

LEGISLATIVE ASSEMBLY OF MANITOBA
Wednesday, 18 March, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . .

**PRESENTING REPORTS BY
STANDING AND SPECIAL COMMITTEES**

MR. SPEAKER: The Honourable Member for Dauphin.

MR. JIM GALBRAITH: Mr. Speaker, I beg to present the first report of the Standing Committee on Private Bills.

MR. CLERK, Jack Reeves: The Standing Committee on Private Bills met on Wednesday, March 18, 1981 to consider Bill No. 15, An Act to amend The Landlord and Tenant Act, and has agreed to report the same without amendment.

MR. GALBRAITH: Mr. Speaker, I move, seconded by the Honourable Member for Portage la Prairie, that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Radisson.

MR. ABE KOVNATS: Mr. Speaker, the Committee of Supply has considered certain resolutions, directs me to report progress, and asks leave to sit again.

I move, seconded by the Honourable Member for Portage la Prairie, report of committee be received.

MOTION presented and carried.

**MINISTERIAL STATEMENTS
AND TABLING OF REPORTS**

**RETURN TO ORDER NO. 3
EMPLOYMENT — SENIOR CIVIL
SERVANTS**

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Mr. Speaker, I'd like to table a Return to an Order of the House, No. 3, on the motion of the Honourable Member for Fort Rouge.

MR. SPEAKER: Notices of Motion . . .

INTRODUCTION OF BILLS

HON. GARY FILMON (River Heights) introduced Bill No. 34, An Act to amend The Consumer Protection Act; and Bill No. 36, An Act to amend The Securities Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I should like to draw the honourable members' attention to the gallery where we have 35 students of Grade 11 standing from the Gilbert Plains Collegiate under the direction of Mrs. Walter Morris. This school is in the constituency of the Honourable Member for Dauphin.

We also have 58 students of Grade 9 standing from the Arthur Day School under the direction of Mr. Paul Laroque. This school is in the constituency of the Honourable Member for Transcona.

On behalf of all the honourable members we welcome you here this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the Minister of Consumer and Corporate Affairs. Can the Minister advise whether or not a submission will be made this evening on behalf of the Province of Manitoba pertaining to the public meeting being held in Kenora under the auspices of Eco Explorations Limited involving the design of tailing containment area for their mine, which is in the vicinity of the source of the City of Winnipeg water supply?

MR. FILMON: Thank you, Mr. Speaker. I covered that matter in the Estimates debate on my department last week and the response is that we will have representatives of the Environmental Management Services section of our department in attendance at the public hearing. My understanding is that initially the objective is to gain an understanding of just what is entailed in the particular mining operation that's involved and, subject to the findings or the information that's received, we obviously will be pursuing the matter further if there is a concern for any type of pollution that would accrue to the Province of Manitoba as a result of this intended installation, Mr. Speaker.

MR. PAWLEY: Mr. Speaker, further by way of supplementary to the Minister is the matter involves potential contamination rather than pollution. Is the Minister prepared to make a submission to the Ontario government in view of the fact that the consulting report completed by Robert Dodds, a Consulting Engineer for the Eco Explorations Ltd., indicates that toxic chemicals, indeed, could find their way by underground seepage or by failure of mechanism into the Winnipeg water supply system.

MR. FILMON: Mr. Speaker, I will have the officials of my department review that information. As I said, they will be in attendance tonight and subject to the information they obtain this evening we will be following the matter up with the Ontario authorities.

MR. PAWLEY: Then further to the Minister. Can the Minister advise under what criteria does the Province of Manitoba establish an environment impact review into, for example, the subdivision proposal in the

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same area, at the same time, has not in fact insisted upon an environment impact study into the application by Eco Explorations Ltd.?

MR. FILMON: Mr. Speaker, as I said during my Estimates review, the matter of the subdivision on Shoal Lake takes place on federal lands. We requested and have had granted a Federal Environmental Impact Review, to which we are making presentation. The panel consists of three Manitobans and all people being appointed by the federal jurisdiction, so that is the reason for an environmental assessment having been done by the Federal Government on that particular project.

The other project is located in the Province of Ontario, as I understand it, and therefore we do not have the authority to institute an environmental assessment review in the Province of Manitoba on that particular project. We are attending this evening to find out the possible implications and will follow the matter up with responsible jurisdiction upon receiving a review of what is intended to happen in the project.

MR. PAWLEY: Then further to the Minister, by way of supplementary, will the Minister assure the House that he will be in communication with his counterpart, the Minister responsible for Environment in the Province of Ontario, in order to ensure that it is clearly put to the Minister that this government and the people of the Province of Manitoba oppose any application which could indeed permit toxic chemicals to seep into the water supply of the City of Winnipeg?

MR. FILMON: Yes, Mr. Speaker, I can assure the member that if there is any danger whatsoever we will certainly be letting our concerns be known to the Province of Ontario.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Labour. Can the Minister of Labour advise the House whether there has been any monitoring of his desire to see to it that flex connectors, in homes which are heated by gas, which he considered to be dangerous are being changed, whether there is any monitoring as to the change which he felt was necessary enough to announce, is indeed being made.

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Mr. Speaker, I don't have the numbers in front of me. I reported those numbers during my Estimates. There was some, I'm guessing, some 20,000 that had been changed in the Province of Manitoba. Our department felt at that time that by and large — and I say that with some reservation because you don't know if every precise one has changed — but certainly the program was by and large completed and to the satisfaction of our department.

MR. GREEN: Mr. Speaker, on a supplementary question, can the Minister advise whether after he became aware of the situation which he disapproved

of, as to whether the gas company itself started changing the connectors that they would install? Whether he is satisfied that took place as well.

MR. MacMASTER: Mr. Speaker, when the Member from Inkster asks you a question you always wonder what the next one is. I'm satisfied generally that flex gas connectors are by and large replaced in the province and that they're not being installed now.

MR. SPEAKER: The Member for Inkster with a final supplementary.

MR. GREEN: Mr. Speaker, would the Minister undertake to check with the gas company as to whether, since the date of his announcement, they have been in fact installing connectors which meet his approval? Would he check it? I'm not suggesting that they are or they are not, but could he check that so that the citizens of Manitoba would be satisfied as to their safety?

MR. MacMASTER: I can certainly do that, Mr. Speaker.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, in response to the questions yesterday from the Member for St. Johns following upon his questions of last week, I will provide him with a copy of the response of today's date to the writer of the letter to which he referred rather than referring to all of the detail, Mr. Speaker, but just in general I can indicate to him that it is the practice of the office of the administrator of The Fatality Inquiries Act to release medical examiners and autopsy reports to next of kin without charge, upon the receipt of same. Unfortunately, in this case it would appear that there was no request to the administrator until February 13th of this year, Mr. Speaker, and the member may have some further questions as a result of reviewing my response.

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

MR. SAUL CHERNIACK: Mr. Speaker, I want to thank the Honourable Attorney-General and since I have the letter which was addressed to him and others and a copy thereof, I trust I can count on him to let me have a copy of his response which he is now indicating he's sending to me. Apparently what the Minister says is it requires a letter written to the administrator; it would have been better if the people involved knew about it. He's correcting me and I will learn what it is, Mr. Speaker. The only comment I would make is that, since there are not that many hospitals in the province, whether they should not be reminded of the procedures so that this kind of an embarrassing and painful experience would not be repeated again because of the inadvertence or lack of information of the people who should know and could have informed the complainant, the widow, of the procedures to be followed. I thank the Minister for the copy of the letter which apparently I have yet to receive.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Speaker, my question is to the Minister responsible for the Environment and it's following the questions asked by the Honourable Leader of the Opposition. In view of the fact that the document that has been prepared for Eco Explorations Limited, the mining company proposing to establish a milling complex on the shores of a water body which provides the water supply for the City of Winnipeg, in view of the fact that document is available, why has the Minister not had his staff review this document as to its acceptability, in terms of the environmental impact that this facility may have on the water quality; and why has he not instructed his staff, or someone from his department, to go to that meeting in Kenora and present a brief to the parties concerned indicating the position of Manitoba?

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

MR. FILMON: Mr. Speaker, I can't confirm whether or not the members of my department have a copy of that particular study. My understanding of the meeting is that it's a preliminary informational meeting and it's intended that members of my staff who are in attendance can, as a result of information provided at this meeting, decide what further action will take place. But I can assure the member that if we are convinced that there is any danger whatsoever to the water supply for the City of Winnipeg or any potential contamination to do with Manitoba's interests we will certainly be pursuing the matter as vigorously as we can.

MR. BOSTROM: Mr. Speaker, in view of the fact that this public meeting is part of the procedure for application on the part of the mining company to obtain approval for proceeding with a mill complex on the shores of that lake, why has the government not been more vigilant in their efforts to ensure that they know what is going on in that area and they know what the mining company is proposing, and informing themselves of what is happening in order that they may make an intelligent comment at that meeting tonight?

MR. FILMON: Mr. Speaker, this is the first of a series of steps that have to be taken and the first step, prior to making an intelligent comment, is to assess and evaluate what the proposal involves. If the member opposite is fully informed of it and he's in a position to make an intelligent comment then perhaps he would like to appear there as an individual concerned about the matter. But I can assure you that my staff will make comment when they have the proper information, not shooting from the hip as the members opposite are.

MR. SPEAKER: The Honourable Member for Rupertsland with a final supplementary.

MR. BOSTROM: Mr. Speaker, in view of the complete abdication of responsibility by the Provincial Government, it may be necessary for the Opposition to represent themselves at that meeting tonight to propose the case . . .

MR. SPEAKER: Order please. Order please. Has the honourable member a question?

MR. BOSTROM: Mr. Speaker, in view of the fact that the government was rather vigilant in insisting that the Shoal Lake Indian Band, which was proposing a cottage development in that area, have a full environmental impact study completed before they would provide them the opportunity to have access across Crown land to their . . .

MR. SPEAKER: Order please. Order please. Has the honourable member a question? May the honourable member proceed with his question?

MR. BOSTROM: Yes, Mr. Speaker, thank you for your tolerance. In view of the fact that the government has insisted in the case of the Shoal Lake Indian Band . . .

MR. SPEAKER: Order please. Has the honourable member a question?

MR. BOSTROM: Yes, Mr. Speaker.

MR. SPEAKER: The honourable member may proceed with his question.

MR. BOSTROM: Mr. Speaker, as I was saying, I would like to know why the government has not insisted in their communications with the Federal Department of Environment and the Ontario Ministry of Environment that there not be a full environmental impact study done at the same time on a proposed mine development. I must point out, Mr. Speaker, that this government is aware that the proposed mine was in the position of developing at the same time as the cottage subdivision was being proposed.

MR. FILMON: Mr. Speaker, it may well be that we urged that an environmental impact assessment review is done in connection with the mine. That will flow as a result of our attendance at the meeting this evening.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Minister of Government Services. Has the Minister investigated the complaint of the Manitoba Government Employees Association concerning the discrepancy between the policy as it applies to senior government officials in the use of government vehicles, as opposed to the policy as it applies to their juniors, Mr. Speaker?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. WARNER H. JORGENSON (Morris): Mr. Speaker, since that policy is one that was initiated by the Civil Service Commission, I would think that perhaps that would be the more appropriate place to direct that question.

MS. WESTBURY: Mr. Speaker, does the Minister accept responsibility for any of the departments under his control?

MR. SPEAKER: The Honourable Member for Fort Rouge with a final supplementary.

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MS. WESTBURY: Mr. Speaker, then will the Minister investigate the policy followed in the various departments with reference to the use of government vehicles? Is it true that his department has no control, as has been reported, and if it is true, why is there is no government policy on this matter?

MR. SPEAKER: The Honourable Minister of Government Services.

MR. JORGENSON: My honourable friend is perhaps confusing two questions that were raised in connection with this matter. The policy with respect to the change in the method of determining how the vehicles will be charged is one that has been developed by the Civil Service Commission and I suggest that question be directed to the Minister responsible for the Civil Service Commission.

The other question, with respect to the allocation of vehicles in each of the departments, the Department of Government Services consults with the various departments of government to determine which vehicles will be traded in in any given year. There could be a larger number from one department than another depending on the use of vehicles in any given department, for example, the Department of Natural Resources is perhaps the largest user department of government vehicles, so they may be getting a larger percentage of the vehicle fleet in any given year than another department. But once the vehicles have been accepted as an order by the Department of Government Services then the procurement of those vehicles takes place and they are then allocated to the particular department. Once they reach that department then it is up to that particular department to determine how they are going to be allocated within the department. I have no knowledge of how that allocation takes place within each department.

This method was changed recently to exercise more control over the distribution of vehicles within a particular department since they are now responsible for that distribution. I have made some inquiries from the various departments to determine how that allocation takes place. The only answer I can give my honourable friend is that within my own department, as I indicated during the consideration of the Estimates, the allocation of vehicles was consistent with the calling in of those vehicles and those people who had vehicles turned in were the ones that received the vehicles. That is the particular policy of the Department of Government Services and my honourable friend will have to get that answer with respect to the other departments from those departments.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker, I'm almost moved to move adjournment of debate but I'd like to ask a question to the Minister of Health. I'd like to ask him if private profit-making personal care homes have the authority to raise the per diems for residents within their personal care homes who are covered by the Provincial Health Care Program?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): The answer is no, Mr. Speaker.

MR. PARASIUK: Mr. Speaker, a supplementary to the Minister. In view of the fact that Mr. Brousseau, the owner of the St. Adolphe Personal Care Home, has informed at least one patient that he will have to raise the per diem rate for residents because the health care workers want more money, is the Minister prepared to inform the residents in that personal care home that any increases are the result of government policy, because Mr. Brousseau, in informing the resident of that, has foreknowledge of the fact that the government has raised the per diems from 9.25 to 9.75 effective April 1st and will continue to raise those per diems every three months into 1982 until those residents have to pay \$11.25 per day. Is the Minister prepared to give the residents the truth because of the misleading statements made by Mr. Brousseau.

MR. SHERMAN: Mr. Speaker, I don't know from whence the Honourable Member for Transcona gets the rumors and misinformed impressions on which he bases his questions today, nor do I know from whence he's got his misinformation and his incorrect statements and questions that he has raised relative to this subject earlier this week.

MR. SPEAKER: The Honourable Member for Transcona with a final supplementary.

MR. PARASIUK: Mr. Speaker, I have, in fact, visited the St. Adolphe Home, I've talked to the people there and I found out facts that the Minister wouldn't

MR. SPEAKER: Order please, order please. Has the honourable member a question?

MR. PARASIUK: I was answering the question that the Minister raised with me.

