary has to be limited to 8 percent or that any administration or maintenance costs have to be limited. So that within a global amount there is considerable flexibility by the Health Services Centre to determine where it will increase or decrease or perhaps make savings, so that the suggestion that the MHSC and the Health Services Commission guidelines should suddenly be lifted I think would really not be a correct procedure, because in the final analysis the hospital and the Health Services Commission has to sit down and determine what is feasible and what isn't feasible."

I've been listening to the Health Estimates all along and I have a whole list here of quotes from not just the Member for Seven Oaks but the former Member for Springfield and the Member for St. Boniface and I think it's probably now not the time to bring them all up this evening, but I wouldn't be surprised if you're going to get a little less inconsistency and honesty when we talk about the Minister's salary because at that point there'll be a truth squad in effect here. We're going to talk about some of the inconsistencies.

It's fun to make political hay as the Member for Inkster suggested a couple of weeks ago, that every statement should automatically be tied directly to the next election. But that doesn't involve the health and the welfare of the people of Manitoba. What the present government is trying to do is maintain the services and cut costs wherever possible, an objective that I will admit, and I think the previous Minister of Health, the Member for St. Boniface — I think he tried hard. One of the reasons we're not finding a whole lot of extra because fat ishe tried harder than most Ministers. But still there are cost efficiencies to be made and I've got all kinds of quotes here from the former

Minister of Health and Welfare where he talks about ways in which he tried to save money, and that's exactly what our present Minister's doing. I think he's doing: (1) an excellent job of answering the questions for his Estimates and (2) I think he's an outstanding Minister of Health, because we've seen over and over again that in the time of very tight fiscal restraint in this Province, not 1974 when things were booming, but 1978 when the whole western world is in trouble, when all our economies are stymied we're finding that he's been able to find the money to keep programs going, to keep things running —(Interjection)— One. How many have we considered? The Member for Seven Oaks says, "We cancelled one program." He didn't cancel that. The hospital chose to shut that one down. If you would have been here a few minutes ago you would have seen what you answered when someone asked you that same question in 1974, so I just suggest . . . This is not a universal condemnation. I don't think I'm in a position to do that, nor would I want to. I think probably the opposition has done, not probably but for sure, they're doing a good job of Estimates, and most of the comments are constructive and I would be proud in most cases to participate with them, except that's their job and not mine at this point.

My job, as I've undertaken, is to make sure that we're consistent and that we're honest and that we gain a little bit of selfrespect from the public of this province, all of us as politicians.

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

MR. DESJARDINS: Mr. Chairman, seeing that my colleague, the Minister for Seven Oaks as he is called, has been absent, I'll try and close the debate.

Mr. Chairman, what the gentlemen have said is absolutely true, and when I was sitting on that side when I was Minister and when the members of this side were asking for more beds, I pulled out papers of 1959 when I started in this House — the same story, different people quoting it — the hospital wanted more and there was a job being done by the different people who tried to arrive at a happy medium. I did that, exactly that, represent the people of Manitoba with the medical profession and I was called — it was said that I wanted confrontation. The members knew that it wasn't confrontation but they let that go along and as the Minister said, there was less respect for politicians because it served the purpose to let it go. In fact the present Minister couldn't resist the temptation and the odd time he said it's not going to be like in the past, there's not going to be confrontation, there'll be consultation. That's true. But this is why we're going through this period. We have to be consistent. We have to be honest but we have different jobs. When you're in government and when you're in opposition it's different jobs.

And I say that's why, for instance we were talking — the honourable member was talking mostly of hospital — that is why there is a Manitoba Health Services Commission. I can say that the Manitoba Health Services Commission is non-political. The policies that are made by the government they are bound to respect them. But I could see that there has been no —(Interjection)— no, when I was chairman it was a political patronage job that I got. I admit that. But I think I did a fair job. It doesn't prevent me from doing a good job because I got my job because I supported this government.

So the thing is that at no time was there any interference from the then Minister, who happened to be my colleague to the right, and you can ask the Chairman now, there was no interference and I don't imagine there's much interference, if any interference — I qualify that, I'll come back to that because of some of the things that happened. But the thing is, it is the role of the commission to look and to scrutinize the budgets of the different hospitals. The ideal thing is to have global budget, give them some weight, and I agree with the member there is no way, and I said that to the Minister and I said it in the House, that there is no way, and I told the Minister that he was crazy to rise to the bait on everything and take the responsibility for everything when there is a board, because the board — they're experts, some of them have been there for a heck of a lot longer than we've been here — and they know their work.

And the ideal thing would go through the global budget except once in awhile, once every few years, you go back to a line budget, because you are responsible — and my honourable friend I think misunderstood what we're saying tonight — there is certain things that the Minister . . . the day to day routine the running of the hospital should be left to the different boards of the hospital. That's what they're there for. But, the programs and policy that reflects on the whole province, and this is why I added today that on this area that it wasn't good enough to leave it to the different hospitals because the government had said, "We are going to lower the population of Selkirk and Brandon," and they did it. And they did it by saying, "We are going to go on a policy that we are not going to have these people referred back for a long term stay in Selkirk and Brandon, they're going to stay in their community." And if you say that, if you have a policy you've got to try to

make it work.

