

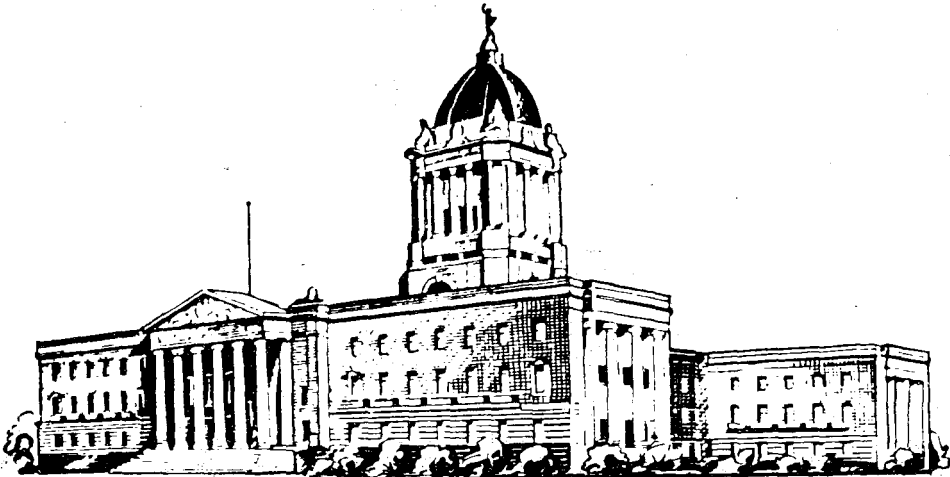


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XX No. 30 8:00 p.m., Monday, March 19th, 1973.

Fifth Session, 29th Legislature.

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THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 p. m., Monday, March 19, 1973

SUPPLY - MINES AND RESOURCES

MR. CHAIRMAN: Resolution 85 (a)(1). The Honourable Member for Riel.

MR. CRAIK: Mr. Chairman, I'm not sure where to find in the Estimates the proper slot here, but the Mineral Development Corporation, the Manitoba Mining Development Corporation or Mineral Development Corporation, I assume it's contained in No. 4, or Resolution 85 here, and I would like to direct some questions with respect to it.

MR. GREEN: Well, Mr. Chairman, I do believe that it is the Mineral Resources Exploration Company; the Manitoba Minerals Limited is contained in Capital Supply. I don't believe that there is any reference to it in the Mines Department, Sir, the money comes strictly out of Capital Supply. Of course, it would be under the general ambit of the Ministry which would be in the Minister's Salary which is passed. If the honourable member can't wait for Capital Supply perhaps he can develop an argument as to how it gets in under Mines generally. He's not . . . imagination.

MR. CHAIRMAN: The Honourable Member for Riel.

MR. CRAIK: Well, there are several items here, Mr. Chairman. It was contained previously under what is now Item 87, but it's deleted as an item completely and probably as he says it's to be found in some other department or elsewhere, but I think this would be the appropriate time for the Minister if he feels free to, to advise the Legislature on the developments that have taken place and what he has in store for the Resource Development Corporation. Incidentally it's called Resource Development Corporation in the last two years ago Estimates. And this might be an appropriate time for him to advise us on the direction that it's taking, particularly because there are changes taking place in mining regulations that have some bearing on the Mineral Development Corporation.

MR. GREEN: I wonder if the honourable member is aware that before he develops his position if I can just tell him that as last year the President of the Mineral Resources Company is going to be called before the Committee on Public Utilities and we'll deal at that -- we'll present a statement, we'll present a report, and we'll deal with the details of the operation of the corporation. I would only at this time be able to discuss the philosophy behind the corporation; I'm not acquainted with each of their individual transaction or consortiums that they are involved in; I know generally what they're doing. But wouldn't that be a better -- that's what was done last year; Mr. Kaufman appeared and the members asked him of each of the areas where he was exploring and what he was doing.

MR. CRAIK: Well, Mr. Speaker, that's essentially correct. There are two or three items that do bear on the Development Corporation; one is that the Mineral Development Assistance Act has effectively been curtailed in its operation, as I understand late in the 1972 year, and that the moneys that would normally be budgeted for the Mineral Development Assistance Act, or to satisfy its requirements, which were in the Eastern part of Manitoba have been earmarked to go into the Mineral Corporation, the province's Mineral Corporation. Now there are a number of points that should be, or questions that should be asked, and perhaps the Minister can advise under this section whether it is the intention of the government to repeal the Act, or to rescind the Act, in view of not applying it since late in 1972; and if this is not intended to be a -- or what the intentions are, the government's intentions are, in to some extent curtailing the incentives that were provided over the last five or six years for the small operators who availed themselves of the financial assistance under this incentive program.

There are two or three other items that bear on the small operators in Manitoba that are very critical to them at this particular time, as the Minister is more aware than anyone else in their concerns about the changes in the leasehold regulations, in the other financial impositions in the way of fees that are going to be charged to the claims, and the restrictions on holding of claims or on leases, and of course all of these are important that they do be brought out at this point. I'm not sure, and perhaps the Minister can advise what changes he's proposing, and whether these changes are going to require by an Act of the Legislature, changes from the previous Act, or whether they are intended to be brought in by regulation, and if they are intended to be brought in by regulation I would think that this might be the opportunity that he might advise the House on the changes that he has in mind; if on the other hand they

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(MR. CRAIK cont'd) are to be brought in by Act, then they'll be explained to the session at that time.

As I indicated, he's more aware than anyone else that the prospectors and developers and other small operators in Manitoba are particularly concerned about the changes that have been proposed. The taxation levels that have been considered on developed property are of some concern, and here I think the one that maybe comes to mind most readily are that some of the properties in Manitoba that are held for mining by the small operators are developed to the extent of knowing what is there but are undeveloped because the process for recovering the elements from them are unknown and are in the stages of development at other locations in the world, but effectively the property is developed. What is there is known, whether it's -- and I think specifically here of the chromite deposits on the east side of Manitoba where the ore is known to be there but the process is yet to be fully developed that will allow the elements to be recovered, the chrome and the iron to be recovered from the chromite deposits. Now if that for instance falls into a category of a developed property, and the government is talking about a taxation level on these properties that is going to be upped considerably, then it's going to make it very difficult for these operators to hang onto the properties until the point where the process becomes known and that they can recover their present investment, whatever it may be, in having developed the property up to this point.

Now the other problems are, and again the Minister might well indicate these -- there were requirements being discussed, and these have been made public by the prospectors and developers, their concern about the fact that the yearly requirements being imposed on the properties in the initial proposals at least would have required certain amounts of diamond drilling on remote properties, not in large amounts of money in terms of the drilling itself but fairly large imposition of money to get their equipment into the property in order to meet the qualifications that were required in order for them to sustain their claims; and all of these, all of these items plus the threat of the Kierans Report have created an atmosphere of great apprehension on the part of the prospectors and developers in Manitoba.

Now it isn't that these people number all that many in Manitoba's population. The active ones, whether they're in the southern part or the northern part, of the small prospectors, and so on, probably only number as high as about 200 people, or somewhere in that range, but they are nevertheless a very important part of the whole business of mining development and have historically of course been extremely important in making some of the very major discoveries of the mines that are in Manitoba whether it's on the east side of the province or in the far north of the province. Therefore, looking historically at their role it's difficult to see why the government in its actions at this point, whether or not the government has not in fact taken a pretty tough line if they expect these people to continue to play an important role in future mining development in Manitoba.

Now I point out by way of example that in the Provinces of Ontario there is a mining development assistance program that is similar and more extensive than the former program that was here in Manitoba and that the cancellation of the program in Manitoba in no way is going to be an assistance for future development by these small operators. Secondly, Mr. Chairman, if Ontario is not a good example for the government to look to for guidance, they might also look to the Province of Saskatchewan which has carried on a fairly active program in the development through their technology institutes, for the development of individual prospectors who can go out and do their individual prospecting in the Province of Saskatchewan, or wherever else they may wish to go, but it points up that the Province of Saskatchewan at least still feels that this group of hardy individuals that take an interest in prospecting have an important role to play.

Now again, all the indications are from the point of view of the Prospectors and Developers Association in Manitoba, all the indications from their point of view are that the government is in fact threatening their traditional rights and their traditional way of life by making it more difficult for them to hang onto their holdings and make claim to their holdings, and that the taxation schedules that the government is thinking about in terms of their leaseholds or claims, or whatever it may be, is in fact going to make it well nigh impossible to carry on any tradition for the individual prospector in the Province of Manitoba.

So, Mr. Chairman, I ask the Minister at this point if he can at this section of his Estimates advise the House on what he has in store for the prospectors and developers in Manitoba, and

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(MR. CRAIK cont'd)of course for the mining companies as well, and for the whole business of the mining industry of Manitoba, what he has in store this year by way of regulation, or if in fact he intends to bring in legislation we can get details at that time. But it would be valuable if he could point out at this time what they have in mind in the way of government imposition of new regulations on to the miners and prospectors in the Province of Manitoba.

