

LEGISLATIVE ASSEMBLY OF MANITOBA
Monday, 11 May, 1981

Time — 8:00 p.m.

MATTER OF GRIEVANCE Cont'd

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): The Honourable Member for Point Douglas.

MR. DONALD MALINOWSKI: Thank you, Mr. Speaker. As I was saying previously, the paper Lyon then used Dennison's articles as the basis for his speeches and the Tory party office began sending Dennison's articles out to the people all over Manitoba.

Obviously the Tories believed that people knew only what they read in the papers and therefore the appearance of this garbage in the Free Press would give it legitimacy. But there was still a problem, Mr. Speaker. Just saying there has been "waste" was not enough. There had to be a figure attached. What should the figure be? Since there was no figure, the figure they manufactured could be anything, but what? They were not sure themselves. Well, let's say about 1 billion? Well, no, they thought. Having read "Parkinson's Law" they knew that this was too much to comprehend, besides it was too round a figure and lacked credibility. Well, how about 100 million? No, that was not enough. If we are going to have waste, we must have real waste.

Furthermore, the "Big Lie" technique requires that the lie be big enough so that ordinary decent people would believe it because it was so monstrous that no one would say it unless it were true. Well, how about \$500 million? That was not bad but it was a bit too round. How about a figure like say, \$633 million? People would not remember that after all the Tories wanted people to remember this figure so they could hum it to themselves like the tune from some half-forgotten movie. And so the figure appeared, \$600 million and they succeeded in peddling it.

Knowing this figure was a figment of their febrile imaginations, they feared someone might find out later; therefore, they had to give it legitimacy. They wondered how they could get to say this figure so people would believe it. Well, who else, naturally, but a judge and one just happened to be available. Mr. Speaker, and so a judge was appointed to do a study on something he knew nothing about and which in any case was a matter of highly subjective judgment.

Things have not worked out according to plan. Their judge, after spending 10 times as much money as he was allocated for his study, refused to confirm the \$6 million as a loss. In desperation the "alleged" Honourable Minister of Hydro took the report away from him and released it himself. In doing so, he plugged in the figure of \$600 million. Was it in the judge's report? No, of course not. No person who had ever held the high position of being a judge would lend himself to that kind of monstrous lie.

Therefore the Minister plugged in his favourite figure — \$600 million hoping no one would notice it was not in the report. But the people did notice. Therefore the Tories were forced to fall back on the

second line of defence. They appointed a Tory political hack as Chairman of Hydro. This is the man who has been saying since 1977 . . .

MR. SPEAKER: Order, order please. The Honourable Minister of Community Services on a point of order.

HON. GEORGE MINAKER (St. James): Mr. Speaker, I wonder if the Honourable Member would table the document that he's reading from.

MR. MALINOWSKI: Mr. Speaker, first of all, I have no documents, I have notes which I was researching for 12 years, if the Honourable Minister wants to know and be patient and listen. You will learn something from it.

Mr. Speaker, as I said, this is the man who has been saying since 1972 that the NDP government had forced Hydro to use the wrong sequence of development, that we should have built the Churchill River Diversion before harnessing Lake Winnipeg, that this wrong sequence cost enormous waste.

Several months ago this Tory hack, in his capacity as Chairman of Manitoba Hydro, made a public speech at Thompson saying the NDP had wasted numerous amounts of money on this Hydro development. But then he made his fatal slip. Questioned by the Public Utilities Committee several weeks ago, he admitted that the Nelson River Study Board of 1967 had not recommended a sequence of, first the Churchill River Diversion and then Lake Winnipeg Regulation. How did this Tory political hack, now Chairman of Manitoba Hydro, know that there was no such recommendation? Because he had written the report. And with it you will find his signature on it. Does that mean he has been misleading the people of Manitoba since 1972? I invite the people of Manitoba to draw their own conclusions.

Will the Tories now fire him as they did Mr. Bateman? Not yet, Mr. Speaker. He has not yet quite outlived his usefulness to them. They will sacrifice him when they are ready. When the people of Manitoba rise in righteous outrage after discovering that they have been deliberately misled; when they discover that all this garbage about development sequences and \$600 million waste was all one giant monstrous hoax; when the people of Manitoba discover that all this was part of the "Big Lie", the political Chairman of Hydro will be sacrificed by his Tory "friends".

The ancient Greeks developed a cure for plagues. They blessed a goat, led him through the infected village and then pushed him off a steep cliff, presumably taking the plague with him. Hence the term "scapegoat". When the plague of public questioning hits the Tories, they will sacrifice their goat. He, poor fellow, having served his purpose and become expendable, will suddenly find himself up a "Craik" without a paddle. Meanwhile they will devise some plausible story to keep him in office until he has served his purpose.

Mr. Speaker, one must have some grudging admiration for Tories. They have studied their

Machiaveli well and they are good at finding plausible explanations for what they need plausible explanations for. It will be no problem. At the same time, they have dangled another mega project in front of the people of Manitoba to distract attention from their sordid economic mess created since 1977.

In the 1966 election the Tories who wooed the people of Manitoba with the mega-project — CFI. Now that they hope people have forgotten the results; they have really outdone themselves — they propose three mega-projects back to back.

First, they gave away our mineral rights for a mess of potash. We are expected to be deliriously grateful for it.

A MEMBER: Read that again.

MR. MALINOWSKI: If my honourable friend wants to listen carefully he should be quiet; do me a favour.

Second, Mr. Chairman, they propose construction of a power transmission line to Alberta. The cost will be about \$1 billion. Over this line Alberta will buy \$100 million worth of power annually. But the financing cost alone of that line at today's rates will be about \$150 million a year. That leaves a loss of \$50 million for the people of Manitoba to pick up.

These Tory businessmen in government are putting the people of Manitoba in debt in order to ship electric power to Alberta.

Can't we just see the people of Manitoba shouting hallelujah over such a brilliant deal? Amen. Why is this Tory government, these promoters of free enterprise taking a share in the potash development. Obviously if the project had any value the hairy-chested free-enterprising friends of these Tories would develop it themselves. Therefore, considering the philosophy of these Tories we can only conclude that the potash project is worthless. Just wait and see.

As for this 1,000-mile span of wires to Alberta, whoever heard of anything so stupid? The Tories have the gall to suggest this is part of the National Energy Grid originally proposed by Edward Schreyer. This is an insult to our former Premier. What he proposed to us was a survey and analysis of all Canada's energy sources and an agreement to use each to its best advantage.

To attribute to him this piece of lunacy of a power line to Alberta is an undesiring insult and done only for show.

An intelligent proposal, such as proposed by Edward Schreyer, would convert Winnipeg's public transit system to electric. That way we would use our own power, transmitted over our existing lines, substituting for fuel presently imported from Alberta.

It would also create jobs in Manitoba, building the power lines in Winnipeg, building the electric buses in Transcona, at a plant owned by the taxpayers of this province.

Hydro-electric power is Manitoba's oil, Mr. Speaker. One would expect even the Tories to find a way to utilize it locally but of course that would be the sensible thing to do, so how could we possibly expect these Tories to do it? So they continue with their lunacy.