And when I was at the Commission, as I stated just a few minutes ago and I'll tell you what hospital, The Health Sciences Centre said, "All right, we've got global budget, you're reducing us, we're going to cut down on this thing which was a new program that we had started." We said, "The hell you are, there's no way that you are going to do that, because you have a responsibility." I think that it's got to be a happy medium. You know, they were saying this when it was 8 percent; they were saying that when there was 9 percent increase; but it is now 2.9 percent. If we're going to carry through and say, "We're going to be consistent," as the Member for St. Matthews said, and I'm sure that he believes that and he's sincere, and you know he didn't embarrass me by saying that, and I wish he'd make these quotes.

I'll stand behind any of these quotes, and I explain what it is or I'll say I'm wrong, or I was wrong, but the thing is if we would carry through there would be no reason to spend all these hours on Estimates; there'd be no reason to try to have these, but the member himself said he thinks, in most part, it's being constructive criticism. And then you would go the other way, you see, if that was the case nobody should squawk when it was 8 percent, and don't think the members of the opposition weren't criticizing them, and that's what keeps the balance, and the hospital I used to have, I can't get that, they're all afraid now. But in the good old days I had a pipeline in St. Boniface Hospital who used to give me all the details, and I had more fun playing with George Johnson, who was the Minister and was a damn good one too. But the thing is, if we carried that along, what would happen? See, I said 8 percent, he might have given them 9 percent. The Minister says now, 2.9 percent; next year, nobody criticizes it's fine, they are doing their best they are trying to save money, it should be 1.9 percent; well that's going to work, nobody had criticized so it would be no increase at all. That's your global budget, it's your responsibility. Damn it if that works, what an idea if we set a reduction of 2 percent.

Does the member — am I making the point? This is the exercise that we're going along here — and it might be, I can't say how everybody in this House is motivated. Some of them are trying to get partisan points at all times; some of them are saying — you know I heard yesterday what Collver, the Leader of the P.C. in Saskatchewan said, but I don't pay too much attention to him; I know the fellow, he's a nut, so I wouldn't worry about it anyway. But this might have been one of his sane moments, I don't know, when he made that statement, but I'm not too concerned about him. —(Interjection)—

A MEMBER: He always speaks highly of you.

MR. DESJARDINS: Well, in this case he's right. So that is the nature of this exercise.

I was asked to attend a meeting today for some people who are not partisan. I'm not going to mention the group; they met with the Minister, they met with Axworthy the Liberals, and they're trying to push a point; they have no axe to grind, there's no conflict of interest, they are dedicated people who are giving themselves in one of these groups. As I said, I am not going to mention the group, but we're getting pretty close to discussion.

Now that's done, I'm sure that my friend, the present Minister, who I agree might be a good . . . I say, might be a good Minister, because nobody in his right mind will say you're a damn good Minister after six months; it takes a hell of a lot longer than that to even know where your chair is and where all your stuff is in that department, so I'm not going to say that he is, but I think that he can be, I have a lot of respect for him. And he has a tough job, he has an impossible job, so there's no battle there, and there's no battle with what the honourable member said. But it is left to the individual.

When you go through the whole thing, the meers of the opposition whatever government know exactly what's going on, but if they see an article in the paper that they know is wrong, the best that we can expect mostly of politicians is that they won't say anything because it is to their advantage, but most often they'll start this rumour going and going, like the Minister said just the other night. I had one that used to bug me because I knew that that wasn't the case — it was this damn confrontation with the doctors — but it was repeated by your colleagues so often that now that's my second name, "Confrontation" with certain people. And I know what the heck I was trying to do — I was only given 14 percent, I was a cheapskate; given 14 percent, I was a cheapskate I was ready to give them 14 percent at the time; it was six days after the end of their contract and I should have had a contract right away, now it's practically a year and there's no contract. But it's consultation, you know, it's consultation; and in my days it was confrontation. So you have that, and it's true that there's too much of that between the politicians. Probably I shouldn't be as naive as the backbencher, the new member, because he has reason. I've been here 20 years;

he's the youngest one and I'm the oldest one here, but I am naive, and that's the part I don't like about politics because I've got some friends on each side.

What other job or profession do you shave in the morning, and you hope that the Premier is going to have a scandal, somebody is going to run away with his wife, or something, so you can make political hay. You know, we don't even respect each other; we'll do everything to crucify each other, even when we know it's wrong, so how do we expect the public to believe in us? At least we should close ranks once in awhile when they say the politicians are all crooked, and that they all have ulterior motives, and so on, we're not doing it.

So, what my honourable friend is saying is good, that's his job, we've got to try to be consistent, but we've got different responsibilities. A member of Cabinet has some responsibility that a member in the opposition hasn't got, and if the things are reported correctly on both sides — this is what I'm saying, if this is what you are going to do, say so. You might be right, but if you are so sure that you have this mandate, and that you're going to be here for 20 years, well let the people know. They're not stupid; don't hide facts, and then they will see and they'll have a choice, that's what the democratic system is all about. But I say to my honourable friend, you will always have that, you didn't invent anything; it's not a big discovery that you made, because my honourable friend a few years ago — all right, my job is to do this and they want something, you have got to hold on with everybody, and in our system you'll hope that you are going to reach a happy medium. And we have more ammunition this year than any opposition had, because you are going too far; you are cutting down too far, and it was preconceived, it was determined that you were going to do that and you think that you have to live up to it.