Mr. Chairman, that's all the remarks I had to make at this time. Again I wish to indicate that it's with some degree of concern that we see the repeal of the Mining Development Assistance Act that was brought in in the late 1960's by the former government, particularly to bring about mining development by small operators, and it was deliberately kept out of northern Manitoba at that time because we felt that northern Manitoba was being developed at an adequate rate by the large mining companies who did not need the assistance but we directed it towards the east side of the province to the smaller interests, to get the smaller companies going, and it's with some concern that we see the government repeal the implementation of the act, and perhaps the Minister can give us some further information with regard to its future and those of the - future of the mining developers as well.

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, before 5:30 the Minister was replying to my question about the government policy on the land lease especially for winter roads, so I have a number of questions if he could give me the answers. At the present time are there any winter road permits in effect in the Province? For example, roads to mines or logging roads or fishermen or of that like; and also could he give the House the cost of last year's winter road programs, and the number of miles?

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Yes, Mr. Chairman, Well I'll answer the last two questions first. There are permits for winter roads that I would think would be in existence which had very little to do with the controversy that my honourable friend is talking about because some people apply for land-use permits to put a winter road in. Generally it may be a road to their company, a road affecting Churchill Forest Industry, or other places of that kind, and I would be very surprised if there were no such permits in existence. With regards to last year's winter roads program, that did not fall under the jurisdiction of this department, that fell under the jurisdiction of the Department of Northern Affairs and you will be able to get those figures I hope. You are talking about this current year, like the 1972 - 73 winter. Well that would be available from the Minister of Northern Affairs.

MR. G. JOHNSTON: Mr. Chairman, when I say last year I mean the last fiscal year for the province, which is now two years ago.

MR. GREEN: Before it was in Northern Affairs. Well yes, I'll try and have that obtained for you very quickly. I don't know if . . . If it would be transferred again it would be transferred into the other department, so the figures would be available when the Minister of Northern Affairs is giving his Estimates. Those are the two questions the Member for Portage raises.

The Member for Riel raised several questions going to the heart of the examination which the government is now conducting, and has been conducting for a period of at least two years, vis-a-vis holding of mineral leases, and before I get to the new situation I'd like to describe the old situation.

The old situation if a man stakes a claim and did a certain amount of work he was entitled to a lease. The lease was generally for a period of 21 years. I believe that the cost of holding that lease was four cents an acre. Is that correct? -- (Interjection)-- four cents an acre. At the end of 21 years he applied for another lease and the practice was to grant another lease for four cents an acre. It would be 19 cents per acre on the second lease. At the end of those 21 years the flow seemed to be, although I don't know whether there have been three extensions, that would be quite a long time 42 years, it would be 63 years, I don't know whether there have been any third renewals, but the practice of the department had been to renew the leases without any work requirement and without any requirement at all on the property being developed. We looked at this situation, Mr. Chairman, and felt that it was not good for the province to divest itself of its property to other people who then held it waiting for something to happen, that the province was better off holding it itself and waiting for something to happen.

And we discuss this policy of merely letting people stake a claim and do a little bit of work and get a lease and then holding the property as their property rather than the property

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(MR. GREEN cont'd) of the public of Manitoba. We discussed it with the Mineral Consultative Committee which is composed of people from the university and now of people from the prospectors, people from the mining industry and, Mr. Chairman, it was unanimously felt that the province should not be expected to continue such a policy. I can say that it wasn't unanimously felt as to what we should do about it, but I don't think that there was a dissenting voice that the province merely taking the property that belongs to the public of Manitoba and turning it over for somebody else who then held it at a nominal lease with no requirement to do anything on it was a sensible policy. I mean I am not able to make sense out of it. Would the Member for Riel consider that that is a good thing for the province to do, to sit on the property, hold it waiting for something to happen. Because that's exactly the condition that the leaseholders were in, and we therefore said that we were going to look at the situation to see what is a sensible means of holding these leases.

The honourable member says, are you going to change your policy by statute? No. We are enabled to change these things by regulation. And essentially the principles that the province has been expounding is that the leasehold rental is going to be much higher although still what would be nominal in terms of the amount per acre, depending on what one calls nominal it would be much higher than it is. That secondly, there would be a work commitment within the lease that if a person wanted to hold a property for any period of time we would have to know that there were some efforts being made to develop that property. Now if the property was part of an active mining area then it would be different because then we would know that there is a mine that is operating in the vicinity that the claims, or the leases that are being held are contiguous to the mine and are naturally going to be developed in the course of the development of that mine. But if it was just a cow pasture someplace, --(Interjection)-- moose pasture, pardon me, which somebody was holding and which I'd been told, and you know I really can't verify this, that is, used to build a summer cottage on and just held as a 21 year lease hoping that some day somebody will find something on it, in which case it will be the person who has staked the claim, and who is holding it, who will get the benefit, and we, Mr. Chairman, do not see that as a sensible way of protecting the province's interest. Certainly it's good for the guy who's holding the lease, and if you are talking for the prospector, or other person who may be holding the lease, that may be a good thing to plead a case in that way; but if you're talking about it from the person who owns the resource in the first place, that is the public of Manitoba then it is not a sensible procedure, and the best way that you can prove that it's not a sensible procedure is ask the man who's holding the lease to give it to you on the terms that he's holding it. And he would say absolutely not. Ask the mining companies to give you their leaseholds on the terms that they are holding them and they will not do it because it doesn't make sense to do it that way.

Now the honourable member will make a case of this by talking about the little poor prospector, the individualistic little prospector who's going out with his pick and his pan and is finding something but it doesn't apply to the little prospector, it applies to everybody holding leases in Manitoba, which includes mining companies, big mining companies who don't go out with picks but who dig down with shafts, and it applies to people who are holding the leases under conditions completely different than the honourable member describes. So I suppose one makes the case for the prospector which everybody else then get the benefit of.

The Honourable Member for Riel knows full well that the mining technology has changed considerably in the last 30 or 40 years, or certainly in the last 15 years, and that essentially exploration is not the exclusive or even the major province of the little prospector, it is largely done through electro magnetic air flying, and then through diamond drilling, and that the little prospector, although one can talk about him in romantic terms, has played less of a role than he played in the past. And the province's interest is neither the prospector nor the mining company. The province's interest is, what is a reasonable way in which we are going to tie up the land belonging to the people of the Manitoba which has potential mineral wealth? And when that way is established it will apply to everybody who wants to reserve for himself part of the land that belongs to the people of Manitoba, or the potential mineral rights belongs to the people of Manitoba.

And yes, some people who are now gaining an advantage by having the privilege of keeping Manitoba mineral potential as their exclusive property for 42 years running at nominal rent

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(MR. GREEN cont'd) are going to be angry. I don't blame them for being angry, but that doesn't mean that I'm going to give away the interests of the people of Manitoba because I don't want somebody to get angry, or I'm trying to suppress him. Let him talk, let him make a noise, let him debate, let him come out into the open. I don't want to keep him quiet; I don't want to suppress him; I want him to go to the public and say that the Minister of Mines is taking away the right for me to hold 42 years - land for 42 years, a mineral potential for 42 years at a nominal rent, and maybe he'll get somebody in the House to speak up for him and we'll have a debate and we'll go to the people of Manitoba. The Member for Riel will say to the people of Manitoba, I wanted these prospectors, these poor little prospectors to be able to stake a claim, have land for 42 years at nominal rent. The Minister of Mines said no; the people of Manitoba are not going to let their land go on that basis, and we will in that way have the public involved in making a decision as to whether we are doing the right thing. Now if I was interested in keeping the prospectors quiet and suppressing them, I would say, well we'll reduce the rent; we'll give it to you for 42 years, and you don't have to pay any rent at all, and I'm sure we would have relative silence in the Province of Manitoba from the prospectors. We might have a little bit of noise created from the people whose land was being given up in that way. This applies to chromium deposits; it applies to anything. We cannot say that because a person is waiting for technology to come up to him that he is going to have the right to sit on the people's potential mineral wealth indefinitely. There's a certain period of time, a certain rental, subject to regulation, and after that it reverts to the people of the Province of Manitoba.

The member says that the Mineral Exploration Assistance Act was designed to help these little prospectors. Let us recall that the Mineral Exploration Assistance Act came into being when there was no mineral resources corporation; that the Mineral Resources Corporation is given a budget of \$500,000 a year as against \$150,000, which I think was the amount that could be made for one property under the Mineral Exploration Assistance Act. I don't know the highest they had budgeted for any year but I wouldn't think that they ever had \$500,000 budgeted in that item for any one year and the staff tells me here that they didn't. So there's more budgeted under Mineral Exploration Assistance -- budgeted under Manitoba Mineral Resources, than there was ever budgeted under a Mineral Exploration Assistance Act.