MR. SPEAKER: Order please, order please. May I suggest to the honourable member that the question period is for all members to ask questions of the Treasury Bench. I think it's not appropriate for others to be asking questions of other members in the Chamber.

The Honourable Member for Transcona.

MR. PARASIUK: I'd like to ask the Minister why he didn't personally go to the St. Adolphe Home and determine whether, in fact, patients had been misled by the owners with respect to per diem rate increases; why he didn't at least send his inspectors out there to determine that, in fact, windows had been broken for some time, had led to cuts being incurred by patients; that, in fact, the people were being double-shifted, were falling asleep on the job and as a result the quality of care at that personal care home had deteriorated drastically; why didn't the Minister find that out, Mr. Speaker?

MR. SHERMAN: Because, Mr. Speaker, I don't find out what is not correct. I attempt to find out what is correct and our inspectors, our Standards Division officers have been on the job, have been on the job much more thoroughly, much more intensively than I

suggest the Member for Transcona has. We take reports off on the operations and the status of the St. Adolphe Nursing Home virtually around the clock, in the present circumstances, as we do with any health facility where there is an industrial dispute taking place.

I repeat what I said earlier, that the questions raised by the member in this connection are based on his impression and his misreading and considerable misinformation. I don't know what his source of information is. I suspect that it's a very one-sided source and that he has not responsibly addressed the total question and the total picture. I have no doubt that he has a particular case to make and he speaks from that perspective; it does not represent what is taking place out there or what the Commission Standards officers are doing out there, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Emerson.

MR. ALBERT DRIEDGER: Mr. Speaker, I have a question to the Minister of Co-operative Development. Could the Minister indicate the policy in his department as to the allocation of vehicles?

MR. SPEAKER: The Honourable Minister of Co-operative Development.

HON. ROBERT (Bob) BANMAN (La Verendrye): Mr. Speaker, my department has received several new units over the last months. They have been allocated to the field officers, to the co-op development officers that do a lot of travelling in rural Manitoba and those people are using that. As far as the Deputy Ministers are concerned, Mr. Speaker, I would like to point out that the Department of Government Services has an arrangement with Red River Community College where, after cars have been repaired, Autopac write-offs that are bought by Red River Community College have been repaired, they will be turned in to the government. Mr. Speaker, both my Deputy Ministers drive Autopac write-offs that have been fixed by the Red River Community College.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker, my question is to the Minister of Agriculture, and it's in response to a statement in the paper made by a representative of the Grain Transportation Authority to the effect that while shipments of grain are up by significant percentages in Thunder Bay, Vancouver and Prince Rupert, this year over last year, shipments to Churchill are down by 44.6 percent. I'd ask the Minister what action he has taken to investigate this statement and if he can report to the House as to the accuracy of that analysis of the situation?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I'm pleased that the member for Churchill has finally realized that there's an export port there for grain

from southern parts of Manitoba. Mr. Speaker, to do with the exporting of grain out of Churchill, I'm sure the member is aware that the shipping doesn't take place until early July. There's hope this year, with the proposed meeting that is taking place in June and some of the efforts that have been put forward by the western Ministers of Agriculture and Transportation and will be put forward, we're trying to encourage the movement of product into the Port of Churchill so there would be some 5 million bushels there when it came time to ship the grain in the beginning of July.

We have continually expressed our concern, as a government, to keep up the shipment of grain through the Churchill port, and that effort will not be lessened in any way.

MR. COWAN: Thank you, Mr. Speaker. Unlike the Minister of Agriculture, I don't want to take political advantage of a serious situation. I would ask him if he can clarify the situation in respect to shipments beginning in July. Can the Minister indicate if the MV Arctic were available and if grain were available at the Port of Churchill for shipment, could shipments not take place in June from that port? If so, what activity is his department and his government taking to encourage and support the use of the MV Arctic for an early shipment of grain from the Port of Churchill?

MR. DOWNEY: Mr. Speaker, the member has been listening to some of the things that have been said over the past year or two, that in fact, the use of the MV Arctic into Churchill can in fact expand or lengthen the shipping season, as was demonstrated when Don Mazankowski was the Federal Minister of Transport, Mr. Speaker, that there was in fact, a demonstration of the lengthening of the shipping season, something that we've been continually pressing the Federal Government to do. I'm sure that it could in fact be brought in earlier in the year so that we could move into the month of June. I think it's that kind of effort that has to be put forward by the Federal Government to ensure the maximum use of the Port of Churchill.

MR. COWAN: Well, I'm certain the Minister is aware that the MV Arctic was in the Port of Churchill last fall as well under the present Minister, and it is not an activity that is confined to any one government or any one political party. I'd ask the Minister if he can confirm that there is at present not enough grain on hand in the Port of Churchill to enable a full shipment of grain from the port by the MV Arctic; and ask him specifically if he can indicate what specific actions he has taken, what representations his government has made to the Federal Government, in order to encourage the use of the MV Arctic in the Port of Churchill this spring, in this June?

MR. DOWNEY: Mr. Speaker, there has been continual discussions within the area of Churchill, or within the area of grain transportation and the use of Churchill, between the different authorities of government and of course, with the Port Authority and the Hudson's Bay Route Association, continual discussions and efforts put forward to expand and to do the things that will make sure that there are

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increased shipments. The member is quite concerned at this particular time for the reason that I'm not aware of, but last year, when the Member for Rock Lake asked the question, there was very few thousand bushels in the Port of Churchill when the boats came in. That is why, Mr. Speaker, we are now pressuring and trying to make sure that, prior to that shipping season, attention is focused on the Port of Churchill.

We're planning a tour to the Port of Churchill on the 4th of June of this coming year, and would expect that the Canadian Wheat Board, who do have the responsibility, Mr. Speaker, for making sure the grain supplies are at Churchill will, in fact, have those terminals full of grain, some 5 million bushels, ready to ship out. We're going to have the media along with us so that we can in fact see what difficulties there are in getting grain to Churchill for the beginning of the shipping season.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker. I have a question for the Minister of Education. In view of the fact that when he announced the new education financing system he indicated that no school division would be having tax levies of more than 5 mills greater than the year previous, can he explain why it is that River East School Division is indicating that its mill rate will increase by something like 11.5 mills, which will cost the homeowner of a home assessed at \$7,000, approximately an additional \$80, can he explain why that is?

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, first of all, when I announced the program I did not indicate as the honourable member has mentioned. What I did indicate is that the plan in most of the school divisions in Manitoba should result in a stabilization of school mill rates. The honourable member quotes something about 5 mills. This was a cushion that was built into the plan, 5 mills on eligible expenditures. Certainly a school division that chooses to go beyond the CPI increase in their expenditures will experience a tax increase; that's inevitable, Mr. Speaker.

MR. SCHROEDER: I thank the Minister for that answer. I would point out to him however, that in view of the fact that under the old system, using the identical amount of increase in funding for River East, the mill rate would have gone up by less than one-half of what it has gone up under the new so-called improved system provided by the Minister, can he assure the House that he will do something about this to make sure that those taxpayers are more equally and fairly treated?

MR. COSENS: Mr. Speaker, I would want to check the figures that the honourable member is using as he comes up with his proposal, to check out to see if in fact they are correct. We can go into that in my Estimates. I would look forward to debating that particular topic, but I'm taking his word at this point for it. I would like to see all of the figures and check them out carefully.

MR. SPEAKER: The Honourable Member for Rossmere with a final supplementary.

MR. SCHROEDER: Thank you, Mr. Speaker. I'm just wondering whether the Minister of Education could explain why it is that a homeowner in River Heights is entitled to write off against his tax, or be assisted by commercial enterprise north of Portage Avenue, while a taxpayer living on Bronx Avenue in East Kildonan is not entitled to look at the commercial revenue generated in Elmwood for the special portion of the education levy.

MR. COSENS: Mr. Speaker, obviously the honourable member does not understand the Educational Support Program. He looks at the mill rate that's being levied across the province. Under the Educational Support Program there is an equalization factor there, much greater than we have ever had before in this province. That type of assessment that he is alluding to is certainly included in that basic equalization across this province so that in fact the situation that he mentions is not taking place.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Health and ask him whether he has received notice of a person or persons in Manitoba who are providing counselling on adoption for a fee which is in direct violation of Section 97 of The Child Welfare Act.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, the Minister of Health and I spoke about this matter earlier. I can indicate to the Member for Elmwood that Mr. Warren was in touch with officials of my department earlier on and that matter is now under investigation by Crown counsel and the police forces.

MR. DOERN: Mr. Speaker, I would then ask the Minister of Health or the Attorney-General as to whether they can confirm that it is also necessary for anyone advertising in a newspaper or magazine published in Manitoba, to forward a copy of that advertisement to the Provincial Government with details of the kind of service provided and if that is not complied with, that too is also a penalty; there is a penalty involved with that subsection. So my question concerns advertising in the Winnipeg Free Press which is under the category of Abortion Counselling but may also have a complementary aspect to it of Adoption Counselling.

MR. MERCIER: Mr. Speaker, that raises another aspect which I have not been aware of and I'll undertake to review that with my department and with the Minister of Health and respond later.

MR. SPEAKER: The Honourable Member for Elmwood with a final supplementary.

MR. DOERN: Mr. Speaker, I then direct a question to the Minister of Health and ask him whether he can confirm, given that some people may be advising

private so-called do-it-yourself adoptions, is it not illegal to participate in such an action without the expressed approval of a government agency? Is it also not a fact that there is a six-month probationary period in such private adoptions in which a natural mother could reclaim her child?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, my understanding of prevailing legislation is as the Honourable Member for Elmwood has put it. However, I would advise that further exploration of the subject on that level perhaps be conducted with my colleague, the Honourable Minister of Community Services and Corrections, under whose departmental responsibilities the whole field of child welfare and child and family services comes. It does not properly fall under the Department of Health, Mr. Speaker, but certainly as Minister of Health our department would be very concerned if there were any medical professionals or health personnel involved in practices that were not in conformity with the existing law.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Mr. Speaker, I wish to direct my question to the Honourable Minister of Consumer Affairs. In view of the fact that he looks upon incorporation of companies and business registrations as a sign of a buoyant economy, does he regard the publication of the 1,500 dissolutions of corporations which appeared in the last issue of the Manitoba Gazette, as an indication of a deteriorating economy? —(Interjection)— 1,500, which is 200 percent more than what it was in 1977.

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

MR. FILMON: Mr. Speaker, I don't recall having made the statement that increasing incorporations were a sign of a buoyant economy and neither do I regard dissolutions as a sign of a sagging economy, so I can't confirm either part of the member's question.

MR. HANUSCHAK: Would the Minister then undertake to read some of the comments that he had made in the consideration of his Estimates and those made by his predecessors because on many an occasion those figures were used in the consideration of the Estimates of his department and if not his, certainly Economic Development, that was used as an indicator of a buoyant economy. Would the Minister undertake to do that and then indicate to the House whether he considers the 1,500 dissolutions of corporations as an indicator of a declining economy?

MR. FILMON: Mr. Speaker, I'll be glad to read any information the member would like to put before me. I recall having referred to the increasing numbers of incorporations as justification for a reorganization of staff in the corporation's branch of my department and an increase in staff man year complement. So I recall having made comments in that context but not

in the context of referring to a buoyant economy, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Burrows with a final supplementary.

MR. HANUSCHAK: Mr. Speaker, in view of the fact that the Minister had just stated that he planned to increase his staff to accommodate the increase in the number of incorporations, would he now reduce his staff in view of the fact that 1,500 corporations have become extinct?

MR. FILMON: Unfortunately, Mr. Speaker, my staff handles both sides of the coin and so that's increasing workload for my staff. I'm sure that they will look forward to increasing business for the department. I'm sure also that they share my optimism in suggesting that there will be more new businesses formed in Manitoba in the near future.

MR. SPEAKER: Order. Order please. The time for question period having expired . . . The Honourable Member for Gladstone.

BUSINESS OF THE HOUSE

MR. JAMES R. FERGUSON: Thank you, Mr. Speaker, I have one change on the Public Utilities Committee, that will be Mr. Einarson for Mr. Brown.

ORDERS OF THE DAY

SECOND READING — PUBLIC BILLS BILL NO. 11 - AN ACT TO AMEND THE MUNICIPAL ASSESSMENT ACT

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, would you call Bill No. 11, then Bill 8, 13 and 27?

HON. DOUG GOURLAY (Swan River) presented Bill No. 11, An Act to amend The Municipal Assessment Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. GOURLAY: Thank you, Mr. Speaker. This bill is fairly short but I'm quite pleased to supply some additional information with respect to Bill No. 11.

A new building or an addition to a new building is exempt until the building is substantially completed and is capable and reasonably fit to be occupied and used for purposes other than construction. A recent court decision held that an entire shopping centre was not substantially complete until every tenant had taken possession. Although the building was over 90 percent completed and occupied the decision held that the building was totally exempt from assessment. This amendment enables assessors to assess those portions of a building which are completed and occupied and the exemption will still apply to any part of a building which is not substantially completed.

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Another part of this bill is the provision to tax Cable TV, applies only to those facilities which are leased from a Crown agency. The section does not apply to Cable TV facilities which are privately owned and this amendment provides for the taxation of all Cable TV facilities, including privately-owned facilities as well as those which are leased from a Crown agency.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: I'd like to ask the Minister a question if he would submit to one in order to clarify the bill. Mr. Speaker, it's my understanding that the clause which the Minister is replacing is quite similar to one which exists in The City of Winnipeg Act which I believe was inserted at approximately the same time. Can the Minister advise whether or not that is the case and, if it is the case, is a similar amendment being proposed in regard to The City of Winnipeg Act?

MR. GOURLAY: Mr. Speaker, I'm not sure that this amendment will be forthcoming as far as The City of Winnipeg Act.

MR. PAWLEY: Mr. Speaker, would the Minister, by further response to my question, indicate whether or not he's prepared to check with The City of Winnipeg Act, ask the Minister if he is not concerned that there be two inconsistent provisions; one in The Municipal Act the other in The City of Winnipeg Act and two different applications, insofar as the Province of Manitoba is concerned, pertaining to court decisions relating thereto?

MR. GOURLAY: Yes, Mr. Speaker, I'd be quite prepared to check on that and report back to the Leader of the Opposition.

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS: Thank you, Mr. Speaker. I beg to move, seconded by the Honourable Member for Elmwood that debate be adjourned.

MOTION presented and carried.

ADJOURNED DEBATES ON SECOND READING BILL NO. 8 - THE GARNISHMENT ACT

MR. SPEAKER: Proceed to adjourned debate on Bill No. 8.

The Honourable Member for Logan.

