

TIME: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Honourable Peter Fox (Kildonan): Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 24 students of Grade 5 standing of the St. George School. These students are under the direction of Miss Marie Wyndelf. This school is located in the constituency of the Honourable Member for Riel.

We also have 80 students of Grades 5 and 6 standing of the Grosvenor School under the direction of Mr. Madder. The school is located in the constituency of the Honourable Member for Crescentwood.

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

PRESENTING PETITIONS

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK: Mr. Speaker, I beg to present the petition of The Community of the Sisters of the Holy names of Jesus and Mary praying for the passing of **An Act to amend An Act to incorporate "The Community of the Sisters of the Holy names of Jesus and Mary."**

READING AND RECEIVING PETITIONS

MR. CLERK: The petition of the Winnipeg Bible College praying for the passing of **An Act to amend An Act to Incorporate The Winnipeg Bible Institute and College of Theology.**

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY: Mr. Speaker, I beg to present the second report of the Standing Committee on Public Utilities and Natural Resources.

MR. CLERK: Your Standing Committee on Public Utilities and Natural Resources met on Tuesday, March 22, 1977, and on Thursday, March 24, 1977, to consider the Annual Report of the Manitoba Telephone System.

Your Committee received all information desired by any member of the Committee from the Chairman, Mr. Gordon Holland, and members of the staff with respect to all matters pertaining to the Annual Report and the business of the Manitoba Telephone System. The fullest opportunity was accorded to all members of the Committee to seek any information desired.

Your Committee examined the Annual Report of the Manitoba Telephone System for the fiscal year ending March 31, 1976, and adopted the same as presented.

MR. SHAFRANSKY: Mr. Speaker, I move, seconded by the Honourable Member for Emerson, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL: Mr. Speaker, before the Orders of the Day and before the House proceeds to more contentious matters' I would like to address a question to the Honourable the First Minister and it concerns the seventieth showing of the Royal Manitoba Winter Fair which begins next week in Brandon. I wonder if the First Minister could confirm that the traditional arrangements have been made and that this House will suspend labours on Wednesday, March 30th, in order that members from both sides can demonstrate their interest and enthusiasm for agriculture as the primary industry in Manitoba and the linchpin of our Manitoba economy.

SOME MEMBERS: Hear, hear!

MR. SPEAKER: The Honourable First Minister.

HONOURABLE EDWARD SCHREYER (Rossmere): Mr. Speaker, I quite agree with the Honourable Member for Brandon West that it is important to maintain symmetry in this House; accordingly, it is my understanding that we will follow past practice and that Wednesday next, I believe it is Wednesday next, this House will stand adjourned; that transportation arrangements have been made or are being made largely through my colleague, the Minister of Industry, and that there

should be transportation available from the front door sometime Wednesday morning next.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker I have a question for the Minister of Industry and Commerce. In light of the statement made by the former president of Flyer Industries indicating that in fact arrangements had been made through the Premier's office between a group of West German businessmen and officials of the Government of Manitoba to have the Minister of Industry and Commerce meet with these businessmen, could the Minister explain his statement of yesterday when he denied that there was any such discussions, negotiations, or arrangements being made. Would he care to clarify that or elaborate upon that?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: If the Honourable Member for Fort Rouge will recall, the Minister answered that question yesterday. Today, the honourable member makes reference to the Premier's office as having arranged it. I will check with the appointment book and with my secretary, whose memory is nigh infallible, and ascertain. If there has been a problem, it's my office, my doing not my colleague's.

MR. AXWORTHY: Perhaps a supplementary to the First Minister. Could he confirm that in fact in 1975 he personally was involved in a meeting with representatives here in Winnipeg of those West German firms to discuss the potential of negotiations for the purchase of Flyer by that West German consortium?

MR. SCHREYER: No, I cannot confirm that.

MR. SPEAKER: Order please. The Honourable Member for Fort Rouge have one more supplementary?

MR. AXWORTHY: Yes, Mr. Speaker. Then is it the Premier's intention to raise the question with Mr. Maumann the former president of Flyer Industries who claims publicly in a statement to the press that this meeting in fact did take place, such negotiations were talked about and arrangements were made for a potential \$30 million deal?

MR. SCHREYER: Mr. Speaker' however unorthodox and in whatever unorthodox way I intend to get to the bottom of this myself, since what I suspect is happening, is that there is a transposing of what were supposed to be some discussions with respect to a particular kind of technology relating to trolley buses somehow has been transposed into an alleged offer of purchase. That's what I suspect has happened' but I will check further.

MR. SPEAKER: The Honourable Minister of Commerce and Industry.

HONOURABLE LEONARD S. EVANS (Brandon East): I would like to make it quite clear that the statement I made yesterday stands. I repeat, I had no knowledge until I read in today's newspaper of certain arrangements made for myself, no knowledge whatsoever. In fact, I checked my travel arrangements with my secretary and there were no plans to go to Germany. I had a trip scheduled for Sweden and this is what occurred. We discussed this when I can back. The Honourable Member for Brandon West asked me questions about it, we discussed it, there was nothing planned to go to Germany. I find it incredible that certain businessmen in Winnipeg make arrangements for myself that I know nothing about. I think they owe me an apology.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I have a question for the Minister of Industry and Commerce. Can he indicate whether he had any discussions at all with either Robert Leslie or Joe Bender about so called West German interests who were concerned or interested in the purchase of Flyer?

MR. SPEAKER: The Honourable Minister of Industry.

MR. EVANS: Mr. Speaker, I can be very clear. Never, any discussions, to my recollection and the best of my knowledge. Never any discussions. In fact, I am not sure that I even know these gentlemen.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, then I wonder if I can direct a question to the First Minister. Is the First Minister in a position to indicate whether there was any discussion with any members of his office by principals in Winnipeg by the name of Robert Leslie or Joe Bender dealing with the so-called purchase by West German interests of Flyer?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I've already answered that.

MR. SPIVAK: Then I pose another question to the Minister of Industry and Commerce. — (Interjection)—

MR. SPEAKER: Order please. The Honourable Member for River Heights. Order please.

MR. SPIVAK: I wonder if the Minister of Industry and Commerce can inform the House whether there have been any discussions between any representatives of his Department with West German interests for the purchase of Flyer in the year 1975?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HONOURABLE LEONARD S. EVANS (Brandon East): You know that's a pretty broad question, "Were there any discussions with any German interests by any members of my department back two years ago." I don't know. We have 140 - 150 persons in the department and they're talking to business

men probably in several European countries at one time about many matters. We can check it. That could be. I don't know. But I repeat I don't even know the gentlemen the honourable member referred to earlier. I can't recall ever meeting them and I think it's just incredible for people in this city to make arrangements for a Minister of the Crown about something he has no knowledge of whatsoever.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK: Mr. Speaker I have a question for the Minister of Industry and Commerce. Can the Honourable Minister tell the House if he had any discussions with the Minister responsible for MDC, if he had any communication or negotiation with these people or was he involved in this deal?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I raise a point of order. I happen to have, Sir, a document which I believe you've caused to circulate in this Chamber entitled Extracts from Beauchesne's Parliamentary Rules and Forms, Citation No. 171 and one of the points in this document, Sir is that questions should not be asked of a Minister for which they do not have administrative responsibility.

MR. SPEAKER: The Honourable Member for Minnedosa. Order please. The Honourable Member for Assiniboia.

MR. PATRICK: I have a supplementary for the Minister of Industry and Commerce. My question to the Minister of Industry and Commerce is did the Minister of Industry and Commerce have any discussion concerning this transaction with the Minister responsible for MDC?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: The question refers to a transaction. I'm not aware, Sir, of any transaction. I'm not even aware of any proposed transaction except that which has been alleged. We've undertaken to check whether in fact there is any substance whatsoever, however tentative, and until we have an opportunity to do so the matter really remains one of unlimited contention and allegation.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: Thank you, Mr. Chairman. My question is to the Honourable Minister responsible for Parks and Recreation. Sometime ago the First Minister took a question as notice and the question dealt with the overpopulation of moose on Hecla Island and the possible damage to the new million dollar golf course there from the moose travelling across the course. I wonder if the Minister is now in a position to indicate if his department has investigated to determine if damage is occurring and if indeed there is an overpopulation of moose, does the Minister contemplate a special moose hunting season in that area this year?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HONOURABLE BEN HANUSCHAK (Burrows): Mr. Speaker, insofar as hunting licenses are concerned, that is not within the jurisdiction of my department. If the population of moose at Hecla Island is causing any damage to the golf course or to any facilities provided within it, I will have that matter checked into. I do not have a response for the honourable member at this time.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK: Mr. Speaker . . .

MR. SPEAKER: Order, please.

MR. CRAIK: . . . I would like to direct a question to the First Minister that has to do with ministerial responsibility. I wonder if he can advise whether the ten orders that are still outstanding from the 1976 session, if he has been able to determine whether we'll be able to acquire them soon.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I'll have a reply to that tomorrow, Mr. Speaker.

While I'm on my feet I could reply to the Honourable Member for Sturgeon Creek who was asking about the reported resignation of one Jim Gordon. I can advise that with respect to the assistant general manager there has been notice of intention to take on another position. With respect to Mr. Gordon there is no resignation. There may be at some future date but by that I mean nothing more, sir, than perhaps this year, perhaps next year, perhaps five years from now.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN: Thank you, Mr. Speaker. I direct my question to the Minister of Industry and Commerce and it arises out of the talks that he had with the Federal Minister of Trade and Commerce. I wonder if he could inform the House whether there was any discussion between him and the Minister with regards to cutting some of the red tape which is now swamping the small business people in Manitoba.

MR. SPEAKER: The Honourable Minister of Industry.

MR. EVANS: Mr. Speaker, I assume the honourable member is talking about federal red tape. I can advise the honourable member that at a meeting of last Monday of Federal-Provincial Ministers of Industry that we were advised that the so-called "Alphabet Soup Program", which is a wide range of assistance programs for small businessmen and others in the field of industry, were to be combined into one program and that delivery of this assistance would be done on a provincial basis by a federally appointed board. So to that extent, Mr. Speaker, I look forward to a lot of elimination of

certain red tape.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: A supplementary, Mr. Speaker. I wonder if the Minister could confirm that many small businesses in the province of Manitoba are seriously being hurt by the influx of more red tape such as filling out forms as far as statistical information and different types of information and taxation measures are concerned.

MR. EVANS: Mr. Speaker, it is very difficult for me to ascertain that. A number of businessmen have from time to time complained about filling out statistical forms, etc. But I would like to point out to the honourable member if Statistics Canada didn't get certain data from business, we wouldn't have the information on which to base various policies of economic development. So in some ways these forms are a necessary evil. I really cannot say to what extent it's hurting small businessman in this province. It may be a bit of a nuisance but as I said it may be a necessary nuisance.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: Thank you, Mr. Speaker. To the Minister of Labour. Would the Minister now be able to supply (1) The cost of the Convention Centre rooms rented by the commission, the *per diem* rate that he is going to pay Mr. Murdock MacKay if the . . .

MR. SPEAKER: Order, please. Order for Return.

MR. SPEAKER: The Honourable Minister of Labour.

HONOURABLE RUSSELL PAULLEY (Transcona): Mr. Speaker, the honourable member has been posing questions to me for a number of days dealing with the Industrial Inquiry Commission. I wasn't in a position precisely to answer partially his questions awhile ago, but if you would permit, Mr. Speaker, I can now answer because I am in receipt of the information, not wholly . . . — (Interjection)— I wonder if this rabble would shut up for a little while, particularly the Member for Lakeside. — (Interjection)— I don't think, Mr. Speaker, I have a friend anywhere in Manitoba right now but apart from that . . . apart from that I can . . .

MR. SPEAKER: Order, please. — (Interjection)—

MR. PAULLEY: Oh, I'll have something to say about you when I get into my Estimates.

MR. SPEAKER: Order, please. Order, please.

I wonder if we could conduct ourselves in a parliamentary fashion and stick to the business of the House. Order, please. I'll repeat, I wonder if we can conduct ourselves in a parliamentary fashion and stick to the procedures of the House, and when questions are asked they shouldn't have extraneous and opinions expressed and the same thing with replies. . They should be terse and to the point and then we wouldn't get into the hassle we're into continually. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I'm becoming used to your admonitions and I accept them.

I did want to be able to indicate to my honourable friend the Member for Wolseley who is in political competition with the Industrial Inquiry Commission that I have now received some information that I can transmit to him insofar as the cost of the Industrial Inquiry Commission.

The Industrial Inquiry Commission has informed me and submitted a tentative account to me wherein his charge will be \$50 an hour less 6 percent according to the AIB regulations. The \$50 an hour for a solicitor is a lesser amount than is paid normally to Inquiry solicitors and the Industrial Commissioner in his endeavours to assist the Minister of Labour as an Industrial Inquiry Commission and to save the taxpayer's of Manitoba money, has accepted a lesser rate than is normally charged by solicitors in the province of Manitoba. And that \$50 per hour includes office space use, stenographic charges, and all other related charges. So . . .

MR. SPEAKER: Order, please. Order, please.

MR. PAULLEY: I would suggest to my honourable friend who asked whether or not that included coffee should only drink coffee and he wouldn't ask such asinine questions.

But, Mr. Speaker, insofar as the charges are concerned for the Convention Centre for the public hearings I am sure that they will no more, or no less, than those that are charged by the Convention Centre which is not under the jurisdiction, precisely, as per charges, of this administration.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. WILSON: Could the Minister assure the House that that fee is not two and a half times more than his secretary.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can inform the House whether the Federal Government has had any contact with Provincial Government about the proposed increase in the cost per barrel of oil which the Minister of Energy has already referred to as a \$2 per barrel price increase.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there has been what I would have to describe as a casual reference back and forth on this, but the formal sitting down to discuss of the matter, I think, takes place in early April. Unless my honourable friend is confused as to what our position is, it is simply that we are opposed to any change whatsoever at this point in time.

MR. SPIVAK: Mr. Speaker, I wonder if the First Minister or the Minister of Industry and Commerce is in a position to indicate what the effect of the proposed increase will be on the economy of Manitoba in the price increase of goods and in the cost of energy. . .

MR. SPEAKER: Order please. Asking for an opinion. Does the Honourable First Minister wish to express an opinion?

MR. SCHREYER: Mr. Speaker, I don't know if it is wise to express an opinion, but because we on this side are always anxious to aid in the process of communication of information I would like to suggest to my honourable friend that if he's talking \$2.00 a barrel then the implication for Manitoba is at minimum in the order of \$50 million a year.

MR. SPIVAK: Mr. Speaker, at what point will the Province of Manitoba protest this increase formally?

MR. SCHREYER: I communicated to the Minister of Energy, Mines and Resources in the past, certainly in the past 12 months, the past 18 months, that there is no justification for further increases beyond those which have already taken place, given that it is not for reasons of cost but for reasons of anticipation of the future that these increases are being talked about. In addition to that, the Minister of Industry and Commerce will be at the meeting in early April and will certainly put that on the record in a very elaborated way.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Industry and Commerce asking him if there has been any discussions between him and officials of the CNR concerning the potential demolition of the CNR's Fort Garry Hotel and its replacement, and determine whether the CNR plans to replace that hotel with any new establishment.