Now the same person who says that he wants to do something is now referred to the Manitoba Mineral Resources Limited. If he wants to spend \$50,000 on mineral exploration, he can get \$50,000 from the Crown if the Crown looks at it and says that this is a reasonable thing to do and by the way there's nothing that makes me think something is reasonable more than that somebody else wants to put money into it. If the Honourable Member for Riel said that he had \$50,000 to put up and was going to spend his own money and he approached the Mineral Resources Exploration Company, and they knew that he was spending \$50,000, that's pretty good inducement for them to go along and spend 50,000 as well. If they then go ahead and spend \$100,000, which is exactly the same as would have happened under the old Act, and they find something, then they are 50 percent partners. Which again is exactly the same principle as was approved under the old Act. The only difference as I see it in principle is that they have to convince whatever expertise we have at the Mineral Resources Corporation that they've got something worthwhile going into. And we believe that the expertise that we have there is an enhancement of the department. We've got a geologist who is recognized throughout this country as being one of the capable men in the field. He was a chief geologist with the Hudson Bay Mining and Smelting Company for many years. My impression is that he was actively involved in finding as many mines in the Province of Manitoba as anyone else, and these miners and mining people know each other and if they can convince the corporation that they've got something worth looking for then, Mr. Speaker, the repeal of the Mineral Exploration Assistance Act doesn't change their opportunity of going ahead. The only thing is that instead of going ahead now with merely a silent partner they've got an active partner in the government.

Under the Old Act, I believe it was the case that if the Crown put up \$50,000 with the other 50, when something was found they were entitled to a 50 percent interest in what was discovered, based on the exploration costs. In other words, if the exploration costs were 70,000 and each party put up 35, then they were entitled to then put up enough money to develop to the same extent as they were involved in the exploration costs.

That is almost exactly and I would go further, I see no difference in principle between that

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(MR. GREEN cont'd) and what we are now doing. The major difference in implementation is that they now have a partner whereas under the Assistance Act they had a money partner but not an active partner. So, Mr. Chairman, those are the only changes.

I can tell the honourable member that from the inception of the Act in 1966 until the end of '72, a total of 34 applications for assistance had been approved with eight applications approved in 1972. Total cumulative payments amounted to \$144,419.09. At the year end a total of 16 agreements were outstanding and if fulfilled would make a remaining commitment to the province in the amount of \$592,000.00. So if you take those two figures you'll get to roughly \$750,000 for six years, which is a little more than \$100,000 a year. Now there's far more opportunity under the new arrangement where \$500,000 a year is being put in by the province to exploration to the Manitoba Mineral Resources Limited.

MR. CRAIK: Mr. Chairman, there's a couple of points here. The Minister makes a case for the small prospector or developer wanting to go - has now the opportunity to go to the Manitoba Mineral Corporation. He's given the statistics on the previous applications over the six years of the operation of the Development Assistance Act but can he give any indication of the number of people that have since the changeover, which was last fall, that have gone to the corporation with development proposals. This would give some idea of the receptiveness to the changes in the regulations that have taken place. My reading of the situation is that whereas it may be very acceptable as far as the Minister is concerned this is not the formal stance that's being taken by the Prospectors Developers Association. And the number of applications to the Corporation may have some bearing but certainly outwardly in their public pronouncements and at their public meetings, they certainly haven't given - they've given quite the reverse indication, they're not in favour of the change in the Assistance Program so where they're going to be under the control of the Crown Corporation but would rather develop their properties with the Assistance Program that existed before.

Now one other question that perhaps the Minister would like to clear up. What is it -- is the government not proposing that the new tax rates on developed property is being proposed at \$4.00 per acre? Now if that's the case, what do you call a developed property, and how much money do you intend to bring in to the province as result of this type of a taxation, and who does it apply to, who's it going to hit? Do you have any factors on this type of taxation as to whether it's going to hit the small operator, the big operator or where it's located, in the north, on the east side of Manitoba, and that was the particular case I pointed out, which I'm not sure in pointing it out whether it even applies or not, but certainly it would be a characteristic company where the ore is developed or it's proven up, but the process is still incomplete and it could fall under the category, I suppose, where if it is a developed property where they know what's there, then if it's \$4.00 an acre then the fellows might as well close up shop.

MR. GREEN: Yes. Well, Mr. Chairman, the \$4.00 per acre that is being talked about at the present time which is not yet part of the regulations, it's \$4.00 per acre not as a tax, you don't pay taxes to the government at \$4.00 an acre. It's \$4.00 --(Interjection)-- it's not a rental; it's a work commitment. It means that they are going to invest \$4.00 per acre on the property that they are holding, presumably that will be to their advantage; presumably they are spending money on their own leasehold. It is a work commitment, it is not a tax. Now for the people who don't want to work it's a tax. For the people who want to hold property and sit with it and not do anything, it's a tax. But it is not a tax, it is a work commitment. And I think that the honourable member will just have to face the fact that there's going to be a difference of opinion between those who say we want to stake claims on these properties and do nothing for years, and the public of Manitoba as represented by this government. And if that --if he's saying to me that the Prospectors Association are complaining about it; well I know very well that they are complaining about it. When we brought it in I didn't expect that they wouldn't complain about it because I think that they've been riding along very nicely on the way that the system is. It is we the public of Manitoba as represented by this government who feel that we have something to complain about. And I think that our complaints are important too, so we are looking and I tell the honourable member that when we started these meetings there wasn't a single person who said that it was sensible to do what we are doing, that there are so many acres of land in northern Manitoba; they are now owned by the Province. . . We can sit and wait. If somebody is going to take them for their exclusive domain, then we are not

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(MR. GREEN cont'd) going to say that you can take the place of the people of Manitoba and sit and wait at a nominal rental. And if the honourable member says well the prospectors are complaining, I know that some of the mining companies are complaining too. They would rather that we didn't do this thing. Yes, They would rather that we said that the lease should go for 42 years and that they shouldn't have a renewal in between, and they would rather that instead of paying four cents an acre that they pay two cents an acre, or nothing, and they would even accept it if we would pay them five cents an acre to keep it -- and that would probably make them happiest of all unless somebody offered them six cents. But there has to be an arrangement which makes sense to the Crown; and the arrangement that we are suggesting still permits them to stake a claim, still permits them to get a lease, but then says that if you're going to hold that we have to know that you are exploiting or attempting to exploit the resource. The way we know that you are doing it is by a work commitment, and we are going to charge a higher acreage on the basis of the potential value you are taking. And if you don't like that there's no penalty, just let the land go, let it go to somebody who will do it, or let it go to the Province of Manitoba.

MR. CRAIK: Mr. Chairman, my question to the Minister was: how much is entailed in terms of acreage in Manitoba, what the total amount was that was going to be involved, and the other one, the reference, the other reference, the specific reference I used, was specifically with relation to a property which might be called developed such as the chromite areas that are to all intents and purposes developed; a guy could go out and work from morning till night all year to put in his \$4.00 an acre but he's no further off at the end of the year because there's no process to handle his ore.

MR. GREEN: Yes, the honourable member raises a legitimate problem that somebody has a known find of mineral resources which he is holding, waiting for something to happen, and we say, Mr. Chairman, that if he's holding it and waiting for something to happen and not doing anything with it, then we prefer to hold it and wait until nothing happens, or wait till something happens. Now that is the case -- the honourable member should know -- with every inch of property of Manitoba. There is something there. There may be concentrates of nickel, zinc, lead, or other minerals, which are useless today but which may be useful tomorrow, and if somebody is holding them and waiting for a process to be developed where they can become used, then I'm saying, Mr. Chairman, if it doesn't cost anything, we prefer to hold them, and that is really the difference.

If they are going to hold them for use, then they're going to have to pay for them.

The honourable member did ask a question which I didn't answer. How many applications are made under the mineral resources limited? I can't tell you at this moment; Mr. Kaufman, the President of the company will report to committee and will, I think, tell you everything that he's doing. I would venture to say that less people have made arrangements with him than applied under the old system. I can also tell him that under the old system we know of no development. Now that's kind of a cruel thing to say because I'm sure they tried and the fact that nothing was found may be a matter of sheer luck and it is also a fact that we may go for ten years putting in \$500,000 a year and nothing will happen; it's quite possible. That is the name of the game in the mining industry. So I really don't put that out as demonstrating a criticism. All I am saying is that that is the case with the \$700,000 that has been spent so far. I'm inclined to think that Mr. Kaufman is trying for bigger developments with people who are putting up more money than the kind that would have applied under the Assistance Act, which may be a hardship for the prospector but it is the province that we have to think of number one and we've taken a course of action which we feel is most reasonable under the circumstances.

MR. CHAIRMAN: Resolution 85 (a)(1) -- passed, (2) -- passed, (b)(1) -- passed, (b)(2) -- passed, (c)(1) -- the Honourable Member for Birtle-Russell.

MR. GRAHAM: I have a question or two I would like to ask the Minister dealing with surveys. I would like to ask the Minister is there is an ongoing program in the province or if the Minister is intending to promote a program for the restoration of survey monuments in the Province of Manitoba?