MR. JENKINS: Thank you, Mr. Speaker. I adjourned this debate on behalf of my colleague, the Honourable Member for Churchill.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. I'd first like to inform the Attorney-General and the House that we have reviewed the amendment which was presented to us and are satisfied with the principle of the amendment and support the process of bringing

The Garnishment Act into line with the Family Law legislation and by doing so thereby providing for an improved maintenance program, as the intent was described by the Minister during his opening remarks on this particular bill. Therefore, Mr. Speaker, we have no objection to Bill No. 8 going to committee and we look forward, at that time, to being able to participate in detailed discussion as to the exact mechanisms and ramifications of that particular bill.

However, while the Act is open, I would like to bring to the attention of the Minister a different section of the Act which may in fact be impacted by this particular piece of legislation, by this particular amendment to the Act, and I do so to provide him with notice that we would like to discuss it during the committee hearings in some detail and would like to give him an opportunity to review it as well, and that is in respect to the pensions part of The Garnishment Act.

As it stands now, Mr. Speaker, according to the definition of the Act, wages include salary, commission, fees and any other money payable by an employer to an employee in respect of work or services performed in the course of employment of the employee. That means, in fact, that pensions are not considered to be wages as the Act stands now. Because of the restricted definition of wages in the Act pensions are not considered to be wages. What difference does that make? The fact is that there is an exemption under Clause 6 of the Act which states "except as in this Act otherwise provided 70 percentum of any wages due or accruing due by an employer to any employee is exempt from seizure or attachment under a garnishing order issued out of any court". So 70 percent of the wages are protected but nothing, no percent, of the pensions is protected at the same time because pensions are excluded by the restricted definition of wages. I bring that to the Minister's attention because in fact it has, in practise, resulted in difficulties where people who are living on pensions alone can have 100 percent of their pension garnisheed under the Act as it stands now.

I believe that the Minister would agree that in fact that is a situation that should not exist. It can be rectified by a very simple amendment to the Act while we have it open that would include pensions in the definition of wages. They're excluded now because they are not sums of money which are paid by an employer to an employee for the provision of employment. But in fact philosophically they are an extended payment from funds that were ministered or funds that were in fact agreed to, or at least agreed to by the employer to the employee. The problem that we see is not one of a philosophical nature but simply one of the wording of the Act as it is now. I can assure the Minister that it is a problem. I was informed of a case that happened just recently whereas a person's pension was garnisheed 100 percent under a garnishment order. At that time Great-West Life was contacted and I am informed, I did not contact them myself, but I am informed that they made the following comment, their Legal Department made the following comment: That this problem has come up before and that it was resolved in the past in favour of the creditor rather than in favour of the employee. So we have a situation where a person who is presently working

and earning a wage is afforded protection at 70 percent of their wages but a person on pension is not.

I hope that the Minister would agree that is a serious concern and one which, at the very least, bears some investigation by his department. That is why we have brought the matter to his attention at this time and would hope that he can give us a commitment that during the course of the committee hearings we will be able to discuss that matter and he will be able to provide us with some detailed analysis of the situation as it exists today and as well, we would hope, provide us with some mechanism to correct what appears to be an inequitable situation.

So having said that, we have laid that notice on the table, we do support the principle, we do believe that the improvement of the maintenance program is an honourable dole and we do support the Minister in his efforts to make that an even better program yet. We look forward to discussing this particular bill or amendment to The Garnishment Act in the committee and in specific to discussing the problem which we have brought to his attention today.

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

The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, I most certainly give my undertaking to the Member for Churchill to review the matter which he has raised. I could indicate to him that there may also be some other minor amendments introduced with respect to these sections to further clarify them, but I will be in a position to report on the matter that he has raised when this bill is in Law Amendments Committee.

MOTION presented and carried.

BILL NO. 13 — AN ACT TO AMEND THE REAL PROPERTY ACT

MR. SPEAKER: Bill No. 13 — the Honourable Member for Logan.

MR. JENKINS: Thank you, Mr. Speaker, we are prepared at this time to have the bill go to committee. If we have any questions they will be raised at that time that the bill goes to committee. There may be other members that wish to speak on this bill at this time but as far as we're concerned the bill can proceed at this time. If we have further questions, we'll deal with them when we are at the committee stage.

QUESTION put, MOTION carried.

BILL NO. 27 — AN ACT TO AMEND THE HIGHWAY TRAFFIC ACT

MR. SPEAKER: Bill No. 27 — the Honourable Member for Logan.

MR. JENKINS: Thank you, Mr. Speaker. I adjourn this bill on behalf of my colleague, the Honourable Member for Wellington.

MR. SPEAKER: The Honourable Member for Wellington.

MR. BRIAN CORRIN: Thank you, Mr. Speaker. Mr. Speaker, by and large I can say that members on this side have no serious concerns with the provisions of the bill in question. We recognize that it was essential and necessary that the government take steps to buttress the provisions of The Highway Traffic Act in order to replace the former penalties and sanctions that were included in the Criminal Code provisions that were declared to be nullified or void by the Supreme Court of Canada last month.

Mr. Speaker, we do have, however, some concerns with respect to the penalties that are imposed by this piece of legislation. We feel as a matter of general principle that the government is not being sufficiently creative in its approach to the problem of how to deal with drivers who get into this sort of situation. We feel that there is no real relationship between the amount of the maximum fine and the period of maximum incarceration. We have some difficulty with the idea of a maximum fine of \$1,000 being equated with a term of six months' imprisonment. We feel that in the context of modern society in the 1980s that it's very difficult to appreciate how one could try and draw a relationship between that amount of money and that amount of time in prison. Mr. Speaker, I say that because I believe that wherever possible this Legislature should be moving away from strict punitive sanctions such as are represented by lengthy terms of incarceration in heavily subsidized prisons, because that's what prisons are, Mr. Speaker, they represent a form of penalty not only to the person who is incarcerated, but a form of punishment to the taxpayer who has to maintain the institution through his taxes.

So, Mr. Speaker, we say that it's time to look at alternatives, better alternatives such as are, in our opinion, represented by terms of community services and we know that this was begun under the tenure of our government. We do not feel that the principle is being sufficiently extended in contemporary legislation, so we look to the government to find more progressive ways of dealing with this problem.

Mr. Speaker, one need only think about the sort of situations that might arise under this piece of legislation. An owner who permits somebody to drive an unregistered vehicle; certainly, Mr. Speaker, I am aware of the fact that a person involved in an accident — and I want to take both sides — such a person if he were to become involved in an accident could well disqualify a victim from certain sorts of coverage. So, Mr. Speaker, I'm not cognizant of the difficulties it would present to the government, but on the other hand I'm wondering whether it's appropriate to suggest that we should allow a judge to send such a person, a person who may have allowed someone to drive his car for two minutes in a remote rural community where there was very little hazard, should we put a judge in a position where that individual, on default of a fine, because the judge may feel that a term of imprisonment would be inappropriate in the first instance — should we put a judge in the position where he would have very little alternative but to send somebody to a provincial jail? You know, it costs — there are members in the House, I'm sure the Member for Winnipeg Centre would know better than I would what the costs associated with incarceration are in this province, but I would imagine, Mr. Speaker, that I wouldn't be far

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off if I suggested that they might run in the order of between \$50 and \$100 a day per prisoner. I may be wrong but I'm sure that they are substantial.

Mr. Speaker, in the context of a person who may well, because he's been sent to jail, lose a job, because not all people who are employed are able to pay a fine of \$500, \$700 or \$1,000.00. Just because you have a job doesn't mean that you're any better than marginally above the poverty level.

So, Mr. Speaker, what are we doing by proliferating this sort of approach to enforcing our laws? I say, in terms of the sanction, the penalty is simply too onerous, too stiff. It would be better, Mr. Speaker, therefore if we looked at alternative forms of approaching this problem as I've said before.

In passing, Mr. Speaker, I wish to indicate that I also think that we should be looking at ways and means of compensating people who are acquitted of charges that are brought under this sort of legislation. I think that it's high time that we gave serious consideration to the effect prosecution has on the innocent citizen who is declared to be acquitted of the conduct that was thought to be criminal, or quasi-criminal.

I don't think I have to tell members the cost associated with defending a charge which is brought against an individual can be sizeable, can be considerable. It can represent a very real hardship in terms of the effect that it will have on an individual's pocketbook. Mr. Speaker, even though we are fortunate to live in an age where there is Legal Aid available to some members of society, I would still confirm that many people who are beyond the eligibility level of Legal Aid services are still impacted very adversely and harshly by the cost of legal defense.

So I think we should look, Mr. Speaker, at ways of assisting people who are unjustly prosecuted by government, because it's the Attorney-General's office that files proceedings in these matters, Mr. Speaker, and we should give consideration to them as well. For too long, we've had a rather one-sided system that simply puts all the might of the state collectively against the individual, without any recognition that the individual can be injured very seriously, not only financially, but psychologically and I'm sure, socially. I think there should be some offsetting responsibility on the state to compensate victims of unjust prosecution.

I'm sure that there are in the annals of justice in this province, hundreds if not thousands, of such instances. Every year roughly half the people, perhaps a little less than half the people who are the subjects of prosecutions, are acquitted, or even more importantly, Mr. Speaker, they are the subjects of stays of proceedings, so that they after perhaps matters have been considered as between their lawyer and the state prosecutor, the charges against them have been found to be sufficiently wanting as to warrant a complete stay of proceedings without a hearing or trial.

So I say that the taxpayer should get a break. It should be recognized that the state has a two-pronged responsibility, a double responsibility, and the state has a responsibility to balance the interests of justice so that the law is not only enforced, but that instances of inefficient enforcement, or improper enforcement, or unwarranted enforcement become

the subject of some sort of indemnification process to the victim.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J.R. (Bud) BOYCE: Mr. Speaker, I beg to move, seconded by the Member for Burrows, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Honourable Minister of Finance, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the supply to be granted to Her Majesty. Mr. Speaker, that would be Interim Supply.

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

COMMITTEE OF INTERIM SUPPLY

MR. CHAIRMAN, Abe Kovnats (Radisson): Committee will come to order. Interim Supply, resolved that a sum not exceeding \$673,466,010, being 30 percent of the amount of the several items to be voted for departments as set forth in the Main Estimates for the fiscal year ending the 31st day of March, 1982, laid before the House at the present Session of this Legislature, be granted to Her Majesty for the fiscal year ending the 31st day of March, 1982 — pass.

The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. Further to where we left off last night, there was discussion about fiscal responsibility. During that discussion, I was thinking back to 1977 and earlier and better years, when we had people from that side of the House talking about fiscal responsibility. We had them talking about running the province like a business and that sort of thing, and when they came to power I expected that probably that might happen. When I came into this Legislature a year ago, I took a look at the books and they really haven't been done in a businesslike fashion. They keep talking about running it like a business and being efficient and running peanut stands and that sort of thing, but when you look at the books of the province, we have a statement of income, we have a statement of expenses. That's something that a corporation, a business, would have. We also have a statement of liabilities.

But, Mr. Chairman, where's the statement of assets? You know, this government, when they were in opposition, kept hammering away at the investment spending that the previous government did. They kept talking about the debt. Mr. Chairman, it's easy to walk up to a man on the street and ask him, "How much money do you owe?", and he says, "I owe \$200,000.00". You could say, "Oh my

goodness, you're going bankrupt", but that's not the total picture. Surely you would also ask the man, "What are your assets? What is your income expenses? What's your cash flow?", and if his assets are \$250,000 and he has a half reasonable cash flow, surely he's better off than the man who has no debt whatsoever and no assets.

So I think it's about time that the Minister of Finance took the matter of our assets as a province into consideration. We have liabilities of apparently, approximately \$4 billion, and that's an awful lot of money, but in this year we are dealing with, for instance, \$6,650,000 for acquisition and construction of physical assets in the Department of Agriculture. I presume that a lot of that will have to do with building drainage, and that's a good and worthwhile public purpose. That means that we will have added to the assets of the province that amount of physical assets. If we didn't have that \$6,650,000 spent we would have fewer drains and presumably we would have less agricultural production. I take it that that's the purpose of agricultural drains and assuming that that type of spending is approximately what we've done over the last 30 years, then based on the 1981 dollar we would have about \$180 million worth of drains in existence, and probably there's more. If you were going to put them into existence today it would probably cost you quite a bit more than that. So, that's a nice asset to have. If we didn't have that asset, presumably our agricultural crop would be down by maybe \$20 million or something like that, so there's a very good reason for having that and that's public spending for a worthwhile purpose.

We have other assets such as a Land Titles Office, just across the street; we have the Law Courts Building; we have physical assets in the Correction's Department, the Headingley Jail has to be worth something; Manitoba Housing and Renewal Corporation, we have, what? 10,000, 12,000 units of public housing for senior citizens and low-income people. How much would be the market value of those assets? If we put them on the market today, how much would they be worth? Certainly it's saving us money in rental because of the fact that we have them. We may be paying off a debt on these, that may well be true, but we are housing our citizens in housing that would otherwise cost us a rental equivalent if we were taking it from the private market, and that would be expensive. Those houses, those housing units have a value and I submit that they are substantial.

Every year we do some acquisitions of historical resources. This particular year there was \$896,000 slated for it. That has got to be worth something. We have libraries, we have the library here in the Legislature which is worth a substantial amount; we have other public libraries; we have the planetarium; we have minerals, we have minerals in the ground. It would be very difficult to calculate their value, but certainly there is a lot of value there - in our copper, our tantalum, our potash, our nickel, our oil, the Crown lands. Eighty percent, 60 percent of our provincial land is owned by the people of the province. Previous governments or this government, any fool government could have given that land away or sold it for practically nothing, but it's certainly worth something, just the land itself. We have other buildings; we have the universities, the University of

Manitoba, the University of Winnipeg, the University of Brandon. What are they worth? Where do we see them on a statement of the assets of the province? For the Minister of Finance, what is the debt to equity ratio of the investment of this so-called company? I think maybe he should take a look at it.

In this particular year the Department of Government Services is acquiring in construction something like \$20 million and certainly we have all kinds of buildings owned by the people of this province. This very building were sitting in here, built by Sir Rodmond Roblin 60 years ago, it has got to be worth something and our Legislative grounds have got to be worth a considerable amount of money. Government buildings in Selkirk, Beausejour, Portage la Prairie, Brandon, etc., the Woodsworth Building. The Norquay Building, how much money has that saved us in rental payments over the last 15, 20 years, I believe it was built somewhere around 1960, and how much would we be able to get for it on the market today if we put it on the market and decided to sell it? I would submit that it would be substantial. We have some Crown corporations such as the Manitoba Telephone System. How much would Ma Bell be prepared to give for MTS, for all of those thousands of miles of telephone lines in place? What would it cost to install today? What would the replacement cost of MTS be today to install those miles of telephone lines throughout our communities and put in all of the equipment that is in place, the land, the buildings, the vehicles, the expertise, the goodwill? I would submit that it would be substantial and that is an asset that is ours.