MR. SPEAKER: The Honourable Minister of Industry.

MR. EVANS: Mr. Speaker, there have been no discussions.

MR. AXWORTHY: A supplementary' Mr. Speaker. Could the Minister undertake to raise this issue with CNR officials to determine if they are in fact planning to demolish the hotel or whether the present structure might be used for alternative housing purposes or other purposes; what objectives they have in mind?

MR. EVANS: Mr. Speaker, I suppose we could speak to them. I think we're in the realm of high speculation or deep speculation. As to the matter of utilizing a hotel for housing, that's another matter. I think hotels are built to be accommodation for travellers and that's the best utilization to be made of hotels. As the honourable member knows, we do have a very active program in public housing and other types of housing and even if such a hotel were available I don't think that would be a wise use of money for housing expenditure.

MR. AXWORTHY: A supplementary, Mr. Speaker. Considering the quick opinion given by the Minister, would he say that the potential use of such a hotel might be in the area of personal care and nursing care homes where they are more adequately. . .

MR. SPEAKER: Order please. Asking for an opinion. The Honourable Minister of Continuing Education.

MR. HANUSCHAK: Mr. Speaker, about ten, twelve days ago or so the Honourable Member for Wolseley had asked the Honourable Minister of Public Works a question regarding the William Tell Restaurant, or what was known as the William Tell Restaurant at one time. The question was whether it is now being run as a provincial taxpayers' restaurant, and is it succeeding. In response to the honourable member, Mr. Speaker, I would like to indicate that the facts are as follows: that as a result of increasing financial difficulties, the William Tell Restaurant which was the lessee of space in the lower level of the Concert Hall in the Manitoba Centennial Centre had its lease cancelled and was put into receivership on January 10th of this year. At that time, the William Tell Restaurant owed substantial sums both to the Centennial Centre Corporation in regard to unpaid rent for a few months as well as debts to a number of suppliers, and immediately upon the taking of receivership action, the Centennial Centre Corporation made itself responsible for the running of the restaurant facilities, hiring the existing staff of the William Tell Restaurant or what was formerly known as the William Tell Restaurant, and maintaining the same meal and bar services. The staff at the William Tell Restaurant continued to receive their salaries without a break and the operation presently under the direction of the Manitoba Centennial Centre Corporation was given the name Concert Hall Restaurant.

At the present time, while it's continuing to operate the restaurant on an interim basis, the method of operation in the future is still under review. There are certain experienced restaurateurs who have expressed an interest in the restaurant and various proposals for lease or contract arrangements are anticipated in the near future.

The honourable member suggested in his question that the information with respect to its operations are very secretive. Well, I would like to indicate to you, Mr. Speaker, that as far as the suggestion of secrecy is concerned, that neither I nor the Chairman of the Centennial Corporation or its Executive Director have ever been asked for information regarding the restaurant by the

Honourable Member for Wolseley or by anyone else. Therefore, I simply cannot respond to the suggestion of the Corporation or anyone holding back information and keeping it secretive.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can indicate whether there has been any communication from the federal government about proposed changes in the Anti-inflation Board or the AIB program to be announced either during the federal budget, or prior to it or right after?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that is really not possible to answer just yet but I would think that it should be within approximately 7 days. My honourable friend will have to be patient.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I'm not asking for the specifics, I'm just asking the First Minister to indicate whether the Federal Government has communicated changes that will in fact be introduced. I'm not asking for those changes. I just wonder whether the provincial government has heard anything of changes.

MR. SHC SCHREYER: No, Mr. Speaker. My honourable friend should appreciate that the Government of Canada has a certain responsibility with respect to the procedure surrounding its own budget formulation and I am not privy to their internal decision-making process, despite what the eastern newspapers may say.

MR. SPIVAK: Mr. Speaker, another question to the First Minister. A few days ago he took as notice, questions with respect to the statements by the Governor of the Bank of Canada with respect to the control period remaining until 1978. He specifically, I think, undertook to determine whether there were studies by the government with respect to the timetabling in changes. I wonder if he's had a chance to either peruse the information that is available to the government or examine the statements of the Governor of the Bank of Canada, and whether the government is in a position to make a comment about his suggestions of procedures to be followed.

MR. SCHREYER: Mr. Speaker, there has been dialogue and discussion with respect to canvassing certain different possibilities. The Minister of Finance' the Minister of Labour have met with federal counterparts in the past roughly one month. But insofar as the statement by the governor of the Bank of Canada frankly there has been to my knowledge no pursuing of that on a federal-provincial basis, at least not yet.

MR. SPIVAK: I wonder if the First Minister could indicate whether he has had the opportunity of perusing and examining the statements of the governor of the Bank of Canada and whether he is in a position to make any comment on them?

MR. SCHREYER: Mr. Speaker, that, if I am not mistaken, is a statement by the governor of the Bank of Canada within the last 48 hours and as such I am not prepared to make any comment. I am not so sure it would be all that proper in any event, certainly not within 48 hours.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. WILSON: A question for the Minister of Tourism — and I welcome the information on the Concert Hall restaurant he presented to the House and welcome him back from Africa — but would the Minister confirm that the Minister of Public Works and other members, his colleagues did not know the answers to the questions that I posed.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: A point of order, Mr. Speaker. The Honourable Member for Wolseley is a newer member and such as I suppose the Chair has to allow some latitude, but I would refer you, Sir, to your own document, Citation 171 of Beausnesne, (a), "A question must not be ironical, rhetorical, offensive, or contain innuendo, satire, or ridicule." On that basis, Sir, if you will search the record, my honourable friend the Member for Wolseley's questions have been almost entirely out of order.

MR. SPEAKER: Order please. —(Interjections)— Order please. The point is well taken. If the Honourable First Minister hadn't beaten me to the punch, I would have been informing the House of exactly the same thing. I am going to request of the honourable members, this sheet was passed out, Beausnesne's Citation 171, in respect to questions almost a week ago. I realize that some people haven't very much time and may be slow in getting to read some of the material that comes across their desks, but I think they have had time and experience to do this.

We also have Beausnesne's Citation 181 which is in respect to answers which was also included with the information I shipped out, and I would hope that those who are answering would also take the time to read it and peruse it, study it and comply with it. —(Interjections)— Order please. Every member will have an opportunity to speak when I sit down, in rotation as I recognize them, but while I am up I would like to have the courtesy to be able to finish what I have to say. I would hope that if we get the co-operation of the members, the procedures of this House and the work that has to be done will be completed efficiently and on behalf of Manitobans. If we insist on bending the procedures and not following them, then consequently we won't get the work done and will take that much longer and I would hope and wish that the members would co-operate with the Chair. The Chair does not wish to

act as a policeman. The Chair wishes to act as an intelligent, adult individual like I hope all the other members wish to act as well.

The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM: Thank you, Mr. Speaker. I have a question I would like to address to the Honourable Attorney-General. I would like to ask the Attorney-General if the Liquor Commission anticipates an increase in liquor prices at or near the end of the fiscal year, which is March 31st?

MR. SPEAKER: The Honourable Attorney-General.

HONOURABLE HOWARD PAWLEY (Selkirk): Mr. Speaker, if there is any increase in prices at any time they will be made in due course.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK: Mr. Speaker, I wish to direct my question to the Honourable Minister of Labour. In view that the Minister of Public Works was announcing that legislation will be tabled in this House within two weeks to deal with involuntary overtime, can the Minister of Labour now confirm that position? Is it the government policy or is it not?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I have tried to penetrate the mind of my honourable friend from Assiniboia on a number of occasions and indicate to him that the Throne Speech, not the Minister of Public Works, indicated that legislation would be forthcoming. My honourable friend, the Member for Assiniboia, has taken out of context every statement that I have made to this House. I reaffirm, Mr. Speaker, once again in this House that it is the intention of the government to proceed in accordance with its declaration made in the Throne Speech and that will be forthcoming. Now if my honourable colleague, the Minister of Public Works, at a meeting last night indicated that that would be before us in two weeks, — (Interjections) —

MR. SPEAKER: Order please.

MR. PAULLEY: There is my rabbling friend from Lakeside once again, Mr. Speaker, that after you had indicated what the rules of the House are again is going on like a babbling nincompoop, but apart from that, Mr. Speaker, I have tried to convince this House and the public that we are going to introduce legislation. I do want to say, and I hope for once and for all I can put the mind of my honourable friend to rest as I have tried to do despite him taking out of context my statements in this House, that it is the intention — whether it is in two weeks or not I cannot guarantee and if my honourable friend was in my position he would not be able to guarantee as to whether or not it will be here precisely in two weeks — but it is coming.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT: Mr. Speaker, some time ago I directed a question to the Minister of Industry and Commerce regarding the pending increase in toll rates on the St. Lawrence Seaway. I wonder if the Minister can indicate what discussions have taken place between himself and the federal authorities since that time and if he could indicate to what extent the discussions have reached at this moment and what possibly the increased rates might be.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

MR. EVANS: Mr. Speaker, there have been no formal discussions between myself and my counterparts in Ottawa on this matter although I can reaffirm the position that was taken by the prairie provinces in this matter, and that is our opposition to any increase in the St. Lawrence Seaway toll.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable the House Leader.

MR. PAULLEY: Mr. Speaker, I wonder if you would kindly follow the Order Paper, the Adjourned Debates for Second Reading.

MR. SPEAKER: Thank you.

ADJOURNED DEBATES — SECOND READING

BILL (NO. 2) — AN ACT TO AMEND THE SECURITIES ACT

MR. SPEAKER: The proposed bill by the Honourable Minister of Co-operatives, Bill No. 2. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, we have perused this bill, we have no objections to it, we will let it pass.

MOTION presented and carried.

MR. SPEAKER: Bill No. 3, proposed by the Minister of Agriculture. The Honourable Member for Lakeside. (Stand)

Bill No. 4, proposed by the Minister of Public Works. The Honourable Member for Birtle-Russell.

(Stand)

Bill No. 5, proposed by the Honourable Minister of Public Works. The Honourable Member for Birtle-Russell. (Stand)

Bill No. 7, proposed by the Attorney-General. The Honourable Member for Portage la Prairie. (Stand)

BILL (NO. 15) — AN ACT TO AMEND THE REAL ESTATE BROKERS ACT

MR. SPEAKER: Bill No. 15, proposed by the Honourable Minister of Co-operatives. The Honourable Member for Wolseley.

MR. WILSON: Mr. Speaker, this is a bill to deal with The Real Estate Brokers Act and I would like to make a few comments and in no particular order. I have gone through the bill and basically, Section 5, (1) - (4) deals with housekeeping matters in the Act. These sections basically spell out the procedures of the Act in legal terms, preventing loopholes and clarifying the sections.

However I would like to comment on the fact that the bond limits seem to be very low. A real estate salesman only has a \$2,000 bond and a real estate broker, \$10,000, and of course the annual premium to the insurance company is \$75. It would seem there are very few firms left in the province to deal with bonds, it seems that the province has, because of the fact that they are not willing to become involved in the bonding industry themselves to any great extent, have to keep the limits of these bonds extremely low because of the fact we have driven so many of the companies out of the province. It seems that the higher bonds might drive some of the little guys out of business, especially if they were under-capitalized. However, on the other hand, it seems to dictate that only a powder one broker would have to take for say \$200,000 and with such low bonding it is obvious the real estate and other people, of course people in the Province of Manitoba would be hurt without recourse. I feel possibly the bonding as it is, the real estate industry doesn't seem to be able to handle its problem through the present bonding and I look to the day when there may be a real estate trust fund set up to compensate the public' as we do in the legal profession. Section 5, subsection 21(I) —

MR. SPEAKER: Order please. We are dealing with the

bill in principle and I would hope the honourable member would conduct his debate so he doesn't refer to the section. The

Honourable Member for Wolseley. **MR. WILSON:** Basically, dealing with the intent of these amendments as I see them, we seem to be talking in sections of course about forms. It seems because of multiple listings and the fact that more people are becoming involved that we are now getting into forms that we need four or five copies and the Act seems to make amendments to allow for that and make it mandatory to have at least four copies.

Again some of the other sections are basically housekeeping but Section 7, as the Minister said himself, seems to be an extremely important amendment. I think that we are going to have to thoroughly debate this in committee and I feel the Minister should stand up in this House and tell us what is going on because it's what it doesn't say that I am concerned about. The Minister again has talked about amendments that he will be presenting in committee and I look forward to seeing them but I'd like to possibly crystal-ball what I think the intention of this bill might be.

It seems the Minister has expressed more than a passing interest in deposits made by clients, the purchasers, and the Act has tried to deal with the problems facing the real estate industry trying to separate a stakeholder from a broker. And similar to my own industry, the stakeholder has an obligation to see that the deposit goes to the right party. Of course, that is left up to the businessman to make that decision and one would always of course have to ask the question what happens if he guesses wrong. Well, it could be argued he might have some legal expense; it would seem simple in the event of a dispute to pay the money in an interpleader court action, and I believe the Real Estate Board wants the stakeholder duties in the past Act to remain the same.

The Act seems to deal with the broker as a yes-man, a yes-man must follow the vendor's instructions and in many cases because of agency law must turn the money over to the vendor without question. Of course, this I imagine turns some of them off. But while everything must be done by cheque which gives the purchaser a certain amount of proof as to where the moneys have gone, the broker does not now seem to offer the purchaser much protection which I talked about previously.

I welcome some of the changes under Section 7 which will now describe the broker as a trustee but now allowing the broker to turn the money over to the right party. In other words, the broker now has the same rights as the stakeholder has, in other words, he can make an assessment as to give the money to the person properly entitled to it. It's what the section doesn't say and the question of the trust moneys that are put in the bank. It seems in this area the Minister has left many questions unanswered. Does the Minister in the usual government fashion see an opportunity to pounce on

interest from brokers' trust accounts as the government has done with the Law Society of Manitoba which total approximately a million dollars a year? My sources tell me that if the government has any ideas of implementing such a plan against the real estate industry trust accounts, they may find the amount to be less than a hundred thousand dollars. And I can't see that the banks certainly would not want to do all of these this computerizing without some form of a charge.

I've been told that the Minister is refraining from showing its true colors, in other words, there is no amendment to state that here' until he finds out what the new Federal Bank Act will be and if it will compute interest on a daily basis. As a small businessman, I might suggest to the Minister that he leave well enough alone and stop tinkering with success. I am sure the real estate industry has been successful in this regard. Since the Act concerns itself with residential transactions, might I suggest that the deposits are only usually between \$500 and \$2,000 on a retail house transaction, and since the contract usually has in it a 30-day limit in which people have to make up their mind, the amount of interest that both parties might concern itself with would be extremely small.

In having this bill go to committee for a further serious discussion and examination, the Minister's future amendments in the sections of the bill itself, I will have of course more to say during those committee hearings. I urge the Minister to be different from his colleagues and use common sense and forget any ideas he has to have this interest paid into the consolidated fund. Any small businessman, including myself, would like to have government freeze any future ideas they have of controlling our business lives through broker's red tape and controls.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I will be brief. I do wish to make a few points on this bill. I am prepared to let it go to committee. I know that the Minister had some discussions with the industry, with, I believe, Manitoba Real Estate Association, perhaps the Winnipeg Real Estate Board, and in general I agree with most of the proposals, I do have some questions with the Minister that concerns me.