MR. GREEN: Mr. Speaker, I can't -- I don't have the pleasure of advising the honourable member that there is a comprehensive program. There is isolated programs taking place in different areas, but I'm not able to tell him that there is a comprehensive program to restore

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(MR. GREEN cont'd) survey monuments. It's something that we have not been able to provide as a priority and it is not also included in this year's estimates. It's something that the honourable member is correct to raise; we just haven't been able to give it the priority that he would like us to.

MR. GRAHAM: I'm sure the Minister is informed and no doubt he has had this matter brought to his attention that there is quite some concern both within the legal profession and within the field of those that are vitally concerned with the application of survey monuments in this province and I would ask him to consider it when he is bringing forward his program for oncoming -- next year.

MR. CHAIRMAN: (c)(2)--passed, (d)(1)--passed, (d)(2)--passed (e)(2)--passed.

Resolution 85: Resolved that there be granted to Her Majesty a sum not exceeding \$3,397,000 for Mines, Resources and Environmental Management -- passed.

MR. WATT: Mr. Chairman, we're on . . .

MR. CHAIRMAN: Well can we just wait until I introduce the next resolution.

MR. WATT: Oh I'm sorry.

MR. CHAIRMAN: Resolution 86 (a)(1)-- the Honourable Member for Arthur.

MR. WATT: Mr. Speaker, or Mr. Chairman, I'm not going to speak at any length here I just want to make a few remarks and ask the Minister a few questions, questions that I've already asked him, and I have mentioned and I would imagine -- suppose that this comes under Water Management although probably it shouldn't. Maybe it might have been better under Mines or minerals arrangements, but again I bring to his attention the problem that we have in some areas in the province, and particularly out in the southwest, and that is the disposal of salt waters. I would like to give him a further -- or give some explanation. I don't think that he made any remarks on my comments the other day in regard to disposal of salt water in the southwest area where there is continuing to be a certain amount of damage in that area insofar as the disposal of salt water is concerned, and I think that we're entitled to some explanation from the Minister; if he could tell us what investigations and what he has done in respect to salt, disposal of salt water. And I have mentioned to him of course that his policy under water management appears to include no water conservation practically anywhere in Manitoba, and particularly in the southwest area, where as I said in a speech earlier this session that water conservation has been practically at a standstill in the southwest area. I'd like some further explanation from the Minister, particularly in respect to the Paterson Dam just what negotiations have gone on with the Federal Government and why that dam has not been proceeded with at an earlier date.

Now I'm not sure whether I should bring this up under the Minister's salary, or the Minister's estimates at present, or leave it to Agriculture. But I want to refer briefly to the grants to towns and villages and the grants to farm water supplies, and particularly in the case of towns and villages where these towns and villages will stand, or the towns and villages that have already put in water and sewage in their towns at their own expense, the cost of which is being amortized over a period of, well I believe the water supply over a period of 35 years, and consequently the rates are being set and the water is being retailed to these towns and villages based on the cost of the construction of the water supply and construction of the distribution and the sewage disposal. Now what I would like to know is if the rates are going to be reduced, the rates charged per 1,000 gallons of water, to these towns and villages, by the amount of the capital cost that is being absorbed by the province; and if these rates are going to be reduced by that amount, and whatever percentage it will be depending on the size of the installation cost, will the towns and villages that have already installed water and sewage at their own expense, will they be given some consideration insofar as water supply is concerned as to the rates that they are now having to charge the consumers?

These are just one or two things that I wanted to mention to the Minister and I think that we should have some reply in respect.

MR. GREEN: Mr. Chairman, I'll try my best to answer the honourable gentlemen. With regard to the first problem, that is with regard to salt water disposal -- was that a fair way of describing it? My impression is that that is something that is done by the industry itself, that we have never played a role in that and therefore I have to admit to a great deal of ignorance about the problems involved. It is something that has been to my understanding

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(MR. GREEN cont'd) handled by the industry and I am not aware of any problems that the department has been asked to look into. If there are, then I'll certainly have to direct my attention to them but I can't give my honourable friend any answer on it at the moment.

With regard to the Water Supply Control Board that is now handled under the jurisdiction of the Minister of Agriculture whose estimates are up next and who will be able to deal with the subject. There are always problems when you create a new service. One of the biggest problems that you have when you create a service of that kind is that a municipality that has more or less put itself out and sacrificed, where its citizens have paid more taxes or something for the purpose of reaching a particular level, find that maybe they didn't get the same treatment from the government as when the government comes in starts doing the thing. The new formula that we set up when we looked at this question did take those things into account and it's rather complicated. It took, oh I think it took five or six months of almost weekly meetings trying to balance the assessment rate, the amount that they would be paying for water, the amount that was paid for the distribution system, and what have you, as well as the problems that my honourable friend refers to, and I think that I'm going to leave it to the Minister of Agriculture to answer more explicitly as to how that will affect the various areas because it is a program that is now under his jurisdiction.

With regard to the honourable gentleman's remarks concerning water conservation generally, I think that this was dealt with right at the opening of the estimates debate by the Member for Lakeside who indicated that the big water programs were handled in the years of the previous administration, and it can't be contradicted. I mean there's \$64 million around Greater Winnipeg. I doubt whether that will be repeated in any future administration. The Portage Diversion, I think that was a 24 or 18 million dollars? Eighteen million dollar program. Some of the other dam programs --

A MEMBER: Dam dash programs.

MR. GREEN: Dam dash programs, that's right. They were in those years of development of those programs. The Paterson Dam is a dam which the province has expressed a willingness to proceed with. We have been in constant efforts to get the Federal Government to give us the same type of cost-sharing on that dam as one would be entitled to. They have denied the cost benefit features of that program and it's only being held up, as I understand it, at the federal level. The honourable member -- all I can do is assure him that the province have been working as hard as we can to get that matter under way.

The department has taken a new turn in terms of direction but it hasn't been a turn towards doing less, it has taken a turn towards doing different things. For instance the various interprovincial study boards and projects within those study boards have had much more impetus I would say under the new administration than they had under the old, not because of a difference in philosophy just because it was the turn for that kind of study. I think that the Canada Water Act for instance provides a framework under which the development of comprehensive plans and the implementation of works within an overall basin plan and this government have, and have been and are co-operating with the Federal Government and the Province of Saskatchewan to develop the types of programs which reflect the total resource approach to water resources development.

The Qu'Appelle Basin Study Report was recently completed and it is one of the first reports completed under the Canada Water Act. At the present time the parties are negotiating an implementation agreement within the framework and as Manitoba depends on water from the Qu'Appelle River to augment the flows in the Assiniboine, any development program in the upper part of the watershed in Saskatchewan is important to this province. More particularly to the honourable member's constituency, although that one is very closely involved with the Assiniboine River and Arthur constituency; the southwestern part of the program, the Souris River basin, this government has pressed the Federal Government for the construction of a dam such as the Paterson and Coulter. However the Federal Government were not prepared to move in this area. We are now engaged in obtaining a federal-provincial study on the entire Souris River Valley under either the Canada Water Act or under other federal-provincial facilitating legislation. In line with the policy of a comprehensive approach Manitoba, Saskatchewan have now agreed to proceed with a basin study on the Souris River and we are presently negotiating agreements to carry out this work.

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(MR. GREEN cont'd)

In addition to the Souris River basin study the governments are also considering the needs in the Assiniboine River basin and a proposal in respect to a comprehensive basin study will be undertaken by the working group once the Souris River agreement has been signed. --(Interjection)-- Also with regard to the same area, and the questions that were asked by the Member for Pembina and the Member for Arthur with regard to the Pembilier Dam, I can tell the honourable members that those people who have been saying that the United States are moving and that they are prejudicing our rights, every indication that we have was that they were trying to make it appear that this was so, which is good negotiating on their part, but there has been no moves, although there has been probably as much noise in Walhalla as there has been in Winnipeg, and I don't criticize that, each one saying that we're going to be prejudiced if somebody doesn't move, and the Province of Manitoba and Canada were just not able to move on the basis of the cost-benefit studies of that particular program. And, Mr. Speaker, the Member for Lakeside wasn't able to move --(Interjection)-- Yes, and the Member for Lakeside, Mr. Speaker, showed leadership by not moving in that area as well because there just wasn't, there just wasn't the cost-benefit studies. So we have now shown, perhaps I say it with a smile, we've shown some leadership, we've now said, let's look at the cost-benefit again and we've turned it over to the Water Commission.