But the real Tory mega-project showcase and the real theft from the people of Manitoba is their proposed Alcan project. The scenario is disgustingly simple. These Tories, who promised to reduce

government spending, are now spending twice as much as the NDP Government four years ago, an increase in government spending of an unbelievable \$1.2 billion in four years.

These same Tories, who promised they would balance the Budget, this year alone have a larger deficit than the total deficits of the NDP Government over our eight-year term.

Since the Tories have now proven — (Interjection)—

MR. SPEAKER: Order please. Order please. There can only be one person speaking at a time in this Chamber.

At this time, I recognize the Honourable Member for Point Douglas.

MR. MALINOWSKI: Mr. Speaker, since the Tories have now proven they cannot manage the economy, they manipulate us with mention of mega-projects.

The Tories have become totally predictable. Whenever they are in political problem or trouble, they conjure up a mega-project. Just before the 1966 election it was CFI. Today it is Alcan.

Again the scenario is not in order. The Tories, despite their claim to be "businessmen", have bankrupted the province both financially and in terms of imagination. The same Tories, despite the density of their ideological fog, know they must resurrect our economy to keep our young people here, in this province.

Four years too late they are compelled to continue with Ed Schreyer's Hydro Program. But where do they get the money? Ah, they devised a scheme — and "scheme" is exactly the right word.

Alcan would provide half the financing for the hydro plant; in return Alcan would be granted half ownership of the hydro plant.

In the long term it will cost the people of Manitoba a horrendous price, but in the short term it will make the Tory Government's cooked books look better — at least until after the next election.

What is the essence of this mega-project proposal? The people of Manitoba are being offered a few jobs. In return they must give away ownership of the greatest resource in this province — Manitoba Hydro.

Do these Tories propose that Alcan, in return for taking half the ownership of hydro from the people of Manitoba, give the people of Manitoba half-interest in the Alcan plant? Of course not. Alcan is not so stupid as to give away half of what it owns. Only the Tory Government of Manitoba can be that stupid, but of course, one should not wonder.

After all, their philosophy is that anything profitable should be privately owned. Obviously that now includes Manitoba Hydro.

This brilliant "businessman" government is giving away ownership of Manitoba Hydro — now owned by all the people of Manitoba to Alcan.

At St. Lazare, where the economics are highly suspect, these Tories, who believe anything profitable should be privately owned, are risking the taxpayers' money in pointless labyrinthian probings for potash.

But with Manitoba Hydro where the economics are secure, the Tories, who believe anything profitable should be privately owned, are giving our major energy producer away to Alcan.

Mr. Speaker, the Tories, this poor excuse for a government undoubtedly led by their excuse for a

Minister of Finance who just brought down his excuse for a Budget, his Holiday Inn Budget with no surprises except one big surprise, that the price has doubled.

The surprise in his budget was that this year every man, woman and child will be forced to pay \$1,000 more in taxes to this excuse for a government than they were paying in the last year of the NDP administration.

That means the taxes each household, each family, in Manitoba is being forced to pay has increased \$4,000 in 4 years.

Has the income of each family increased by \$4,000 since this excuse for a Government was elected?

But this pack, led by their excuse for a Minister of Finance will undoubtedly bounce up and accuse the New Democratic Party of being anti-development.

If he knew anything — which obviously he doesn't — he would know that will not be believed.

The simple fact is that during the 1977 election campaign and ever since, this same pack has been accusing us of being too much dedicated to development.

The simple fact is that the New Democratic Government of Manitoba undertook the greatest single development in the history of this province — the Nelson River power development — the development of hydro-electric power which is Manitoba's oil — the provision to the people of Manitoba of a secure supply of power at the second lowest rates in North America.

Indeed we were so good at industrial development at the development of Hydro that even the Tories hand-picked judge, and even the appointment of their political hack as Chairman of Hydro, have not been able to ruin it.

Mr. Speaker, we are not opposed to development; our record shows that.

We are opposed to stupid development, development like the Tories undertake — development like C.F.I. Development like the dozen other jokes on which they wasted \$230 million of taxpayers' money in the name of free enterprise.

That kind of stupid development we are indeed opposed to and of that we make no secret.

Furthermore, Mr. Speaker, the New Democratic Government's program for economic development, exemplified by our development of Manitoba Hydro, was so good that now — 4 years later — now that the cost of building the power generating plant at Limestone has increased by \$1 billion — now that the skilled young people who were working there have gone to Alberta and Saskatchewan. Now, because they are politically bankrupt and they need something to show after 4 years of mismanagement, they need to show the electorate of Manitoba that they are doing something; now they are compelled to continue with the hydro development program started by the New Democratic Government.

If the Tories enter such a business and such an arrangement with Alcan the people of Manitoba should not blame Alcan. Alcan is doing what is in its nature to do. Alcan is in the business of making profits and will do what it needs to do to serve that purpose.

Alcan is speaking for Alcan; but who is speaking for the people of Manitoba? In the name of God, who is speaking for the people of Manitoba?

I am beginning to understand why our First Minister, our Tory paper Lyon, is so terrified that the proposed changes in the Constitution may introduce some American practices.

Were he to do this in the United States, he would be impeached for giving away the people's property. However he will find that here we have an even more effective method of dealing with this kind of double-dealing.

Mr. Speaker, we are going to defeat him. The people of Manitoba will consign him to the ash-heap of history. These Tories have shown their value. Now let them pay the price. Let them call an election so the people of Manitoba may render judgment.

I challenge these Tories to give the people of Manitoba a chance to defeat them, before they destroy all of us. Thank you.

QUESTION put, MOTION carried and the House resolved itself into a Committee with the Honourable Member for Radisson in the Chair for the Department of Urban Affairs.

SUPPLY — URBAN AFFAIRS

MR. CHAIRMAN, Abe Kovnats (Radisson): This Committee will come to order.

I would direct the honourable members' attention to page 111 of the Main Estimates, Department of Urban Affairs, Resolution No. 121, Clause 4, Winnipeg Inner City Initiative — pass — The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Thank you, Mr. Chairman.

Well, Mr. Chairman, after my colleague has all but destroyed the Conservative Party single-handedly I don't have too much to add.

Mr. Chairman, I wanted to discuss the Core Area Agreement with the Minister, because every day that goes by we hear reports of stalling from the Federal Government and I'd really like to know just what is going on.

Today the report was that Mayor Norrie indicated he was quite concerned about what was happening; that he might find out by the end of this week, but that there was no guarantee at that time that the agreement has been finalized. He indicated on a news broadcast tonight that he was in general agreement, I think, with the Minister of Urban Affairs and that they were waiting for final approval from Ottawa.

Mr. Chairman, last Friday there was supposed to be a meeting at 3:00 o'clock that was cancelled, because the Minister had an earache — that's the Minister of Immigration. Now I don't know whether he had earache because of complaints registered by the Mayor or I don't know whether that's an earache that's a holdover from his scrap with the women's organizations who were filling his ear with abuse.

Well I won't touch that one, but my information, my understanding of the Core Area Agreement is that the Federal Government is stalling; that they are not willing to put up and unfortunately they're not willing to shut up; that they may have some money but it certainly doesn't seem to be the amount of money that was talked about or thrown about and one indication is that the Minister of Immigration is having trouble in his own cabinet getting the funds to put up.