We have the Manitoba Public Insurance Corporation and again we have all of those assets as well in that corporation. It has a goodwill that would be substantial for any private corporation. Should anyone decide to sell this there would be buyers to operate that company.

We have a share in the Tantalum Mine, which may be fairly minimal and would be more had the government not blown their opportunity to exercise its option on that.

You have hospitals all over the province, practically every town or city, Altona, Crystal City, Brandon, Beausejour, Selkirk, the Health Sciences Centre in Winnipeg, many other hospitals. What American hospital institution, company, corporation running hospitals wouldn't give their eye teeth for an operation with a cash flow of \$900 million a year. That would be a nice little acquisition and it's got to have a pretty nice market value if we're going to look at assets and liabilities and surely you will do that if you people are sincere about being business people. You're going to run this province like a business, well then let's see you run it like a business and let's see the statements showing it.

Nursing homes — you know, you can have nursing homes owned by the public or you can have nursing homes owned by the Brousseaus of this world, and when you have the privately owned nursing homes, what happens? Every time there is an increase in the market value of the building, there is an expectation that the owner should get a reasonable return, based not on historical cost, but on the new cost. Instead of a housing unit that may have cost \$8,000, 20 years ago, the man now tells the public it should be based on current market value which is \$20,000 and

all of a sudden there is a completely different calculation in terms of rate of return and that is one of the costs involved with the private nursing homes, and that is one of the reasons why we should calculate the public nursing home as an asset that we have as a people in the province.

We have assets such as highways. This particular year we are spending \$90 million, approximately \$90 million, on acquisition and construction of highways. Those are pretty substantial costs and they are probably worth while if we didn't have our highways, if we hadn't spent the money on Highway No. 1 and Highway No. 59, 75 and all those other highways, then we would probably have to spend it now and certainly our economy wouldn't be — if you think it's bad now, it would be even worse if we hadn't been doing those kinds of things over the last 100 years, it is a part of our public system.

Just for one example, to look at what the public investment in this province is, take a look at bridges. I saw a report several months ago that indicated there were several hundred bridges just in the rural municipality of Brokenhead, a very small municipality and the cost of replacement would be monumental. This just reminds me of the questions asked the other day by the Member for Emerson talking about roads. He was going to indicate his concern for the winter roads and he wanted to know when they were to close. I'm not sure whether he's planning on going and taking a trip up there, but talking about winter roads, the one road that this government couldn't understand in terms of investment, because they don't understand the idea of assets as opposed to liabilities, let's talk about the Sherridon Road which isn't there. Although you would have never shown it as an asset, you would have shown it as a liability, \$30,000 or \$40,000 or \$50,000 that you might have spent in getting that road built. Do you know what you would have achieved by having that asset in place? You would have had those people, as ManFor said, working at a job because they could get out of their village. That's worth something. That's worth something to the economy. It's worth something in terms of humanity. It's worth something to have a man able to work and feed his family instead of being on welfare. That's worth something. It's worth something as the Fresh Water Fish Marketing Corporation indicated at that time, if there was a road from Sherridon these people could be involved in the fisheries, but you didn't care, you weren't looking at the asset. All you were looking at was the liability. So I'm asking you to start looking at the assets and when the Member for Emerson asks about winter roads let him think next time about those winter roads that are not there and those other roads in the north that are not there. There are roads to nowhere up there, because you're talking about a few thousand dollars and you're just talking about the cost and you're never talking about the fact that it creates assets, not only the physical assets but the asset to the economy itself and the asset to humanity, to the people who have an opportunity to work instead of to sit at home and that has got to be worth something.

Other assets that we have; the Hydro projects that we have on the Winnipeg River and at Jenpeg, on the Nelson River, etc. I would suggest that all of those plants and the buildings and the hydro

transmission lines and the trucks and all the other things that Hydro owns are worth in the billions of dollars. In fact if you were to replace them tomorrow, which you would have to had not people of vision built them in the first place, you would be probably looking at five or more billion dollars, I believe it would be more than that. That's the kind of money that we have invested in this province.

We can talk about our water resources, which are worth something. We can talk about our fisheries, which are public resources. We can talk about our parks and just a couple of parks — Birds Hill Park has got to be worth a pretty penny. Where does that show up? Where does that show up as an asset of the province? Hecla Provincial Park, I'm sure the Attorney-General has been down there. (Interjection)— Yes, it's a good golf course. There's an excellent hotel there. It is an asset, it is a valuable asset to the people of Manitoba, but it doesn't show up on the books. The only things that show up on the books are the liabilities. So you've got half of a corporate balance sheet. You've only got the liabilities, you're not showing the assets.

We have forest lands in this province, publicly-owned forest lands that we respect and I believe that the Minister of Finance respects them. He was a member of a government that was working out plans last year when there was a fire danger to make sure that those forests would be protected. They are a valuable public asset, they are a very valuable public asset. Where are they shown on the books of the province? We pay good money to protect them; we pay money to our fire fighting forces; we have aircraft, etc. to make sure that they are protected, but nowhere does it show up as an asset of this province.

We have public sand and gravel reserves that are worth millions and probably more dollars. We have peat reserves in Eastern Manitoba, which if this government had a little more initiative, a little more of a perspective on what we need for our future, they probably would be doing a little bit of work on. They are valuable resources. We have other resources, protective devices; we have, for instance, the floodway built around Winnipeg. I believe that floodway at the time it was built cost about \$100 million or something like that. I would suggest that if it was built today it would be probably closer to \$300 million or \$400 million and it has saved people in Winnipeg a lot of money during the years that it has been in existence. We haven't had to go around diking up the Red River within the borders of the city. It has been a very worthwhile project. We haven't had houses along the river flooded since. If we didn't have it we would probably want to acquire it now. So it would seem to me that it would be appropriate in doing up the books of the province, especially with a new Minister of Finance, that maybe he could take a new approach and have the Auditor attach a statement as to assets to the statement of liability. He would never have a private corporate report that would show only the liabilities of the corporation. If the corporation builds a building, it's shown as a fixed asset; if the corporation builds a road, it is shown as a fixed asset. It may well be that it can be depreciated for tax purposes but it will probably have another accountant's note indicating replacement cost which may be an entirely different

figure from any taxation figure that the corporation uses.

So if these people opposite are really serious about wanting to operate this business like a corporation, like a business, then do so but let's give us the whole business, not a half business. That's what you've been doing; give us the whole picture. You know, there's all kinds of assets that the public owns in this province that I haven't even come anywhere near talking about. You all know of other flood control areas; for instance, we have municipal facilities all over the province that are owned by the public. I would suggest that if you looked at our assets and compared them to our liabilities they probably look better, our debt to equity ratio would be lower than any modern corporation in the private sector.

So, when you people talk about the debt, I would hope that you can also talk about the assets and that's not to say for one minute that we should be just going ahead and blowing money irresponsibly. We shouldn't be. We should be responsible; we should make sure that when we are investing money that it is invested wisely. We should try if possible to balance budgets, year in and year out, but not as an absolute policy that it has to be done each and every year. It doesn't have to be done each and every year and there is a difference between a capital expenditure and a current expenditure. Any businessman would recognize that; any businessman who was told that there is no difference between a capital and a current expense — if an accountant told him that — would probably fire the accountant the next day because he is well aware that there is a difference. There is a difference between current consumption and spending for future use, for acquisition of an asset.

So I would hope the Minister would look at that and I would just, in closing, one other comment. The Minister indicated last night that a person who earns \$14,000 a year doesn't really need any extra tax credits. We were discussing the Property Tax Credit Program and his new improvements. Well, I would just point out on that to the Minister that if that person doesn't need an extra amount of money and in fact in the particular case I was citing was losing \$30, then why is it that people at \$40,000 are guaranteed to get an extra \$100.00? Why is it that the person at \$14,000 doesn't need any more as the Minister said, but the person at the \$40,000 level, he feels should get the extra \$100.00? Where is the equity there? What the Minister fails to take into account when he does his calculations is that there's a difference from one family to another. You might have three different taxpayers at \$14,000, under their new so-called improved formula, it doesn't matter what kind of a family they have, they will all receive the same cost-of-living credit because it is based on net income.

So you can have a single parent with five children at \$14,000, receiving exactly the same dollar amount of tax credit from these people as a single person with no children. A single person with no children would receive under your new so-called improved formula the identical, the absolute identical cost-of-living credit as the person with five children. Is that equitable, is that fair, is that reasonable? You could have a family, a husband, wife, and five or seven or

ten children, they would receive on a family income of \$14,000 the same cost-of-living credit as one single individual receiving \$14,000 because it doesn't matter. The other deductions don't matter and I don't think that is fair. I would like the Minister to comment.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: Mr. Chairman, I hesitated to rise because I thought perhaps the Minister would respond. A couple of points that I want to bring up at this time and again I want to make reference to it because I do feel that it is a very very important issue and one which neither the Minister of Finance nor the Minister of Education has explained. You will recall, Mr. Chairman, that yesterday in dealing with the Minister's Main Estimates, I made reference to the fact that the \$70 million or 70 million additional dollars which the Minister of Education claims is found somewhere within his Estimates is not really \$70 million more but in fact \$30 million less, using the figures of the Minister of Education as stated in his statement which he made in January. Now the Minister of Finance claims that is a misinterpretation of the new funding formula, but neither the Minister of Finance nor the Minister of Education has really offered any clarification. Now maybe there is something missing within the statement of the Minister of Education which would clarify the whole issue and which would indicate to the people of Manitoba where the additional \$70 million are.

And if there is something missing or if there is something that is incorrectly stated in the Minister's statement then I think either the Minister of Education or the Minister of Finance ought to clarify this matter now. Because you know, Mr. Chairman, that at this point in time we have heard from two school divisions, Transcona-Springfield. We've heard today of the financial state of affairs within River east School Division where the special levy mill rate is going up quite dramatically, much more than was anticipated, taking into consideration the offer of the Minister of Education of greater financial assistance for education.

So, Mr. Chairman, in a nutshell, on the basis of the Minister's statement it's quite clear that if there is going to be any overall reduction in the special levy in the Province of Manitoba and I accept the fact, I realize that it would vary from one school division to the other, but overall in the Province of Manitoba, if there will be any reduction in special levy it's going to be offset by an increase in what the Minister now calls the education support levy which really is the former foundation levy, plus or minus perhaps a few million dollars but the difference isn't all that great because the education support levy is going to increase by \$100 million, from \$48 million, \$45 million, \$46 million to \$148 million. On that point, Mr. Chairman, I'm sure that the Minister of Finance can do his own arithmetic just as well as I can. He knows what the balanced assessment is in the Province of Manitoba. He knows that it amounts to roughly \$3 billion; he knows that the balanced assessment of farm and residential property is about \$2 million. He knows that the balanced assessment of the commercial property is in the order of \$1 billion and if he multiplies those figures by the former levy of 5.4

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mills on farm and residential and 36.3 on commercial, his arithmetic, just as well as mine, will show him that would yield him \$45 million. Then if he takes the same figures, and I'm not even making any allowance for any increase in the balanced assessment which I would suspect may have come about over the past year, if he takes those figures and multiplies them by the proposed, not proposed, but the assessment which is in effect for this current year of 37 mills on farm and residential and 75 mills on commercial, that will give him \$148 million. The Minister of Education himself says that. This isn't just my calculation; this is the calculation of the Minister of Education.

Mr. Chairman, when you look back at 1980 when the provincial level of support was in the order of \$218 million, \$45 million of that came from the foundation levy which meant that the province had to put up \$170 million from other sources of tax revenue. Now with the \$288 million that the Minister of Education is promising the people of Manitoba and himself having indicated and admitted that the education support levy, that is the real property tax levy, will generate \$148 million which leaves only \$140 million for the province to put up to make up the difference which is \$30 million less than last year. So if that \$70 million that the Minister is talking about that's supposed to be new money, well then the statement that the Minister of Education has made certainly hasn't made that point clear. I think that either the Minister of Education or the Minister of Finance ought to clarify that point to us and indicate to us where are those 70 million new dollars that the Minister of Education is talking about. Because on the basis of the Minister's statement it simply appears that it's taking out of one pocket instead of the other or taking more out one pocket. Whereas previously the Minister of Education took 5.4 mills out of farm and residential property, now he's going to take 35 mills. Whereas previously he took 36.3 mills out of commercial property, now he's going to take 75 mills, which is going to give him an additional \$100 million.

So really, Mr. Chairman, I think that it is imperative that this point be clarified so that the people know exactly where that additional \$70 million is going to come from. Because the way the Minister's statement reads, it certainly does make it appear that \$70 million really is going to come from the pockets of the same taxpayers, the farm and residential property owners and the commercial property owners.

Another point related to that on the same topic, Mr. Chairman, I believe that if the Minister of Finance were to go back in Hansard to the days when the Foundation Program was first established back in 1966 of 1967 I believe, he will find that there was a very deliberate attempt made to provide quite a broad gap between the commercial foundation mill rate and the farm and residential for a very definite reason. The reason was, Mr. Chairman, that insofar as the commercial levy is concerned that is a tax that the commercial property owner passes on to his customers. That's a tax that he writes off for income tax purposes.

The farm and residential is somewhat different. The number of farmers in Manitoba — what are we looking at? I believe I saw a figure not too long ago,

there's about 30,000 farmers in the province. So the bulk of the taxpayers really are residential property owners and the residential property owner cannot write off the tax on his property as an income tax deduction. He has to bear the full brunt of it. So therefore to provide at least some measure of equity, that wide differential was always maintained between the farm and residential mill rate and the commercial. Now that gap has narrowed because over the years the farm and residential foundation levy accounted for about 25 percent of the total foundation levy tax revenue. That is to say in 1980 when it was about \$45 million, about \$11 million or so came from farm and residential property and \$33 million or so came from commercial property.

Now under the Minister's formula it's going to run about 50-50, and once again all the Minister has to do is multiply 37 mills times the \$2 billion balanced assessment and multiply 75 mills times \$1 billion of balanced assessment and he will find that the farm and residential property owners will now have to bear the larger share of the education support levy which is quite the reverse of what the situation was and the level it was maintained at or the proportions it was maintained at over the years.

For the Minister to simply sit in his seat and say to me that I'm wrong in my analysis of the statement of the Minister of Education; if I am wrong, let him point out to me where I am wrong. If there is something missing in the statement made by the Minister of Education, let the Minister of Education or the Minister of Finance stand up and say, whoops, we're sorry there's another paragraph that the Minister should have included in his statement, and this is the way it should read. That would clarify the whole thing and put it in its proper perspective, because I suggest to you, Mr. Chairman, that you can read and reread the Minister's statement umpteen times over and this is the only conclusion that you could come to, that there is no increase in the level of provincial support for education but in fact a decrease. So that does have to be clarified, Mr. Chairman, if the Minister wants his Interim Supply Estimates approved.