The point that I am concerned about is dealing with trust funds. I think in this bill, the principle involving trust funds is perhaps the most important in this piece of legislation. It does concern me, not from the point of view that any trust funds have been misappropriated by any brokers in the last while or in the last many years. In fact, I would like to indicate to the House that the Winnipeg Real Estate Board has done a tremendous job and the Manitoba Real Estate Association has done a good job. The Winnipeg Board was the first one established in Canada in 1903 and I believe over the years, the Board has done a good job in respect to policing its members, having its members adopt or live by a certain code of ethics. As far as the trust funds are concerned, I would indicate to the House I do not remember that in the last quite a few years, that any people have lost any money as a result of trust funds. I know quite recently that some of the salesmen have not got paid because the broker went broke and did not have money, but even in that one case that I am familiar with, no one was out of money as far as the clients or the public, because of trust funds. So there has been a pretty good regulation and a great credit is due the Securities Commission and formerly the Public Utility Board which was responsible for laying out the procedure, how this should be worked out. I know that one of the principles involved here is to hold that the broker holds a deposit as a trustee and not as an agent for the vendor in all cases, and the other principle was that as well, the broker holding a deposit in trust has the same responsibilities in respect to it as a stakeholder.

My concern with respect to this bill and the trust money is this, Mr. Speaker. I know the philosophy of many governments and I am not picking on the Minister or saying this government, has been in the last while somehow, inadvertently or by legislation that was not designed to do so but have trampled the small entrepreneurs and the small businessmen. This has happened right across the country. I am not referring to any particular government but be it the Federal Government or provincial governments this has happened. We know that the small business is on a decline. We know that there are higher bankruptcies now amongst the small businesses.

And what has happened? We have one alternative that is happening in this country, not this province but this country, and somehow we are drifting into a corporate, perhaps one would say a corporate socialism. And that is what's happening in the real estate industry and perhaps it is happening in some other industries.

So I would hope that whatever the Minister does in this area, he would look at it pretty carefully and would do it in such a way that would not hurt the small broker, the small entrepreneur any more than he is hurt at the present time. I would hope that perhaps that Industry and Commerce Department would offer the type of consultation and have consultants to help the small entrepreneur, to help the small businessmen in this province because for some unknown reason, he is disappearing and it is still the small entrepreneur, the small businessmen in this country that perhaps employs more people than the big corporations, he is the one that offers competition, and I still feel it is the small businessman that offers the kind of services that people require.

My concern is, again, the principle involved in this legislation dealing with trust funds, and that is to say . . . and I'll indicate to the Minister what the situation is at the present time: The situation at the present time is the small broker is not entitled to collect interest on the trust funds. I would like to ask

the House or any members in this House, where does the interest on the trust fund . . . To whom does it accrue? Where does it go since the broker cannot collect it and there is no mechanism or any kind of computer system involved that any broker can keep records to give it back to the client. So what happens, unless he is dealing with a pretty large amount of deposit, large sums of money from one person — and when I say a large deposit I mean anything around \$1,000, \$2,000 or \$5,000 and sometimes maybe more — and if the possession date is not till three or four months later, then it is quite easy to put it in a savings certificate specifically for that particular client. But if you should have 25, 50 or 100 clients in any one month running, then it's pretty difficult, it's impossible to do because of bookkeeping situations.

So my point to the Minister is, the interest that accrues on this deposit money naturally goes to the banks. In a situation that I am quite familiar . . . you take any small broker that has a running account of say \$60,000 or \$50,000 running average and compute it over, say 7 percent, that amounts to \$3,000 or \$4,000 a year. Take it over a ten-year period, that's \$40,000.00. Well, it didn't accrue to the broker, it didn't accrue to the person that gave him the deposit. This interest accrued to the bank. So that the Minister has not solved the problem in this bill by the legislation that we have before us because again the small broker is still not entitled to that interest.

I cannot see why we cannot have legislation or amend the legislation that would allow a small broker to have a trust running account and perhaps be able to invest a good portion of that into a trust saving certificate or a trust non-checking account which would still give the same safeguard as far as the trust funds were concerned because the broker still has to have a documented financial statement of his trust funds at the end of the year, it has to be submitted to the Securities Commission, so this would not involve any more work and instead of the interest on the trust fund accruing to large corporations I feel it would accrue to the broker, and to some extent he is involved with this operation, he is doing the transaction, why shouldn't it accrue to the broker.

I would like to see what the Minister thinks of this suggestion. I am sure it could be worked out and if he can work something out in this type of setup, this type of guideline, I am sure it would be acceptable to the industry, I am sure it would be acceptable to the Securities Commission and to the public and I am sure that he would be doing something as far as the small entrepreneur is concerned, as far as the small businessman is concerned. So as far as the trust interest and trust money is concerned, I would hope that the Minister would have another look at this bill.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs will be closing debate. The Honourable Minister.

HONOURABLE RENE TOUPIN (Springfield): Mr. Speaker, I am only going to be brief. But I would like to indicate to the honourable members of the House that spoke on this bill that in regard to the section dealing with trust accounts, that I had indicated publicly and privately to both members, I believe, that spoke, that I was willing to review these sections in committee in regard to the trust accounts. I happen to agree not only should we attempt to protect small businesses in the province, we should attempt to protect those that do business with those small businesses. I can assure the Honourable Member for Wolseley that this government will not only attempt to protect those businesses but the consumers equally which could leave to be desired if this administration changed. So let that be on the record, Mr. Speaker.

In regard to the Honourable Member for Assiniboia, I had a discussion with him and by all means we're more than willing to review some of the sections and mainly the sections dealing with the trust accounts

The Member for Wolseley, Mr. Chairman, posed a question, not on the record but off the record, in regard to bond coverage that would indirectly fall under this bill. I can indicate to the honourable member that I have attempted to get the information that he is seeking pertaining to where this type of coverage is available and to what extent is the Public Insurance Corporation is involved in regard to having an additional option to those desirous of being bonded by the Crown. So that is being had and hopefully that we can have this by at least the third reading of the bill when we consider it in the House.

QUESTION put and carried.

MR. SPEAKER: Bill No. 18, proposed by the Honourable Member for Fort Garry.

MR. JORGENSON: Stand, Mr. Speaker, please.

MR. SPEAKER: Bill No. 20, proposed by the Honourable Minister of Health. The Honourable Member for Rhineland.

MR. BROWN: Stand, Mr. Speaker.

BILL (No. 23) - INTERIM SUPPLY

MR. SPEAKER: Bill No. 23, proposed by the Honourable Minister of Finance. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. Before this bill for Interim Supply goes through, there are just two or three comments that I would like to make. Here we are approving approximately a quarter

of the Estimates of the government for the current year. When I say approximately, I use that term advisedly, Mr. Speaker, because I think at this time we have completed the Estimates of three departments. I think the first department we completed was Agriculture then we completed Education and we have completed Renewable Resources.

We found when the Estimates were tabled just two days later under the Department of Education there was a significant change in the amounts which were announced by the Minister at that time, just a couple of days after the Estimates were tabled.

We found also that in the Department of Renewable Resources, there was a significant difference in the amounts that were in the Estimates and the amounts the Minister was proposing.

So of the three departments that we have completed examination, two of them have shown significant changes in the Estimates of Expenditure. Mr. Speaker, there are quite a few others that have not been completed yet. There are another two departments under review at the present time and while we have had no indication in those departments of significant changes it does cause me some concern that in two of the three departments we have examined there is significant difference in the real Estimates and those that were Tabled.

We also know that we are going to receive supplementary Estimates that will have Capital Supply as well and I'm sure that the total figure that we will be looking at for expenditure in the province in the coming year will be a far cry from the amounts that have been involved in this particular bill or the total amount that is in the main Supplementary Estimates.

I would think that the evidence that we have seen has shown that on the part of some Ministers either they were premature in bringing forward their Estimates or there was change of heart after they had started to publish them but it does indicate, Mr. Speaker, a lack of positive direction and leadership from the Members of the Treasury Bench. It does indicate that maybe there is a tiredness on the part of this government, that they are somewhat confused and showing a lack of direction and are subject to changing of decisions as the whims of political opportunism change. So I don't view the amounts here as being truly reflective of the true spending patterns of this government and it does cause me some concern.

Mr. Speaker, those are the few remarks I would like to make at this time, there may be others that want to speak on this matter.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS: If others do not wish to speak at this time, I would like to move, seconded by the Honourable Member from Swan River, that debate on this bill be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 25, proposed by the Honourable Minister of Labour. The Honourable Member for Roblin. (Stand)

Bill No. 26, proposed by the Honourable Minister of Labour. The Honourable Member for Swan River. (Stand).

Bill No. 29, proposed by the Honourable Minister of Highways. The Honourable Member for Roblin. (Stand)

MR. SPEAKER: The Honourable Minister of Finance.

HONOURABLE SAUL A. MILLER (Seven Oaks): Mr. Speaker, I move, seconded by the Minister of Health that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair for Health and Social Development and the Honourable Member for St. Vital in the Chair for Municipal Affairs.

CONCURRENT COMMITTEES OF SUPPLY

ESTIMATES — MUNICIPAL AFFAIRS

MR. CHAIRMAN, Mr. D. James Walding (St. Vital): We have a quorum, gentlemen. The Committee will come to order. I refer Honourable Members to Page 47 in their Estimates Books. The Department of Municipal Affairs. Resolution 90 — Municipal Assessments (a) Salaries. The Honourable Minister of Municipal Affairs.

HONOURABLE BILLIE URUSKI (St. George): Mr. Chairman, the other night there were some questions taken as notice that were posed by the Member for Morris concerning I believe the R.M. of Macdonald with the reassessment program. The reassessment was started in 1976 and completed early in 1977. The last previous assessment was carried out in 1968. Total assessment increased by 19 percent. Farmland assessment increased by 5 percent. Total building assessment almost doubled — increased by approximately 98 percent. This happened for several reasons. Approximately 100 new dwellings were added to the roll. Taxable farm dwellings, approximately 50, which were previously not assessed are now assessed. Buildings throughout the municipality were previously given a location discount. This has now been discontinued. Urban land assessments have increased by varying proportions depending upon location. For instance, in La Salle, the assessment of building lots have increased from \$150 to \$600 which is an increase of 300 percent. In Sanford, building lots increased from \$250 to \$600 which 140 percent increase. The assessment of building lots on the La Salle River has increased from \$1.50 per front foot to \$8.00 per front foot, a percentage increase of over 400 percent.

There were also comments or inferences made by the Member for Birtle-Russell concerning the assessors and the province. The inference that was made to the effect — if I can recall his statement and I want to comment on it briefly — to the effect that the assessor had to get his greedy little hands on it and that there was some gain to be made by the assessor in upping the assessment on properties; also the inference that the province has something to gain with the changes in the assessment program and that there is some revenue or something that the province will gain from this program. Well, Mr. Chairman, I would like to say that neither of those inferences are accurate. In fact, the entire assessment program is designed to provide an equitable base for the ability of local government to raise revenues to deal with municipal services and taxation for school purposes. The municipalities themselves — the province of course has no gain — but the municipalities are in the position that the province uses the Equalized Assessment Program to indicate to the municipalities how much money will be put into the basic form of education through the Foundation Program and the municipalities then go from there on as to how much further revenues they wish to raise over and above the basic program.

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

MR. GRAHAM: I would just like to add that what the Minister has said is obviously his opinion, and I think it should be recorded as being his opinion. I have the right to my opinion too.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: There's still something about the whole question of assessment that I find very difficult to understand. The Minister suggested that in the Municipality of Macdonald, the assessment on building lots has increased, and I know they sure have because I've been hearing about it. But he seemed to imply that the reason for that is because the value of the lots had gone up from \$150 to \$600.00. That, in no way, could result in a 98 percent increase in assessment on buildings.

MR. URUSKI: The assessment is increased from \$150 to \$600 per lot.

MR. JORGENSEN: Per lot, yes. That surely would not result in a 98 percent increase in total assessment on those buildings.

MR. URUSKI: And the new buildings have also doubled, Mr. Chairman.

MR. JORGENSEN: Yes, I'm not surprised that that has happened. I can understand that. But the thing I find difficult to understand is that if you are basing the assessment, as I assumed they were, at least that's what I've been told, on the sale value of a particular piece of property or a particular farm, then how come — and I don't want this to be interpreted as an argument for you increasing the farm assessment — but we all know that farm values have gone up more than 100 percent since the last assessment. Farms that were selling for \$100 an acre are selling for \$400 and \$500 an acre now. Then why is it that they've gone up only five percent while the buildings have gone up 98 percent. I suspect that I know the reason for it but I would like to know the justification. I suspect that the Department of Municipal Affairs has come to the recognition that farmers in the rural areas are paying an unduly high percentage of education costs, and what they're attempting to do is to even that out so that

people who are moving out from the City into areas such as La Salle, Starbuck, Sanford and communities within the 30, 40, 50 mile radius of the City of Winnipeg, are getting away with paying a much smaller percentage of the total cost of education in those areas and that there is something in the Assessment Act that has enabled them to take recognition of that fact and increase assessments accordingly, but I would like to know on what basis that is done. Is it just simply an effort on the part of the municipal assessor to equalize a situation that he knew was causing some difficulty, or is there some sound basis for that in the Municipal Act itself and in the Assessment Act? I have been unable to find anything in the Assessment Act that gives the provincial assessor the authority to do that. Perhaps the Minister could point it out to me.

MR. URUSKI: Well, Mr. Chairman, the department in its role of assessment deals with sales not current as may be the impression department tries to evaluate a broad range of sales to determine the assessment of an area, they do not pick by one or the other. But the increase of prices of say lots, in many instances, have far out-stretched the prices of farmland in the last number of years, and the period of time that the department is using for sales to try and determine the relationships of the sales of one area to another to bring in some uniformity, they're using the period of from 1972 to 1974, not on a one-year period or a one parcel period which may give some indication that a farm in this area has sold for a vast amount of money which may not be the case of what farmland is selling throughout that area. Although we do hear of some very high sales, that is not generally the indication of how values of the land are throughout the area. This is specifically on lots and houses versus the farmland. The farmland prices were gauged in relationship to what has been happening through the area and the lot prices have increased substantially higher.

MR. JORGENSEN: I'm happy to hear that the department is now taking recognition of a fact that occurred during the time of the last assessment. That's the last time I tangled with the Assessment Branch.

MR. URUSKI: Nothing has changed.

MR. JORGENSEN: Well, something has changed, because at that point the assessment that was used was based on — and that was the argument that they presented at the hearings that were held in Sanford — that there were a couple of lots that had sold for something far in excess of what farmland would be selling for in that area because it was located in the proximity of the City of Winnipeg and somebody did some speculating and so the entire farm area was based on those couple of sales of land. I'm glad to see now that that criteria has changed somewhat so that you're not using one sale as a means of basing your assessment. That has changed since 1968.

MR. URUSKI: Mr. Chairman, I am informed that it is not changed whatsoever. The same basis of not using one parcel of land as an indication of the assessment of the whole area has not been the case at all and it has never changed. The basis that I have outlined earlier has been the practice.