So I don't know whether he was premature in promising this type of an arrangement to the City of Winnipeg and then drawing in his other partners; or I don't know whether he's been betrayed by his colleagues in Ottawa; or I don't know whether it's simply a case of his stock is falling and with his stock is falling the opportunity that was held out to the people of Winnipeg as being a major initiative on the part of the three levels of government lead by the Federal Government and lead by the Minister of Citizenship and Immigration.

Mr. Chairman, there was a couple of funny items — a couple of peculiar incidents in regard to this Core Area Agreement. For example, we know that one major Federal program of the order of some \$30 million to \$40 million was cancelled. That, I guess, was the Community Services Program. So on one hand somebody appears to be offering us some \$30 odd million, but on the other hand they appear to be taking it away.

Yes, I was just thinking of that classic comment or was that a cartoon of the "The Lloyd giveth and the Lloyd taketh away". We have a fellow in our party who's from New York; he does it with a much better accent than I do, but I think I remember either that statement or the cartoon in the Winnipeg Free Press. (Interjection)— No we have some progressively minded people from New York who are also supporters of our party; at least one.

So, Mr. Chairman, I'd like to ask the Minister about his observations on the cancellation of the \$40 million program; which appears to have been exchanged for a \$32 million program; which appears to be exchanged for a zero program; which is what we have at the present time.

I just want to quote from a couple of articles to backup some of my remarks. Mayor Norrie, for example, was quoted in November 14th, 1980 as saying that "The loss is more than the \$32 million recently committed by Ottawa for core area improvements, so Winnipeg is actually worse off than before" and he said "The appearance of giving money on the one hand and taking it away on the other, is really unavoidable."

The Deputy Premier of Manitoba said in that same article "Clearly the \$32 million the government is offering is not new money at all, but just part of the savings from the program which we now know will end". He said that "This announcement puts into serious question the Federal position on the Core Area Agreement and the negotiations which are not underway." Then the Mayor said in that article that "City Council may well decide it can't afford to pay its \$32 million share of the core area rejuvenation program". Ottawa, of course, makes this a contingent plan — it's only if, if and only if, the Provincial and City Governments come through with their share of the money.

So that's about the background of the matter. It's also been indicated at one point that an amount of \$120 million could be obtained and I'd like to ask the Minister about that. Is that outside figure a possibility, because in an earlier article that appeared in the paper it indicated that the agreement signed by the three representatives could reach that level and that Ottawa was expected to contribute \$60 million. What happened to that? You know I guess at that point, Mr. Chairman, we're talking about \$120

million for Winnipeg, plus \$40 million for Winnipeg, for a total of \$160 million. Then it went down to \$96 million and \$40 million, which is \$136 million; then it went down to \$96 million, so we're sort of on a slippery slope. I don't know exactly where we are today, and I ask the Minister for some comment on that.

So, Mr. Chairman, I have other remarks on this matter and I'm sure the Minister would like to give us a up-to-date report, and I ask him to do so at this point in time.

MR. MERCIER: Mr. Chairman, just briefly, the Member for Elmwood referred to a meeting that was scheduled for last Friday. As I understand it, Mr. Chairman, the Federal Minister was unavailable but I did meet with Mayor Norrie for a couple of hours on this subject. The Federal Minister and Mayor Norrie and I have been meeting on a regular basis with respect to this matter for quite some time, Mr. Chairman, trying to deal with the questions from the Member for Elmwood, it refers to the cancellation of the Community Services Program, Mr. Chairman, as an Urban Affairs Minister and formerly a Municipal Affairs Minister . . .

MR. CHAIRMAN: Order please. We are having great difficulty following the conversation here. Either speak a little bit softer so that we can't hear you or a little bit louder so that we can hear the Debate.

The Honourable Minister.

MR. MERCIER: Well, Mr. Chairman, with respect to the Community Services agreement, I was involved in the original two-year agreement. That agreement clearly provided for a renewal. I know myself and all of the other provincial Ministers involved were of the view that that agreement would be renewed, that it was a matter only of negotiating terms. There were some matters that provincial Ministers were not happy with when the original agreement was negotiated; two-year agreement was entered into and I was certainly of the impression that there was not going to be any difficulty in re-negotiating a longer term agreement. In fact the terms of reference from the Federal Government which dealt with the kinds of projects which were eligible under that agreement included interest on borrowing to cover the cost of certain projects so that the original terms of reference from the Federal Government clearly indicated it was to be a long-term agreement. We were somewhat skeptical in Manitoba. We advised municipalities in Manitoba that we would not approve the use of those funds to cover interest charges on long-term borrowing for the projects until we had some more definite commitment to it as a long-term program.

Mayors and municipalities and councils throughout Manitoba, Mr. Chairman, when there were rumors about the demise of that program, as I understand it, passed Resolutions and sent them to the Federal Minister. I wrote to the Federal Minister. I know the Municipal Affairs Minister wrote to the Federal Minister; a national municipal organizations protested, but the program was cancelled.

The Member for Elmwood refers to additional federal commitments, I believe. All I can do is indicate to him that that is part, Mr. Chairman, of the negotiating process that was certainly referred to at

the original press conference that was held with Mayor Norrie and myself, Mr. De Bané, and former Minister of Finance and now Minister of Energy and Mines, with reference to moneys over and above the \$96 million to be split three ways.

MR. DOERN: Mr. Chairman, the Minister said in September that he would be reluctant to match the Federal Government's contribution. I'm now quoting from the Free Press, September 23rd. He said he would "be reluctant to match" however, he made it clear, I'm quoting again, that he is "prepared to recommend a \$32 million provincial contribution, as long as Ottawa comes through with additional funds to increase its contribution above the current \$32 million." So, really at that time the Minister was, I guess, in a bargaining position. He was saying that he wanted more than a matching contribution from Ottawa, and there was talk at that time that Ottawa might contribute up to \$60 million. I ask the Minister what happened to his stronger position, namely, that he would only recommend to his colleagues the \$32 million contribution providing Ottawa contributed more? Since that time Ottawa cut a \$40 million program and only came up with an equal program, so the Minister was, I think, talking tough but when the crunch came he obviously either gave in or threw in the towel or buckled. Well, I'm going to let my colleague raise that particular question — special Municipal Loans Fund would interest my colleague from St. George.

The other thing I want to ask the Minister here is the Core Area Initiative and the Winnipeg Development Plan. There's a seminar coming up at the Fort Garry in about ten days which wants to explore whether there is co-ordination or conflict in that regard. And I wonder whether the Minister can indicate whether he thinks that there's going to be a dove-tailing of these two programs or whether, if so, it will only be by sheer coincidence? I can see that if they make certain decisions now, it's going to obviously affect what is called, Plan Winnipeg, and I guess the other way would be to wait for that particular plan and act in accordance with it. So I would ask the Minister if he has any remarks on those points?

MR. MERCIER: Mr. Chairman, on cost-sharing, I'll read one paragraph from the memorandum of understanding that was entered into in September 22nd, last year, by the Federal Minister, myself and the Mayor. And it reads: "The Federal Department of Regional and Economic Expansion has offered to contribute \$32 million of new funds to the Winnipeg Core Area Initiative over a five-year period, provided that the city and the province each match the DREE funds on a dollar for dollar basis.