I say be consistent; I say you're right, be honest, be concerned about the people of Manitoba and admit that you are cutting too fine — my friend practically admitted it himself, that that was pretty fine — and reinstate especially in some areas, that's all I'm saying. And that's our job — if the member at any time wants to confront me with any statement that I have made I'd be very pleased to debate it with him.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Winnipeg Centre.

MR. BOYCE: The Member for Wellington asked the Minister some questions. Did he want to answer those questions first, or . . .

MR. CORRIN: If the Minister has now had an opportunity to prepare some figures and give us a response, I think it would be timely.

MR. SHERMAN: Mr. Chairman, the Honourable Member for Seven Oaks suggested that I implied that the Misericordia had taken the position that they have taken, without too many qualms. I don't believe I did imply that. The Member for Seven Oaks may feel that I did; I don't feel that I did imply that. I said that they made the decision based on the knowledge that they had of the things they wanted to do, the things they wanted to achieve. I'm sure they made, as any facility would make, a decision to reduce a service or eliminate a program with reluctance, but nonetheless faced with the position they were in, they made the decision based on the knowledge of what they felt was important and had to be done first. —(Interjection)— . . . He says that I blame the Commission for the situation. I don't blame the Commission for the situation. I take full blame, full responsibility for the budgets that the hospitals and the health facilities face in the Province of Manitoba this year. I'm sure that my colleagues in the Executive Council don't want me to take full responsibility for it; I'm sure that they would insist that they share that responsibility, but I'm prepared to say to the Honourable Member for Seven Oaks that I take full responsibility for it.

My reference to the Commission was to the order in which the Estimates were being considered, the fact that this question as to what the funding of the Misericordia Hospitals and other hospitals amounted to, and whether it was sufficient or insufficient really comes under the resolution having to do with the Health Services Commission. That was what my reference was, it wasn't to the fact that the Health Services Commission should assume any blame; there is no was no question of blame, the responsibility lies with the Department of Health and Social Development and the Minister of Health and Social Development, and I accept that responsibility. They are living under budgets that my colleagues in the Executive Council and I agreed upon and set for them.

The Honourable Member for St. Boniface has asked me about the situation that hospitals find themselves in at the present time, and the matter of whether or not the government should be reconsidering, and I should be reconsidering the position we've taken. I can only advise him that the hospitals are coming in with their budgets, and their reports on their budgets this month, that

is the month of May. They have been coming in during the month of May with their budgets, with their suggestions as to how they are living within their budgets or whether they can live within their budgets. That process has been going on during this month, it's not concluded yet, but through my department officials and through the Commission, I certainly am in close touch with them on that challenge that they face. I would expect, within a very few days, to have a position from each one of the hospitals in the province with respect to their responsibilities, their challenges, their commitments, their difficulties, their possibilities and their impossibilities, vis-a-vis their 1978-79 Budgets.

The Member for St. Boniface has also asked me a number of questions that verge on policy and policy decisions and policy conclusions. I can't give him those policy decisions and those policy conclusions at this juncture, Mr. Chairman. In view of the date in the calendar year when the government assumed office and in view of the immediate commitments that we had as a new government to prepare for this session, to prepare the Estimates and the Budget for the year into which we were coming, there has not been time yet, and there certainly hasn't been educational and familiarization time available to me yet to be able to rush into areas of expertise on which I'm not fully briefed, and with which I'm not fully and totally acquainted and make hasty decisions. I would expect to be able to make some policy decisions during this calendar year that will be articulated in the Estimates and Budget process next winter and spring.\$

I would expect at that juncture to have to answer to my honourable friend for any questions and challenges in the area of policy that he puts to me, but I'm not and nor is the government in a position to answer comprehensive universal policy questions in the field at this time. Our policy was to maintain the programs, the services that we've got, to maintain the high quality of patient care and service that exists, and client care and service that exists throughout our health and social development programs, and to ensure that we were effecting what acceptable economies and legitimate economies could be identified as we went through the Estimates process and the process of studying our respective departmental commitments with our respective departmental staffs. And to bring in Estimates and a budget that reflected the intention of the government to pursue the first objective which it has made no bones about articulating and stating very clearly, and that is of getting the financial affairs of the province in order so that we can pursue with confidence, the maintenance of those programs and services to which Manitobans have become accustomed and which they deserve.

That was the first challenge, that came first. I think that it is unrealistic to expect that the new government can achieve and articulate and implement the kinds of policies either that we desire long range, or the opposition desires long range, in the first seven months of our administration. It is going to take us a considerable time, into the lifetime of our administration to be in a position where specific policies programs, directions, courses of action, are implemented and in place. We can't do it in the first seven months. The first seven months, the first year's challenge, was the fiscal challenge, and the members of the opposition know that. Until we succeed in achieving the kind of economic balance that we feel is necessary, we would be foolhardy to pursue policies and programs with open-ended price tags, without proper evaluation of measurement of effectiveness or need, or cost effectiveness, and put ourselves in a position where they would have to be cancelled out or disbanded, or discarded within a few monthstime in the future because there weren't funds available and there weren't the resources available in the provincial treasury to support them.