And the Water Commission, Mr. Chairman, is operating in a very systematic way looking at this study and I think I should say something about this much maligned group. You know when we changed Cass Booy from the Water Commission it was suggested that we were appointing a bunch of "yes" men. Now Dr. Hugh Sanderson, the former President of the University of Manitoba, does not deserve that kind of treatment. He is doing it -- just because he is not carrying on an attack against the government while he is looking at the Pembilier Dam Program doesn't mean that he's not doing his job. I don't think that it's -- to some people, I suppose the Member for Wolseley who is not here, the only way that he knows somebody is doing his job is if he is engaged on the public platform against the New Democratic Party Government. Then he says, that guy is doing his job. Everybody else is saying things to please the Minister. Well, Mr. Chairman, I can assure you that Dr. Hugh Sanderson is in my mind every bit as independent, every bit as much a person of integrity and a person who does not compromise his principle, as previous people. As a matter of fact I would go further and say he is far more of a person, and he is doing his job. And the other people on the Water Commission at the present time -- I'm sorry the Member for Wolseley isn't here, he said that we kick everybody out who says something that we don't like, and that we kicked out Cass Booy because we didn't like the Water Commission Report. Does he not know that Tom Weber signed that report as well? Tom Weber is still working with the government. Bill Uruski, the Member for St. George, signed that report; he's still an MLA. There was nothing in that report that we disagreed with. There was -- if you will look at the Water Commission Report you will find in that report that they agree with Lake Winnipeg regulation, that they agree that they should not be involved in Hydro matters, and then Cass Booy attaches a letter attacking the hydro program. And I tried to convince honourable members, who apparently will not be convinced, that Cass Booy change from the commission to - from the Commission Chairman was based solely on the fact that for some reason the way he operated gave the public the impression that he was reviewing hydro-electric policy in Manitoba. He knew that that was not his job -- if you will read the correspondence between he and I which I tabled in this House, he says in it, "I have no intention -- or the Water Commission has no intention of reviewing the hydro-electric policy in Manitoba," but you go and ask Mr. Asper, and you ask the Member for Riel, ask Doug Campbell, he will suggest the Water Commission was reviewing hydro-electric policy in Manitoba. Now, whilst the Chairman of the Commission operated in such a way as to let that continue to be the way in which his public profile was based, the government, which said we are not going to permit it appear that this is being reviewed by the Water Commission, had no choice but to do that.

MR. CHAIRMAN: Order. The time being 9:00 o'clock, the last hour of every day is Private Members' Hour. Committee rise and report. Call in the Speaker.

Mr. Speaker, the Committee of Supply have adopted certain resolutions, directed me to report the same as ask leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Matthews, that the report of the Committee be received.

MOTION presented and passed.

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MR. SPEAKER: The first motion before the House by the Honourable Member for La Verendrye. Absent. The next one is No. 9. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, can we have this matter stand?

MR. SPEAKER: It will drop to the bottom.

MR. GREEN: Mr. Speaker, no objection to that but I wonder if the honourable member would look at his resolution before it comes up the next time and see whether he doesn't regard it as anticipatory to a statement in the Throne Speech saying as follows: "Because my Ministers are concerned over the cost factor of dental care for families with school aged children, and also over the long-term cost of medical drugs for persons of all ages suffering from chronic illness, they will proceed to set up a study to consider these matters and submit appropriate recommendations." Now I'm not really asking for a ruling, I'm asking for my honourable member to — for the honourable member to look at that and maybe be prepared to say something about that the next time it comes up.

MR. SPEAKER: The Chair cannot rule before the House but the honourable member may look at the question if he likes.

Resolution 10. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I move, seconded by the Member for Assiniboia.

WHEREAS it has long been recognized by private industry, municipal and federal governments, that equal pay and opportunity for advancement should be available to all regardless of sex, colour or religion; and

WHEREAS this Government has paid lip service to the proposition of equal pay for equal work by way of statements made in this House over the past three years; and

WHEREAS this Government has passed The Equal Pay Act which is enforced in the private sector; and

WHEREAS the Human Rights Commission is required by law to expose violations and enforce the law in this regard; and

WHEREAS certain provincial government institutions, namely the Manitoba School for Mental Retardates at Portage la Prairie, the Selkirk Mental Home, the Brandon Mental Home, the Portage Women's Jail and other provincial institutions, are by present policy required to pay less to women doing the same work as men,

THEREFORE BE IT RESOLVED that this House instruct the Executive Council to obey the law with regard to equal pay for equal work among the male and female employees employed by the Manitoba Government.

MR. SPEAKER: Moved by the Honourable Member for ---- the Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker, I regret that I would have to object to the admissibility of this resolution in the form in which it stands at present because it presupposes, Mr. Speaker, that the case presently before the courts is going to be decided against the government. It talks about equal pay for equal work, refers to several specific institutions, and says the government should obey the law. The government, Mr. Speaker, believes that it is obeying the law. There's no suggestion that the government should not obey the law and there is presently a case before the Magistrate's Court at the Provincial Police Court in the Law Courts Building, Broadway and Kennedy, where the very question that the honourable member poses as an assumption by his resolution is before the courts. The Manitoba Government Employees' Association, I believe has been sued in conjunction with the Province and the Minister of Labour?

A MEMBER: No, no. The Minister of Labour, the Government, the Employees' Association are jointly . . .

MR. GREEN: The Minister, the Government and the Employees' Association are all involved in an issue as to whether in fact there is any breach of the law with regard to equal pay for equal work. The honourable member's resolution assumes that the breach has already occurred and I would say, Mr. Chairman, that I can't think of a case which is more clearly within the ruling of being before the courts. I refer Your Honour to Beausnesne Paragraph 149 Page 127, 149 (c): "Besides the

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(MR. GREEN cont'd) prohibition as contained in Standing Order 35 it has been sanctioned by usage both in England and in Canada that a member while speaking must not refer to any matter on which a judicial decision is pending." And I would assume, Mr. Speaker, that that goes without saying that it applies to the resolution.

. continued on next page

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MR. SPEAKER: Does the Honourable Member for Portage wish to speak on the point of order?

MR. G. JOHNSTON: Yes, Mr. Speaker, Mr. Speaker, if you would review the calendar of events, my resolution was before you and on the Order Paper before there was any announcement about a court case. Further to that, it is not before the courts as yet. The only thing, as I understand it, that is before the courts is an injunction or an order seeking to have the government pay equal pay for equal work until the court case is heard. Now I'm suggesting to you, Sir, and perhaps you should take this under advisement, I'm suggesting to you that my resolution was placed on the Order Paper long before this matter came before the court.

MR. SPEAKER: I thank the honourable members for their contributions to the point of order. I would like to indicate that I am happy that they did inform me that this is before the courts. The honourable member himself stated that there was an injunction. So, therefore, this clearly rules the matter sub judice and therefore I must refuse the motion at this time.

Resolution 11 - the Honourable Member for River Heights, the Leader of the Opposition.

Resolution 12 - the Honourable Member for Osborne.

Resolution 13 - the Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for Portage la Prairie,

WHEREAS many real property owners have been reluctant to improve or repair their homes because such repairs and improvements result in higher assessments which in turn would mean higher taxes; and

WHEREAS it is desirable to encourage real property owners to properly maintain and improve their property;

THEREFORE BE IT RESOLVED that this government study the advisability of enacting legislation at this session, the legislation to give a five-year exemption from increased assessment on real properties which have been improved or repaired where the cost of such repairs or improvement does not exceed \$2,500.00.

MOTION presented.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, it is not a new proposal. I had it before the House last session and I'm again bringing it this session. I feel that in this instance we're speaking for many of the people whose financial position has deteriorated in many instances, people who live in not too expensive homes, who live in older houses. Some of these homes may need decorating; they may need complete rehabilitation; they may need new windows, complete rehabilitation, and for this reason I feel that when some of this work is done the assessment is increased and invariably the property tax is increased as well.

Now I know this proposal and legislation has been enacted in the Province of Ontario and I'm told that it's relatively new. I believe it's only been in practice the last couple of years and it's working quite well.

Now I believe that there should be specific legislation in respect what increases the value of the property and what doesn't. I know that in some instances the Member for St. Matthews will say that a new roof or a new heating unit or new plumbing will not increase the assessment. But, Mr. Speaker, we all know that this does increase the value of the property, and if it increases the value of the property and if the property is completely rehabilitated it will, it will increase the assessment. It's as simple as that. Furthermore, I feel that if you repair or improve the property by putting a Rec. room in, at the same time I don't believe that there should be an increase in taxation, an increase in the property tax. I know many of the people in the west end of Winnipeg, in Elmwood and some of the other parts of the City of Winnipeg where the area is an older area in the neighbourhood of perhaps 40 to 60 years, many of these homes can be rehabilitated, they can be put into good shape and still have many years of good life expectancy. So I feel that there's enough evidence that we can speak for the people whose financial position is not perhaps where they can afford to buy a new home, and I think that they should be encouraged to improve them.

I know that we all know that today you almost have to make in the neighbourhood of \$8,000 to qualify for a new property, for a new home, and under the CMHC legislation with present interest, mortgage interests are in the neighbourhood of nine and a half to ten percent which is probably the highest that it's ever been, and I feel that there must be a way to

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(MR. PATRICK cont'd.) accommodate these people on low incomes. And I know the government will come back with an argument that we have brought in legislation last year through the tax credit plan and it's working --(Interjection)-- Well it's -- perhaps it maybe wasn't that bad of a plan but I think that it's too early, it's too early to decide just how effective it will be, and if the government's prepared to improve that program perhaps this may not be necessary.