"The Federal Government has also committed to identify other programs and projects to be added to the Initiative, in addition to the DREE funds. The Provincial Government recognizes a need to pursue the revitalization of Winnipeg's core area and wishes to reach agreement and measures to be included in the Core Area Initiative as soon as possible. But the province is concerned that the cost-sharing arrangements proposed by the Federal Government deviates significantly from the ratios which have been generally applied in respect for agreements under the Canada-Manitoba General Development

Agreement. The province is also concerned that the additional federal programs and projects for inclusion in the initiative be identified as soon as possible."

Well, Mr. Chairman, I think, it was clear from the beginning that the province expressed the view that based on other agreements in other provinces, involving other cities, that a one-third, one-third, one-third sharing should not be the best arrangement that we could obtain for Manitoba and we have been pursuing those objectives of identifying other federal projects that could be of assistance to the City of Winnipeg in a manner that, as I indicated earlier, that was referred to by the Federal Minister when this concept was originally announced.

Mr. Chairman, the Member for Elmwood refers to a study or seminar to be put on next week involving the Social Planning Council of Winnipeg and the Institute of Urban Affairs and raises the question whether there is co-ordination or conflict between the Core Area Initiatives and the Winnipeg Development Plan. I believe, Mr. Chairman, that the objectives of the Core Area Initiative coincide and follow the Winnipeg Development Plan, Plan Winnipeg, as it has been released, and that one of the main premises of Plan Winnipeg is the revitalization, the rehabilitation of the central area of the city, Mr. Chairman, and the people involved from the City of Winnipeg in our negotiations and planning for the Core Area Initiatives are the same people who have been intimately involved in Plan Winnipeg, so I think there really is co-ordination with Plan Winnipeg and the Core Area Initiative Programs that we are developing.

The question of co-ordination, Mr. Chairman, I believe, and I have said so on a number of occasions that I think the fact that three levels of government are attempting to co-ordinate their activities in the central area of Winnipeg is an objective that has been attempted in the past, I think, in cities across Canada and if it works, Mr. Chairman, I think it can bode nothing but well for this city to have three levels of government working together to co-ordinate their activities in improving the central area of Winnipeg.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I want to emphasize one particular point here. Under this agreement, Manitoba is putting up two-thirds of the money. I mean, that's self-evident but, you know, we always used to hear talk in this Chamber and of course in Cabinet, etc., about the advantage and the value of accepting 50-cent dollars from Ottawa. There's an obvious appeal when Ottawa offers a 50-50 funding but I want to underline the point that in this particular case, we're being offered 33-cent dollars and grabbing at them.

There is one other point that I want to raise here, that I want to criticize the Minister for, not only this Minister but the Federal Minister of Employment and Immigration, and that is for the absurd boundaries designated for the core area. You know, one would assume that the parameters of the core area would be the obvious and self-evident ones, the older run-down, presumably, at least relatively run-down centre core of the city, where there's a great need for

housing and perhaps some light industry and more recreation in particular, and improvements in the neighbourhood, etcetera. I mean, ask any Winnipegger and he could drive you through the areas and say this is probably the area that should be rebuilt, revitalized, etc., but what happened was that the two Federal Members of Parliament, Messrs. Axworthy and Bockstael —(Interjection)— Messrs. Well, Messrs. sounds a little western to me.

A MEMBER: They messed it up all right.

MR. DOERN: Oh, messers, I see. Yes, yes, very good, Mr. Chairman, m-e-s-s-e-r-s. Yes, I was thinking we were arguing about the French pronunciation. I agree; the two messers who messed up the plan. These gentlemen decided that here was an opportunity to grab the boundary and pull it, like an elastic band, into their own federal riding. You know, my friend from Woodlands, or from the woods, the woodsman, he makes an interesting point which I have jotted down and was about to make, namely it's a good thing that these gentlemen didn't represent rural ridings, or northern ridings, or the core area of Winnipeg would have been shooting way up somewhere into the riding of Churchill, or it would have shot down somewhere southwest or southeast or northwest or northeast, Mr. Chairman. It's a good thing that they were Winnipeg representatives or the core area of Winnipeg would have been defined way beyond the perimeter. Somehow or other, they would have been able to include a portion of their riding.

Mr. Chairman, I condemn these Ministers, the one Minister and the Parliamentary Secretary, for simply getting into this thing for their own selfish interests. When one looks at the map that has been drawn, I mean if ever there was a gerrymander, if ever there was a political gerrymander, in this particular case, not political, but I guess an economic gerrymander, this is it, because the Minister of Citizenship and Immigration draws the boundary so that it takes in such impoverished areas as Roslyn Road and Wellington Crescent. Now, you know, if ever there is a place where people are on welfare and need SAFER benefits and unemployment and all sorts of other subsidies because they find it hard to pay \$300 to \$800 to \$1,000 to \$1,200 a month, that must be the area and the people on Wellington Crescent, who are living from hand-to-mouth, in some cases shovelling caviar, these are the people that Mr. Axworthy thinks need support.

Well, nobody else does, Mr. Chairman. Nobody in this Chamber, including the Minister of Consumer and Corporate Affairs, I'm sure he himself would find himself very hard-pressed to demand welfare handouts and extra support for the people of his riding. That would, in fact, be absurd.

Similarly, the portion of St. Boniface that's included in this political map has no need greater than any other area surrounding the core, or in the central part of Winnipeg. I mean, if he can make a case for inclusion in this plan, then I tell you that I can make a better case for including Elmwood in this particular plan, the central part of Elmwood, and so could other MLAs who represent the central part of the City of Winnipeg make the case that the needs of their constituents are as great, or greater, than those of Mr. Bockstael, and all of them, every one, can make a stronger case, ten to a hundred times

stronger than Mr. Axworthy, because his case is the weakest of all.

Well, Mr. Chairman, those are my comments but other observers have said the same thing. It was obvious what was done and it is obvious what has happened. The Free Press, back in September, said the money should go where the people and the city need it, not where the Liberal party needs it. That was their particular comment.

The Mayor, Mayor Norrie, who is not known for extreme comments, said back in September that the area was expanded beyond what is usually considered the core because of demands by Federal negotiators. Then it says in this concluding sentence of that article in the Press, "He hinted broadly that Fort Rouge and St. Boniface were included because they are represented by Liberal MPs."

So, you know, instead of us now having a program to redevelop the core area of Winnipeg and, as I said, we went from a program where we were talking about \$160 million, we're down to 96, and how much of that is going into the core? Well, it certainly isn't all. It might be half to three-quarters but it certainly isn't all.

So what we are seeing here, Mr. Chairman, is the political pork barrel. This is the old Liberal pork barrel and we see these people reaching into it to benefit themselves. Maybe they feel it's only coming around once so they had better get a good piece of the action.

Now, that's my criticism of the Feds, but I want to say to this Minister, what was he doing? What did he say at that time, at that meeting, and what did the Mayor of Winnipeg say? Did they say, oh, no, we're not going for this; this is a bad deal. What have they done since? If they were caught offguard or taken by surprise or signed and had second thoughts, or committed themselves and then wanted to reconsider, I'd like to know why on earth the Minister of Urban Affairs, who was a councillor, who was a chairman of a committee which is equivalent to Cabinet rank, who presumes to represent the best interests of the people of Winnipeg, who represents an urban riding, I would like to know why he agreed, why he accepted what was obviously just pure political pork barrelling. I would like to know what he's done since, whether he has fought the Federal Minister, or the two Liberal MPs.