So we have to put first things first, Mr. Chairman, and that's the course that we have been pursuing. It has been seven months that we've been pursuing it. I would hope that in a few more months' time we will have reached a position where we can define specific policies and directions in the area of health and social development based on the full knowledge of the kinds of revenues and resources that we can project and expect for the future to maintain same. At this point, we're maintaining what's in place. That is not insignificant achievement I think, having come into the financial position and the challenge that we put as the number one responsibility facing the new government.

The Honourable Member for Wellington asked me about community mental health work and community mental health initiatives in general. I can advise him that we have 60 staff man years working in the field of community mental health from our regional offices, and there are 200 staff man year equivalents working in the field of mental health in the community from the three hospitals: Brandon, Portage and Selkirk. So that it's not a matter of being faced simply with the kind of day program that a particular institution might have introduced, and might have had to modify, reconsider, or disband. The field of community mental health and the professional commitment to deliver mental health services to the community, is an ongoing undertaking, an ongoing program; it is continuing

at established levels without reduction through our own regional offices and the staff that is made available in this field through those offices, and through the Outreach programs of the hospital institutions in the mental health and retardation field in the three centres that I've mentioned: Brandon, Portage, and Selkirk.

A glance at the appropriation being requested in this area generally would suffice I hope to reassure honourable members that we embark this year, 1978-79, upon an increased effort and an increased expenditure with respect to financial support for community residences and foster home support for the mentally ill. We are looking at increased funding in that area; we are looking at a new community residence for the mentally ill, the Sara Riel Residence, and it's the first one to my knowledge to come into existence. We're looking at increased foster home support for the mentally ill, the appropriation being sought in this area this year is \$314.2 thousand. . .

A MEMBER: Is that under Financial Assistance?

MR. SHERMAN: Yes, that's under Financial Assistance; Office of Mental Health and Rehabilitation Services. The amount voted for that in 1977-78 was \$268.2 thousand — it wasn't spent incidentally, but it was voted — \$268.2 thousand; the amount being asked from the Legislature this year, Mr. Chairman, is \$314.2 thousand. It formerly was under subsection (c) in this resolution; it's now under (b). Community residences for the mentally retarded, totalled 177 beds with 3 new residences coming onstream, to a total of 24 new spaces, which makes an overall total of 201 beds or spaces in that field; the community residence for the mentally ill — Sara Riel, which I have referred to; the maintenance of mentally retarded in the community and increased foster home support for the mentally ill. The total financial assistance and financial support being offered in this field represents an increase over last year, Mr. Chairman, so that we are continuing to maintain work and services in this field and to expand support to increase the funding to take the cost increases and inflation into account, and to get some spaces into place for the mentally ill, as distinct from the mentally retarded.

And that is the objective for this year, that is an objective that will be reached that will be achieved. It's important to me and to the government and I hope the honourable members opposite can accept it as a reassurance of our full intention to pursue delivery of services in the community for the mentally ill and the retarded, without reduction, without abatement, notwithstanding the kind of decision that a particular hospital may have to make with respect to a particular program. Those services are still available through our workers in the community out of our regional offices in the community mental health field, and they will be supported by the additional spaces in community . residences, and the additional support for foster homes and the additional financial assistance in this field, which I have just described.

MR. CHAIRMAN: The Member for Wellington.

MR. CORRIN: I remind the Minister that I also asked a question with respect to the Task Force recommendation to reduce the number of community mental health nurses available for community care programs. I think he has that information available — I see him nodding his head. I might also ask, since I'm up, what has transpired with respect to some of the community residences for retarded adults whose rates were fixed at 1976-77 fiscal year standards. I believe that there are such residences in Altona and Morden, in Winkler and Lorette, as well as one other one in Winnipeg, and I was wondering if the Minister could comment. I might note that the residence in Altona is operated by the Canadian Association for the Mentally Retarded and that same group also operates the Morden community residence. I would indicate that group as well is operating the Winkler residence. A group by the name of L'Arche (Winnipeg) Incorporated operates the Lorette residence. I would be very interested to know whether these rural rates particularly have been unfrozen and whether they are now floating free.

MR. SHERMAN: Mr. Chairman, I am somewhat at a loss to zero in precisely on the honourable member's concern, because such rates never were frozen, haven't been frozen and never were frozen. Community residence rates are reviewed every year; they have been increased this year in line with costs, in line with recognized salary increases and inflation; if he's talking about work shop rates, they've also been increased. We have not frozen foster home or group home rates; we have in fact increased them. If he knows of some specific instances where there appears to have been a freeze or a deferment placed on rates, I would like to know about them. It must be relative to some other problem or some other decision-making process, and I will certainly look into it, because it is certainly not the policy of the department. Those rates are under review regularly and annually; they are

increased annually and this year has been no exception.

The honourable member is quite right, I made a note of his question about the Task Force recommendation having to do with mental health nurses, and I forgot to answer it. I can only say what I've said about other questions relative to Task Force recommendations. Obviously there are some recommendations that will commend themselves to the government and some that won't. We have not, as a government — certainly I have not as a member of the government — had a chance to work out with my colleagues the various recommendations made by the Task Force in the field of health and social development. It's something that we will be doing at the earliest possible opportunity this summer. I can only assure my honourable friend that I don't buy the Task Force recommendations sight unseen, or simply on the basis that they were commissioned by our government. Obviously a great deal of work and effort and conscientious commitment was put into the recommendations by members of the Task Force but I have had some exposure to these questions and these problems in my department since October 24th, and I feel that my perspective should be brought to bear on these questions with equal weight. I'm assured by my leader that they will be given equal weight and I can assure the Honourable Member for Wellington that there are no recommendations of the Task Force which have been accepted or rejected relative to the Department of Health and Social Development up to this point and all of them will be put through a very intensive scrutiny by me as the Minister before they are accepted or rejected.