The other point, Mr. Chairman, and I want to address myself to the Minister of Finance as the Minister in his dual capacity — one, he's the Chairman of the Treasury Board, I believe he is, and his department provides for control and co-ordination of department programs. This, of course, ties into the Interim Supply. I would suggest to the Minister that in his capacity as the one responsible for the co-ordination of government programs that he do what must be done to bring about a greater measure of co-ordination in the administration of various grant programs from one department to another, a greater degree of co-ordination than what exists now.

We've had two examples over the past couple of weeks as to how different grant programs are administered. A week ago or so we read about a program administered by the Minister of Economic Development called the Rural Small Enterprise Incentives Program. There were some, I think, Mr. Chairman, and I think the people of Manitoba feel so that there were some shocking statements made in there. It seems as if the Minister is going around the province not just handing out money but forcing

money on recipients. It seems to be the desire on the part of the Minister of Economic Development to spend money as if it were to go out of date by sundown. There's evidence of some companies having received grants which they did not really need, did not want, but they were told, look, the money is there and a good portion of it is federal money — I suppose that's what they were told — here take it. It seems as if the Minister felt that he was compelled to give away all this money as quickly as possible because if he didn't, then he might lose out on something else that he hoped to get from DREE or wherever. There seems to be a lack of accountability; there's also evidence of the fact that these grants do not create jobs as we were lead to believe, but there job destruction programs, Mr. Chairman. In this article alone there is evidence of about 45 or 50 jobs which have become extinct. These grants did nothing to preserve those jobs. In fact, some of the recipients of the grants feel that it was the receipt of the grant, being encouraged to spend even more than they were prepared to spend by way of capital expenditure in their business, buying new equipment or whatever, which ultimately drove them into bankruptcy.

There's also evidence of some recipients, who did not really need the grants, who would have undertaken the expansion projects; in any event, picking up the grant and going laughing all the way to the bank, laughing all the way to the bank because of having this additional free money and also laughing at the Minister of Economic Development for handing out grants in this indiscriminate fashion. So there is one grant scheme, Mr. Chairman.

Then yesterday we read about another grant scheme — Student Aid — the Student Aid grant scheme. You, Mr. Chairman, I'm sure that you've read the article that appeared in yesterday's paper. Not only have you read the article, I'm sure that from time to time you've had, and this year in particular, I'm sure you may have had telephone calls from Student Aid applicants complaining about the delay, the holdup in the processing of their applications, being told that it's all because of the auditing, the random auditing scheme that's been undertaken by the Minister. Yesterday the Minister of Education stood up in his seat and was very proud of the fact that his auditing scheme has saved the taxpayers \$600-and-some-odd-thousand. We heard a response from other members on the government side endorsing the actions of the Minister of Education that he has the guardian of the public purse, this a great thing that he did, that he saved the taxpayers two-thirds of a million dollars, which otherwise would have been improperly spent.

Mr. Chairman, that's like hiring somebody to look after your stable, to look after the horses in your stable, and the man that you've hired does not make the effort to lock the stable door and the horses disappear. Then to have the man in charge of your stable say to you, Mr. Chairman, I'm going to hire you a real good man who'll go searching the community and he'll find all those horses that have escaped. He does a first-rate job, he recovers every horse that had escaped, and he's every proud of the fact of the scheme that he had devised for locating stray horses. But the real answer to the solution to

the problem would have been, Mr. Chairman, was to lock the barn door in the first place.

Mr. Chairman, there's a bit of an analogy with the Student Aid Program. Perhaps the Minister ought not be all that proud of the fact that his auditing scheme has recovered \$600-and-some-odd-thousand. Maybe there's something wrong with the initial review and assessment of the applications, which if it were done properly would have either eliminated or significantly reduced the need for the type of auditing exercise that the Minister of Education is undertaking. But nevertheless, there's the Minister of Education, the Minister of Economic Development, handing out his 10, 15, 20, 30 thousand dollar grants even to companies that don't really want them, but take them because it's free month. Then on the other hand you have the Minister of Education, who is going through Student Aid applications and through the records of Student Aid recipients with a find tooth comb, going to a recipient of Student Aid and asking him to produce a receipt for a loaf of bread which he bought four years ago, Mr. Chairman, at the corner grocer. One of the recipients of Student Aid said that in a story that appeared in the paper yesterday, she was asked to produce a grocery receipt from 1968.

MR. BLAKE: Do you believe everything you read in the papers?

MR. HANUSCHAK: What I read in the paper, Mr. Chairman, in response to the Honourable Member for Minnedosa and I don't feel compelled to have to reply to him but if I do, I will indicate to him that no, I do not believe everything that I read in the paper, but, Mr. Chairman, I've also spoken to Student Aid recipients and Student Aid applicants who have had problems of this kind and that is the type of information that is being sought of them.

So here we have two grant applicants perhaps living side by side in a community — one goes to the Minister of Economic Development or perhaps doesn't even go to him, the Minister of Economic Development comes down to his place of business, to his home and says: Mr. Businessman, here's \$30,000, spend it. I'm not going to ask any questions as to how you spend it or what you're going to buy with it or whatever, go ahead and spend it. Then living next door to the businessman is a Student Aid applicant. He applies and he is told, well, we'll have to do a careful audit of your application which may take five or six months. Mr. Chairman, the explanation that some students are slower in providing the required information of them. Mr. Chairman, I would suggest to you that if the information that is required of them is reasonable, is valid and the students feel that way about it, that's its reasonable and valid and necessary and essential, it would be provided in all due haste, because after all the students need the money. If it isn't provided promptly, then either because it is trivial information such as the old grocery bill from 1968 or an accounting of a bank account for \$11.75 or whatever it was that was closed out years ago, or something else of the kind that a student with any degree of intelligence would say to himself, well, what in the hell does the Minister want this information for, and refuses to give it. So therefore you have the delay; you have the delay for six

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months and then Student Aid looks at the applicants and says, well, it seems that you've survived quite well for the six months, so therefore you don't need the Student Aid money and he doesn't get it.

Now, Mr. Chairman, I would suggest to the Minister, and I'm sure the Minister would agree, that whatever guidelines a government will have for the allocation of grants, and look at the Treasury Bench, I'm sure that every Minister is responsible for the distribution of some amount of grant money. I can't see one Minister who doesn't. I'm sure even the Attorney-General gives out grants, hospitality grants, when the police chiefs meet in Manitoba.

A MEMBER: Legal aid.

MR. HANUSCHAK: Legal Aid, yes, there's another form of grant. So every Minister is responsible for the distribution of grant money. So I suggest to the Minister that he ought to standardize his criteria for the distribution of grant funds. He cannot have one set of rules for one class of recipient and another set of rules for another, because this is exactly what is happening. The recipients of the Enterprise Manitoba or the Incentives to Small Business, whatever they're called, there's no accountability there. In the case of Student Aid there's accountability to the extreme.

Now surely the Minister as Chairman of the Treasury Board would not tolerate that situation. I'm sure that the Chairman of the Treasury Board at some time in each fiscal year deals with these issues, that these matters do come across his desk, do come across the desk of his committee and they do have to deal with them. I would suggest to the Minister that if he's doing his job that he ought to standardize the rules and regulations and the guidelines and the cheques and balances that will be applied in the distribution of all forms of grants, so that the student aid recipient who is being harassed for a 45 cent or whatever grocery bill of four years ago will not say as he would say now looking across the street at the recipient of a grant from Industry and Commerce, "How come I have to account for every penny that I've spent, but here's a recipient of a grant from Industry and Commerce, he didn't even want the grant to begin with and he doesn't have to account for a cent." So, Mr. Chairman, that doesn't wash. If a Student Aid recipient has to be accountable for every cent that he needs, for every cent that he's spent for goodness knows how many years back, then the same rules should apply to the recipients of the Economic Development Department grants, and let those recipients be equally accountable for the manner in which they had spent their money prior to making application for the grant, for the manner in which they have spent the grant, for the manner in which they propose to spend the grant, etc. and etc., in the same manner as the Student Aid applicants.

So I think that the Minister of Finance would want to assure this committee and assure the people of Manitoba that he will undertake a review of all grant programs administered by the Province of Manitoba and that he will undertake to devise a set of guidelines for the administration of the grant programs, for the scrutiny of the grant programs that would not discriminate against any group of recipients as presently does happen. I've only dealt with two grant programs, the one administered by

the Minister of Economic Development, the one by the Minister of Education. I would suspect, Mr. Chairman, as we go through the Estimates and deal with others, we may find further discrepancies in terms of the guidelines that the Ministers follow in administering their grant programs. This, I suggest to you, Mr. Chairman, should be standardized. I think that the Minister of Finance, as Chairman of Treasury Board, should undertake that responsibility to do just that and to give his commitment to the people of Manitoba that he will undertake such a standardization and rationalization of all grant schemes administered by the province.

MR. CHAIRMAN: Interim Supply — pass — the Honourable Member for St. Vital.

MR. D. JAMES WALDING: Mr. Chairman, I feel the urge to say a few words at this time. I rather regretted that we didn't get into Interim Supply yesterday afternoon, as I felt provoked at the end of the question period to say a few words, and I would have got up to speak then, but having had 24 hours, I'm not quite so annoyed with the Deputy Premier today as I was yesterday, but I believe a few words are in order about Hydro and the Minister's remarks and our questions on Hydro.

The Minister said in answer to a question from my left, that members of the official opposition had been somewhat disinterested. I believe that was the word that he used in asking questions of himself on Hydro matters. He must have had rather a short memory, because I had asked him a question the very day before that.

But if there had been any reduction in the number of questions that we have asked the Member for Riel about Hydro, it was not because of disinterest, Mr. Chairman, it was because of disgust; disgust, because we never got a straight answer from the Minister. Any questions that we would put to him were not answered, or were half-answered, or were evaded entirely. This has been a common practice in the last three years that we've been attempting to obtain information from the government on Hydro matters generally. We are forced to attempt to obtain our information from other sources, to wait until Public Utilities Committee when we can ask questions of Hydro, and I will come back to that a little bit later. But the Minister's arrogant attitude has been typical of many of the members that we see on the Treasury Benches afterwards.

There are certain exceptions, Mr. Chairman, certain Cabinet Ministers who will stand up and attempt honestly, to give a straightforward answer to a question. But more and more, over the last year or so, we have seen an ever-growing tendency on the part of members of the Treasury Bench to use the question period in an arrogant manner to insult the Opposition, to use the television time for their own purposes, and generally to attempt to not answer any question that is put to them. However politely or diplomatically the question might be phrased, there is always the same arrogant response from the gentlemen opposite.

I have asked the Minister reporting for Hydro on at least three occasions, Mr. Chairman, that I can recall, as to the government's policy on selling Nelson River Power to Saskatchewan and Alberta. I have asked him to give an assurance to the people

of this province that such power would not be sold below the cost of its production and transmission. On every occasion, the Minister refused to give that reassurance to the people, leaving us to believe that this government was planning to sell power at a subsidized cost to Alberta and possibly to Saskatchewan as well.

We have asked this Minister, as we have asked other Ministers, to produce for us reports that the government has in its possession, which gives some of the answers that we would need in order to properly assess the situation to enable us to intelligently judge the policies that the government was preparing. In many cases, we are met with evasions and flat refusals on the part of the government to divulge this information.

Mr. Chairman, there has been some discussion in the House as for example, who it was that stopped the Limestone Project, whether it was in 1977 or 1978. The Minister and other members who are uncertain about it will find part of the answer in the Tritschler Report. The Tritschler Report says that the Limestone Project was cancelled in 1978. That is part of the answer. There was a suspension put on the project in approximately September of 1977, certainly before the election, and certainly by the previous government. The project was suspended at that time in order to assess its completion date, the need for the production of further electricity and the possible and potential markets for that power. So let members be quite clear, there was a suspension of the Limestone Project in September and it was held up until spring, when the Hydro Board in perhaps March, April, I'm not sure of the exact date, voted to cancel work on Limestone Project. At that stage, the whole project was put into mothballs, the townsite was closed up, people were moved out, equipment was moved out of there, and the whole project was put on hold until further notice.

Mr. Chairman, another example of the non-information, or the misinformation in this case, that we've been getting from the government and from the Minister reporting for Hydro particularly, but also from the First Minister, and that is the continued reference to a Western Power Grid. Mr. Chairman, this is not a Western Power Grid, this is a western power interconnection, and there is a difference.

Mr. Chairman, a grid is a linking for the exchange of power and for the common pooling of the reserves of a number of utilities. Members can well understand that a power utility will always have a reserve, usually aimed at about 10 percent, but frequently more than that, that it keeps in reserve for maintenance purposes for possible malfunctions or shutdown of generating capacity that it can use. The principle of a power grid — and it's a good one — is that by pooling the reserves from a number of different utilities, there is no need to keep such a large reserve in total, and that this reserve of power can be shared. What that means, Mr. Chairman, is by having a shared reserve, a reserve in other utilities that Manitoba Hydro can call on, that Manitoba Hydro can defer construction of its next Hydro project. A power grid is not a reason to recommence, or to bring forward the date of construction of its next Hydro development. That is the principle behind a grid. It is for deferring construction. It is not for bringing forward construction.

The reason why I say this so-called western grid is not a grid at all, is because that is not what this government is intending. This government is intending to sell Manitoba power to Alberta and to Saskatchewan. In order to do that, and it's a one-way sale, the government is looking, desperately looking for an excuse to start one of its so-called mega projects to take advantage of the economic development that such construction will bring. In doing so, it is desperate, absolutely desperate to arrange a sale, almost at any price we believe, to its friends in Alberta.

We have pressed the Minister on many occasions to give us the facts. What is the cost of power from Limestone? What is the cost of its transmission to Alberta and what does the government expect to sell that power for laid down in Calgary?

Members might be aware, Mr. Chairman, that at the time of its suspension in 1977 and its cancellation in 1978, the anticipated cost of Limestone was \$1.2 billion, that is, \$1,200 million. The latest estimate that I have heard for the cost of Limestone, is \$1.8 billion, that's \$1,800 million and that is in 3 to 4 years, that the cost of Limestone has gone up by some \$600 million in that time. \$600 million is a figure that rings a little bell in my mind, Mr. Chairman, to digress for just a moment; \$600 million happens to be just about the same figure that the Conservatives said was wasted during the Schreyer years in building generating capacity, in building, putting into place, Lake Winnipeg Regulation \$600 million. I want to get back to the Tritschler Report in a minute to go on to that. But such is the present estimate of the cost of Limestone. That works out, according to the latest figures that I hear, and that is before the interest rates went up to 18 percent, that power from Limestone would cost 3 cents a kilowatt hour.