He may have had a gun in his ribs. He may have had a gun stuck in his ribs, but he should have attempted to push it away or knock it down. So I would like to hear the Minister justify, attempt to justify his acceptance of these terrible conditions.

MR. MERCIER: Mr. Chairman, the boundaries that were set out in the memorandum of understanding were developed by the Institute of Urban Affairs in a study of the central core area of the city. In fact, the agreement provides, Mr. Chairman, that projects may be undertaken outside of the core area where it can be demonstrated that these would contribute in a significant manner to the objectives of this initiative. The agreement provided in Section 3.(b) that one of the objectives of the initiative was the development and expansion of community improvement in home ownership, rehabilitation in rental programs to provide housing and neighbourhood stability for core area residents. In fact, Mr. Chairman, Plan Winnipeg, which the

Member for Elmwood has referred to, identifies older neighbourhoods and Plan Winnipeg policy areas which are far outside the boundaries that are established in the agreement. The Winnipeg Area Characterization Study developed by the City of Winnipeg's Department of Environmental Planning identifies redevelopment areas and major improvement areas which, Mr. Chairman, include Chalmers and which, under the objectives of the agreement, would not prohibit or exclude housing rehabilitation programs in that area.

Mr. Chairman, until we have reached final agreement between the Mayor and the Federal Ministers, I can't indicate at this stage what is to be included in the final agreement. I hope that is not very far off.

I would make this comment, that just because that large area is included doesn't mean that activities are going to be carried on in each and every area within those boundaries and, in fact, as we have identified in Plan Winnipeg and the Winnipeg Area Characterization Study, there are perhaps some older areas outside those boundaries where some housing programs should take place. But these have been major studies, Plan Winnipeg, and the Winnipeg Area Characterization, which have studied and attempted to prioritize residential areas in the central part of the city that require rehabilitation and various housing programs, many of which the city, with the assistance of the previous administration and our government, through the NIP Program and the Community Improvement Program have been very successful, probably more successful than any other city in Canada, Mr. Chairman.

So that's some of the background to developing the boundaries that have been identified in the memorandum of understanding. That was an in-depth study by the Institute of Urban Affairs. The agreement doesn't prohibit consideration of areas outside those boundaries and I hope, Mr. Chairman, that shortly we can indicate the exact programs to be carried out, both within and without those boundaries.

MR. DOERN: Mr. Chairman, I'll conclude on this section by simply saying that isn't it interesting that the Liberals have in one agreement been able to cover their two Federal seats and their provincial seat. They have covered, in effect, the major portion of Fort Rouge provincial riding, and they have covered a good portion of St. Boniface, the northern part I think, and a portion of Fort Garry Federal riding. So in one fell swoop they have taken an agreement which would have excluded all of their ridings, their two federal and one provincial and added them all in. That's obviously some kind of a perverse accomplishment but not to the benefit of the people of this province or the people of this city but to the benefit of the Liberal party of Manitoba and the Liberal party of Canada.

I would simply say that I would like to call on the Minister. I don't think the Minister has proven himself at this point in time as being a very skilled negotiator or a very tough negotiator. We'll see what comes out but I would simply say that he should attempt to ensure that the Federal Government contribute more than \$32 million. They are now contributing on a one to two basis. They should be contributing 50 percent or more, or a two to one basis. (Interjection)—

Yes, well we're getting it the other way. We are getting a 66-2/3; 33-1/3 against. We would like it the other way around. The Minister of Finance certainly agrees. The Minister of Cultural Affairs agrees with that.

I say to the Minister of Urban Affairs, the other thing is he must attempt to redefine or renegotiate the core area. I think that he'll be judged ultimately by the boundaries that are ultimately acted upon in this particular agreement.

MR. CHAIRMAN: The Honourable Minister.

MR. MERCIER: Mr. Chairman, I have to repeat for the benefit of those who may have listened to the Member for Elmwood that much of the planning and background and identification of the areas in need is developed from the City of Winnipeg's Plan Winnipeg Study and I'm sure the Member for Elmwood is aware of that study that has gone on for an extensive period of time in which the Winnipeg area characterization study was done, Mr. Chairman, and which identified areas requiring redevelopment, areas requiring major improvements, areas requiring rehabilitation throughout the central area of the city and extending, Mr. Chairman, down into the Wolseley area, Daniel McIntyre, St. Matthews, King Edward area, Talbot-Grey, Luxton, St. James, the Lord Roberts area, Earl Grey area. And this was done, Mr. Chairman, without any political involvement. These are the areas that have been identified as the areas in need of redevelopment and improvement, rehabilitation, and these are the areas we are looking at, Mr. Chairman, and I don't see anything wrong with that.

The Member for Elmwood can attempt to make very political arguments and it's easy for any one of us, Mr. Chairman, to be political and attempt to take political advantage, but, Mr. Chairman, again I repeat, I think if the three levels of government can forget politics for a little while and concentrate on what is best in improving the central area of the city to co-ordinate their activities in the downtown area of the city, Mr. Chairman, it's something that the previous administration was unable to do. I am hopeful that we can do it and it will be to the benefit of all Winnipeggers and of all Manitobans.

MR. CHAIRMAN: Clause 4 — pass — The Honourable Member for St. George.

MR. BILLIE URUSKI: Thank you, Mr. Chairman. Could I ask the Minister — there were discussions here in committee dealing with the agreement or the proposed agreement between Manitoba and Ottawa and I gather that has not come true yet, it's not been signed, there is no formal agreement that has been signed dealing with the City of Winnipeg, and neither is there an agreement that is in place or that has taken the place of the community services contributions program I gather, that's been disbanded as well.

Could I ask the Minister what is the province doing in the interim to assist local urban governments and the City of Winnipeg in particular in dealing with necessary capital works that the city might want to undertake now that the Community Services Contribution Program, which the Minister lauded, and then of course complained and bitterly criticized

Ottawa along with many municipal governments that the program . . .

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

MR. MERCIER: We're discussing the Winnipeg Inner City Initiative, Mr. Chairman.

MR. CHAIRMAN: That's so. Would the honourable member care to carry on?

MR. URUSKI: Mr. Chairman, there's no doubt that the Minister might want to make a very narrow argument with respect to the inner city. The Minister can't come to the Legislature and say that none of the programs that I'm speaking about had no impact or effect on the inner city of the City of Winnipeg. Mr. Chairman, in the Community Services Contribution Program, 90 percent or an excess of 90 percent of the funds that were in the program were used by nine communities and Winnipeg was one of them, Mr. Chairman. Surely the Minister would have had some projects in the Community Services Program which was discontinued, some of those funds would have been used for the inner city.

What I am saying, Mr. Chairman, is basically right now we are in limbo. We don't have either a Federal-Provincial Agreement. We have the Minister of Finance of the Province of Manitoba who has through his budget indicated that the Special Municipal Loan and Emergency Fund is going to be done away, Mr. Chairman, a fund that by the Minister's figures of \$24.8 million will no longer be available because it's no longer fitting the interests and the accounting — according to the Minister of Finance — inconsistent with our accounting principles and runs counter to the goals of governmental accountability to the Legislature and to the taxpayers. So that fund will be done away with.