MR. JORGENSEN: Mr. Chairman, I don't want to pursue it but I know it certainly was the case in 1968, and the hordes of farmers that descended on the hearings in Sanford indicated that there was some dissatisfaction. I know that there were some adjustments made and I hope that perhaps that is the criteria that is going to be followed in the future.

One other point with regard to assessment. I know of some instances where the farmers who farm in this particular area and are specifically grain farmers, for their own reasons have moved off their farms and bought small properties in the towns nearest their farms. I know of one instance where a farmer is paying at the present time on the land that he owns, \$1800 in school taxes. And since, because he bought a small lot in town, he is now being assessed \$1,000 for that lot. So in addition to paying for his farm he is now paying another \$500 on the lot in town. And he advises me that he has been told that if he had four acres, it would not be assessed. Why four acres? Why compel a farmer whose income comes from the sale of farm products to have to buy four acres in a town in order to build a lot? I can see a conflict here between the Assessment Branch — you know that is not unusual, I see conflicts between the Assessment Branch and everything else in the departments of government — but I see a conflict between the Assessment Branch and the Department of Planning who are attempting to conserve farm land or attempting to use farmland for its proper purpose. Why should the farmer have to buy four acres of land in order to build a house to be exempt from assessment? It just doesn't make sense to me. Why can't he be allowed to buy a lot, a couple of lots, or a quarter of an acre, or a third of an acre or whatever the case may be, whatever his requirements may be? Why does he have to buy four acres in order to be exempt from assessment?

MR. URUSKI: Mr. Chairman, certainly the assessor doesn't decide that. The fact of the matter is that is old standing legislation and has been on the books. And if you are saying that there should be a different criteria, I certainly appreciate the member's comments.

MR. JORGENSEN: Well, I am suggesting that the department should keep up to date with what is happening. There are a good many farmers who prefer now because they are specialized, because they do not have livestock, they prefer to save the municipality money by not having to maintain roads to their outlying farm areas. They move into the town.

MR. URUSKI: How did they get out there?

MR. JORGENSON: They prefer to have the amenities of a local community and a town. Now I don't know why they should be penalized simply because they prefer to do that.

A MEMBER: What has this department got against farmers?

MR. JORGENSON: Well, that is really the question I am asking: What have they got against farmers? I would be happy if the Minister could give me the assurance that that particular aspect of assessment would be reviewed and that he would look favourably upon making some changes in the light of changing circumstances.

MR. URUSKI: Mr. Chairman, I don't know how the member rationalizes someone has anything against farmers, when you look at what I have pointed out to him in his own municipality, that the assessment on farmland has increased by only five percent in the last ten years, or less than that. And how he rationalizes his statement that the department has something against farmers, well, I . . .

MR. JORGENSON: Where they are saving on the one hand, you are catching them on the curve; you are catching them because they move into town and compelling them to buy four acres in order to be relieved of that excessive taxation burden. I think that is unnecessary.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Mr. Chairman, on this assessment on farmland, I am not opposed to it as long as you have got your equalized provincial assessment up to date amongst all municipalities. What I am opposed to is the way the education tax goes on to the farmland, there is such a proportion of it that goes on to the farmland, because if your land is good land and it is assessed for around \$6,000 a quarter and you have a section, you will get \$24,000 of assessment.

I heard what you said about it not having gone up so much in assessment and I believe you are right there, but you know you are tied to a mill rate and if your mill rate goes up, your taxes go up. The mill rate is what really brings in the money. The mill rate is what brings in the money, and if the mill rate has gone up because everybody is paying an awful lot more taxes. . . . And I am just wondering, I would like to see all municipalities assessed under the same conditions and kept reasonably up to date. As I understand it, at one time your department was quite a piece behind in its assessment. I wonder now how many municipalities haven't been assessed for shall we say, in the last . . . Is there some up to ten years that haven't been assessed?

MR. URUSKI: I am sorry?

MR. HENDERSON: Have you any municipalities now that haven't been assessed within the last ten years?

MR. URUSKI: I believe there are some — that list has been put into the record, Mr. Chairman. But I want to indicate to the honourable member, I would like to know whether he is suggesting and frankly, I would like to hear other views on whether or not there should be a complete revamping of the assessment legislation in this province. I would like to have some input from the members as to suggestions that they may have. But specifically on the assessment, although it may not have been done for a number of years, the equalization of assessments' process goes on annually, so that those vast gaps in the equalization formula are brought into as close a line as possible although, I must admit, I am sure there are some discrepancies. But the assessment is equalized annually, even though some areas are not reassessed for a long period of time.

MR. HENDERSON: You say that they are taken into account . . .

MR. URUSKI: Yes.

MR. HENDERSON: . . . for the purpose of education then, exactly?

MR. URUSKI: Yes.

MR. HENDERSON: Well, in that case that is good that it is because I know . . .

MR. URUSKI: Although I must admit that discrepancies do occur because of vast changes in areas that we just cannot keep up with; so there are discrepancies occurring. I will be the first to admit that unless we get an up to date assessment program and data that we can keep it up to date annually and really look at some of the areas that the Honourable Member for Roblin has raised and some of the concerns which have been on the books for many years about exemptions and the like, you are going to have these types of anomalies.

MR. HENDERSON: Basically I am not against the way land is assessed but what I am against is the way the education tax is put on farmland, because to be anything like fair it should be a lot different than it is right at the present time. And I think that part of the whole thing has to be looked at, because a doctor can be living in town — / or a professional who is making big money and he is paying hardly any education tax at all, it is very small what he pays on his holdings.

MR. URUSKI: On his holdings and on his income.

MR. HENDERSON: Yes. And yet that farmer could be paying, depending on the size, \$2,000 or \$1,000 on his portion . . .

MR. URUSKI: He would write that off.

MR. HENDERSON: . . . if he had shown a net profit in that year at all.

MR. URUSKI: Right.

MR. HENDERSON: And this is where I think that the education tax has to be more equalized some

way; whether it has to come out of the general revenue more than it does — I really think it should, myself. Education tax should come more out of the general revenue than it does.

MR. URUSKI: Mr. Chairman, I am glad the honourable member agrees with that philosophy. In fact if I recall, the Conservative Party voted against the Property Tax Credit Program that this government brought in in dealing with education costs and on property. Although I have stated on numerous occasions, with the mill rate and the increases that have occurred even on farmland, it still in many instances does not provide the assistance that the honourable member indicates. However the value of the holding is the basis of the assessment and the value of that holding based on the market within that region is the basis of the assessment program.

MR. HENDERSON: Well I am saying this shouldn't be for education tax purposes. Now don't try to drag in the property tax credit in connection with what I am talking about, because that is a different subject and it is a damn poor one the way it works out in the rural areas. Because we have people who have retired living in town and they are given the property tax credit, and in some towns it is only four out of five of the whole town paying any taxes and these same people are getting garbage pickup, they are getting fire protection, streets and lights and sewer and the whole darn bit and they are not paying a cent, and many of those older people know they should. So don't drag that in when we are talking about land assessment and how it goes to education. You use that darn property tax credit every time you are talking to municipal men. You use it when you are talking to the education men and everything else. And we aren't talking about that now.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Mr. Chairman, I think the subject that I wanted to talk about the Member for Pembina has taken just about 100 percent. But what I wanted to mention first was that the schedule of assessments that the Minister mentioned the other day would be read into the record, and he's assured us that that has been done. Again going back to the assessment of rural property and bringing in the Property Tax Rebate in the small towns whereby many are paying no tax whatever towards education, and regardless of whether an acre of land is showing a profit for that year's operation the mill rate is added on to it and I think it is a very unfair method of taxation, really. The real property in the rural areas should be taxed for the services rendered' the roads, ditches, drainage, etc., and I don't believe that in my own particular case I'm paying well in excess of \$3,000 towards the education tax; and if about two or three people got together you could hire a private tutor. This is a point that all the municipalities in my area are bringing forth, is it's a very unfair taxation. Where the money is going to be raised, I don't know, whether it will have to come from shared revenue out of general revenue with the province, I don't know. But somewhere along the line if we get into a position and it appears that there is a possibility that we will, of the rural being not in quite as good a position financially as it has been, we're facing the fact that the price of grain is dropping and everything else. So consequently I feel that up to this point there seems to be no let-up in the taxes, that the school districts are forced to levy, because of increased costs of busing, teachers and whatever else.

So I do believe the suggestion the Minister made that possibly the whole tax structure should have a long hard look taken at it, and I think we are going to have to come up with some better method of taxing rural land.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. WARREN STEEN: Mr. Chairman, when the Minister started off this afternoon he was replying to a question that was put to him the other evening by the Member for Morris and he was talking and giving an answer as to how assessment had changed in the constituency of Morris.

MR. URUSKI: In the R.M. of MacDonald.

MR. STEEN: In the R.M. of MacDonald, right. He said that there were 100 buildings that weren't taken into account under assessment at one time, farm buildings. . .

MR. URUSKI: They were added to the rolls.

MR. STEEN: . . . previously and that had been added to the rolls.

MR. STEEN: This is what I wanted to know, is this new construction or have they changed the Act so that different types of buildings now qualify that didn't qualify in the past?

MR. URUSKI: No, Mr. Chairman, there were two parts to my answer. There was approximately 100 new dwellings which I mentioned to you now, they were new construction, and there were approximately 50 taxable farm dwellings which the income from other than farm sources were derived by the owners and the farm dwelling was placed on the assessment rolls. That's been in the Act for many years.

So there were 100 new dwellings plus a change shift of 50 dwellings of farm residences of which the income from farming was the minor portion of that individual, this has been in the Act for many years.

MR. STEEN: A question to the Minister. Does the assessment department register each and every building that is on a farm?

MR. URUSKI: I believe that all buildings are assessed although they are not placed on the rolls. I believe that an evaluation of the buildings is made. —(Interjection)— Not in all municipalities.

MR. STEEN: Just the principle residence of the farmer would be on the rolls, but his other farm buildings would be taken into account in coming up with his assessment, but would not be listed, is that new?

MR. URUSKI: In reassessment, I think, in updating information, there have been test areas which evaluation of buildings has been made but it is exactly as has been indicated by the Member for Pembina. The Act does require the department, I'm informed, to do an evaluation of the buildings, but it's just not . . . —(Interjection)— no, no, but just to have it on record for the total.

MR. STEEN: For the total.

MR. URUSKI: But it has not been possible because of the shortage of manpower to do that in every case. And these of course, when it pertains to farm buildings, are not placed on the rolls.

MR. STEEN: That's fine. Thank you.

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

MR. GRAHAM: Well, Mr. Chairman, just to carry on a little further. The Minister has indicated that an evaluation has taken although the assessment has not been placed on farm buildings' on the rolls. Could he indicate what is the formula used for the evaluation of farm buildings? Is it significantly different than that used in residential and commercial buildings?

MR. CHAIRMAN: The Honourable Minister.

MR. URUSKI: It's taken on the value of the buildings. Some buildings are obsolete and the like, depending on the value of the building.

MR. GRAHAM: At actual cash value or at a percentage of the cash value?

MR. URUSKI: The assessment of any building is derived from the value of the building that is placed on it. Then the assessment formula is worked into it, which is only a fraction of the value. All it is — it has been in the Act for many years. They have tried to keep an accounting of what is happening, but it has been impossible to keep up with.

MR. GRAHAM: But that evaluation or the assessment being a fraction of the cash value is a formula that is consistent with farm buildings, with residential, with commercial buildings, or is there a change in the percentage from one aspect of buildings to another?

MR. URUSKI: You know, what is being done is a recording of the buildings and the value of those buildings. There has been no assessment placed on those buildings because there is nothing on the rolls. But a recording — Oh, an evaluation is as is taken for all buildings — the value of the building — and then the determination for the assessment is made as to the classification of the building' roll. It is at a percentage of the value.

MR. GRAHAM: Well, Mr. Chairman, I've listened very intently to the arguments put forward by various members around the tables here. The Minister has asked for recommendations or any proposals from members of this Committee or I imagine he would widen that even to others, but the arguments I have heard here today and at previous meetings, do show in my estimation a real need in this province for a total re-examination of the assessment practices carried out in the Province of Manitoba.

We have heard the argument put forward by the Minister that the Property Tax Credit Plan goes a long way to removing some of the inequities that exist. May I suggest to the Minister that rather than removing the inequities it compounds the inequities. And if the argument that is put forward by government and is used many times, that this is the means to level out, to even out the disparities in income in the province and the ability-to-pay principle, by taxation, and taxation is based on assessment. If you want to change the assessment you can change the taxation. . .

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

MR. URUSKI: Yes, Mr. Chairman. We are discussing an area of assessments and unfortunately I have to admit my error even in going into that discussion with the Honourable Member for Pembina about taxation. We are really discussing the area of assessment which one has really no bearing on the other. It may have in terms of revenues, but as far as the assessment being one program and revenues totally different.

MR. CHAIRMAN: The Chair would request honourable members to restrict their remarks to the area of assessment and not to get into taxation which comes under the authority of a different Minister. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, maybe at this table we can differentiate. But to the person who pays the tax dollar he doesn't care what the assessment is, what the mill rate is, the only thing he is concerned about is the tax dollar that he has to pay. He's not that concerned about the assessment, but we have to be concerned because assessment is the basis that we use for an equitable distribution base, that's the foundation that we base our whole taxation principle on.

Now, we for generations have used a cash value base for assessing land values. I suggest to the Minister in all sincerity that as times change we also have to change our practices, and I would suggest that it is long overdue when we consider the usage of land rather than its potential cash value

as the basis for assessment. The use that the land is put to should be the base for the assessment that is placed on that property, because the usage is the means that is going to derive the tax dollar that is going to be paid. It is conceivable that through assessment you can effectively kill a business that was operating that used that property. The assessment practices can kill the use of that land, and that was the point I was trying to make the other night, that we have to, at some time in the very near future, re-evaluate our whole program of assessment especially with relation to agricultural land, and assess property - and I say you can apply this to commercial property too — and we assess it on the base that it is presently being used for. If it's not developed you can't assess it too high. If it is developed, you can assess it, but you cannot change the assessment on it significantly until it is put to use, because in essence you can prohibit development by an excessive assessment practice. You can effectively remove agricultural land from agricultural use by a prohibitive assessment practice, and we have to be concerned about the preservation of agricultural land for agricultural use. And for that reason I think that we have to reconsider our total policy in the assessment practices that are carried out in the Province of Manitoba.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. HENDERSON: Well, Mr. Chairman, I know assessment is different to taxes, but I think maybe the Minister himself brought it in when he brought in the Property Tax Credit, too. But they are still tied very closely and you know it's what you pay in your taxes and that's why you're talking about assessment.

I wonder if you might answer a question for me — I wasn't in here at the time, I'm sorry, but I won't belabour it any length of time — when the Municipal Board sits on different things that's referred to it, how long can they take before dealing with something and do they publish the results in any particular paper?

MR. CHAIRMAN: The Honourable Minister.

MR. URUSKI: Mr. Chairman, the Municipal Board tries to dispose of the cases as quickly as possible. They are behind, in some cases as much as three months or longer in hearings. And there have been cases beyond that. Their orders are available. I'm not certain whether they are published in the paper of the local area that the order may affect — I don't think they are — but the order of course goes to the municipal office to which it affects.