MR. CORRIN: Yes, thank you. I will investigate further respecting the alleged freezes that I mentioned in order to apprise the Minister of whether or not they can in fact be verified. I was wondering, the Minister mentioned that there was an increase with respect to the per diem rates awarded to the residences for retarded adults. Could the Minister tell us what percentage the increase was?

MR. SHERMAN: I'm sorry, Mr. Chairman, I'd have to ask the honourable member, is he asking for the increase in the per diem rates for retarded adults in community residences, group homes? The way the increases are arrived at, Mr. Chairman, are on an individual evaluation of the community residence or group home and measured against the individual circumstances, the particular location, the particular level of service, the particular medical level of the resident himself or herself, the amount of care of a custodial and treatment nature required, so that there is no hard and fast percentage. It is worked out on an individual residence basis and there is some variety, some discrepancy in the percentages but all related to the type of residence, the type of resident in that residence, and the area of the city or province in which it is located.

MR. CORRIN: Perhaps then, Mr. Chairman, the Minister, rather than giving us the specific percentage increase, could relate that increase in per capita terms, in terms of the number of retarded adults being serviced within the province and the cost to provide such service relative this year to last. I think that would be of some utility in determining the actual incidence of appreciation in these rates. I think that would give us a focal point and then perhaps with that focal point to illuminate the situation, we could usefully discuss the matter more rationally.

MR. SHERMAN: Well, Mr. Chairman, there is I think a fairly comprehensive or extensive Order for Return in to the department, to my ministry at the present time asking for a fairly comprehensive breakdown of the type that the honourable member has just described. I could also point to the appropriation being sought this year under the line having to do with financial assistance for financial support for community residences and increased foster home support. We are looking at a total of 201 spaces in community residences for the mentally retarded and an appropriation of \$1,102,600.00. So, it would be a matter of dividing the 201 spaces into that vote of \$1,102,600 and presumably or hopefully that would give the honourable member the kind of yardstick he's looking for. The increases this year, as in past years, are based on the cost increases, on the acceptable kind of increase that one would contemplate in the salary field and on inflation. I think, going back to the point I just put to the Honourable Member for Wellington a moment ago about the 201 spaces and the \$1,102,600 appropriation that he will find that that works out to an average of \$5,500 per year, per bed, as the amount of funding provided.

MR. CORRIN: Further to that response, perhaps quite simply what we could do in order to edify the committee as to the relative appropriations, perhaps if the Minister could tell us how many spaces there were last year and what the total voted appropriation was at that time, we could simply compare the 201 spaces he has related this evening and the \$1,102,600 with the appropriate figures from last year and thereby determine what in fact the actual amount of the increased expenditure will be if voted.

MR. SHERMAN: The appropriation for last year, Mr. Chairman, was \$924,000 at the start of the year, there were 141 beds or spaces with 36 additional coming on stream, which came on stream during the year for a total of 177. The other 24 spaces are actually coming on stream now, in this fiscal year, for the total of 201.

MR. CORRIN: Just to be clear then, does the \$924,000 relate to the 177 spaces or the 141 spaces? Was there by way of warrant or some other measure an additional appropriation?

MR. SHERMAN: The \$924,000 really related to the 141 spaces, but \$200,000 of that \$924,000 was not spent, so the total amount spent was \$724,000.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Winnipeg Centre.

MR. BOYCE: I waited, Mr. Chairman, because what I wanted to ask the Minister was on this appropriation, but nevertheless in a different vein. I appreciated the Member for St. Matthews entering the debate. If he is interested in reading old Hansards, perhaps he should go back to reading some of 1970, he may find them interesting reading. At that time, the Ministers got some pretty poignant questions from their own backbench from the former government.

But, Mr. Chairman, under this particular appropriation, the Minister is responsible for the administration of the Mental Health Act, and it is relative to the Mental Health Act that I wanted to ask the Minister a question. Under the administration of the Mental Health Act, Section 2 says that addiction means the suffering from a disorder or disability of mind as evidenced by a person so given over to the use of alcohol or drugs that he is unable to control himself or is incapable of managing his affairs or places his family in danger of severe distress, or the use of drugs or intoxicating liquor to such an extent as to render the user dangerous to himself or others." And the word "addict" has a corresponding meaning. I read that into the record at this time, Mr. Chairman, to ask the Minister a question, and I don't want to give either the Chief Medical Consultant or the Provincial Psychiatrist a heart attack at this time, but nevertheless there has been some interest raised in compulsory treatment, especially relative to the legislation which is being introduced in British Columbia in recent dates. Now I'm advised that it is under attack by the Progressive Conservative government in British Columbia, nevertheless this was an amendment to the Act in 1965 which is with the former Conservative government in 1965. I was listening to the Minister's remarks where he said in 7 months they haven't had an opportunity to formulate policy, so I am interested, and I think the people of Manitoba would be interested if the Minister has any information for us at this time as to their intention in this regard. The Progressive Conservative government in 1965 saw fit to amend the Mental Health Act, to include this broad definition of people who were addicts, and without going into the other provisions of the Act, there is quite a comprehensive compulsory treatment section for those people who are brought under this Act, and one of the reasons for bringing them under the Act is that they are addicted. So, perhaps the Minister could advise us at this time whether the government has any intention to enforce this particular provision or to utilize it. I believe the Minister is pondering the question, Mr. Chairman.