What we are seeing Mr. Chairman, is the Minister of Urban Affairs who is decrying the actions of the Federal Government. He has decried them to such a degree that municipal governments have backed him up and said yes, the programs that were there to assist the majority of urban communities in the province of Manitoba, Winnipeg being one. The closure of that program has hurt these areas very severely; has really put the councils of those areas in a bind.

What I am asking the Minister now, Mr. Chairman, is what has he got in the meantime? What are you proposing now that your Minister of Finance is deleting the \$24.8 million Special Municipal Loans Fund which could have been used to do necessary initiatives and works in the inner city as one of the areas? And of course the area of our province in the city that has the bulk of our population in Manitoba, this area could have utilized the Special Municipal Loans Fund.

I ask the Minister why could this not be used? What is the problem with the Minister in the interval to proceed with some of the projects that he sees as his government's priorities in the inner city?

MR. CHAIRMAN: Before I acknowledge the Honourable Minister, I would hope that he would keep his remarks referring to the Winnipeg Inner City Initiatives only. The . . . of municipal affairs has

nothing to do with this matter, but the Winnipeg Inner City Initiative is the article under discussion.

The Honourable Minister.

MR. MERCIER: Mr. Chairman, firstly, I'm going to confine my remarks to the City of Winnipeg because that is my sole direct responsibility as the Minister for Urban Affairs.

Mr. Chairman, of course we must remember that the CSCP Program is continuing through this year, until the end of this year, and moneys are being spent —(Interjection)

MR. CHAIRMAN: Order please. I am having difficulty listening to the Honourable Minister answering the questions when there are more questions being asked at the same time as he is speaking and I would say a little courtesy to the member who is speaking.

The Honourable Minister.

MR. MERCIER: I was trying to make the point, Mr. Chairman, that moneys will be continued to be spent under that program until the end of this year for commitments which were approved earlier but projects which are uncompleted.

Now, in addition, Mr. Chairman, with respect to — you allowed the member to speak at some length on capital funding really, which is something that perhaps should have been discussed under the previous item, but we have provided to the City of Winnipeg in the year 1979-80, over and above the block funding grant, an additional \$4 million to complete carry-over capital projects. We did, in the fall of last year, provide the city with an extra \$2 million to complete — not to complete, but to initiate and undertake capital works projects, which we shared with them on a 50-50 percent basis.

We authorized \$2 million. We advised the city that the moneys were to be spent up to March 31st of this year and my understanding, Mr. Chairman, is that the city was able to claim some \$1.8 million of those funds.

Again, with respect to capital projects, the \$32 million under the Core Area Initiative, over a five-year term, is intended to contribute to projects, not just capital, but capital and current projects in the city.

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

MR. URUSKI: Mr. Chairman, the Minister has indicated that funds are still being spent under the Community Services Contributions Program. Mr. Chairman, while there may be funds flowing, could the Minister indicate when the last projects were approved under that program for the City of Winnipeg? When, actually, were applications cut off for grants under that program?

Mr. Chairman, while the Minister indicates that the Core Area Initiatives Program will have capital funding in that agreement, I gather, and the Minister can correct me if I am wrong, that that agreement has yet to be signed. That's the reason, the point of my remarks, Mr. Chairman. We are in limbo. We are neither here nor there, Mr. Chairman. We neither have a federal-provincial agreement, nor do we have an effective provincial program to deal with areas that the province obviously would like to deal with,

but they are now sort of cutting off their nose to spite their face, because they are getting rid of a fund which could have been made available to the City of Winnipeg to do necessary works that council of the City of Winnipeg thought necessary and the province would have thought necessary, but it doesn't appear that the Minister wants to deal with it. He would like to slough off, as most of his colleagues, the responsibility — if we can't handle it, let the local municipal councillors take the heat and we're not the bad guys, Ottawa is the bad guy, so that if they are not providing, they are the fall guy. Because it's been very clear, Mr. Chairman. I mean, you hear the Minister of Finance, you hear every Minister on that side; the Minister of Municipal Affairs, now the Minister of Urban Affairs saying look, that's really not my responsibility; Ottawa hasn't come through with an agreement. Okay, they haven't come through with an agreement, but you're leaving local governments high and dry, whether you want to admit it or not. You have a vehicle in which to do necessary programs but you are clearly leaving them high and dry.

MR. CHAIRMAN: Clause 4. pass; Resolution No. 121: Resolved that there be granted to Her Majesty a sum not exceeding \$1,600,000 for Urban Affairs, Winnipeg Inner City Initiative, \$1,600,000 — pass.

Resolution 122, Clause 5. A.R.C., Agreement for Recreation and Conservation for the Red River Corridor, (a) Salaries — pass — the Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I wonder if the Minister could provide us with an update on this Agreement for Recreation and Conservation. I guess the first question I have is how much federal money is being put in and what is the ratio? Secondly, in terms of all of these projects, which most Manitobans would eagerly support, the Red River, Lower Fort Garry, projects along the river, the downtown riverbank, St. Boniface riverbank stabilizations, recreation trails, River Road, LaSalle Historic Theme Park, Riel House, Netley Marsh, Cook's Creek, etcetera. Could the Minister give us an update on what has happened to date and, as I said, about what the funding is?

MR. MERCIER: Mr. Chairman, I indicated in my opening remarks that the ARC Agreement calls for Canada to contribute \$6,990,000 and Manitoba to contribute \$5,917,000, for a total of \$12,907,000 over a seven-year period ending March 31st, 1985.

Mr. Chairman, in October of this year, which was just shortly after the responsibility for this program was transferred to Urban Affairs, there was released a draft master plan for the Red River Corridor. I believe I sent it around to all Members of the Legislature, Mr. Chairman. Subsequent to that, the ARC Public Advisory Council initiated a public participation program from October of 1980 to earlier this year. There were nine public meetings held and in addition to the general public, I am advised that there were 36 public and private organizations who expressed interest in the plan. There were some 19 written submissions received by the Public Advisory Council in response to the presentation of the plan and that public review of the plan was completed in February of 1981. The Advisory Council have been working with the

management board and are in the process of submitting to the two Ministers, myself and the Federal Minister of the Environment, their recommendations for a final plan. I am hopeful, Mr. Chairman, that that will be coming forward very shortly and that we can be in a position to announce that as soon as it is agreed to by the Federal Government and ourselves and get on with implementation of the program.

MR. CHAIRMAN: (a) — pass — the Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, the other question I would like to specifically ask the Minister to comment on is what is described in here as the Forks Project, which is of course the fork of the Red and Assiniboine Rivers and that, of course, is associated with the C.N. East Yards. There has been a lot of talk about that over the years. I know when our administration was in power, this roughly hundred acres of property was being talked about as a massive commercial development by Great West and the CNR. It looked extremely promising. There was talk of a \$500 million investment and C.N. and Great West were developing plans and they were approaching council and the provincial government and there was some bartering going on about how many acres would be set aside for a park, some 30, 40, or 50 acres, and there was going to be commercial and apartments and so on.