Now members might be aware that the cost of power from some of Manitoba Hydro's older generating stations on the Winnipeg River, cost as low as a fifth of a cent or so to produce power per kilowatt hour. The most expensive hydro power that Manitoba Hydro has produced was at Jenpeg and the price of that power, or the cost of that power is 2.1 cents a kilowatt hour.

So what is facing Manitoba Hydro and all of the people of this province is that the next generating station which will be built will produce power at 50 percent more than the most expensive power we've produced so far, and I'm speaking only of hydro, not of thermal power. So we are looking, before anything else is done, at the production of power on the Nelson River, for 3 cents a kilowatt hour, but that's producing it on the Nelson River.

The government wants to transport it all the way to Calgary. Now in order to do that, they've got to build a DC hydro line. Those lines are expensive. First of all, you've got to get the land, or expropriate the land from a number of very prosperous farms across the prairies. You've got to put up all the towers. You've got to string the wire. You have to have a conversion station at one end to transfer AC into DC and to transfer it back from DC into AC at the other end.

The latest estimate that I've heard of the cost of that transmission line, is \$1.2 billion. Whether that's accurate, I don't know. The Minister won't give me

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the figures. He has the figures. He has done at least three studies that we know of having to do with this, but he won't tell us. We have to rely for our information on other sources. Other sources suggest to us that transmission costs from the Nelson River to Calgary are in the region of 2 cents a kilowatt hour, for transmission purposes.

We are then looking at the cost of Manitoba Hydro power, 3 cents a kilowatt hour to produce it, 2 cents a kilowatt hour to transmit it, cost at Calgary, 5 cents a kilowatt hour, Mr. Chairman. That's expensive power. What we are talking about then, remember, is not the cost of electricity in a house in a Calgary suburb, we are speaking of wholesale prices to Calgary Power and Alberta Power.

It so happens, Mr. Chairman, that Alberta is not short of energy. It has gas coming out of its ears. It has mountains of coal. It's a well known fact, that it is relatively cheap to build a thermal station, fuel costs extra, which is just the opposite of a hydro station which is expensive to build but cheap to run because of the cheap power.

Electrical utilities in Alberta are in a position to build cheap thermal generating stations. When I say cheap generating stations, I don't just mean the cost of building the station itself, I'm also speaking of the cost of the power that can be produced from them. Estimates that I have heard indicate that Calgary electric power companies can produce power from a brand new thermal power station even at today's costs and today's interest rates, at somewhere in the region of 2 to 2.5 cents a kilowatt hour, in other words, half of the price per kilowatt hour that Manitoba Hydro can send power to Alberta.

So we are faced with the problem, is Alberta going to pay 5 cents a kilowatt hour for power that they can produce themselves for 2.5 cents a kilowatt hour, just half of the price? Or is this government prepared to sell power in Calgary at a price competitive to what they can produce it at? In which case we are going to sell our 5 cents per kilowatt hour power to Alberta for 2.5 cents a kilowatt hour. Now, that doesn't make any economic sense to me whatsoever, Mr. Chairman. Maybe it does to the Member for Riel and the First Minister; Maybe it makes sense to other members on that side. If so, perhaps they'd tell us, stand up and tell us. Can we afford to sell power at half of the price to Alberta? I would suspect that the price that we would sell it to Saskatchewan would be somewhat less because of the less transmission costs involved, but even if it's only 4 cents a kilowatt hour, is Saskatchewan going to pay 4 cents a kilowatt hour for our power when they have generating stations themselves sitting right on top of the coal field? Coal that they have that will last them, I don't know how many decades, 50 years, 100 years perhaps. They can produce power right there at 2.5 cents a kilowatt hour.

These are questions that we have been putting to this government for the last two years, Ever since it came out with its proposal for a Western Power Grid that the government called it; I call it a western power interconnection because is a nongrid.

The Minister says we are disinterested in asking him questions. We are not disinterested, Mr. Chairman, we are just disgusted, and a little bit tired that we've been asking these questions for all of that time and been refused answers from members over

that side. So, please tell us, gentlemen, because we are very interested in what is going to happen.

The Minister is also quoted in Monday's Sun, speaking of the Mandan Project and in a direct quote the Minister is quoted as saying, "The Mandan Project means we build plants on the Nelson River about two years sooner." Mr. Chairman, the very opposite is true. The reason for building the Mandan Project, and it was initiated about four years ago and there was a letter of intent agreed to by Hydro and the receiving utility about two years ago, the Mandan Project was designed and agreed to by both Manitoba Hydro and the receiving utility as a means of sharing and exchanging power. I think the technical term is a diversity exchange, which means that when we have a surplus of power in the summertime we will sell our excess to them; when they have a surplus in the wintertime and we need it, they will sell their power to us. Mr. Chairman, it makes very good sense to use the best properties, the benefits of the two different systems that we have, ours are hydro, theirs thermal and nuclear to exchange power to our mutual benefit. Again, what that means, Mr. Chairman, is because we can call on this power during the wintertime when our peakload is the highest that we can delay, Mr. Chairman, the construction of the next generating project that we will need. I will accept that the next construction project on the Nelson is the Limestone Project, whether it's that or Conawapa or some other one, but what ever it happens to be the reason for a diversity exchange is to delay construction, not to bring it forward.

Now there is another advantage to the Mandan Line to this province and that is that under the diversity arrangement with Nebraska we will continue to sell them power in the summertime when we have a large excess of energy, but we can decline to accept their power in the wintertime if we do not need it. It looks, at the moment, as if we will not need that power from them during the wintertime, which means that we will sell power in the summer and we will not buy it for the winter, which means that this is another source of revenue for Manitoba Hydro.

There is a possibility as well of possible firm power sales to Nebraska. There is also the added advantage, Mr. Chairman, that we have one existing customer in Northern States Power in Minneapolis, who are buying power from us on an interruptible basis, and another customer in Nebraska to separate utilities and it's always better when you are trying to sell something to have two potential purchasers than it is to have just one. I don't have to tell members the advantages of that. The —(Interjection)— sure, go ahead.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Mr. Chairman, the honourable member has indicated that he would accept a question. I just wonder if he would be specific with respect to the quotation and that's the Minister of Energy and Mines. I wasn't sure about the exact quote.

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

MR. WALDING: Yes, Mr. Chairman, I'm quoting from an article in the Winnipeg Sun of Monday,

March 16th. that's two days ago, on page 6. The Minister was interviewed and he said as a direct quotation half-way down the second column, "The Mandan Project means we build plants on the Nelson River about two years sooner", he said; if that is what the Minister of Finance was looking fo?.

Mr. Chairman, the Minister in his reply to a question yesterday said that costs are always higher in the early years following construction than they are later. Well, that happens to be true, Mr. Chairman, because hydro electricity is perhaps the one energy source that gets cheaper over the years as the costs of the generating station are paid back, the only costs remaining are the fuel costs, which we know are in the region of perhaps a fifth-of-a-cent. But it's rather odd that this apparently is a new revelation to the Minister reporting for Hydro because he never once in all of the years that they were in opposition and we were building Hydro capacity on the Nelson and we were putting in place the Churchill River Diversion, and doing Lake Winnipeg Regulation, apparently it didn't occur to the member at that time or any of his advisors that the costs are higher shortly after construction than they are at a later date. It's rather odd that even Mr. Tritschler in his report didn't remark on that, but I'm glad that the Member for Riel has now found out that in the early stages following construction that costs are higher than they are a little bit later on.

Mr. Chairman, we've been asking for many years as to the benefits of Lake Winnipeg Regulation, and apparently the Minister didn't know and nor did anybody else until the meeting of the Public Utilities Committee of last year when I put a question to one of the Hydro officials; could they advise us as to the value of Lake Winnipeg Regulation in holding back the water during the summer so as to use it during the winter when its value was more. I suppose, not too strangely, they were able to make those calculations, and they came back to the committee the next day or the day after that and they were able to show in the particular year in which the figures were given that the value expressed in dollars, even putting a rather modest value on the price of a kilowatt hour, was \$33 million, Mr. Chairman.

Now that apparently came as somewhat of a shock to the Minister reporting for Hydro because he was quite rude and discourteous to that official and immediately sent to a different department to try to come up with the figures for water levels on Lake Winnipeg to attempt to discredit one of Hydro's experts, who in good faith had come up with these figures for us. But what does that indicate as to the value of Lake Winnipeg Regulation when the actual dollar value in one year is \$33 million? Mr. Chairman, if I have \$300 million that I could put in the bank and draw interest at 10 percent, that's worth \$30 million to me. If I have an asset which gives me an annual benefit of \$30 million, that suggests to me that the value of the asset is somewhere in the region of \$330 million, Mr. Chairman.

Now we had a little difficulty in getting that over to members opposite, but I believe they have now accepted that if you have an asset that is worth \$300 million that its value to you on an annual basis is in the region of \$30 million. So for all of the protestations of gentlemen opposite when they were in Opposition that Lake Winnipeg Regulation was a

complete waste of money, we now have the recognition coming from Manitoba Hydro, and I believe accepted by gentlemen on that side, that the value of Lake Winnipeg Regulation is in excess of \$300 million.

We were also told at the time, Mr. Chairman, that Jenpeg was also a waste of money. Well we have been able to find out the . . .

MR. CHAIRMAN: Order please, the hour is 4:30. 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. KOVNATS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Portage la Prairie, that report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, on a point of order, if I may. I would like to indicate that we would be prepared on this side to grant leave to the Member for Fort Rouge to proceed with third reading of Bill No. 15

MR. SPEAKER: Is there leave? The Honourable Member for Kildonan.

MR. PETER FOX: Mr. Speaker, we have no objections to granting leave, but I think if we are going to change procedures in the House, there should be consultation, and I was not informed that we were going to change the procedure from what is laid out, but I am saying I have no objection to having it done, but I would like to have consultation when we change the procedure.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. BOYCE: We have no objection to granting leave, Mr. Speaker.

MR. SPEAKER: We will then proceed, if there is agreement in the House, with third reading of Bill No. 15. The Honourable Member for Fort Rouge.

THIRD READING

BILL NO. 15, An Act to Amend The Landlord and Tenant Act was read a third time and passed.

MR. SPEAKER: We'll then proceed with the regular business of Private Members' Hour, and go to Resolution No. 17. The Honourable Member for Fort Rouge.

PRIVATE MEMBERS' HOUR

RES. NO. 17 — RESTORATION AND RENOVATION OF OLDER HOMES

MS. WESTBURY: Mr. Speaker, I move, seconded by the Honourable Member for Winnipeg Centre:

WHEREAS the Progressive Conservative Party in its pre-election paper "An Urban Strategy", addressed the problem of deteriorating older neighbourhoods; and,

WHEREAS priorities as described therein emphasized promotion and facilitation of home ownership; and,

WHEREAS the policy paper committed this government to providing loans and forgivable loans to first time home buyers for purchase and renovation of older homes; and,

WHEREAS the Manitoba housing construction industry is in a serious slump;

THEREFORE BE IT RESOLVED THAT the government give serious consideration to a program of incentives for restoration and renovation of older homes in deteriorating neighbourhoods.

QUESTION put.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. WESTBURY: Yes, Mr. Speaker. In presenting resolutions to this House in this Session I have been beset by a strange phenomenon, Mr. Speaker. When I introduced the resolution on abuse of the elderly to the House the report on the Council on Aging appeared within a couple of days. Then on the 25th of February when I filed this resolution the same day the Federal Minister announced an additional \$1.5 million for Winnipeg home repair funding. However, Mr. Speaker, that does not let this Provincial Government off the hook because the \$1.5 million from the Federal Government is for RRAP areas, that is Residential Rehabilitation Assistance Program areas already designated. The Federal Government, Mr. Speaker, is to be congratulated on this move which was a Winnipeg only contribution and which brought federal RRAP funding to \$2.4 million in 1981 in Winnipeg.

Having congratulated the Federal Government on increasing the funding for the core area housing of Winnipeg, Mr. Speaker, I also have to congratulate someone in the Progressive Conservative Party who realized in 1977 that there is a dire need for restoration of older homes in older neighbourhoods. Because this paper, "An Urban Strategy", the cover page of which reads: "Programs and policies for addressing the problems of the City of Winnipeg", prepared by the Manitoba Progressive Conservative Party, released 5th of October 1977, just six days before the provincial election, Mr. Speaker, really is a good paper. It really is a good paper. It shows far more sensitivity to the needs of the inner-city than we have seen since October 1977, Mr. Speaker.

Among other things it says the priorities of the Progressive Conservative urban strategies are: To reverse the deterioration of older neighbourhoods; to provide a variety of housing options with a strong emphasis on the promotion and facilitation of home ownership. Then it gives a few more priorities. All these priority objectives must be met if we are to

meet our overriding objective of preserving and improving the urban environments. The Uphill Loan Program, Mr. Speaker, is the title given to the section referred to in my resolution and it reads: "There will be", not there could be or there might be but, "there will be three distinct but mutually supportive elements in the Uphill Program. A program of loans and forgivable loans will be made available to first time home buyers to permit to purchase older homes in uphill neighbourhoods and to renovate these homes. The maximum total loan will be \$5,500 per unit based on approved renovation plans. The money will be paid on the date of closing of the Purchase Agreement to help offset mortgage holdbacks in respect of renovations. There will be a one-year payment holiday available on all Uphill loans to permit purchases to absorb the extraordinary cost of relocating in household establishments. Approved renovation plans may call for the conversion of premises into duplexes or triplexes on the condition that the owner will be a resident in a portion of the house. Loan forgiveness will be earned by length of residence in the house, by additional renovations done at the purchaser's own cost and by proper and regular meeting of all payments on the amount advanced under the program. This program will also be available in respect of older homes in areas outside of greater Winnipeg."

Mr. Speaker, this promise, this commitment as to policy was made a week before the 1977 election campaign by the party which won the election — and they won it as we have seen so often, they won it on false promises. Mr. Speaker, on the next page, the Starter Home Program. The Uphill Loan Program will offer one option to young families, permitting them to move into older housing in older neighbourhoods. What a cruel joke it is to perpetrate on those young families which supported the progress of the Conservative Party in October 1977, Mr. Speaker. This was the urban strategy in 1977. What do we see three-and-a-half years later? The Minister responsible for Housing for the past three years adopted an "I'm all right Jack" attitude to housing needs and his lackadaisical enthusiasm was devoted to vital and imposing other interests in his other portfolios, such as something on birds, the seeking out of a golden girl to promote Manitoba, finding people to promote Manitoba on television in return for pay. But for the housing needs of Manitobans, he did virtually nothing, Mr. Speaker, virtually nothing. In fact, the best thing the Premier of Manitoba has done in respect to housing was to replace the Minister responsible for Manitoba Housing and Renewal Corporation, but unfortunately he didn't do it soon enough.