MR. CHAIRMAN: I'd point out to the honourable member that we have passed that section of the Estimates, and I hope the member will not persist in questioning. The Honourable Member for Pembina.

MR. HENDERSON: No, I won't go much further. Is there any cases that are never dealt with that are referred to the Municipal Board?

MR. URUSKI: They have to be disposed of, I'm informed.

MR. HENDERSON: Pardon?

MR. URUSKI: They have to deal with them.

MR. HENDERSON: Well, then there is some that they have taken a couple of years and haven't been dealt with yet. I refer you to the one — John Toews — which you are familiar with.

MR. URUSKI: Yes. I'm informed that you're dealing with the Morris-MacDonald School Division?

MR. HENDERSON: Right.

MR. URUSKI: Yes. We are not certain whether this matter has even been brought to the Board.

A MEMBER: Oh, yes it has.

MR. URUSKI: If it hasn't, it has now, about a week ago.

MR. HENDERSON: It was dealt with last week?

MR. URUSKI: It's just been brought to the Board about a week ago, I'm informed. It's about a year after the legislation was passed. This matter has just been brought to the Board about a week ago.

MR. HENDERSON: Thank you.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON: Well, Mr. Chairman, I've been listening to the comments from members with regard to the cost of education insofar as farmers are concerned and the cost to many other segments of our society. I want to reiterate, Mr. Chairman, that I concur with my colleagues that there is something we certainly have to do to make changes insofar as making the responsibilities equitable amongst the total community.

But, Mr. Chairman, I would like to bring up a matter in regard to homes that have been recently assessed in my constituency, and I can think of one town where it's a 20-year old home. Prior to the recently revised assessment the assessment was \$2,430.00. That assessment was increased to \$3,990 which is an increase of \$1,560.00. Now, this is a home that I am told by the person who owns this, has no facilities within the village, that is no water, no sewer, each home looks after their own. The only things that they are getting probably, is a light at the corner street or something like that. And I'm wondering if this is reasonable and why I'd like to know, could the Minister explain, Mr. Chairman, why such a tremendous increase in assessment on a home that is 20-years of age?

MR. CHAIRMAN: The Honourable Minister.

MR. URUSKI: Mr. Chairman, I can't comment on the specifics of it unless I would have the specifics that the member is referring to.

However, there is a mechanism under the Assessment Act to deal with problems specifically that the member raises. If there is a discrepancy or a feeling of discrepancy on the basis which the assessor used to assess a particular parcel or building, there is an appeal through the Court of Revision to council, and the council sits on it, and if there is no remedy — if the applicant feels that he is still unjustly dealt with — he can take this matter further to the Municipal Board. So there are two courses of action that an applicant can take in any case dealing with assessment.

MR. EINARSON: Well, then, Mr. Chairman, I'd like to ask the Minister, is he aware, does he have knowledge now of the recent assessment made? Are there many situations like this? Because I can understand that you have a Municipal Board for hearings and so on, but they could be, and the municipal councils could be, just simply swamped with hearings and this could go on for months and months before many people would ever be heard.

MR. URUSKI: Mr. Chairman, from the Municipal Board point of view, I know the Municipal Board has not been swamped at all but the point that the member makes about assessment, although the assessment on that particular building may have doubled, it's likely and I don't know, but chances are that building is no different than the rest of the buildings in that village or in that municipality, that the assessment of all those buildings has doubled based on value so that the change of rate that that individual would face in taxation would not change at all. Although the assessment may have doubled, makes no difference to that individual on the final bill that he pays as the Honourable Member for Birtle-Russell was talking about. It's the final line that they're concerned with so that the assessment, although it has increased with the general increase in values of the properties in the area, would not make any difference unless of course, there would be an increase in levy or mill rate as placed by municipal councils.

MR. CHAIRMAN: Order please. In accordance with our Rule 19(2), I am leaving the Chair for Private Members' Hour to return at 8 o'clock this evening.

ESTIMATES — HEALTH AND SOCIAL DEVELOPMENT

MR. CHAIRMAN, Mr. William Jenkins (Logan): I refer honourable members to Page 32 of their Estimates Book, Resolution 62(c) Income Security Programs (1) Social Allowances, \$51,926,200—pass; (c)(2) Health Services \$4,439,100—pass; (c)(3) Municipal Assistance \$7,040,800—pass; Manitoba Supplement for the Elderly \$2,558,000. The Honourable Member for Rhineland.

MR. ARNOLD BROWN: Mr. Chairman, wonder if the Minister would be able to give us a breakdown of that particular item?

HONOURABLE LAURENT L. DESJARDINS (St. Boniface): What breakdown can I tell you? This is to provide payment for certain pensioners and their spouses who might be between 60 and 64 to supplement their personal income, that is the Old Age Security Pension, Federal Guaranteed Income, Supplement and Spouse's Allowance, but I can't give you a breakdown.

MR. BROWN: Would the Minister be able to tell us what the amount of the monthly income supplement amounts to, what is the amount of the supplement?

MR. DESJARDINS: As of the 1st of April, it'll be for a single, \$248.29 per month and to a couple \$475.60.

MR. BROWN: That includes the Old Age Pension from the federal government? —(Interjection)— Yes. Could you tell me just what the Manitoba portion is?

MR. DESJARDINS: Manitoba portion on a single is \$93.84.

MR. BROWN: We seem to have some problem over here with those spouses who are not yet 65. Let's say if the husband passes away then we have the widows who find themselves left without a pension. I wonder if the Minister has ever discussed this with the federal government to see if they could do something in that particular area?

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I wanted to raise the same issue perhaps in a broader context. There is a really serious gap in the support program as it now presently works and it does affect those people who are affected when one of the spouses dies. The income that they've normally been accepting is all of a sudden reduced by usually 75 percent. All of a sudden their life is not only dislocated by the death of someone that they were close to but also they're oftentimes forced out of their housing, forced out of the community they might have lived in for many years, forced to accept a greatly reduced standard of living and there really is no way in which there is any kind of support or compensation provided.

Furthermore I can think of one case where they have been forced out of their housing programs. Again it takes six months, eight months, maybe up to a year to get into a public housing program. I know a situation at the present moment where someone was forced into moving between three sons who live in three different cities, none of which can take care of her full time and she is simply having now to almost make do until something comes along or until she reaches 65 and the supplement programs come into existence.

Mr. Chairman, I would suggest that it's not something that is simply a matter of talking to the federal government about. I suppose that, first as the changes in funding take place and new tax points are added on to the provincial jurisdiction to make their own allotments and allocations for this area, then I think that as the revisions of the Canada Assistance Plan are being contemplated, as I understand it is being —(Interjection)— Well, but the Canada Assistance Plan is up for review in terms of how it may be examined. But whatever the case may be I think that it is absolutely wrong that people who are caught in these circumstances are let to kind of drop between the various programs. It really is a situation of serious serious suffering and I think that certainly we should be taking into account the additional supplement within that area and move it back to let's say age 60 level or whatever. Or perhaps it should be based according to need. But I would really simply ask the Minister not to wait on negotiations or discussion but to step into this field with some degree of alacrity. Because, frankly, not to do so is really providing a particular and severe hardship.

I don't know what the numbers are, Mr. Chairman, I don't think they're very great but it is that problem of being caught in the anomalies of the pension plan system that women, primarily women, are simply treated unequally in those pension plan systems. They are not treated in any kind of equal way and as a result when the spouse dies their whole life is turned topsy turvy. I think it is something that we just can't simply pass off. I think it is something that this department has to take a serious look at. Perhaps begin by assessing the number of people it may affect which I think they could do from the statistics, figuring what kind of a budget item it would be and I think maybe even discussing at this point in time whether something couldn't be done at this stage in response to that problem which has certainly come to my attention more than once.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. JAMES H. BILTON: I appreciate what the Honourable Member for Fort Rouge has brought before the Minister today. I have widows that have come to me in similar circumstances and of course

the only thing I could do was simply refer them to the welfare office to increase what little they have been getting and the welfare people, in their wisdom and their regulations that they have to abide by, they suggest a 62 year old lady go to work. I find them now, Mr. Chairman, dishwashers in restaurants and so on. And many of them are just on the borderline. I support what the Honourable Member for Fort Rouge had to say and I would hope that the Minister would look into it with a view to giving some relief to these widows that find themselves in a position where their income has been completely, almost completely wiped out by the death of the spouse.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON: Mr. Chairman, I too would like to express my views on this and I believe that the Member for Rhineland brought up a very good point. I mentioned it earlier when I was speaking. I do find there are several people and they can get the full supplement if the man or woman is over 65 and they can both draw pension but then when he dies she can't get anything at all or else he can't get anything at all. Many times they are over 60 or 62. They aren't educated in a way that they can go out and take a job that's light. They have to take harder work and at that age if they go and do some of the kitchen work or some other work that they may have to do in homes, it is quite a difficulty for them. I believe this is probably one class that has it harder than anybody else because the pension is completely cut off.

The way I understand it it's not so bad if they happen to have children that are still at home because then they will be given an allowance but if they have no children at home they're practically cut off and told they should join the work force. Now, I like to see people work when they can but I do believe that some of these people over 60 can't get work' and they have a very tough time for awhile. So I think this is probably one class of people that really does need help.

MR. CHAIRMAN: The Honourable Minister of Health and Social Development.

MR. DESJARDINS: First, Mr. Chairman, let me clarify the statement that is a misleading statement. It is not a true statement that the people in their sixties that are in this predicament are asked to go to work. Anybody over 55 is not asked to go to work, not by the department. They are not obligated and we will look at their needs.

Now, it is all right for the Member for Fort Rouge to say, forget the federal government, but it's not easily done. This is a federal program. The pension is a federal program. And they have come down. They have improved that over the years. They've got the Canadian Pension Plan, but it was 65. To help they said, as long as one of the spouses is over 65, the other is between 60 and 64 they will get it. We have talked about that repeatedly. There is no way we can conceive that we can start taking over and paying the pension of people if the federal government refuses to do it because our supplement would not go anywhere. The supplement is not that big. This is costing us more money under this way than if they were receiving their pension because these people, if there is need they will be taken over by social allowance and it is much more than just our supplement. I'm not saying that it has never happened, but normally the people will keep their homes. We have even helped in programs to repair the homes. The rental and everything is paid for. The only lien that we'd put on is on anything that would increase the equity and they get the social allowances which is more costly to us. But there is no way, I don't think that anybody is seriously thinking that we should take over a program of the federal government with the amount of money that would be needed. And they would stop at 65 and we would pay a full pension and this is what they would need, not only a supplement. If it's only the supplement I would love to, it's no trouble at all, we could pay the supplement today because it is a lot cheaper than what these people would receive if there's need under social allowances. This block funding that we have been told so far is under the new deal for the health side but certainly not on the pensions. That will never be block funded.

MR. HENDERSON: Mr. Chairman, I do agree with the Minister that it should be a federal responsibility and it is kind of funny that every once in awhile the Member for Fort Rouge brings up something that is a federal responsibility and says that you people should do it provincially. But, nevertheless he is on the side of the people who are in federally down there and you as the Minister of Health for Manitoba do occasionally meet with the other Ministers of Health for the other provinces and you must talk these sort of things over so I hope that you carry it forward there because I believe it should come from the federal people.

MR. CHAIRMAN: The Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I think that the issue is of a nature that to start playing the old shell game as to whose paw does the pea rest under which is what the Member from Pembina and I suppose the Minister are trying to play, has been played far too often in this House in too many ways and it really doesn't mean . . . It's a passing responsibility. It's passing the buck and I don't think that what we're talking about is this kind of thing of saying, well we're not talking about changing the pension plan. We recognize that that requires major legislative change. The Minister of Health and Welfare has announced that they are examining this. In the meantime, until that is done there are people suffering very serious problems. And we're simply saying, to throw up your hands in despair and say, well it's not our responsibility, is simply not good enough. And I think, Mr. Chairman, what

we're saying is that it requires, at this stage in time, a degree of application more than the standardized categorical social assistance treatment because I'll tell you exactly . . . Okay, I can give you a case in point where a woman came to see me whose husband died. They had had a certain standard of living. They had certain goods and what they were told was if you get social assistance will you sell those off. In other words you can't have your . . . And so, all of a sudden, for a period of two years a woman who had spent, you know, thirty or forty years, not a great amount of goods, I mean they weren't big capitalists or anything, they just had a certain amount of goods that they accumulated that they wanted to keep, furniture and things. They said okay, you can go on social assistance so you get rid of all that, the little bit in the bank and everything else, and furthermore we're not prepared to pay the rent on the apartment you have been living in twenty years because it doesn't fit our formulas. Go and find a cheaper place.

So the kind of really human dislocation and problems, you know the wrenching that goes on when that takes place I just think is wrong. And I know that there's all kinds of rules and regulations but you know there comes a time when the rules and regulations shouldn't apply. And that is the way it is applied. And I don't care what he says because enough people come in and tell me about it. And I don't care what kind of advice you get, the fact of the matter is the department acts sort of in good calculated bureaucratic fashion and say these are the rules, this is what you've got to do. Now either sell off, go into a different place then we'll start giving you assistance. And I'm saying that I think there should be, in a way, a kind of flexibility to allow those individuals to have whatever funds they need, allocate to them to bring them up to a standard and let their families take proper responsibilities but if it means enabling them to stay in their own house, or in their own apartment that they've stayed in, allow them to do that.

MR. CHERNIACK: For how long?

MR. AXWORTHY: Well for a period. In most cases it may be . . . First, I think that there is an expectation that the pension plan itself is going to be changed within the next year. The Federal Government has talked about that. They are proposing bringing in legislation. And secondly, many of these people are at an age where, within a matter of a year or two, they will become eligible for their own old age pension plus a supplement at that stage. But it's those people who are being caught at the age of sixty-two or sixty-three who all of a sudden are at an age where even their ability to make adaptations is so limited and oftentimes most difficult that they are the ones who are kind of sort of thrown for that curve.

And, Mr. Chairman, I'm simply asking the Minister not to be defensive about it, not to say this is the way the rules are, to say we are identifying a real problem for him. We're simply saying we think there is a capacity of all those high-powered intellects working in the Department of Health and Social Development to find their way out of the problem. What is really required is a degree of flexibility in the application of the kind of assistance that's given.

If it means moving the supplement back a few years and allowing that to make up a difference so that they can still stay in the same accommodation, and work out a kind of formula with other members of the family, fine. That means the longer they maintain some commitment or ownership of their property, let's see what we can do but let's not simply apply good bureaucratic rules and treat everyone as if they were a number. I think that's what I'm objecting to because it is happening to people now and they are the ones who are really suffering. And it is simply that kind of a request that we are raising.

MR. DESJARDINS: Mr. Chairman, I think the remarks of the honourable member are very unfair. I don't think there is any need for sarcasm when talking about the staff of the department who are doing their work. Well then you shouldn't bring any sarcasm.

All right, my honourable friend says we're playing games. I'd like to know who in the hell is playing games. I never would think that this gentleman here would say I want a special class in society. I want a special class in society. Now these are people. The Federal Government set the laws on the maximum that will be paid on social allowances. They are the ones that pay the pensions. We have a supplement. The supplement is not that costly. Now we are saying that people who lived with a spouse that was over sixty-five, who dies, fine, if something happens they collect. What about the people that are fifty-nine? Or what about the people whose spouse died before they were sixty-five; what about them? Are these people any special class that the taxpayer must say, well all right if you are accustomed to grandiose, or living in a mansion, and I'm exaggerating to make a point, we have social allowances. We don't tell people to go to work when they are fifty-five. That is not true. We don't tell anybody to sell their furniture. That is not true. That is not correct. And we don't tell people to move. We just say that there's a maximum.