I guess what happened, essentially, was between the red tape of the city and the fear that this could adversely affect the Portage Avenue area, the project was either strangled or suffocated or whatever.

Ironically, although there was concern, I guess, on the part of some councillors that this could hurt the downtown shopping area, at the same time they went and approved a whole score of suburban shopping centres and malls, which did have the effect of adversely affecting the Portage Avenue central shopping area and the north side of Portage in particular. (Interjection)— Well, the Minister of Economic Development didn't know that, but I tell him that that is in fact the case.

So, Mr. Chairman, we had a plan that was being talked about as really a substantial development by any standards. We hear talk about Alcan and their investment and here we're talking about a \$500 million plan which went out the window.

Now it's being talked about as a historic site and the question is just what is being done, or what is being undertaken in regard to developing that as a park and/or tourist attraction?

MR. MERCIER: Well, Mr. Chairman, the difficulty in dealing with this is that there are really two — both the previous item and this item that affect the ultimate plans for the East Yards. The Core Area Initiative Memorandum of Understanding, in referring to the CNR East Yards as one of the potential programs, indicated that the C.N. East Yards area presents a major opportunity for Canada, Manitoba, Winnipeg and the C.N. to co-operate in the redevelopment of 100 acres in the heart of the city, connecting the commercial hub of Portage and Main with the historical and recreational resources of the junction of the Red and Assiniboine Rivers. The site could become the centrepiece of Winnipeg's public

image, symbolizing the city's continuing role as a focal point for the social, economic, transportation and communication networks of the mid-continent.

Then we have the ARC draft master plan which, Mr. Chairman, referred to a number of alternatives that could take place at the forks of the Red River and the Assiniboine. Mr. Chairman, recommendations for the final master plan are coming forward almost at the same time as we anticipate coming forward with the Core Area Initiative. Hopefully there will be some co-ordination between the two programs, in order to make maximum use of funds available under both programs but, Mr. Chairman, until both programs are released it is difficult to commend further.

MR. CHAIRMAN: (a) — pass; (b) — pass; (c) — pass; (d) — pass; 5 — pass; Resolution 122 — pass. Resolved that there be granted to Her Majesty a sum not exceeding \$1,244,000 for Urban Affairs, A.R.C. Agreement for Recreation and Conservation for the Red River Corridor — \$1,244,000 — pass.

I would ask the honourable members to revert back to Resolution No. 118, 1. General Administration, (a) Minister's Salary — The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I want to make a few remarks on the Minister's salary. I want to say to the Minister that I think there has been a clear lack of leadership on the part of himself and his government but that of course fits in with the basic philosophy of the government.

It was described the other day by my colleagues as a notion that the government should simply be a bookkeeper and should simply transfer funds and should not have any programs and not have any positive or active programs for Urban Affairs or for any other department; that the role of government is to be passive and, Mr. Chairman, I reject that concept completely.

I believe that the role of government is to be active; the government should be careful and prudent in where it decides to get involved, but the government must play a positive role in the economy and in the society and that of course has been done in many areas such as Hydro and Telephones and Medicare and Education, etc., all of which are accepted by the people and all of which I believe are beneficial to society.

I want to give an example of what I think is mildly innovative and showing some degree of leadership. Apparently the Ontario Government is now going to do some special funding to encourage municipalities and towns and cities in particular, to develop electric transit systems.

Now we all know the arguments about we had electric buses and then we went to diesel and this, that, and the other thing —(Interjection)— Sure, electric cars, I think that was an imaginative proposal and as the years go by you will see the wisdom of that particular proposal, if you can't see it at this particular time. But I'm sure that the people who don't support urban transit now, electric transit now, would use that argument too. They'd say, this is ridiculous; let's not get into this; let's stick with diesel, but of course what's happened in the meantime is that the oil prices have gone sky-high and will continue to rise, if not run out and some

people are looking for alternate energy sources and new methods of transportation.

Not my friend, the Minister of Highways, who is going to build four-lane highways and so on — he's not interested in that; he's only interested in bigger and heavier truckloads. But I tell him that there are also other means of transportation —(Interjection)— Well, like electric vehicles and maybe things that we haven't even thought of.

You know last night I was watching a T.V. show which was quite interesting, on flight, and it showed the early pioneers in flight from the Wright Brothers and so on and you know those machines were regarded as ridiculous. I mean they were regarded as toys, and the cavalry men and the infantrymen and the generals of World War I — they thought it was preposterous to develop an airforce and all of a sudden one day, the Wright Brothers of course had flown and a frenchman named Blarrio, (phonetic) I think was his name, flew across the English Channel and all of a sudden it hit people that, my God, if this could happen there could be an invasion by air or perhaps even bombing and of course, that didn't happen in World War I, but, Mr. Chairman, 20 years later, there was heavy bombing of London and the whole course of warfare changed at that time.

So I'm saying look, the Ontario Government, which is willing to try certain things, has come up with a program whereby they will fund 90 percent of the electrification of a transit system.

Now what does the Manitoba Government have in that way? Zero. They don't have any innovative programs; any new thrusts in the urban areas. All they do is provide a certain level of funding. They are not leaders, Mr. Chairman, at best they are followers or perhaps they are braking in the sense of putting the brakes on the project, but there is no imagination and no leadership coming out of our Department of Urban Affairs.

Of course, what can you expect? What do you expect? Three people or four people, depending on how you want to account . . . We once had a Department of Urban Affairs; we tried to highlight; we tried to lead; it's been now collapsed and buried in the Department of Municipal Affairs. I know that the Deputy Minister, who is a very talented individual, a man of considerable ability and background — I don't know what percentage of his time he devotes to Urban Affairs, but I suspect it's almost zero. I suspect that he's devoting all of his time to Municipal Programs and so on and although he could play a major role and although he did play a role in developing The City of Winnipeg Act under our administration, I'll bet that he doesn't spend 15 minutes a week on something like this.

The Minister himself who has all these responsibilities and then his constitutional role, I doubt if he spends more than an hour a week on this portfolio, because he has other things to concern himself with and I'm sure like everybody else, he's deeply into Attorney-General. He's largely into municipal and then he devotes his hour a week to urban questions and then he's into the constitution and a whole lot of other things; into the Liquor Commission and the Mitchner Report and he's a House Leader and all these other things. It's clear, Mr. Chairman, that very little of his time can be spent on Urban Affairs. Here we are pleading with

the government on behalf of 600,000 Winnipeggers and another 100 and something thousand of urban Manitobans to do something.

I pointed out the other day that the record of this government in terms of its promises made in 1977, is a great big zero; that Ingeberg Boyens spent, I don't know how much time looking at the promises of the Lyon administration, over the past three-and-a-half years. She took out of their pamphlet and their 50 page document, Challenges for Manitoba, from 1977, to six points that they made on Urban Affairs and on each and every one, without exception, her comment was "no action, no action taken", so they haven't delivered a single thing that they promised.