But I think there's another point. I think this is an incentive for people to be able to improve their property and I think we should make it easy for them and encourage them to improve their property. So for some of these reasons, Mr. Speaker, this is why I am again bringing this proposal before the House. I know that many of the people are already burdened with a heavy tax load, particularly the older people, the senior citizens, when they thought they could retire in decency and now find themselves in a very frustrating financial position. Surely the tax credit will be of benefit to them in respect to the school tax rebate but they still have repairs, they still have the upkeep, so, Mr. Speaker, I feel that we should encourage people to be able to remodel their property. Not only that but I feel that many of the older homes, many of the older homes can be rehabilitated at the very reasonable price, and this is made in an area that again the Member for St. Matthews will disagree with me, because he believes that low rental housing should be on a large scale project and this is where I disagree. I will agree with him that we need low rental housing. We've built quite a few in the last while and I know it's indicated that we will have somewhere in the neighbourhood of 25,000 by 1975. I don't know if the government is on its target or not. My feeling is, I still feel the government should not own the houses, it should make it possible for these people to be able to own their own homes. On the other hand, many of these older houses could be rehabilitated and purchased by the Low Rental Housing Commission to purchase them, and they can rehabilitate many of these homes, I believe, at anywhere -- if they can buy them at \$7,500 they could be rehabilitated for another \$2,500 and for \$10,000 they would have a three bedroom home, storey and a half, perhaps full basement, and this would put a new wiring in, new plumbing, new kitchen cupboards and maybe new heating and that same house would still have perhaps a life expectancy of 20 years. And this is something that the government has not done in this area. I think it's time that we begin to look and see if many of these houses he left to deteriorate, perhaps they could be upgraded, remodelled and rehabilitated.

So my resolution, Mr. Speaker, is calling to encourage people to rehabilitate their properties and when they do improve them that they are not socked with an increase in property tax. I know that the member will say on the over-all basis we're not paying a very high property tax, and I would like to disagree. I still feel that the property tax in this province is very high. There's been assistance to people of low income but even the small businessmen today -- I had an opportunity to talk to one today and he says I have to go out of business. On Portage Avenue he's running a small operation, he came here from Ontario, and he tells me his business tax alone is \$800.00. \$800.00 business tax. And he says the cost of operating a business is much higher, much higher than in Ontario. --(Interjection)--

MR. SPEAKER: Order, please.

MR. PATRICK: If the member is interested I'll tell him privately which business it is and he can check for himself and investigate. But this was related to me just the other day --(Interjection)-- Well I don't know - he feels that everything is high in Manitoba.

Mr. Speaker, there's a combination of things that perhaps has resulted in the shortage of homes in the province and in the City of Winnipeg, and this is only one method, one approach, that can be used to improve. To improve. We should start thinking of rehabilitating older houses because many have still many useful years, and I hope that the government will give some consideration. I know that they can check and find out how successful it's working in Ontario and this could be only one way or one measure, small measure, that will encourage people to update and upgrade their present home.

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

MR. WALLY JOHANNSON (St. Matthews): Thank you, Mr. Speaker. This topic is beginning to become something like a broken record. This same resolution exactly was introduced last year by the Honourable Member for Assiniboia and I spoke on this last year, and I recall -- I just finished reading the member's speech that he made last year a few moments ago and he made some of the very same points this year. And I guess I'll have to do the same.

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(MR. JOHANNSON cont'd.) I won't read the same speech, Mr. Speaker, but this will be speech No. 2.

Last year I amended the honourable member's resolution to in effect say that the government was considering the matter and would give it serious consideration, but I didn't commit the government to act on it that session and I don't intend to commit the government to act on it this session either.

I share the honourable member's concern about renovation of housing. I perhaps have more reason to be interested in this than he does because I happen to have a constituency which is in the old West End of Winnipeg and the housing in my area is quite old. The --(Interjection)-- No, I didn't say shacks, I said that the worst shack in my constituency wouldn't be worth \$7,000 so I wasn't talking about shacks. --(Interjection)-- would be worth more. The housing in my constituency is deteriorating quite badly in the east end. It is of much better quality in the west end of my constituency but nevertheless throughout the whole constituency, and this is true largely of the west end, there is a lot of old housing that is in need of renovation. The government, of course, and I pointed this out in my previous speech, have moved to help senior citizens through its Pensionery Home Repair Grants. This is helping some people. As I mentioned in my constituency, hundreds of pensioners have taken advantage of the program, and this is providing them with the means to, for example, to renew their roofing, to fix their front steps, to paint, and all of these changes are repairs, that is they are not improvements on the house and they don't result in increased assessment.

Now the honourable member was suggesting that improvements and repair - and of course the resolution itself implies that improvements and repair will result in increased assessment and increased taxation, and in his speech last year he enumerated the kinds of repairs that would result in increased assessment. And, Mr. Speaker, he didn't enumerate them this year but last year he did. He talked about things like insulation, wiring, decorating, renewing roofs, landscaping, improving fences, painting of exterior and interior decorations. Now, all of these items are at present exempt from assessment, from increasing assessment, and I'll read to the honourable member a pamphlet put out by the City of Winnipeg. --(Interjection)-- I didn't read it last year, the Honourable Member for St. George did.

This pamphlet put out by the City of Winnipeg enumerates a whole series of repairs and maintenance jobs that can be done without increasing assessment if they are not part of major modernization. And this includes, Mr. Speaker, a great many kinds of repairs. For example, replacement of wood storm windows and doors with metal windows and doors. Roof repair and renewal. Anything that doesn't constitute a major improvement of the home or an addition is really exempt from, or doesn't constitute an improvement that can increase assessment. And this also enumerates what improvements can bring about a higher assessment and these include additions, of course, and expensive remodelling and modernization. Now if there are enough minor repairs, enough minor changes, of course this would constitute a complete remodelling or modernization and this will bring about increased assessment and increased tax. So really there's quite a large scope now, under present City of Winnipeg regulations and under the present Municipal Assessment Act, for repairs. Major improvement of course is a different question.

The honourable member stated last year and he again stated this year that the Ontario Legislature had implemented this change, and I questioned him at that time and I think now I can assure him that he is wrong, that the Ontario change in fact isn't the same as the change that he is proposing. Real property assessment was a municipal function in Ontario up until January 1st, 1970 when the province assumed responsibility for the function. It is the objective of the Province of Ontario to have all real property in the province reassessed at market value by 1974 for the taxation year 1975.

Section 91 of the Assessment Act of Ontario as enacted by Section 13 of Bill 127, 1971, provides that subject to certain alterations, amendments and corrections, the assessment role prepared for the taxation year 1971 shall be the assessment role of each municipality during the above transitional period. Section 93 as enacted by the same bill restricts additions to items where the increase in value is at least \$2,500 based on market value. You will note that from sections 99 and 100 that that provision ceases at the end of the transitional period. So this is a temporary, this is a temporary situation which was intended to exist until the province has all real property reassessed by 1974 for the taxation year 1975. So the purpose of that

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(MR. JOHANNSON cont'd.) change was different from the purpose of the change you're suggesting.

The Municipal Affairs Department of Ontario did have submitted to it the Lawson Report, which I'm sure the member has read, which recommended a whole series of programs to bring about a program of property maintenance and repair in Ontario, and as far as I am aware now, the honourable member may have more recent information than I have, the province hasn't acted to any substantial degree upon those recommendations. Now if it has, I would like to be informed by the member and I'm sure he will inform me.

Another problem with the resolution suggested by the honourable member is that, as it reads, it really constitutes a boon for speculators. A man can buy a home, bring about repairs or improvements to the extent of \$2,500 or under 2,500, and then sell that home before he ever has to pay property tax on that improved value, and of course he will receive a profit on that improvement without having to pay additional property tax for it on a year by year basis. So it's a device by which some people could turn a series of very neat little profits without having these profits subject to additional property tax.

The honourable member states that his resolution would help the older areas of the city. I know that's his intention and it is certainly the intention of the government to bring about improvements in housing in the older areas of the city, and of course as I've said before the Pensioner Home Repair Program is a step in that direction. The member mentioned the fact that I am a believer in large projects of public housing, of low rental housing. Now that's not accurate. I haven't --(Interjection) - Pardon?

A MEMBER: He meant to say state housing.

MR. JOHANNSON: Well, I know you like the term state housing and so does the honourable member. I have never said that I believed in large projects. The previous government, I might point out, Mr. Speaker, the previous government built only two public housing projects in this province, Burrows-Keewatin and Lord Selkirk Park. They were of course partners with the City of Winnipeg and the Federal Government in those projects. But these, Mr. Speaker, happened to be the largest public housing projects in Manitoba. --(Interjection)-- We have built nothing remotely similar to them since, in fact I would remind the honourable member that - and this statement has been made numerous times - the policy of the Manitoba Housing and Renewal Corporation is to build public housing projects as small as they can economically be built. The preference is to build them under - well, anywhere from 25 to 75 units. Preferably -- we have built single units. In most of the rural locations the public housing is either in duplexes or very largely in single units, and this where it's economically possible is good, and we have done this. In the City of Winnipeg, of course, it's very difficult because of the high cost of land and we have built some single units in St. James, Assiniboia --(Interjection)-- Yes, I believe they are and I'm glad that the honourable member says that they are.