MR. SHERMAN: Well, Mr. Chairman, I'm consulting my Chief Medical Consultant because we haven't addressed this particular question as a government. I'm advised that as far as my officials know we've never used the Narcotics Control Act and the Mental Health Act is interpreted to mean that it is only applicable to persons of danger to themselves or to others.

As far as addressing and confronting the question myself as Minister, that has not been done yet. The Honourable Member for Winnipeg Centre raises a question and it's a question that poses a challenge and I presume it implies a request at the same time that I do that, that this government do that, and I accept that suggestion from him. It hasn't been done as yet.\$

MR. BOYCE: I would ask the Minister not to put words in my mouth. There is no way that I'm recommending it. I didn't recommend it to the former administration. You can't provide services for those people who voluntarily present themselves for treatment in this regard, and when we get to other items in the Estimates we'll cover some of that.

But nevertheless, a question I have is not relative to this as much as it is to other items, but perhaps the Minister could take it as notice, and have his staff provide us with the answer. He would have to use global figures I would imagine. Could he give us the latest figures on the sale of valium in Canada and also other associated sedative drugs? But, Mr. Chairman, when the Minister was making his case with my colleagues from St. Boniface and Seven Oaks, he was saying that the boards of the hospitals were charged with the administration of global budgets and that the

of the boards bore great weight with him. I was reminded by the Member for St. Matthews that consistency is the order of the day, and when we get to other items on the Minister's Estimates, I hope that the Minister will be consistent.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I would like to just deal with one particular aspect under this subject and would ask the Minister's observations and views in connection therewith. I believe that he received a resolution from the Town of Selkirk Council some two weeks ago dealing with the situation pertaining to the nursing homes in the town of Selkirk, namely the Tudor House Limited and the Selkirk Nursing Home, and the beds occupied by patients discharged from the Mental Hospital and I believe it would fall under this program. Now, the difficulty is that not only in Selkirk but through the entire Interlake area there is a limited number of beds, personal care beds. Yet over the last number of years, not just during the period of his Ministry, but in earlier years as well, patients have been discharged into the personal care homes. This of course has not assisted in the problem of placement of residents in personal care homes locally. I believe I could say to the Minister that the Tudor House Limited, probably 40 percent of its residents would be patients from the hospital and Selkirk Nursing Home would be approximately the same percentage for a total of, I would think 75-80. I would ask the Minister is there any clear advantage insofar as the residents themselves, patients becoming residents in the nursing homes? Most of those that I have had acquaintance with in the homes, it strikes me that it would make very little difference to them as far as knowledge of their surroundings, which is very very limited, as to whether they would be in the hospital or in the personal care home. At the same time there is some friction developed between the group of patients that are from the community itself as residents of the community, and those that are from the Mental Hospitals.

So, I would like to have the Minister's advice as to his position in this regard. I know that he's received a resolution from the Selkirk Town Council requesting his attention to this problem. I think it's also very important due to the fact that we have a freeze on construction of the personal care home in the Town of Selkirk and the situation thus is becoming more and more critical and certainly this is not contributing to an easing of that critical situation.

MR. SHERMAN: Mr. Chairman, I'm familiar with the submission and with the question that the Honourable Member for Selkirk raises. It's being examined at the present time by the Health Services Commission. I think the honourable member would agree that Selkirk, as a community, is pretty substantially served in terms of nursing home beds. It's regarded as being highly bedded in the nursing home field. My own limited knowledge of the situation would lead me to the conclusion that in the trend towards de-institutionalization and reduction of the population at the Selkirk Mental Health Centre in recent years, that this opportunity was sized upon, the opportunity to discharge patients out of the Mental Health Centre and put them directly into the nursing homes and was done perhaps with the best of intentions. Through that method and some others we certainly got the population of the Selkirk Mental Health Centre down but like so many other solutions to so many other problems in this world, it has brought with it its own problem, the one that the Honourable Member for Selkirk now describes.

I know that there is concern about it. I take it that the Honourable Member for Selkirk shares that concern or has considerable concern about it. I am waiting for an opinion from the Health Services Commission before making up my mind as to any policy decision that we should take. The alternative, I suppose, is to look at a higher population in the Selkirk Mental Health Centre and possibly a higher staff as a necessity, as a result, and that's a decision that I would be reluctant to take but if what the honourable member says is true that there's really no discernible advantage, as far as he can see it, to these particular patients by placing them in a nursing home rather than being in an institution, then that's something we would have to look at very carefully. I think as long as the proprietors and the staffs of nursing homes and the residents of the communities in which nursing homes are located can live with it, and I hope they can live with it, this presents us with one of the avenues we want to pursue to continue with the trend towards de-institutionalization. And I might say that I'm not thinking merely in terms of mentally ill persons in this respect, I'm thinking of mentally retarded patients as well, certainly those in the elderly, mildly and moderately retarded category.