A MEMBER: Huh.

MR. DESJARDINS: Well, huh. Huh. Same thing. You know the taxpayers are supposed to say to anybody that doesn't want to work, anybody on welfare, there's no maximum. Do whatever you want. I'll pay. The persons that are living in a small home — this home is all they can afford — they can say to these people, fine. We'll pay for it without criticism. That is ridiculous, Mr. Chairman.

What is wrong with social allowance? Nobody is saying that there is anything wrong with that. Social allowances is for when there is no program; when they don't qualify for anything else and there is a need. And if these people have a need, what about the people, as I've said, that are fifty-nine, or those who were not fortunate, maybe, enough to collect under this for a couple of years. Maybe their spouse died when the spouse was sixty-four, just before collecting, and they have to pay. Sure, we are ready to go anytime to increase the supplement, to go ahead when the Federal Government, which is their program, when they want to raise this thing. In the meantime it is not fair to say that we are not concerned and we have no programs. It's a Federal Government program that ends at a certain time. So like all the other people that are not protected by any pension, or anything like that, there is a social allowance program here and it's costing us more money, much more money than if we just expanded this supplement. It would be nothing at all to pay this supplement compared to what we're paying under social allowance.

I don't mind my honourable friend, and I don't want to play the game and say, okay, because you belong to the same party. . . . I didn't do that. I didn't do that once. Maybe others have done that. I said that yes, we are discussing that with the Federal Government. That's supposed to be wrong. It's not passing the buck. It is their program. We discuss a lot of things with the Federal Government. Of course I'm not going to criticize them because they pay most of the cost. I think it's a decision that they have to make. But it's just like saying — you know we've had too many of those things, if we must talk about that, where in other areas the Federal Government starts a program and then pulled the rug and we're stuck with it. And then if another agency of volunteers go and work somewhere they get funding under the United Way, the public, in other words, does not want to make the donation to fund that, they pull the rug. They are on our doorstep. And the pressure is constant.

I think we are accepting our responsibility. It is not as good as if they received a pension but it is there. We don't force anybody over fifty-five to work. That's not true. We've never said to people go and sell your furniture. My honourable friend says if they've got too many things, of course if they've got too much money in the bank. . . . My honourable friend says well your rules are not generous enough. You must provide more welfare. All right, we can look at that but to practically say, well forget about the rules. . . . The public of Manitoba who is paying the bill has agreed through their elected representative, all right we will pay this. If you have more than that you don't qualify. And it has to be like that. If the thing was that anybody could come in and say I want welfare and if there were no rules you could just imagine where that would lead us. I think we are trying to increase. . . . And I would much prefer the honourable member to tell me, " your social allowance program is not generous enough, look at it," because Because then we're dealing with all the people that are on it not just a certain class in society. If that is wrong, if it's not good enough for those people, then it's not good enough for the people that are fifty-nine or fifty-eight or who were never married, or whose husband died before they were sixty-five. And they have to go through in the same way. So, fine.

This is a fair debate, to talk about you're not generous enough. You should give more social welfare, that's fine. And if you can discuss it with the feds to try and arrive at a better way to treat these people, fine. But we have no choice under this thing. This is a program that the feds — and I'm not going to comment on that too much — that the feds say well. . . . They have come down. I'm told that they're looking and I think when they look at the amount of money and the priorities that they have, I wouldn't be a bit surprised that the pension might come down one of these days.

We've been going for years, discussing with the feds about the possibility of having a guaranteed income. We are working on that now. We hope that this will come with a negative tax and those things will improve. In the meantime, it is a difficult situation. We'll try to do away with the abuse that there is in this program and I don't think there is that much. I guess you can always make a point that our social allowance is not generous enough, in this day, where it's true it is so costly to live. But I don't accept that we should just zero in on one class in society (on a group), and I don't know why they should have more than anybody else. I don't think this would be fair, so I can't accept those remarks from the honourable member.

MR. AXWORTHY: Well, Mr. Chairman, I find it strange to hear all of a sudden in this House that we're not prepared to single out anybody. You know I've listened in the debates in the last month that we are going to single out certain subsidies for beef producers. We give certain special subsidies to certain kinds of businessmen. We give certain kinds of special consideration for this group and that group. I mean you take a look at the Public Accounts book of the Legislature of Manitoba and you will find a wide variety of range of special consideration. And I'm not arguing with that because I think a test of a good government is one which is able to discern special problems and special needs and respond to them in a special way. I think the sign of a bad government is when it can only operate by standardized rules where everyone has to be treated the same; where you sort of distill out any requirement.

And we are simply saying that there is a group of people who have special problems. And that in fact the problems may be in fact close to a solution. But in the meantime, do they have to sort of hang

waiting and have their whole life turned upside down until that's resolved. The point of that is I think the Minister has no argument whatsoever when he says we are going to argue for special needs.

If in fact we were to eliminate special need subsidies of this government we would probably cut the budget in half because that's what the budget is; it's a whole series of specialized programs for specialized groups in the society. And that's why we're saying it. So all of a sudden we're now changing the principles, great. Then our budget will be reduced by fifty percent and we can start all over again. For God's sake, let's not try to kid ourselves that all of a sudden . . .

The case I'm trying to make is this, Mr. Chairman. That the social assistant laws, as they now exist, do not apply to the particular conditions that are met by widows whose husbands died on pensions. And I believe that there surely are ways of finding answers to that and that rather than simply treating it and sort of saying that's the rule that applies to everybody, we're saying let's see if we can find some rules and systems that apply specifically to that group of people at that point in time. That's what we're simply saying. And I am behind that. I'm prepared to defend that case because I do think that it is important to understand the kind of circumstances that some people find themselves in. First, there is just the personal tragedy of losing one's spouse, and that's something that I think that everyone finds wrenching but compounding that by all of a sudden a serious dislocation where you've lived for a long time, been removed from your friends and your family, your neighbourhood and your community, because the social worker comes in and says, "Sorry, our maximum is \$165 and you're paying \$185 and you have to get out.

Now when the Minister says, you know I'm sorry, we've got certain maximums but we don't tell people to leave, you know there's a little bit of sophistry there. When you set a maximum, you know, and if you happen to be \$10, or \$15, or \$20 over it, and you have no other form of income, out you go. But I'm simply saying that I think, surely, and I've talked to social workers dealing with the cases and they say that if they were permitted, if they felt they were given the kind of direction from their policy makers to say that in those circumstances they could work out special arrangements which would involve partly an arrangement with family but to maybe put a higher input into the rents side and allow them to keep parts of their property, they would like to be able to work it out because they understand the problem as well. —(Interjection)— Mr. Chairman, they don't do that now. Well if they are doing it there is a hell of a lot of people coming into my office because they are not being told that it is being done. Then they sure as hell better get their rules straight to their staff.

A MEMBER: Send them to the right office.

MR. AXWORTHY: Well we've sent them to the right office and we get the same answers back and I can show the Minister a pile of correspondence on it. —(Interjection)— I will show it to him. You're damn right I'll show it to him.

The fact of the matter is that I think we're simply stonewalling on this one. And rather than coming up and I don't know why the Minister is being so defensive. You know I mean . . . —(Interjection)— He is being defensive. There is a real problem that has been identified by members on this side of the House. We're saying look, you know we don't have the resources to work out all the answers. We're saying here is the problem. Surely to God we can find a better way of doing it now because the evidence you know walks through the doorways of my constituency office regularly enough to know that it's not being dealt with. And all I'm simply saying is for goodness sake find an answer and surely to God, you know, we don't . . . I'm prepared, I agree with the Minister totally. Yes, let's press the Federal Government to change its pension rules. No question about that. But I am saying in the meantime, in the time lag that takes place between legislation being introduced and passed and implemented, there is a lot of people who are suffering as a result. And surely we can find ways of adequately responding to that because, Mr. Chairman, I don't care what e says, it's not being responded to now.

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

MR. SAUL CHERNIACK: Mr. Chairman, I've been listening to this debate and I'd like to participate in it. I hope I can do so without talking about a "helluva lot" or a "damn something or other," and you know get down to what it is that we are trying to deal with.

I did not hear the Member for Pembina. I walked in just as he was concluding his remarks so I'm not sure to whom the Member for Fort Rouge refers when he says, "We on this side." I would be very surprised if the Member for Pembina spoke the way the Member for Fort Rouge just spoke so I don't yet know if he means the Liberal Party or he and other members of the opposition of the Conservative Party, or indeed he himself. But the problem he raises is a problem. The ways he deals with it is not very helpful to me because he says that he has a helluva lot of people coming in to his office, which I accept. He has got an awful lot of cases, apparently, of hardships, which is possible. I'm not going to take his word for it, Mr. Chairman. I would like him to come and tell us, and not name names although he should to the Minister. When I have a problem in a constituency I go to the Minister or I go to the Assistant Deputy Minister or I go to the Director, and I seldom go very low down because I think the responsibility is the Minister's, and I have yet to attack the people that are civil servants, that are

dealing with this. I have yet to tell them that they are high-priced help or I forget the expression that he used, but it was derogatory.

Well let me tell the Member for Fort Rouge that I've been in this Chamber much longer than he has, both on that side and on this side, and I don't think I've ever attacked a person who is in the civil service end of the delivery of the program. If he finds it advisable so to do, that's his privilege. — (Interjection)— Oh, the Member for Fort Rouge clearly made derogatory remarks of the brains of the high-priced help. I forget the term that he used, but it was clearly derogatory, clearly derogatory in the way he said it and his intent. If he doesn't believe I'm right, please let him read the record and let's see whether we can agree. And if it was derogatory he seems now to suggest that he didn't intend it so to be. I don't believe we have a case I want to rest on. I want to point out that the Member for Fort Rouge has not been helpful to me as a member of this committee. He may have been helpful to the Minister because, for all I know, all these many many cases with which he deals have been referred to the Minister and the Minister has record of it but the fact is, that as a member of this Committee, I have not run into the problems that he has and I represent a constituency in Winnipeg just as well and probably a poorer constituency than he does. I have not run into a problem where I have found that rules are so rigid that special cases cannot be considered.

I am trying to avoid falling into the trap of having an argument with the Member for Fort Rouge; I'm trying to avoid using his style or his language. I want to know the extent to which the we he speaks of, that is the Liberal Party or the opposition, I still don't know of whom he speaks — that we believe that there should be a continuation of the style of life to which a widow as he describes it, has grown accustomed and be continued because it seems to me the Minister of Health is right. You have to recognize that a person who lives at certain standard that may be well above that of the average recipient of government assistance, would expect to have her husband or her family, as he suggests, make provision so that that person could continue to do it after the death. And the Liberal Party of all says, "We don't want government to interfere. We want people to work out their own way. Why should government direct it for them?" I would think that in the vast majority of cases of people who are living very comfortably or even passably comfortably and do so on their own, have been able or have made the serious effort to put enough aside so that on the death of one of them the survivor can maintain a certain level. Mr. Chairman, there is no limit. If the member were saying, as he did say, but if he really meant that there is a death, there is a funeral, there is a social worker knocking on the door saying, "Get out of here." If that's true, I want to know that because I think that's cruel and I add that word to any of the other descriptive words the Member for Fort Rouge said. Frankly, I haven't run into it and because I haven't run into it, I'm not inclined to believe it. But if that were the case — a death, a funeral, a social worker, get out — then I want to know about it because I will probably side with the Member for Fort Rouge to say to the Minister, "My, you have rigid rules. You mean to say that that person cannot be allowed to continue for some period of time to make an adjustment, to be able to take in a person to share in the cost of the apartment, to be able to look around, not to be forced to throw the furniture out on the street but rather have an opportunity to sell it in a mood where you can get the maximum return?" And if indeed he is speaking about money in the bank, then I'm not sure just what he means. I heard the Minister refer to it; I'm not sure the Member for Fort Rouge said if they have money in the bank, they shouldn't be expected to use it.

After all, Mr. Chairman, social assistance is a matter of right. It's a matter of right for those people who are in need of it. And the rules should be flexible. Now I believe they are but if the Member for Fort Rouge has documented cases — and he must have — all those files he speaks of, all those people come here to see him, let's get them, let's get all the facts and not just his assessment of them because I just don't believe what I heard him say today and I admit I did come in after he had started. But for the time I was here and I heard him speak more than once because I heard him speak and the Minister speak, I heard him speak, at no time did I hear him really give us a case of hardship. He described it in general terms.

Again, I don't ask him to identify the person but surely give us all the facts because then I can tell him that if what he describes in a general way can be backed up, I want to support him but I do not think that it is right that a person living at a certain standard of living higher than that of many others, both left destitute, that the taxpayers should be required to maintain two different levels of standard of living. Frankly, I don't believe it. Why, I'm prepared if the Member for Fort Rouge becomes the ultra-socialist, to say, "All people should have the same standard of living." That's what they did in Russia, you know, until the politicians got hold of it and started to create different standards. But the idea was that everybody should have the same.

Well, the Member for Fort Rouge doesn't say that and I don't say it but I do say that you've got to have — firstly there should be encouragement to save, there should be encouragement to leave protection for those you leave behind you and thirdly, after you become dependent on the taxpayer, there has to be some kind of levelling down or levelling up — there has to be a levelling anyway, either way. There has to be some attitude by the state which treats people the same when they are dependent on outside assistance. I don't see anything wrong with that in principle but I do see it

wrong if it's done so precipitously as to really distress a person who finds it at a time when it's difficult to adjust to be found under that gun. If that were the way it was, I would want to know about it but since I don't believe it, I have to say that I can understand a transitional period and I believe that takes place, I really do. But a transitional period which lets a person adjust.

Now, I'm not sure whether the Member for Fort Rouge when he's talking about family meant that it's up to the social worker to go to family, which I assume means brothers, sisters, cousins, aunts and say, "How much will you pay? Can you contribute \$3.00 a week; \$4.00 a week?" I don't know what he means but I would say, "Yes, the family should have an opportunity to step in," but if they don't step in and then the government — any government, under any administration — is called upon to step in, it must have certain rules, certain standards which apply to all but with a flexibility to permit adjustment. If that's not taking place, I'd like to hear it.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, the Minister appeared to me to take exception to the thought I gave about people working in kitchens and so on over the age of 60. Well, I want to assure him that that is the case, and to give him a case in point, Mr. Chairman. There was a widow of many years standing, and her husband passed away; she sold the farm and for years she lived on that money and she got down to her last \$500. Living in a small shack of a house in Swan River she applied for welfare and she had \$500 left in the bank and she was told that if it was down to \$300 she could come back again.