Now I state again that MHRC has always tried to keep projects as small as possible, and when honourable members start bringing up American public housing experience, they talk about projects like Cl in St. Louis and projects in New York, which are huge. I mentioned the fact that Port Green had 1,700 units which dwarfs anything. Our housing projects are what the Americans would call vest pocket projects, they're so small. In Toronto, for example, I've gone through public housing projects there, like Don Mount Court, which has over 600 units in a single development. Now the architecture of the development is beautiful but there are social problems that are created in a project that size, particularly when it happens to be in an area where there's a good deal of crime and poverty and the result is that there have been unfortunate experiences. But even so, it has provided very good housing in an area where there's a very great deal of very bad housing.

But again I would reiterate that we believe in small projects, we believe in a mix of different kinds of housing. Up to now it's been very difficult for MHRC to promote home ownership projects. Now under the new legislation the Corporation will be able to carry on much more extensive programs of home ownership.

The honourable member last year referred to the fact that the Province of Ontario had carried out a program of selling some of its public housing units. They have done this but only in projects that are at least ten years old, and I understand that something like 500 units were put up for sale to tenants and in the last issue of Ontario Housing magazine I saw there was

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(MR. JOHANNSON cont'd) . . . perhaps half of them that had been taken up by the tenants. And this is something that I'm sure MHRC will consider in the time to come.

The honourable member mentioned the fact that the Manitoba Housing and Renewal Corporation could purchase old houses and renovate them. I can point out that MHRC has done this in Brooklands and Point Douglas. There are quite a number of houses - I wouldn't want to give the member exact numbers but probably somewhere between 30 to 50. I don't have the numbers at my fingertips but this was an experimental program which was designed to rehabilitate old houses in Brooklands and in Point Douglas. Some of the renovations were very successful in this respect, that they produced single family dwellings which were in first class shape and which had a lot of amenities. One of these houses, I would tell the Honourable Member for Assiniboia, has a patio, a rock patio in the back, it has a double car garage and a fireplace.

A MEMBER: What rent do they pay?

MR. JOHANNSON: Well I don't have -- they pay rent according to their ability to pay. It's based on a rental scale which is geared to income. Now I would tell the honourable member that I don't have a fireplace in my home, I don't have a patio or a double car garage. So the . . . (Interjection)--

MR. SPEAKER: Order, please.

MR. JOHANNSON: The quality of this housing is quite good.

MR. SPEAKER: Order, please. I have allowed a lot of latitude in this debate but I think we are discussing the assessment area, not housing renewal.

MR. JOHANNSON: Well, Mr. Speaker, the basic purpose of the resolution is through this particular device to bring about improvement in housing, and what I am discussing is the question of the improvement in housing, which is the objective of the resolution if I understand it correctly, and I think the member would agree with me.

Now one of the problems encountered with this program of renovation was that it really isn't terribly economical in this respect. The houses usually require perhaps \$8,000 -- the honourable member may be more interested in the price of hogs but the resolution deals with housing.

MR. SPEAKER: The honourable member has five minutes.

MR. JOHANNSON: Yes. The problem with renovation of housing is that the housing is usually purchased at perhaps \$8,000 in an area where the average price of housing is \$13,000. Those houses then require 8 to 10 thousand dollars of renovation in order that they will be in a shape where they won't require major renovation for many years to come. The result is that you have a house that has cost you perhaps \$18,000 in an area where the surrounding houses have a property value of \$13,000, and you will never recover that price in that particular neighborhood. You would have to sell that house perhaps for \$15,000. So in that respect the program has limitations.

I would conclude, Mr. Speaker, by telling the Honourable Member for Assiniboia that at present the Minister is discussing the whole problem of assessment with the Union of Manitoba Municipalities, and his suggestion will certainly be considered.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. Mr. Speaker, you just a little while ago admonished the former speaker, the Member for St. Matthews, to keep his remarks to the subject matter at hand, namely the exemption, the - five-year exemption from increased assessment on real properties where improvements or repairs do not exceed \$2,500.00. I think, Mr. Speaker, that even you have, Sir, by now noticed that the Honourable Member for St. Matthews has one speech to make in this House and we will hear it on many occasions. It keeps coming back to public housing, and I would want to suggest to you, Mr. Speaker, that certainly we on this side have learned to appreciate that fact and are prepared to give him that latitude and we're always prepared to listen to the Member for St. Matthews lecture us on the merits of public housing whether it's apropos to the discussion under way or not.

Now, Mr. Speaker, I find myself, and with some difficulty, speaking on this matter not knowing whether or not I have the support of my group behind me. But I would like to suggest to my good friend, the Member for Assiniboia, that in that clutch bag of resolutions that they have sprinkled the Order Paper with there was bound to be one that I could agree with, and I am about to announce that this is one that I am about to agree with, Mr. Speaker. Now I don't know whether that means that I am going to be lynched the next time I get into the

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(MR. ENNS cont'd.) Conservative caucus or not but I would like to expound on a few reasons why I think the resolution before us is worthy of discussion and is worthy of some serious consideration by the government.

You know I find, Mr. Speaker, the, you know, somewhat shocking, the occasion when the Member from St. Matthews read for us from what I would believe to be actual regulations by the city as to which and what kind of repairs are admissible without raising the assessment. You know, Mr. Speaker, if you break your window in your house and you replace it, that means that you're not going to have the tax assessor down on your neck raising assessment on your house. If your door falls off the hinges and you replace it, it's not going to raise the taxes on your house, and he reads this to us in a pious, sanctimonious way as "look at all the elbow room in maintaining the maintenance of your home without raising assessment on your house." Well, Mr. Speaker, you know, I would hope I would take for granted that these kind of things, only some heaven-sent bureaucrat with a penchant for pushing pencils and shuffling papers would even dream of putting these kind of regulations into print. But I suppose I have to expect that because the Honourable Member for St. Matthews indicated to us in his speech that he was reading with some authority that these are facts, this is in fact the situation of assessment, and that only leads me to believe that we could look more seriously at this resolution than ever before if that's how serious it is.

A MEMBER: That's right.

MR. ENNS: Mr. Speaker, I know -- and then he raised another point, you know, and this indicates that perverse kind of a concern that they have for maybe somebody improving their home, and maybe selling it and maybe even making a buck on it. Well, Mr. Speaker, I know the word "profit" sends them all into a dither on the other side. But then let's leave that ideological aspect of this debate out of it for a little while. Surely what the concern here is -- and I'm not suggesting it's the main concern of the Member for Assiniboia -- but one of the concerns, and I think he expressed it, is that we look at some measures of slowing up or of at least not encouraging those kind of situations that develop, that encourage the development of what we would refer to slum areas in our older but yet quite reasonable, you know, private homes and private residences in the city. Surely, Mr. Speaker, we should be looking, you know, particularly with the comments that the Honourable Member for St. Matthews made, when we're talking about ownership, or public housing in this sense of the great big massive programs we should also be looking at the individual programs, and despite the comments, or the philosophizing of the Member for St. Johns, which I'll deal with -- I'll manage to work in a little bit into this debate at a later stage. But, Mr. Speaker, --(Interjection)-- Always truthfully. Mr. Speaker, surely the concern and what we should seize as maybe being possible, and indeed maybe even expanding this resolution, would be to encourage that our private residences, our dwellings, should be encouraged and our residents should be encouraged, should be encouraged to do anything that would maintain and enhance, and enhance the value. You know I don't have that hangup; you know if I do some work on my home and as a result my home is worth an extra \$1,000 and whether I sell it or I don't, I have the profit right there by enjoying that home, it's there, and so if you want to call that a dirty motive go ahead and snicker about it's a dirty motive, but I feel better living in a better home.

Mr. Speaker, let me tell you -- let me raise another issue that is connected with it. You know from time to time we hear suggestions that farm buildings, farm homes, should be assessed and taxed in a similar way. Mr. Speaker, the day that happens is the day that we will create the largest and the greatest number of slums in rural Manitoba -- for the same reason. You have an incentive right now in the taxation approach to farm dwellings and farm buildings, that enables the farmer to write off as legitimate expenses, farm expenses in his taxation program the necessary repairs and maintenance to his farm buildings.

A MEMBER: His home?

A MEMBER: Yes.