I would hope that staffs and administrations and the public generally can accept the concept of patients of this type being in nursing homes and personal care homes. One has to try to achieve a delicate balance so as not to limit or restrict the opportunities for personal care beds for our well elderly or elderly who are not in the categories which we are discussing. But taking that into

account, always keeping that in mind, I see it as a certainly worthwhile avenue to pursue in order to continue with the trend towards de-institutionalization. If the Honourable Member for Selkirk sees serious pitfalls in this course, I would like to discuss them with him.

MR. PAWLEY: I would like to thank the Minister for his response. I do believe that there is room for de-institutionalization and I think that certainly the rehabilitative factors in many instances can be better through de-institutionalization than through the institution. In the circumstance relating to the nursing homes, those that have been occupying beds tend to be rather old and I'm not sure whether they are — and I don't claim to be any expert in mental health — but I do not believe they fit into the category of rehabilitative. I don't believe that they are receiving rehabilitative effort insofar as the nursing homes are concerned. I may be wrong but certainly the impression is that they are there during their final years and without any thought of rehabilitation involving those patients into the community itself. And thus, I can't help but say to the Minister, and I kind of shun offering opinion, because again I don't claim to be a professional in this field, but I don't believe that the individuals that I'm thinking of would be any happier in the nursing home than they would be in the hospital. That is just a personal impression and I don't believe that there's a rehabilitation factor. But I do thank the Minister for indicating that he is looking into this, and I appreciate his openness in that regard.

But I want to deal with one comment that the Minister made that does cause me concern because I've heard reference made to it on other occasions, that the bed capacity in Selkirk is of such a nature that it stands well in comparison to other communities, personal care homewise.

The difficulty is that I find that we are taking the total of beds in Selkirk, in personal care homes, without relating it to the fact that there are circumstances that are increasing the pressures. I mentioned the fact that in the Tudor Nursing House and the Selkirk Nursing Home there would be 40-50 percent of those beds occupied by patients from the hospital, so that is one factor. Secondly, in Betel Home, which is a third personal care home, I would say to the Minister that the occupants in Betel Home because it's had an ethnic sort of relationship, that so many of those residents are from other parts of the Interlake as well as from the City of Winnipeg, that insofar as Selkirk residents are concerned themselves, they are probably in a minority in all three nursing homes and I do believe that that fact is too often overlooked by people in the Mental Health Services Commission when they simply come back, as I've heard them come back on other occasions, before the present Minister saying well, there's plenty of beds in Selkirk personal carewise. I don't believe that it gives proper and adequate explanation to the special circumstances relating to each of those three personal care homes. So that I would hope, and I know that a general freeze has been imposed, but I would hope that insofar as consideration of the lifting of that freeze that Selkirk would not be placed on the low priority basis on the assumption that there is already ample beds in Selkirk. I think that's far from fact. The Selkirk Nursing Home communicated to the Minister in connection with same, is a very very old building, the old hospital in Selkirk, so its lifetime is very limited now, and it certainly would help though if this other problem could be dealt with because that would certainly open up beds for those in need in the local community.

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

MR. DESJARDINS: Mr. Chairman, if I may — I don't wish to prolong this, I think we should pass this fairly soon, but while the Minister is contemplating this I wonder if I could offer a suggestion, and I don't take credit for this suggestion. I think that the chief medical consultant and the director of the Selkirk Hospital could certainly explain the situation was something that had been looked at. I think that the Member for Selkirk has a point when he says that many of these people are occupied with personal care homes, and the discussion — he said that he had discussed this in the past; he even discussed it with me — it's true that if you're just looking at the personal care homes in the area of Selkirk, there are enough if there wasn't that complication, so therefore I would say that I think the Minister should be careful before he does allow any new construction like personal care homes. That might serve for a while, but then as you go with your policy, the population and so on, there'd be less people — you know, who've been in Selkirk so long now they feel that Selkirk is their home.

So the suggestion that I was going to make is — the Minister is looking at this problem — it might be instead of saying, "Okay, they might as well stay in the hospital while we're going to build a new personal care home." I think many of these people at a certain age, especially if they're sent there at an advanced age, belong in an ordinary personal care home with the new drugs and so on — the facilities — when you have the people trained. I think this is what the experts say anyway. My suggestion is that for the time being if this is felt — and I believe that it is a problem — that part of the building of the present Selkirk hospital could be turned into a personal care

home, and I think it'll be a question of cost. I don't know if the Minister follows me but instead of limiting these people, if you had a wing or some area which would be considered a personal care home but catering to these people because of the situation, and later on when that is done I think there will be enough personal care homes to take care of people, including some of y from the community. them, but only

Now there are people who have been in Selkirk for so long that they're admitted in these homes, so that would be a way out, if a wing or an old building could be temporarily — I don't think that too much money should be spent — could be considered a personal care home to maybe cater to some of these people with the proper staff, and eventually the population will go on — there'll be enough personal care homes in Selkirk and then you'll be able to knock these old wings down.

MR. CHAIRMAN: (1)—pass; (2)—pass; (3)—pass; (b)—pass; (c)(1) Salaries—pass; (2)—pass; (3)—pass — the Honourable Member for St. Boniface.