She ultimately went back again and they said, "Well, you can go to work." And she said, "Well, all I can do is scrub floors and wash dishes." "Well, there may be the odd job around town for you to do." And she came back to me. I have no fault to find with the department when they say to a person that goes in and asks for welfare to get out and get to work, but in this particular case this woman wasn't capable of working and I said, "Well, if they feel that you can go to work, why don't you try it?" She said, "I've got arthritis of the spine and I can't do it." So I went to the welfare people again on her behalf and they said, "Well, let her go to the doctor." Fine and dandy. She didn't want to go to the doctor. I got the certificate from the department, took it to the doctor, made an appointment for her and she went and she qualified under that heading, but in the meantime she was told to go to work — whether the Minister believes me or not — and she's being taken care of under the department and all is well.

I have no problem with welfare in my area, Mr. Chairman. The department is doing a good job but there are instances that pop up like this and in this particular lady's case, I felt that they could have been a little more humane and approached it much as I had to do on their behalf, I did their work for them. It didn't bother me, really, but in the meantime, this woman had lived for years and used what dollars she had and worked when she could work and got to the stage where her savings were gone and she needed that little bit of guidance. She finally got it but in the meantime, I didn't think she had to be treated that way.

MR. DESJARDINS: Mr. Chairman, there is no doubt that there will always be cases and this is not what we're talking about now. Where I took exception to what the Honourable Member for Fort Rouge said, he said these people, he expected us to take over a Federal Government program that is dropped at a certain age, that when we take it over, they should have exactly the same amount of money. There is no doubt if the Federal Government says, "No, you don't get this any more," that they're going to have less money, that they're not going to be happy. But let the Federal Government say, you know at one time it was 65 — nobody complained, well they complained, everybody wanted it lower — now, let's say that this is done, that the province stepped in and the person who lived with a spouse that was over 65, who then died, but they're still not 65 — they're between 60 and 64 — that we would take over. Can you just imagine the people who are not fortunate enough, who had that same death in their family but at 63, let's say, they never had anything. Do you think they'll stand and say, "This is fine. Why treat these people differently?" A group within a group, the same age and the same kind of people, widows, the same thing. That is what I'm saying.

Now, the other point is let us look at what we're doing in the social welfare end of it. Now, I am saying to my honourable friend that we have many employees — I can't control them all — if there's something like this, at no time did I refuse to investigate, to have our staff investigate. Now it might be, I'm not sure, I don't know the facts, that this person was told that by municipal, I don't know if it is our people, I can assure you and tell you without hesitation that that person was not reflecting government policy at all because people, especially over are not forced to go to work and that is government policy. Now if anything like this happens again, I would like to know and we certainly would investigate it and have a talk with the people that are being — (Interjection) — Well, no but if it does either our people in the field don't know the government's policy or they're taking it upon themselves to change the policy or to do a little over and above the call of duty, as they see it I guess, and try and get somebody to work to save money for the government but that is not the government policy.

MR. BILTON: Well to give another illustration. There was a whole family on welfare due to the breadwinner being incapacitated through illness and so on — in fact he's dead and gone now — but

the family were taking care of him and in the meantime, the woman of the house gets a job in the local library and gets \$60 a month and rightly or wrongly, she didn't report that and that's the problem. But anyway, she was still on welfare after he passed away and the Minister told us a little while ago, they don't take the furniture away, they don't take their homes away. No, I don't think they do but in this particular case, there was something like \$300 or \$400 that she had earned scrubbing floors at the local library at \$60 a month — that had accumulated, it was totalled — and a lien was put on the house. The department has put a lien on that house until that money is paid back and who's paying the money back? The Department of Welfare, they've reduced her income by that amount of money until that debt or so-called debt is written off. So don't tell me, Mr. Minister, that you don't put a finger on people's property because you did in this particular case. I don't agree with her, she should have reported receiving this money. That's the answer, \$60.00 a month for scrubbing floors and she was getting what? — \$185 a month for the family, I forget, — I'm not going to debate that particular point. But the amount of money that they were getting under the regulations of the department was low and she was just augmenting it by scrubbing floors for an hour or a couple of hours a week and getting \$60 a month.

MR. DESJARDINS: Mr. Chairman, especially from this member, I don't understand it. . . they are saying there's so much abuse in the welfare, you've got these bums, you've got these people that are working. Now, the people that apply for social welfare sign a form saying that they don't earn any money at all and either this is true or it isn't true. If it's true, no problem; if it isn't true, there is a problem because they are — I'm not going to use the word "lying" — some people might not realize and so on and in those cases we're very careful. But the thing is, you know, my honourable friend said there's somebody in his constituency, although he told us, "We don't want your money in Swan River; we've got everything; never mind this welfare." But today now this is a different case because this is somebody right in his constituency that came in and he said, "Well, fine. What are we going to do?" We do not take the furniture at all; we do not take anything at all, but if somebody has collected under false pretence, they're supposed to pay it back. If this wasn't the case, my honourable friend says \$60 and she was scrubbing and you know the newspaper will get that — this poor woman that's. . . what about the people that do that for a living, scrub floors? What do we do with them? And they don't get paid that much either so what do we do with them? It's all right; it's not a question if there is income. My friend says, "Well, there's only \$60.00." All right. There is already a policy that they can make a certain amount of money. We've been working very hard and I hope that one day we'll have a guaranteed income with incentive clause in there for the people that go to work, that they would keep more money, but in the meantime, we must go by the rules.

Now, my honourable friend might say, "Well, all right maybe you should allow them \$60." But next year, next year, the Member for Fort Garry might come in and say — I doubt it, I'm being funny, I don't think he will come in and say, "Give them \$80." I'll even be funnier — the Member for Wolseley might come in and say, "We'll let them have \$500." You know, where do you draw the line? — (Interjection) — Well, all right. My question is, I said this: I said we have lien on welfare when the people are not increasing their equity and that is it. Now, we are told especially by the members of your party, we accept it, do everything you can so they don't allow, as little as possible anyway, any abuse in there. Well, if somebody comes in and signs a form and says, "I have no other revenue." If they have revenue, it's under false pretence — not assumption, it's a false declaration and we must

A MEMBER: Probably. taken care of that family for ten years; what's the matter with you?

MR. DESJARDINS: So we're going to change the rules because of that.

A MEMBER: No.

MR. DESJARDINS: Well, then that would mean that for ten years that this person was cheating the government, that's even worse.

MR. CHAIRMAN: Resolution 62(c) (4)—pass. 62(d) Day Care Services (1) Salaries — \$268,900.00. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, this is a major topic that I know the Minister wants to examine with us very carefully. I could only get half way or a quarter of the way into my preamble in the time that's available to me, Sir, so I would like to call it 4:30.

A MEMBER: Why don't you just insult him for three minutes?

MR. SHERMAN: I can't do that in three minutes, Mr. Chairman.

MR. CHAIRMAN: Order please. The hour being 4:30 time for Private Members' Hour having arrived, according to our Rule 19(2) I am interrupting the proceedings of the Committee for Private Members' Hour and shall return to the Chair at 8 p.m. this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. Private Members' Hour, Thursday, and we're first on bills. Bill No. 9, the Honourable Member for Flin Flon.

MR. BARROW: Stand, Mr. Speaker.

BILL (No. 19) — AN ACT RESPECTING THE ST. JAMES-ASSINIBOIA SCHOOL DIVISION NO. 2

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I rise to support the bill and I'll be quite brief. I believe the bill is a good bill and in fact I would indicate to the House that perhaps it is overdue. This bill affected my constituency perhaps more than any other part of St. James-Assiniboia because, as it was indicated to the House, what used to happen even if there were some 28 or 25 candidates contesting the school board elections, it would appear that most of the people were elected from the inside core of St. James or the older part of St. James. And the new part, which was the constituency of Assiniboia or the Westwood-Crestview area of St. Charles, nobody would be elected from that area even though that would be a new area with perhaps the largest amount of children attending schools and where there would be the most schools. So what used to happen, most of the representation was from one particular area, so there were problems.

What happened I understand, we had three choices. There was a study done by, I believe, Urban Studies at the University of Winnipeg. And they came with three alternatives where there were meetings held throughout the area. There were several meetings and the three alternatives were that you'd either have a single ward system and have everybody elected from a single ward which we were used to and had and was not working. The system was not working because most of the members were elected from one area. You had the other proposal where everybody would be elected from at large. And the third proposal would be a multiple ward system where there would be two or three members elected from a certain ward.

As it worked out the third proposal, I believe, was chosen by the people themselves and accepted. And as it is, there are three members chosen from each ward and time will only tell but certainly it is an indication that this will be a much better system, a much better method than we had before. I think it will be a greater opportunity for new areas to have representation on the school board. Another thing, I think, it offers a really broad base from where representation is going to come from. Certainly I did have complaints from my particular constituency.

I'm sure the member for Sturgeon Creek knows and perhaps would agree that the western side of St. James-Assiniboia School Division did not have representation and I had quite a few people come to me and were concerned about this problem. The method that's in this bill, it seems, will remedy the problem in the situation. I would indicate to all the members in this House that we're very proud of the St. James-Assiniboia School Board and reputation and I believe we have perhaps a very fine school system in that area. In order not to change too much from what we have now, I believe this is why it was accepted that there would be a multiple ward system, perhaps three members from each ward instead of going to a single ward system. Perhaps . . . created some other problems that we didn't have before. So I support the bill completely. I think it's in fact maybe overdue. I think it's a good bill and I hope it will correct the problems that we had under the prior system.

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS: Mr. Speaker, I beg to move' seconded by the Honourable Member for Point Douglas that this debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 17, the Honourable Member for Fort Rouge. (Stand)

RESOLUTION NO. 4

MR. SPEAKER: Private Members' Resolutions. Resolution No. 4, The Honourable Minister of Health.

QUESTION put on the amendment.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I'd like to make a few comments on this bill. I know there has been considerable debate on it and perhaps some of the members are in the House that took part in it. I would like to reply to some of the members. I know that the Member for Fort Garry spoke on the resolution and indicated it was a motherhood resolution and perhaps some of these are but I believe it is the responsibility of the members in this House when there is a problem, when there is a need, that problems should be directed to the government and to the Ministers and see if any corrections could be made. I know that the Member for Fort Garry also indicated that the Member for Assiniboia can make these proposals because he won't be on the government side in the House next time and he

can make all these proposals. Well, I don't think that's the important thing in this resolution and I don't think that question in itself was that important. There are some more serious questions that we have to ask: What this resolution is all about and what are we talking about?

I would have hoped that the Member for Fort Garry would have been in his seat because I know he talked about new machinery that would be required and it would be a great expense for the small increase in the supplement that I was asking would be required. And he said it would be too great of an expense and it wouldn't be perhaps warranted. Well, the point is, I don't think that the member understands. The machinery is in practice now. The machinery is in operation. We have a supplement system now so there isn't necessarily more staff that's required or any machinery to be set up. And of course, the Member for Fort Garry said he didn't like it because it is not based on ability to pay. He sort of didn't like the universal system. Well, this isn't a universal system, Mr. Speaker. It is based on ability to pay. The present supplement is based on ability to pay. So again I believe that my resolution was completely misunderstood by the Member for Fort Garry. Those were some of his comments and I just want to put the record straight and direct it to him.

I know the Member for St. Matthews took great exception and he said he didn't like it because it was not a universal plan. Again that was his problem because he says he likes everything universal. I would, agree. I'm not prepared to accept total universal plans at the present time. I don't know what his philosophy is, the Member for St. Matthews, because we've just listened to the Member for St. Johns who professes and is perhaps an elder statesman in this House and he just indicated and we've listened to him for quite a few minutes, where he indicated only ten minutes ago that he doesn't believe in a universal system where somebody that doesn't require the need should get pension or supplements' so I think that there is some problem even on the government side. They have to make up their minds if they believe in universal programs or not. I'm sure that everybody is not in agreement on this thing. I'll put the record straight. I do not feel that we need a universal program. Let's deal where there is a need.

I know the Member for St. Matthews talked about the cost of living, the tax credit and so on. He talked about other programs but really did not talk about the supplement. He also said that perhaps the Liberal Government in Ottawa is too reactionary and that's where the problem is. I don't know just what he really meant because he certainly did not contain himself to the problem that is before him.

What I'd like to indicate to the House, Mr. Speaker, and to the Member and to the Member for St. Matthews, when he talks about the government's doing a great job, well let's find out. Let's find out how good are the supplements for the senior citizens in this province as compared to some of the other provinces. Let's see, and this is the government that talks about the one thing it would do is do something for the less fortunate, for the senior citizens, for the people that haven't got job opportunities, because that's the philosophy of the government. Really, that's the philosophy of the First Minister, the Premier. When he came into power he said, "We may make a lot of mistakes. We may not please a lot of people, but I'll tell you one thing, while we're in government we're going to do very much. We're going to do things for people that were less fortunate. We're going to get them jobs. We'll get them housing. We'll give them better educational opportunities." Mr. Speaker, really it just didn't happen.

Sure, I agree with the Tax Credit Plan. I agree with Pharmacare but these plans are in every other province as well. So, let's find out just how good a job, or how really sincere is the government when it comes to senior citizens' supplements or senior citizens' pensions. Let's find out.

The supplement, Mr. Speaker, in Manitoba is \$7.82 per month. That's for a single person with no income; a single person with no income is \$7.82 a month and it's paid quarterly in Manitoba, which caused some problem to many of our senior citizens because they would prefer to have it on a monthly basis, but it's \$7.82. British Columbia the supplement is \$38.88 for the same person. In Alberta it's \$45.01. In Ontario it's the same as British Columbia, \$38.88.

I would indicate to the House that perhaps the argument could be used that we haven't got the kind of resources and the kind of money that we can pay our senior citizens the supplement or compare with other provinces that have more resources. But surely we can pay as much as Saskatchewan because in my opinion I think Saskatchewan is perhaps on an even economic basis with us or maybe even less than Manitoba. And Saskatchewan supplement, Mr. Speaker, is \$20.00; \$20.00 per month for the same person, classified the same and they're not getting the supplement without a means test. They have to qualify for it. So if you compare this, Province of Saskatchewan, the supplement for the senior citizen is three times as much as what it is in Manitoba.

This is the government that professes — and I don't mind that — but at least, if they would do what they tell the people they're doing. They're looking after the poor people, the less fortunate, the senior citizens, the handicapped, the people without jobs. The fact is that's really not so true. This has to be questioned. Because, if you look at the facts, what are the facts? The facts are Saskatchewan supplement for the same person, in Manitoba is \$7.82 as compared to \$20.00 in Saskatchewan. That's the facts. I'm sure the members should know this. In Alberta, \$45.01, British Columbia \$38.88, Ontario \$38.88, so what I'm saying to the government backbenchers, you know, with all due respect

to all the things that the First Minister used to say that he's going to help the ones that need help is not coming to fruition, not only in the case of senior citizens but other areas as well. Because there are more people in the inner core of the City of Winnipeg today that still haven't got job opportunities, haven't got proper housing, haven't got equal opportunity for education. Their numbers are greater today than they were eight or nine years ago, much greater. So for the government to say they have solved all the problems is not true. So I'm indicating what the supplement is here and what it is in the other provinces.

Now I know I got chastised by some of the other members. I got chastised by the Member for Pembina and again I would agree with him and we had a great debate this afternoon in the area of legislation between 60 and 65, when the person receiving the pension dies and what happens to the partner. That was a good point and I would agree but the Member for Pembina indicated that many farmers are people that have money when they retire but that's not so. Some of the people that were fortunate to acquire farm land or have good farms and sold their land and maybe have a pretty good bank account that they can retire, but normally, I don't think it happens in too many cases.