MR. ENNS: Well it's officially his home. His farm buildings generally, his yard, his farm buildings. Now, Mr. Speaker, I suggest that I should not even mention it because I see a dawn of enlightenment go up on the Member for St. Johns, the former Minister of Finance. He is all of a sudden -- he is already cringing and weeping in the thought of those taxation dollars that have slipped through his hands during the years he had control and he's worrying

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(MR. ENNS cont'd.) about it. He'll go to bed at nights worrying about it. Now, Mr. Speaker, I'll suggest to you that that day should not happen because it's this kind of punitive taxation measures which gives no incentive to the homeowner to improve his home, to improve his house, to improve his property, to improve his general environment, his immediate environment. Mr. Speaker, at this time we pay a lot of lip service . . .

A MEMBER: Quality of life.

MR. ENNS: We pay a lot of lip service to trying to create a better environment. We talk about the responsibilities of government in creating a better environment. We're critical of major corporations when they transgress what we think abuses to the environment. But, Mr. Speaker, we're not prepared to acknowledge in the only meaningful way, in our tax system, in our assessment system, when the individual makes an effort to improve his immediate environment that he has control of, when he goes out and spends \$200.00 to landscape his particular property, when he adds an attractive garage on his property so that his house or his for his car, or that used car or something like that doesn't litter the backyard, when he puts on a sun porch or what have you onto his buildings, when he paints it, when he adds other features to his private structure, immediately the tax assessor is there. Mr. Speaker, I think that it's time, particularly when we have what would appear to be a conflict arising, or at least a suggestion of a possible one arising, if you take seriously the remarks made by the Honourable Member for St. Johns a few nights ago when he questioned the advisability of private home ownership. Now, Mr. Speaker, . . .

MR. SPEAKER: Order, please. I wonder if the undertones would stop warring with the overtones so I may hear what the honourable member has to say.

MR. ENNS: Mr. Speaker, let me assure you I can't do anything about the undertones but I can do something about the overtones, and I intend to do that.

The other night the Honourable Member for St. Johns suggested that it would be a good idea if we debated the whole question of the desirability of private home ownership and should we in fact encourage or should governments -- I think these are roughly the words that he threw out to us during I believe the relatively short period that he was involved in the debate on another resolution -- was it in fact a desirable feature or desirable effort that government should be engaged in to encourage, or to help to encourage the private ownership of homes. He recited that in the course of his law career that he had many occasions to be active or to participate in the winding up of estates and the thought had crossed his mind in attending to this business that all too often the responsibility and the burdens of maintaining that pride in home ownership was in his opinion too onus and too heavy. --(Interjection)-- Well, Mr. Speaker, I think that is a fair subject matter for debate because I think one has to look beyond the surface and the immediate prospects of that proposal. I suppose that for a socialist government that feels that it knows best how to make the decisions for its citizens that the very concept of home ownership is repugnant because it does prevent them, Mr. Speaker, from having you know that final and that total control, and that capacity to invade that final bastion of privacy which has so long been regarded in the traditional words that, you know, my home is my castle and you know thou shalt not bother me there. But it was interesting to have the Member for St. Johns raise the question because I suppose it would bring us that one step closer to Orwell's "1984" where in the rows of state-owned public housing units the possibility of such introduction as telescreens for the induction and the prescription of a government doctrine would be made that much easier. All these things of course pose a difficulty in the continuance of private ownership of one's homes.

Well, Mr. Speaker, I'm allowing my fantasy to travel in distant fields; 1984 is a few years from us yet but the point of the matter, and the point of this resolution, is whether or not we shouldn't consider, whether or not we shouldn't in direct contrast to what was suggested by the Member from St. Johns the other day, and this is the only reason why I bring in his contribution the other day, there's a confrontation here in the thoughts expressed by the Member for St. Johns the other evening and the thoughts contained in this resolution. This resolution suggests that we should reward, that we should encourage, that we should do all we can to enhance private ownership of the home. If we believe that the tax system as presently constituted makes it difficult for the resident of the, or the homeowner of the private home, particularly of the older home, to make the kind of ongoing repairs, and to make the kind of improvements that are in keeping with maybe a changing environment in that part of the

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(MR. ENNS cont'd.) neighbourhood where the home is situated in, it may call for considerable different expenditures as times change in that neighbourhood. Should we really be seeking our pound of flesh at every moment that this occurs? Or should we not encourage in a meaningful way through our tax system this kind of pride in home ownership, and this kind of expression for support for the principle of home ownership. I suggest to you, Mr. Speaker, that I will consult with my colleagues; I will encourage my colleagues to support this resolution as it now stands before us.

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

HON. SAUL CHERNIACK, Q. C. (St. Johns): Mr. Speaker, I have often enjoyed the acrobatics, the verbal acrobatics of the Member for Lakeside, but I must admit that I became a little angry listening to him and I have to somehow calm myself and yet say something to him which is meaningful.

First thing I'd have to say is that there has been some utterly stupid remarks made by him just a few minutes ago. His mere reference to the pound of flesh is an indication of the way in which he wants to become emotionally involved in order to arouse people along the lines of this resolution, that is what the Member for Riel would no doubt call intellectual dishonesty but I wouldn't do it because I try to in some way control the reaction I have. A pound of flesh is the words he used. He talks about the homeowner; he is supporting a resolution which will permit every owner of every building on Portage Avenue which is rented out to take advantage of this assessment proposal. He's talking about -- and the Member for Assiniboia who talked about the man who was paying a high business tax said no doubt at the time when he was active in the Assiniboia area or St. James, by the municipal authority, talking about that, talking about removing increased assessment on real property which has been improved or repaired . . .

MR. G. JOHNSTON: Mr. Speaker, on a point of order . . .

MR. SPEAKER: The Honourable Member for Portage state his point of order.

MR. G. JOHNSTON: I think the Member for St. Johns is inadvertently, not misrepresenting but he's not talking to the resolution. The resolution talks about homes . . .

MR. SPEAKER: Order, please.

MR. G. JOHNSTON: The resolution talks about homes not properties on Portage Avenue.

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

MR. CHERNIACK: Mr. Speaker, the last time the Member for Assiniboia spoke and spoke completely off the -- his own resolution because it was so badly drawn I asked that it be read to him. I'll read it to the Member for Portage, and I'm reading the resolved portion because preambles are preambles, but the resolved portion reads: "Now therefore be it resolved that this government consider the advisability of enacting legislation at this session of the Legislature to give a five year exemption from increased assessment on real property which has been improved or repaired when the cost of such repairs or improvements does not exceed \$2,500.00" The Member for Portage la Prairie stood up on a point of order without even bothering to read the resolution. --(Interjection)-- I mean the Member for Portage. I just read the resolved portion of the resolution, unless we're not talking about Resolution 13. But I'm talking about Resolution 13 because it's before us, and both the Member for Assiniboia and the Member for Portage -- he may not know what real property means, and I'll give him a lecture some day -- and the Member for Lakeside are now talking on behalf of every landlord, every slum owner of rental housing, every commercial property, every industrial property; the Member for Lakeside is talking about a pound of flesh -- I wish I had more time this evening to deal with matters that he spoke about.

But it does make me somewhat angry to have this kind of emotional talk when the member well knows that we are now talking about a proposal to reduce assessment on which taxation is based and which in itself is a portion of the assessment. We talk about mills because mills are 1000th of a dollar on an assessment. And to make it appear to be such a great thing -- where are the members opposite when they, when they know full well about the homeowner grants that we've been giving in the last two programs where we've actually been putting dollars in the pockets of poor people, pensioners -- and the Member for Sturgeon Creek is starting to weep a little, I think; that's the impression I get from looking at his face -- where they were given dollars in their pockets for home improvements. Who talked about that on that side? --(Interjection)--

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MR. SPEAKER: Order, please.

MR. CHERNIACK: . . . dollars of the people who can afford to pay it. --(Interjection)-- I'm glad I'm getting a reaction. I'm only sorry there won't be time for members to respond. But bear in mind that those dollars are taxpayers' dollars, those are taxpayers' dollars raised on the ability-to-pay principle handed out to people who need it, who have not the ability to find their own money, and now this resolution, the supporters of it, what are they talking about? They're talking about people who are improving their homes, presumably because they have the money with which to do it. Their neighbours who don't have it, they will have to pay; they will have to pay taxes equal to those who are able to improve.

So, Mr. Speaker, in one minute without really dealing with it but I want to point out, and I want to point out rationally -- I'm now calm and I'm not angry anymore -- I want to point out that assessment is only a measurement of the way in which the burden of the municipal and small educational tax is distributed amongst members of a group. If we all had to pay a real property tax in an area in which only we live, then the basis on which it is done is on the basis of real property assessment. So it's only a measure of payment and the discrimination which appears to me to come out on this is that the person who puts in his \$2,500 is going to get a disproportionate charge on his distribution of costs to that of the person next door who was unable to, or unwilling to, make an improvement to the home.

I intend, Mr. Speaker, to continue this when this matter comes up before
But let's get a little bit of integrity into this debate.

MR. SPEAKER: Very well. The hour being 10:00 o'clock, the House is now adjourned until 2:30 Tuesday afternoon.