So, Mr. Speaker, how do the government's priorities in the 1980s compare to 1977? They took several months to agree to participate in the Core Area Initiative. They took so long that people were beginning to ask if the Conservatives were going to turn it down and indeed the impression was given that they would have liked to do so. Because it wasn't their initiative, the initiative came from the Federal Government. If the government has a housing policy at the present time in 1981, three-and-a-half years after their promises of October 1977, outside of the federally initiated policies, the

Core Area Initiative and the RRAP Programs, Mr. Speaker, it's the best kept secret in Manitoba.

In February 1978 the City of Winnipeg Department of Environmental Planning published its Winnipeg Area Characterization Study Reports, Mr. Speaker. The specific purposes for this are described as: Based on a consistent set of criteria to characterize the entire city into general type so as to facilitate prioritization of areas. Further on they say: To provide an information base for small areas to aid the Province of Manitoba in developing its urban strategy, Mr. Speaker. So the urban strategy document of October 1977 was known by the city planners. It was not a secret document as is obvious from its wording, but now we know also that it was a circulated document. The Characterization Study shows that next to Montreal, Winnipeg has the highest percentage of poor housing stock of any major city in the country. The study breaks down every neighbourhood in the city into type, either emerging or stable or conservation or major improvement or redevelopment or rehabilitation. The Provincial Government cannot pretend, and I hope they won't, that all of the rehabilitation areas are covered by RRAP, because they are clearly not, Mr. Speaker.

I have the rehabilitation map here, which shows portions of Conservative constituencies as being involved in the rehabilitation areas as designated by the City of Winnipeg Planning Department and I wonder how many of these people in these Tory constituencies voted Conservative on the basis of Tory promises for housing. Some of the areas concerned and shown in this map are the constituencies of Osborne, Crescentwood, Wolseley, St. Matthews, and parts of the St. James area of the former city . . . —(Interjection)— If somebody wants it tabled, it's a public document; it's not hard to get. . . . as well as certain other areas which did not vote Tory, Mr. Speaker.

The City of Winnipeg housing industry statistical summary, published in the fourth quarter of 1980, reveals that the number of major alterations and repairs to housing, aside from RRAP units, was down in 1980 as compared with 1979, and especially in some older parts of the city, for instance, City Centre-Fort Rouge Community Committee and the Lord Selkirk-West Kildonan Community Committee, where it was down considerably. The only community committee area that increased in the number of major alterations and repairs was Assiniboine Park-Fort Garry Community Committee, Mr. Speaker, which is probably the most prosperous community in the city. So I think that these figures underline the need for incentives such as those that were promised in the document, "The Urban Strategy."

The housing and construction industries in Manitoba are in dire straits. They are in a calamitous state, Mr. Speaker. It is not being evident from any action of this government that they have been as concerned as they were in 1977 with the state of the construction industry. People who have never been out of work in 20 years of business as independent cabinet makers and interior finishers, Mr. Speaker, have been without work this winter. These are some of the small businessmen that the Conservatives hoodwinked into believing that business would be better under their government.

Mr. Speaker, I have been told, and I have not seen the documentation, but I have been told that when the new tower at St. Andrew's Airport was tendered recently, over 60 bids were received. Now that is a phenomenal number of bids, if the report is accurate, for that kind of structure. It was brought to my attention, as I am bringing it to the attention of the House, Mr. Speaker, in order to illustrate the desperate plight of all those involved in the construction industry in this province.

My resolution calls for a program of incentives and among my considerations are the need to contain urban sprawl and strengthen the inner city, the former City of Winnipeg. There are experts who believe that while Plan Winnipeg is a visionary document, it makes too many concessions to developers, especially developers in the suburban areas, instead of strengthening older Winnipeg. To quote from an excellent Free Press editorial on the plan, "Powerful forces are arrayed in supported of limitless suburban sprawl and continued decline of the central business and residential districts." Power forces are arrayed. They are arrayed, I suggest, behind the benches of the government, Mr. Speaker.

In October 1980, the Provincial Government did make available to the City Housing Rehabilitation Corporation money to assist them in acquiring and rehabilitating housing units in an area to be designated. That is not what I am talking about in the resolution, Mr. Speaker. I would like to see the kind of incentives provided to homeowners that are described in the urban strategy — incentives, not grants, Mr. Speaker, incentives. What I would really propose, if I were the Minister, would be low interest loans and a three- to five-year freeze on municipal assessment as it applies to the renovated portion of owner-occupied housing. That's an example of what I am suggesting. I am sure there are better suggestions but that's a good place to start, Mr. Speaker, housing, of course, not covered under existing programs. This would cost the taxpayer, I suggest, nothing in the long run, since the loans would be repaid and the freeze on the increased assessment would encourage renovations and after the freeze was lifted, would result in the increased assessment, which is at the present time not becoming available to the city.

In view of the fact that the resolution supports and urges implementation of Conservative policy, Mr. Speaker, I presume that the government will support my motion. I simply am calling in the resolution for the government to keep its word. Thank you.

MR. SPEAKER: The Honourable Member for Wellington.

MR. CORRIN: Thank you, Mr. Speaker. I hope, Mr. Speaker, that what I have to say will provoke somebody on that side to stand up and defend what they haven't been doing for the past four years.

A MEMBER: Make them mad.

MR. CORRIN: I should because when it comes to this subject, Mr. Speaker, it's very easy to be both angry and indignant. Mr. Speaker, this government, as the Member for Fort Rouge has indicated, was elected as a result of putting a certain platform before the people of Manitoba. A vital component of

that platform as it related to the City of Winnipeg was something called the Uphill Neighbourhood Program. In the course of the election campaign in the fall of 1977 there was considerable reference in all inner city election material propagated and put out by that side to this new initiative that they were going to take that was going to enhance and better the lot of people's lives in the inner city communities.

MR. BLAKE: It worked, eh?

MR. CORRIN: The Member for Minnedosa says, "It worked, eh?" Yes, Mr. Speaker, with considerable effect. It is true, it was not an unpopular suggestion. Many of the people, who gave consideration to the concept proposed in that particular plank of the platform, found it to be an acceptable reform. I believe, Mr. Speaker, that many people probably cast a ballot in favour of a Progressive Conservative candidate as a result of some of the offerings, the temptations, that were set up in that particular platform policy.

Mr. Speaker, I can tell you and I can affirm what the Member for Fort Rouge has said with respect to the complete dereliction of responsibility on the part of members on that side in this respect. Mr. Speaker, there has not been one shred of evidence to indicate that that government ever intended to implement any of things they promised the people of the City of Winnipeg in this regard. There is not one shred of evidence, not one part of that program; not one component of that proposal has been brought before this House, nor am I aware of any sort of program modification that has been initiated in order to adopt the concept as it was muted and set out.

They talked, Mr. Speaker, somewhat piously because a lot of this, Mr. Speaker, was in the context of criticism of the former government. They spoke rather piously, Mr. Speaker, of providing programs of loans and forgivable loans to first time home buyers, and they said they would do this within designated neighbourhood areas. They talked, Mr. Speaker, I remember it so well because it became an issue in my area. They talked about \$5 thousand forgivable loans to some people, and it was very tempting, Mr. Speaker, I can tell you, waving that sort of money in front of the noses of young families who wanted houses.

So, Mr. Speaker, sure there was some support and there was some following, and I'm not suggesting, Mr. Speaker, that if that government felt that it had the wherewithal and the political mettle to implement that sort of program that I would be opposed to it; certainly I would respect the fact that they were willing to do it, because obviously they've got to take from Peter to pay Paul, so it would show some principle on their part. But, Mr. Speaker, having harvested the votes they then turned their backs coldly and callously on the people of the inner city and simply neglected to even give consideration to what they had promised.

Mr. Speaker, they not only promised these \$5,000 in loans and forgivable loans to prospective qualifying applicants. They went on, Mr. Speaker, to speak piously of the need for an Uphill Enforcement Program and there was considerable mention of how they would assist the City of Winnipeg to enforce — I'm reading from it — to enforce all by-laws regarding building safety and maintenance strictly and promptly.

Now, Mr. Speaker, I think some four years later, it's incumbent on the Minister responsible for Housing and the Minister responsible for the portfolio of Urban Affairs, to tell us how they have implemented that particular election promise. What have they done, Mr. Speaker? Mr. Speaker, they'll tell us that they have global budgeted, that they've provided the City of Winnipeg with all the wherewithals so that they can within the terms of a global budget, a block grant, do everything that is necessary to maintain building standards and enforcement standards.

Mr. Speaker, I'm sorry to say that the record in terms of demolitions; in terms of derelictions, stands the same today as it was prior to 1977. There is no indication that there has been any enhancement of that programming and if the members opposite want to tell us what indications there are, I'd like to know. It is true, as my honourable friend from Fort Rouge says, that more moneys have been contributed by the Federal sector and that some of that has redounded to the benefit of our provincial friends. It is true that they're taking the benefit of some of the money that's pouring through the RRAP Program, but Mr. Speaker, they have done virtually nothing, and the evidence, Mr. Speaker, is on the record. The number of units that have been lost in the inner city without replacement has been recited as they have been enumerated and in my opinion, Mr. Speaker, it's conclusive.

I do not see, Mr. Speaker, any improvement in the quality of life in housing standards in the inner core, in the inner part of the inner city, since this government has taken office. Mr. Speaker, we had a positive, affirmative approach to this problem. We were not only concerned about improving housing in the inner city and improving the lot of life of the residents of the inner city, we were also concerned about targeting that particular social problem and attaching it to another problem, that of construction employment.

Now, Mr. Speaker, in our term of office this was not a very major problem because this province and this city enjoyed levels of construction activity that were unprecedented in the history of this particular area. But, Mr. Speaker, nevertheless we designed a program, we called it the Critical Home Repair Program, that would facilitate the repair and renovation of older houses in older neighbourhoods. Mr. Speaker, we did something positive; we did something concrete. (Interjection)— Mr. Speaker, since as my friend for River Heights says, we got out of government and, Mr. Speaker, the Member for River Heights would know a lot about the problems of the inner core. (Interjection)— He says more than I would. Does he know, Mr. Speaker, that when we looked at the employment statistics for inner core schools we found that schools such as William Whyte and Livingstone School had listed some 45 to 50 percent of all students with unemployed parents? Did he know that? And did he know that at the Robert H. Smith School, which I believe is in his constituency, the figure was 0, absolutely 0. So, Mr. Speaker, I may not know a great deal, but I can assure him that I know a great deal more about the problems of my constituency than he does, and my constituents have very different problems than his do. So, Mr. Speaker, when I am suggesting to him that his constituents in

some respect have a social responsibility to assist my constituents and their children through a program such as the Critical Home Repair Program, I know of what I speak.

Mr. Speaker, between 1978 and 1980 we saw that program eviscerated, gutted, completely negated. In 1978, we had allocated still, Mr. Speaker, some \$3.67 million to that program, and I believe that that was budgeted in these Estimates in 1977. By 1980 the Budget of that program, Mr. Speaker, had been reduced to \$1.62 million and according to this report only \$1.47 million of that sum was actually expended. Now, Mr. Speaker, how many jobs, how many jobs would have been created if that program would have been enhanced, elaborated and accelerated, instead of diminished and killed? How many people in the dying construction trade industry in this city and the other day, Mr. Speaker, I had recourse to Manpower statistics which showed that we have a construction trade decline from 1976 to 1981 of some 3,000 to 3,300 jobs in this province. How many of those 3,000 odd trades people, how many of them, Mr. Speaker, would be working if the government would have taken a more affirmative approach to the Critical Home Repair Program? Mr. Speaker, they didn't even have to worry about things like the Uphill Neighbourhood Program with his promises of free money. The loan schedule that had been attached to the Critical Home Repair Program was sufficiently attractive to induce many, many people and there were thousands of people to take advantage of that particular program.

But, Mr. Speaker, what was their approach; what was their approach to the Critical Home Repair Program? Let's look at the '78-'79 Annual Report of the Manitoba Housing and Renewal Corporation. Mr. Speaker, let's look at objective evidence of that government's approach to a problem. Mr. Speaker, and I'm reading from Page 11, if members want to check the veracity, the accuracy of my commentary. Here is a description of the Critical Home Repair Program under the Conservative Government. To start with, I'll just paraphrase, they talk about the program's introduction in 1975 and the object of the program, helping low income families and pensioners to make urgently required critical repairs to their homes; they talked about how it had already extended the useful life of existing older housing stock throughout the province; they talked about the 15,807 applications that have been approved for loans and grants; they talked about some \$14.3 million that was circulating in the economy as a result of this fine program and that's my word not theirs, Mr. Speaker, and going on they talk about the \$2.4 million that had been budgeted to the program. Mr. Speaker, they didn't bother to say that some 3.67 had been budgeted the year before. They never bothered to say that, they were very affirmative, very positive.

Then they went on to talk about chief changes to the program, now this, Mr. Speaker, is remarkable. Here is a list of the chief changes to the program, and I ask you, Mr. Speaker, we should ask then where the lie should lie? Here it is. The chief changes to the program were: (1) Maximum qualifying income will be up to \$10,000.00. Now, doesn't that sound rosy, Mr. Speaker. You read that and you think, gee, now that's a government with a heart,

they're going to grant it, they changed it you know. When I read that I know what I thought, I thought, oh, well good, they've taken into consideration inflation, they've raised the level so that a low income family could qualify, because you know that one has to presume that even a poor working person might get a raise to keep up with inflation. Do you know what that number was, that qualifying income maximum was the year before, Mr. Speaker, under the New Democrat Government? It was \$11,000.00. I ask you, Mr. Speaker, is that political hypocrisy? It's unparliamentary, Mr. Speaker, but I tell you, is that not an attempt to deceive the taxpayer? What sort of an approach to government is that? What sort of deceptive approach to government is that? Because, that's a change, a chief change, I suppose, but let's tell it like it really is.