Mr. Chairman, on transportation again, on transit, which is I think a very, very important question, they have allowed bus fares to rise from 40 cents to 60 cents. That's a significant increase. I think it's one that will adversely affect people; it'll hurt the transportation system; it'll force people to use their cars more. They've allowed senior citizens to pay more; students to pay more; and the people who are riding to work and riding home on a daily basis, who have to use their cars — they're the ones who are being hit. The working poor, they're the ones I'm talking about; those are the people I'm concerned about. I'm not concerned about a person who lives in a luxury apartment block; has a heated garage; drives his car to another heated garage, at \$50.00, \$60.00 a month and goes to work and so on; writes off his expenditures. I'm talking about a person who's going to work; walks a block or two and can't afford it; jumps on a bus; stands out in the cold and goes to work. Those people are being hurt by Conservative policies or Conservative inaction.

The final point that I make here, is that I think there's been a visible decline in the City of Winnipeg in the last couple of years. Winnipeg appears to be in a state of decline. We're in competition with Calgary and Edmonton and Vancouver and Regina and to another extent with Toronto and I tell you, Mr. Chairman, if not everyday or every week, at least every month, I'm talking to somebody I know who's leaving Winnipeg; young people, most of them are in their Thirties and some are in their Forties.

A friend of mine tells me recently that they're going to Edmonton — two or three Winnipeggers going to Edmonton. Three friends that I knew a couple of years ago, were living in East Kildonan, they have all eventually made their way to Vancouver. First one went to Vancouver, then one went to Edmonton and then to Vancouver and in the last six months, somebody then joined them in Vancouver. Some other people I know have gone to Toronto, some are going to Calgary, there's a small number trickling to Regina. But we're locked into a struggle, a competitive struggle with the more prosperous economies and the booming cities of Western Canada. When you drive around Winnipeg and you look at all the For Rent signs, and the For Sale signs in commercial areas, in the downtown in particular, which I think is really . . . We're getting to a point, Mr. Chairman, where I fear what is happening in the downtown area.

You have declining neighbourhoods and so on and the debate goes on and the Minister will tell us that he's given a block grant to the city, but it's just not enough. It isn't enough and there's a psychology at

work here and there's a stagnation at work here, which may be very difficult to arrest and I'm telling you that if something isn't done pretty soon, that Winnipeg's downtown is going to go the way of many American cities and that our good fortune, at having the Bay and Eatons is becoming something that we're going to look back with nostalgia, because those stores, I think, must be struggling. I'm not going to talk about grants for Eatons and the Bay, that's the last thing I'm going to say, but I'm telling you that their business downtown isn't what it used to be and that people don't go downtown as much, like they used to. There's an unsavoury element creeping into the downtown area and there's a visible and a physical decline. So you know, it's time for some action; time for some concern and time for some leadership.

Mr. Chairman, we haven't seen that from this government and we haven't seen that from this Minister.

MR. CHAIRMAN: (a) — pass; 1 — pass — The Honourable Minister.

MR. MERCIER: Well, Mr. Chairman, it's somewhat difficult to accept criticism from a member and a former Minister in the previous administration, who's best known for building a facility to the north of this building. —(Interjection)— That's good for a start I guess, another learned comment from the Member for St. Johns, Mr. Chairman.

The Member for Elmwood talks about his view of lack of leadership, Mr. Chairman. I've referred in these estimates towards the A.R.C. Agreement, entered into by this government in 1978, a program which over a seven year . . . Mr. Chairman, it's a Federal-Provincial Program; Mr. Chairman, a Federal-Provincial Agreement. A program which will and should develop the historical and scenic and riverbank parts of the Red River Corridor from south of the city to north of this city and I think will make a fundamental contribution towards life in this province, Mr. Chairman.

I've talked about the core area initiative, Mr. Chairman, and the Member for Elmwood talks about out-migration and a decline in some of the commercial activities in the downtown. Mr. Chairman, you can look at virtually almost any city in North America and see the same kind of things taking place. I think, we are trying to accomplish something through the Core Area Initiative. I think, Mr. Chairman, if we can pull it off, we'll make a sound contribution to the development of the central part of this city.

The Member for Elmwood thought I would refer to block funding, Mr. Chairman; I will, because I think it has been a responsive program of financing the city. There have been significant increases in each year over and above the provincial rate of expenditures. We have provided additional grants to the city, \$4 million in 1979-80 to cover additional capital works projects; an extra \$2 million last Fall, which extended into the early months of this year. We have through other departments provided significant funding — Winnipeg Arena being one, Mr. Chairman.

The Member for Elmwood refers to the Ontario Program re Electric Transit. The Mayor has written to me very recently with respect to that matter, Mr. Chairman, and as you know, through the Department

of Energy and Mines we are funding a study in co-operation and consultation with the city on electrification of the transit in the city.

Mr. Chairman, there was, a few years ago, an opportunity to review, undertake again the fundamental review of the Act and ward boundaries, etc. As I recollected back on the history of Unicity, it seemed to me, and it was confirmed in conversations with a number of people involved in the City of Winnipeg that first of all Unicity was a fundamental change in the City of Winnipeg and then every three years thereafter there were other fundamental changes that took place in the structure and in boundaries and the number of elected representatives, etc. It seemed to me at that stage, Mr. Chairman, it was time not to undertake another fundamental review but allow the existing numbers of councillors and ward boundaries, etc. to continue for at least a period of two terms in order for that things could quiet down, and people could start to understand the system under which they were being governed in the City of Winnipeg.

I think prior to the next civic election, Mr. Chairman, and under the mandate of The City of Winnipeg Act, I think, there again it would be opportune to have a review of the Act and a review of its method of operation; a review of ward boundaries. I'm not convinced at all, Mr. Chairman, that 28 or 29 councillors is an excessive number, because their duties are onerous. They deal with committee matters; they deal with ward boundaries, they deal with city-at-large matters and they represent, I think it's fair to say, probably the same number of people in a ward that we represent individually in a constituency and that is a lot of people to represent in local government, Mr. Chairman, because I think it's fair to say that representatives at the local level get a lot more calls from constituents because they provide local services that much more directly and visibly affect their constituents. They have difficult and onerous job to do at times. But, it probably, Mr. Chairman, will be due prior to the next civic election to have a general review of The City of Winnipeg Act and ward boundaries, etc.

Mr. Chairman, I think this Government has been responsive not only through this department but through other departments in dealing with many other areas of activities in this city that affect other departments, Health Department, Community Services and so many others. I think, we have developed a good relationship with the Mayor and the members of council. We've attempted to be responsive. I think, we have been responsive, reasonably in a financial manner and we're attempting to work with the city on some major initiatives under the ARC Agreement, the Core Area Initiative Agreement, under the Study of Electrification of Transit, Mr. Chairman, so, it may come as a surprise to you but I cannot support the comments from the Member for Elmwood.

MR. CHAIRMAN: (a) — pass; 1 — pass; Resolution No. 118: Resolved that there be granted to Her Majesty a sum not exceeding \$59,400 for Urban Affairs. General Administration \$59,400.00 — pass. That completes the Estimates of the Department of Urban Affairs.

Committee rise. Call in the Speaker.

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

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

MR. ABE KOVNATS (Radisson): Mr. Speaker, I beg to move, seconded by the Honourable for Virden, report of Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I suppose by leave we could reconsider the Bills on the Order Paper. (Interjection)— If I can't get leave, Mr. Speaker, I therefore move, seconded by the Honourable Minister of Finance, that this House do now adjourn.

MOTION presented and carried and the House accordingly adjourned and stands adjourned until 2 o'clock tomorrow (Tuesday).