MR. DESJARDINS Mr. Chairman, the Minister didn't tell us about the workshops. The workshops would be covered under (3). I'd like to know how many there are now and if there's been any increase; or what the grants were made. Also I'd like to know how many community residences for the mentally retarded, mentally ill, are supported by the government.

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Mr. Chairman, the financial assistance to workshops being requested covers 19 workshops throughout the province, occupational activity workshops for 825 clients. Now the additional funds that are incorporated in the line that we're considering, we're being requested to increase the monthly workshop fee per client from \$80.00 to \$90.00, allow 50 new spaces to be added to existing workshops, and they allow price increase to clients of 8 percent maintenance fee and subsistence and 10 percent for transportation. That's 825 clients in 19 workshops, Mr. Chairman.

MR. DESJARDINS: It seems to me that there's a reduction in workshops. I think that there were 23 workshops last year. I wonder which ones have been closed. And then could the Minister also tell us about the transportation — this was the financial assistance to the clients — and then also there's the support for the transportation and the subsistence of these workshops. Community residences — I think there were 25 — ow many are there now, how many clients, and what is the amount of money?

MR. SHERMAN: The actual total of workshops that the Honourable Member for St. Boniface is referring to is 22, but three of them come under External Agencies, so there are 19 that are under this particular line to which I referred; then there is Arm Industries in Brandon, the employment preparation centre, and Skills Unlimited. Those are the other three, which brings the total up to 22. Would the honourable member mind repeating the other part of his question?

MR. DESJARDINS: This was an increase, I think, for the clients, but then there's the subsistence and transportation for the citizens in workshop in-training programs. Is there an increase in there? Are we catering to this — well, of course, those are the same people — the 825, I guess. And I also wanted to know the financial support for the community residences for the mentally retarded and also the vocational training program. I think vocational training program comes under this.

MR. SHERMAN: Well, as far as the community residences for the mentally retarded, those were covered I believe in Subsection (b) which we were discussing a few minutes ago, Mr. Chairman. Those are the 201 beds —(Interjection)— yes, the 201 spaces. They were transferred up from (c) to (b).

The transportation question that the honourable member asks me, I'm not entirely clear on. The amount of money that we're seeking in this appropriation includes price increases for maintenance fee and subsistence and for transportation, so hopefully that answers the honourable member's question.

Then vocational training for the disabled was his other question. Well, there's no change in policy with respect to vocational training or rehabilitation services, Mr. Chairman. but there will be a different method of funding support offered by the Federal Government because of the block funding proposal that has been introduced in Parliament and presumably will be worked through prior to calling the federal election and which will then be retroactive to April 1st of this year. That means that the

provisions now available and in the past available to the province on a 50-50 cost shared basis VRDP legislation will become extinct and the province will receive its support in this area on the basis of a straight block grant made by Ottawa to Manitoba for Social Services, including rehabilitation. The formula is based on population and on gross national expenditure and gross provincial expenditure and includes, as has been discussed in the House earlier, a levelling formula over a ten-year period under which provinces which currently spend above the national per capita average on social services will be levelled down to that national average and those who spend less than that will be levelled up.

The long term result for Manitoba is that we will be levelled down because we are currently substantially above the national per capita figure and there will be less money for expansion. There will be a slower rate of increase in money available to the province. There will not be the kind of money for expansion of programs and services in this field that we have experienced in the past. As a province we certainly took advantage of Canada Assistance Plan and VRDP funding opportunities and moved into a wide range of social services including rehabilitation services to the disabled which were fully cost-shared as you know. That permitted considerable expansion, and considerable expectation of additional expansion was generated by the Federal Government a year ago when they were talking about their new Social Services Act which never saw the light of day. So we have to live with the expectations that could be generated and we'll find, Sir, that the funding and the resources available to us will reduce in relative terms in comparison to other provinces over the next ten years.

MR. CHAIRMAN: (3)—pass — the Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, I wanted to ask the Minister if this is the right section that covers prostheses and prosthetic devices?

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: No, Mr. Chairman, that came under Medical Supplies and Home Care Equipment under the Resources Division, so we have passed that, but the honourable member can raise it on my Salary Item at the end of the Estimates examination.

MR. CHAIRMAN: (3)—pass; (4)—pass — the Honourable Member for St. Boniface.

MR. DESJARDINS: Could the Honourable Minister give us a quick breakdown of what these External Agencies are?

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Mr. Chairman, they include the Canadian National Institute for the Blind, \$433,500.00; the Society for Crippled Children and Adults, \$2,009,800.00; 1010 Sinclair, \$336,300.00; and then three that were in the past grouped together, Arm Industries in Brandon, the Employment Preparation Centre, and Skills Unlimited — in the past they were lumped together under one appropriation — I can separate them for the honourable member this year. For Arm Industries it's \$169,400; for the Employment Preparation Centre, \$155,700; and for Skills Unlimited, \$156,300.00. So the total is \$3,261,000.00.

MR. CHAIRMAN: (4)—pass; (c)—pass; (d)(1) — 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 Radisson.

MR. ABE KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that the report of the Committee be received.

MOTION presented and carried

MR. SPEAKER: The Honourable House Leader.

Tuesday, May 30, 1978

MR. JORGENSEN: Mr. Speaker, I move, seconded by the Honourable Member for Springfield, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 p.m. Wednesday afternoon.