Mr. Speaker, I can go on, they've made other changes too. In the name of government austerity and restraint, they've kept the lending rate, the borrowing rate, I guess, would be a better way of putting it, the borrowing rate to the consumer abreast of government interest rates. In other words, Mr. Speaker, they have pegged the rate at which a potential applicant can obtain assistance to that which the government has to pay on its borrowing. So, what is the rate today, Mr. Speaker? I believe it was in the order of 9.5 or 10 or 11 percent when we left office, Mr. Speaker. 17 percent, Mr. Speaker, this is how we encourage construction activities; that's how we put the small businessman to work in Manitoba. We make sure that the person who desperately needs to repair critical deficiencies in his or her home cannot afford to borrow from the government and that's what's happened, Mr. Speaker. That's why when they budget \$1.62 million only 1.47 is taken up, even though in the past we have every indication that the program was being used to a much greater extent. I won't even go into the case of the Indian Reserves, we're dealing with a resolution that deals with the inner city aspect of home renovations; I would like to and we tried during the Housing Estimates and we'll come back to it. Again Mr. Speaker, we'll get back to what they have done with respect to this program in Indian reserves, and the attitude that that disputes.

So, Mr. Speaker, in a year when we have record lows and we did in 1980, we had something in the order of about 1,500 dwelling units built in 1980, as compared, Mr. Speaker, to years under that socialist government. I can't remember all the descriptive terms that the First Minister uses when he refers to our government. You have years where just in apartment construction you had 4,271 in 1974. Just apartment construction was 4,271 units. You had single family housing 2,665. A terrible record for a socialist anti-business government. Any one of our indicators, any one of our columns was virtually in excess of the whole performance of this government in housing in 1980, Mr. Speaker, and I could say the same for 1973, 1972, 1971 and 1975 and 1976.

Mr. Speaker, I don't know where the priorities of this government lie. One would think that they would realize that they've got two problems: High unemployment in the construction industry and they have a responsibility to maintain it, Mr. Speaker. Mr. Speaker, when we were in office, the proportion of public to private investment in construction was

virtually uniform and was constant. People in the construction trades could rely on the government to maintain at least 62 to 67 percent of building activity within the province building hospitals, schools, and other vital construction public projects.

Now, Mr. Speaker, we're facing a situation where for the past few years we have rates which average somewhere around 54 to 57 percent. The private sector never picked up the slack. The First Minister admonished them to, well he didn't admonish them, he said that he was going to free Manitobans. He said he was going to free them so that people in the private sector, could do the job that they knew best, without the restrictions of government upon them. How does he do that, Mr. Speaker? He didn't give the private entrepreneur, the small businessman, a chance. There's no evidence that they were ever given a chance and this, Mr. Speaker, these statistics don't indicate a failure on the part of the business community; they indicate a failure on the part of the government.

I was talking to someone the other day, Mr. Speaker, a contractor, and he told me how for years the Winnipeg Construction Association has been asking this government to do something in terms of its tendering of public projects. Mr. Speaker, it's relevant to this, because you know we do a number of public projects in the housing field. For years they've been asking them, quite simply, to move up the tendering to the proceeding fall, so that projects can be scheduled in such a way that they will be absorbed into the construction year, in such a way as they will not conflict with the business that normally emanates from the private sector. They suggested that it would be nice if during the off-peak winter season, builders knew where they were going to be working the next year, and could make their plans.

Now has the government done that, Mr. Speaker? Has the government done it? I know they were asked. There were meetings with Members of the Cabinet, there were meetings with the Winnipeg Construction Association and representatives of that association. Nothing has happened. They tell me that they're still waiting. It's the end of the government's term, we're virtually at the end of the term now. It says the tendering process is still the same, as a matter of fact I just saw it the other day as well, it's in my brief case, they have a list of potential projects for this year and when are the tender dates? April, May, June, July. What good is it? The people who need work will be working in the private sector, as is always the case in the business cycle of Manitoba, so why can't government try and dovetail and integrate. Why can't this government be a little more sensitive to the needs of the community?

You know, one goes on and it sounds, I know, some members accuse us of rhetoric; they say that it sounds like rhetoric. Well, Mr. Speaker, if they would do something about these problems, we'd have nothing to go on about. They could silence us, but by their inaction, Mr. Speaker, they force us to continue to bring forward these much needed reforms.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, the main theme of the remarks of the Member for Wellington were to the

effect that this government has done nothing to implement the policies which were outlined by the party prior to the election in the fall of 1977. I recognize, Mr. Speaker, I'm sure as other members of our government have, that we have not yet been able to do all of the things that we promised to do in the housing area, in the inner core of the city. And while I say that, Mr. Speaker, I say at the same time that before I'm through, I think I'll be able to indicate virtually every program that was outlined in the paper referred to by the Member for Fort Rouge, will be implemented before the Premier of the province calls the next election, whenever that is.

Mr. Speaker, I think it would be interesting for a moment to spend some time to cover some of the things that have been done by our government in the inner core. I think the previous Minister for Manitoba Housing and Renewal Corporation has referred often to the fact, and here I rely on his information and his statistics, that more housing construction is taking place by MHRC in the inner core then was undertaken by the previous government during all of its tenure in office. The Minister who was then responsible initiated a second mortgage program in a selected area of the city, which I understand is under review, Mr. Speaker, and I think before the debate on this resolution is over, the new Minister responsible for MHRC will be able to expand on what has happened in the inner core in respect to housing.

The SAFFR program has been implemented, which is in fact a part of the Conservative program that was outlined prior to the election, Mr. Speaker, which is a program designed to assist pensioners with their rent so that they can remain in the areas in which they live, and has proven to be a very successful program. When we talk about tax assistance, Mr. Speaker, I remind the Member for Wellington of the increase in the Property Tax Credit Program last spring, which reduced taxes on the average \$7,000 assessed home in the City of Winnipeg last year. And I know, Mr. Speaker, in a constituency of Osborne that many taxpayers' homes were reduced from their previous levels in that particular area and I'm sure were throughout the City of Winnipeg last year. And now what do we see this year in terms of tax assistance, Mr. Speaker?

The Winnipeg School Board have indicated that because of the Minister of Education's new Education Assistance Program that the mill rate for the average \$7,000 assessed home in the City of Winnipeg, under the jurisdiction of the Winnipeg School Board will be reduced some 16-1/2 mills. That, Mr. Speaker, I would suggest is providing to the homeowners of the City of Winnipeg and home occupiers in the City of Winnipeg substantial tax relief, Mr. Speaker.

Now the Member for Fort Rouge referred to election promises, Mr. Speaker, and the Core Area Initiative Program and the initiative taken by the Federal Government in respect to that program. I want to preface my remarks by saying first of all, Mr. Speaker, that I think the Core Area Initiative Program can do some good things for the City of Winnipeg, as long as there is a commitment by the three levels of government to co-ordinate their activities in the downtown area of the city. I think extremely good developments can take place in the

City of Winnipeg and I have supported it, both publicly and privately, since the Mayor and I and Mr. Axworthy first met last May.

At the same time, Mr. Speaker, and I intend to continue that support for that program and to avoid the injection of partisan politics in a consideration and in the best interests of the city. But at the same time let's go back, Mr. Speaker, prior to that morning in May I think of last year, when the Mayor and I and Mr. Axworthy first met on the core area initiative. We had a Federal election in February of 1980 and during that election we had the now Prime Minister of Canada and the now Minister of Immigration and Manpower, promise to the citizens of the City of Winnipeg that the rails would be relocated. They made those promises here in Winnipeg, the now Prime Minister and the now Federal Minister and what happened — (Interjection)— it's getting to it, it's getting to this Federal initiative, Mr. Speaker. They promised to pay for rail relocation in the City of Winnipeg and what happened after the election, when the Mayor and I went to meet with Mr. Pepin and Mr. Axworthy, there was no money for rail relocation. So what happened as a result of that, and I can understand that. There was a lot of money that was estimated to be spent on rail relocation, but they made the promise and they didn't deliver to the people they made that promise to.

As a result of not being able —(Interjection)

MR. SPEAKER: Order please. Members have an opportunity to take part in debate and we can only have one member at a time.

The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, then as a result of not able to deliver on that promise and as a result of some discussions, the Federal Government made a decision, announced through the Manitoba Minister to offer to the city, funds for the core area initiative to be shared one-third, one-third, one-third, with the city, province, and Federal Government. I think that is a much better use of public moneys, Mr. Speaker, than the original election promises of February 1980.

The Member for Fort Rouge referred to some delay on the part of the Provincial Government in indicating whether or not we would support the core area initiative and we did, Mr. Speaker, and in the Memorandum of Understanding of September 1980, we indicated that we wanted to see what the Federal additional commitments were to the core area initiative, because our officials in the Finance Department have examined other DREE agreements, which across the country are based on 60-40 sharing. And in many instances and in the most extreme one, in Halifax I believe it is, that the federal share was 90 percent and the provincial share 10 percent.

So there is some concern, Mr. Speaker, that the province and the city are being taken, if they agree to a one-third, one-third, one-third share. Now the Member for Fort Rouge has an allegiance to the Liberal Party and to our current Federal Government, but I'm sure she would want us as a government, to try to negotiate, to try to bargain, to try to extract from the Federal Government, additional commitments to be spent in the City of Winnipeg over and above the one-third, one-third, one-third

sharing that was originally proposed, in order that we may compare equally to other DREE agreements across the country and to other Federal Government financial commitments that have been made in other areas. And we have been negotiating as we've been going along, since last September and earlier, Mr. Speaker, and the RRAP announcement, which the Minister responsible for MHRC supports and I support, is a result of those negotiations. And the Minister responsible for MHRC has commended the Federal Minister for this additional program, which to a certain extent, only replaces the abandonment of the Community Services Program in the City of Winnipeg, a program that would have provided to the City of Winnipeg some \$40 million over five years. So this is only partly a replacement, but it is a program, Mr. Speaker, that we urged the Federal Government to bring forward in the core area of the City of Winnipeg because the NIP and RRAP programs have been successful in the City of Winnipeg, and we believed, Mr. Speaker, both the city and the province, that Winnipeg was entitled to some additional support financially from the Federal Government, and I am happy and I know the mayor is happy and I would think that the members of the Opposition should be happy that this announcement has been made and hopefully, Mr. Speaker, there will be others to come before the agreement is confirmed to indicate to the city and the province the Federal Government's commitment in this area, in the same way as they have made commitments in other areas.

Mr. Speaker, I was glad to hear the Member for Wellington say that they will be silenced if the programs outlined in the Conservative document are implemented, because I am sure all members of the House, maybe even some on that side, would be glad to hear that he will be silenced because, Mr. Speaker, that program —(Interjection)—

MR. SPEAKER: Order please. Every member will have, or has had, an opportunity of taking part in debate. We can only have one speaker at a time.

The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, on the Core Area Initiatives, which on a motion, I think from the Member for Wellington, I will have an opportunity to speak on later in the next week or two and speak in more detail about the program, at least as far as I can until the agreements are confirmed between the three levels of government, but we are in general, Mr. Speaker, looking at a number of areas related to employment in the inner city, to job training in the inner city, to the establishment of an industrial park in the inner city, to the development of certain selected Main Street areas, to the development of the Heritage Area in the City of Winnipeg, and to a housing program, Mr. Speaker.

Now, some of the areas that we are looking at as part of that housing program are a Home Repair Program and I would estimate, Mr. Speaker, if the negotiations are concluded successfully, as I am hopeful that they will be between all three levels of government, that the Housing Program in total will contribute not only to the improvement of housing in the inner city but by it, as part, it will be a part of the Employment Program and the Job Training Program. We are looking, Mr. Speaker, at a Home Repair

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Program that we hope will result in the improvement of some 4,000 core area dwelling units; we are looking, Mr. Speaker, and the Member for Wellington has referred to it, the Upgrading and Maintenance Program and the inspection and enforcement measures as a part of the Housing Program; we are looking, Mr. Speaker, at support for non-profit housing, through some of the existing non-profit housing corporations, to acquire, renovate and put up for resale presently privately-owned and substandard dwellings; we are looking, Mr. Speaker, at a core area Home Ownership Program in order to provide income-related grants towards down payments or municipal tax incentives; we are looking at the possibility at a Reh. Housing Program in relation to the development of an industrial site.

We will be continuing, Mr. Speaker, between the city and the province, as an additional commitment over and above the core area funds, the continuation of the Neighbourhood Improvement Program, by virtue of which the province has contributed all during our term of government, Mr. Speaker, contrary to the Member for Wellington's comments, some 25 percent of the cost of that program, which has been extremely successful.

Mr. Speaker, we will be, I think, using the study that the Member for Fort Rouge referred to as the Neighbourhood Characterization Study to direct resources into selected community improvement area projects outside of the NIP areas themselves. I suggest, Mr. Speaker, it will be a very extensive program.

So, Mr. Speaker, housing will be a major part of the core area initiative. The housing programs themselves will in many ways reflect the policies that were announced and have been supported so vigorously today by the Member for Fort Rouge and the Member for Wellington as part of an appropriate strategy for the core area of the city. It follows along, Mr. Speaker, certainly the Plan Winnipeg, the review of the Greater Winnipeg Development Plan, which primarily recommends to City Council the rehabilitation and upgrading of the central area of the city as the most appropriate strategy for the next decade for this city, for a number of reasons, Mr. Speaker, energy-related and otherwise.

So, Mr. Speaker, the Urban Strategy Paper will be implemented through the Core Area Initiative Program to a very great extent, I would predict. At this stage, I see no reason why the core area initiative as a whole will not be approved by the city, the Federal Government or the Provincial Government. I think it will be, as the Member for Fort Rouge said, it was a very appropriate plan of action for the central area of the city, and taken in conjunction with the other aspects of the core area initiative related to employment, to creating permanent jobs, to creating an area in the downtown that will attract industry, that will provide for the development of long-term jobs close to where people have had difficulty obtaining employment, close to where they live, will provide for certain employment support services for many people who have had difficulty obtaining jobs or getting away from home to work at those jobs.

Other construction activities that will be related to the core area initiative will provide job opportunities and affirmative action programs and be designed to

ensure that those people who have had difficulty in employment will receive jobs and/or training through this particular program.

I think, Mr. Speaker, overall, the program will contribute to the development of certain, as I have indicated, Main Street areas in the downtown, to the development of the Heritage Area of the City of Winnipeg, and when the full details, Mr. Speaker, of the core area initiative, as being presently developed by the Mayor, Mr. Axworthy and myself, is ready for presentation to the city and to the public, I think it will be welcomed by the Member for Fort Rouge and may indeed, optimistically, and that may be very optimistic, Mr. Speaker, silence the Member for Wellington, although he is shaking his head, Mr. Speaker. I think, Mr. Speaker, down deep he will find the total program very attractive and will judge it to be one that will truly meet the needs . . .

MR. SPEAKER: Order please. The time being 5:30, the Honourable Minister has 10 seconds left.

The hour being 5:30, the House is accordingly adjourned and stands adjourned until two o'clock tomorrow afternoon (Thursday).