I know the other point that the Member for Pembina made to the House, he said, look, why don't the children look after the parents or the grandparents. I think it would be a great idea but why don't we accept the facts of life, why don't we accept it. You know thirty years ago, Mr. Speaker, with part of the country that I am most familiar with, thirty years ago Neepawa, Gladstone, McCreary, Amaranth, Langruth, Plumas, all that area, thirty years ago there wasn't one senior citizen home in those towns, not one, not in any of those places. So where did the —(interjection)—so okay I'm not putting any blame on this side either, that's not the point. The point I'm trying to make; where were the grandparents and parents living—they were living with their children. It was an accepted fact but today it's not that the Government are forcing on the people, senior citizen's nursing homes or extended care homes, it's the public demanding it. Whatever the Member for Pembina wants to say, I can't accept it, that you know it's foisted on the people—the public demands it.

I'll tell you about my own constituency and part of my constituency probably has a standard of living much higher than many people in the city, it's a pretty middle high income area but I'll get people writing me letters and phoning and people with means saying, "Look, I can't get my Mother in a nursing home, what can you do," or "I can't get my Father in a nursing home, he's been here for six months and they can look after him better in a nursing home' there's a nurse in there, there's a doctor visits there." And that's what you're getting from almost all the people and I'm sure we are probably in the same position here, and if it would be our parents, we would say, well you know the nurse in the nursing home would probably look better after my parent instead.

So it's not something that the government's foisting on the people and it's not something that any member can get up in this House and say to us, look why don't the children look after the parents. Maybe this is a good idealism, it may be fine, but let's accept the fact of realism—what's happening in the country, what's happening in this province, same is happening in this country. This is what the public demands and it doesn't matter who it is, so they're saying, "Look, they could look after you better in a nursing home," and are demanding these nursing homes or extended care be it in the constituency of the Member for Swan River or be it my constituency and even the families with means still demand a nursing home or extended care services for their grandparents or their parents and that's the facts of life. So for the Member for Pembina to say; why do I need all these things, why don't the children look after their parents and grandparents is just you know, it's balderdash. I can't accept it, I can't see why you know, it's a thinking that was perhaps fine thirty or forty years ago but not today.

So I do think that there is a reason for this resolution, Mr. Speaker. I have an article here, The Economic Council of Canada has done a study and they indicated that there has to be a need for better pensions for the senior citizens. I have an article here by Dr. Maurice Schnoor, Associate Professor in the Faculty of Social Science at the University of London, Ontario and he indicates, and I would like to quote out of the this magazine, The Social Security of Canadian Welfare Council magazine, and I am quoting on the basis of the present and future age distribution statistics: "One can show that Canadians can well afford, as never before, to boost benefits for the elderly because the proportion of dependent population as opposed to the working population is declining and will continue to do so. Although there will be a modest rise in the number of old people, the total dependent population, the young, old and disabled, is going to show a steady drop in comparison to the size of the working population." So he makes a good point, that the working population is increasing faster than the senior citizens or people on dependency.

"So keeping pensions low will surely not stop inflation" — again I am quoting: "Keeping pensions low will surely not stop inflation. The amount of money that is spent on old people is not an economic question. It is a valid question. If one looks at statistics intelligently, one can easily argue for a significant increase in the support for the elderly." That's the end of quotation.

The Saskatchewan Government has done a complete study of their social assistance requirements and their report has conclusively proved that — I am not saying that universally we have to give everybody a certain increase. —(Interjection)— I'll agree completely that there must be

some assistance. And there are many people. I am sure that the members should know that assistance is needed badly, Mr. Speaker. So this isn't something that — you know, a motherhood resolution, just to put it so somebody would look good. I think it is the responsibility of all of us when we believe that there is a need, that it's our job to articulate to the Cabinet — and we may not completely convince them, but I think if we at least make them start believing, or start listening, that they may do something.

I see the Member for Pembina back in the House, and I would like to quote to him — you know, he took great exception the other day, when I introduced this speech and he spoke. Let me indicate to him that the supplement in Manitoba is \$7.82 as compared to \$20 per month in Saskatchewan, as compared to \$38.88 in British Columbia, \$38.88 in Ontario and \$45.01 in Alberta. So we're from the lowest province which is Saskatchewan, we're only a third what Saskatchewan is. . . Seven dollars. So I am disappointed. I am trying to convince the back on benchers the government side because this is the government that always said, "we'll look after the people that are in need." I am saying that is not so because according to these statistics — (Interjection)— Well, that is what I am trying to indicate. I am trying to make a point that, look, they are not looking after those poor people that they were supposed to. And when the Premier used to get up in his seat, and I used to give him a lot of credit. I used to say, "well, that's great. It's nice to hear." Because he said, "Look we're going to look after the senior citizens, we're going to look after the people that haven't got jobs, we're going to try to do something about housing, we're going try and do something for ones who haven't got the education opportunity." And after they've had that opportunity, now we find out that there is more people without jobs and to find out that the supplement in this province is a third of what it is in Saskatchewan and probably about 25 percent of what it is in the other provinces, for instance Alberta, \$45.00; British Columbia, \$38.88. So surely the government cannot take great pride and stand up and say, "We're doing a great job for the senior citizens."

MR. SPEAKER: Order please.

MR. PATRICK: Since I introduced the resolution, Mr. Speaker, I received a whole bunch of letters and I had them ready and I — (Interjection)— No, they weren't the same, they were new ones.

The other point that the Member for Pembina made and I don't want to repeat it, I would hope that he would read it in Hansard, and that's pertaining to to housing. The member said, "Why don't grandparents or parents live with their children." And I think it's a great thing to feel that way but it just doesn't happen and today it doesn't work for the simple reason that, as I said, twenty or thirty years ago there were no senior citizens homes.

Mr. Speaker, would you tell the Minister of Health and Social Development just to cool it a little bit so I can finish my remarks.

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: The Member for Assiniboia is saying that I was saying that children should live with their parents and look after them. I did not say that. I said children have the responsibility to look after their parents and I still think they do.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: I thank the member for making that correction but when one says that it is the responsibility of the children to take care or look after their parents, and if you say it in that way, you know, one would assume that it may be that grandparents should live with their children. That's the point I was trying to make which is different than it used to be 30 years ago because 30 years ago there were no senior citizens homes and the grandparents were forced to live with their children or grandchildren but today it's a different thing.

So the point that I am again stating to the government, I think the backbenchers better look at this pretty seriously, because there is a problem, many of the senior citizens have a problem, and this government has not done the job that it professes or tells the people that it is doing for the senior citizens because other provinces are doing a better job for the senior citizens than . . .

QUESTION put on the amendment and carried.

QUESTION put on the resolution as amended and carried.

RESOLUTION NO. 5

MR. SPEAKER: Resolution No. 5, proposed by the Honourable Member for Assiniboia. The Honourable Minister of Consumer and Corporate Affairs has fifteen minutes.

MR. TOUPIN: Mr. Speaker, I had started my few remarks by congratulating the Member for Fort Rouge, by indicating that I respected, at least, if not endorsed his thinking in regard to housing generally, whether it be the public, the co-operative or the private sector. I indicated equally that I felt that the Member for Assiniboia had good intentions, to say the least, in introducing the resolution.

Now I'll come to what I believe to be the meat of the resolution itself. It's one thing, Mr. Speaker, to have laudable intention but it's another thing to want to set up a bureaucracy that I consider is not necessarily needed. I indicated in the few minutes that I talked on the resolution last week that I consider a central registry system to be desirable. I think that would be, certainly a beginning

pertaining to first of all, what we have, what could be planned by the three sectors on a co-operative basis, and I agree with the honourable member although we've only constructed approximately \$250 million worth of public housing in the last seven years, that in my humble opinion, we've only scratched the surface. And I say this in all sincerity.

A lot has been done, still a lot has to be done. It has to be done by all three sectors, it can't only be done by the public sector. It . . . be done by the co-operative sector and in my responsibility as Minister of Co-operative Development I'll be talking about this when we get to my Estimates. I believe that the people should give themselves the tools needed to determine their own destiny by means of the co-operative movement. —(Interjection)— It not only has a fine ring, I believe it has a good final result because I've lived it for about ten years. I think it is the answer, not to all the needs of society, but it certainly is the answer of most people that want to collectively work together.

So if the honourable member is saying that we do have problems, yes, I agree with him that the housing needs of citizens of this province have not yet been met, the housing stock is not at the level that it should be in my humble opinion. And mainly in the City of Winnipeg, as indicated by Dr. Laidlaw from the Co-operative Union of Canada, I believe we have adequate housing but yet we don't have the proper type of housing for the people that are in need of good sound housing.

I think it is a joint responsibility. First of all we need a central registry that should be jointly financed, in my humble opinion, by the private and co-operative and the public sector, that it should be on a voluntary basis and let's see if information gets back pertaining to existing stock, pertaining to vacancy and then let's try and make this information available to anyone that is in need of housing, whether it be pertaining to homes, whether it be pertaining to apartment suites.

In regard to construction of new stock, I believe that there again we should look at all three sectors pertaining to what can happen in the future. I think that we have to look at existing stock, existing homes that are there now, somewhat dilapidated but yet considered to be sound enough for repair. And here's where, Mr. Speaker, I fault the Federal Government. They have refused, to my knowledge, in accepting to cost-share with the province in regard to financing the existing stock pertaining to refurbishing of same. And I believe that they should accept this, like many other sectors in society.

When we decided as an example to ensure nursing homes, back in 1973, the Federal Government refused to share, refused to share in the insurance of nursing home care, but yet they accepted to share in acute-care hospital beds. To a great degree, patients that should have been in nursing home beds were kept in acute-care beds at a cost that was well in excess of twice the amount that it would have cost in a nursing home bed.

It's the same in regard to the housing stock that we have in the Province of Manitoba, and I say again, mainly in the City of Winnipeg, in the City of The Pas, in the City of Brandon, where the Federal Government should embark with the two other levels of government, with the given municipality, with the province, in sharing, in helping plan redevelopment, refurbishing of existing homes. But no, they're not. Every level of government seems to be working in isolation. We're talking about the industry, Mr. Speaker, of not working effectively together. We're talking about the public sector going on its own in regard to public housing, including senior citizens homes. We're talking about the private sector not being able to muster the financial energy, or getting the land development allotment by given municipalities to develop under the private sector. We're talking about the co-operative, the movement itself not being able to muster the energy to try and animate people to form co-operatives and build their own homes.

I think there is a lack first of all of organizing our own home, being able to work effectively together, like I say, form this central registry, being able to plan effectively within the three sectors having at least the three levels of government being able to work effectively together. And that's not happening, that's not happening.

Since it wasn't happening, Mr. Speaker, prior to 1969, and I have facts to prove it, it wasn't happening prior to 1969, certain developments were happening in given areas, but the public sector wasn't. We didn't have the amount of, say, public housing that we should have had prior to 1969. We scratched the surface with a quarter-of-a-billion dollars in development in the last seven years, which I believe is far from meeting the needs of those in need of proper housing, but I think there still needs to be a more effective mechanism of getting the three sectors to work effectively together, first of all in planning the construction of adequate homes for those in need, in refurbishing existing stock, and getting the co-operation of all three levels of government.

I, for one, Mr. Speaker, having one of the responsibilities in one department of government, I'm willing to and I'm not only saying that I'm willing, Mr. Speaker, to try and get the other two sectors involved, I've had several meetings with the private sector, with the associations. I've had meetings with municipalities involved in regard to zoning and so on and I think that we have to get other departments that are directly involved on the provincial basis. But yes, the private sector and the Federal Government have to be able to sit down with us and plan more effectively in regard to the sharing of this cost because it is not a question of sharing necessarily private industry itself or

subsidizing private industry, but I think it is to a degree sharing the cost of individuals that can't afford, say as an example, anything in excess of 25 percent of their gross revenue. I don't happen to believe that it is sound financial practice for a person to spend more than 25 percent of his gross revenue in either rent or payment of a capital and principal on a home. Well, 25 or 27. I happen to believe 25 percent of gross revenue. If anything is spent over and above that,

and we happen to know that a lot of people today are spending 30 and 35 percent of their gross revenue on either rent or purchase of homes, that is, in regard to the payment of the capital and interest on same, and that is certainly not advisable. People are not purchasing homes that are considered to be at their level of income. I think there needs to be more public information in regard to having the type of homes available for the means of people who are in need of homes in the province of Manitoba and mainly in the City of Winnipeg.

But, Mr. Speaker, what will the resolution before us do to rectify that? You know we often talk about not increasing government bureaucracy but attempting to cut down on government bureaucracy, attempting to co-ordinate what we now have. And I believe that we can do that without necessarily creating another ministry, without having to have a separate department, say, in regard to housing. We have a Department of Co-operative Development hopefully that will be doing much more work in helping people start their own co-operatives in the future. We have a Department of Industry and Commerce that is involved. We have the Minister of Industry and Commerce who is responsible for MHRC. He and I sit down and discuss housing on an ongoing basis. I think we have to be more effective in dealing with the two other sectors and that we have to be more effective in regard to other levels of government pertaining to the needs of housing in the province of Manitoba, but not necessarily in accepting, Mr. Speaker, the resolution of the Honourable Member for Assiniboia in regard to setting up a separate department dealing with housing. I think there is a desire, there is a need, to co-ordinate in a better fashion provincially and then to co-ordinate with other levels of government. But beyond that I for one, Mr. Speaker, don't believe that the solution to the problem would be in accepting the proposition of the Honourable Member for Assiniboia.

So I go back to what I said at the beginning when I spoke last week. I indicated that the honourable member is sincere in proposing such a resolution and I believe that the Honourable Member for Fort Rouge has certain knowledge that he can make available to his constituents for a little while yet and can certainly be of assistance to other people that are involved in either refurbishing existing homes or planning additional stock in the province of Manitoba, but in my humble opinion this is not the solution to the problem. The Honourable Member for Fort Rouge asked me what I believe the solution is. I have indicated and he can read it in Hansard. I don't believe it would be fair on the other members of the House to repeat what I have said.

So in trying to sum up, first of all I think that yes, we do have a problem. There has been certain work done by the public sector. It has, in my humble opinion, scratched the surface pertaining to need. Much more has to be done. Others will have to pick up their share of the responsibility and here I am talking about given municipalities, the Federal Government, and the two other sectors, talking about the private and the co-operative sector, and we have to learn to work more effectively together.

MOTION presented and defeated.

RESOLUTION NO. 11

MR. AXWORTHY: Mr. Speaker, I beg to move, seconded by the Member for Assiniboia, that

WHEREAS rebuilding the inner core of the City of Winnipeg is more productive, both economically and socially, than public works;

AND WHEREAS by offering to residents of the inner city community financial incentives for the form of physical renewal they would choose themselves is more effective than programs chosen for them by the provincial government because it builds a sense of confidence and self-respect in the community;

AND WHEREAS a major emphasis of any inner city renewal program must be to provide financial assistance to inner city residents for upgrading programs so they can assume responsibility for their own renewal;

THEREFORE BE IT RESOLVED that the Government of Manitoba consider the advisability of enacting legislation to:

1) Create Community Economic Development Corporations to initiate the development of new housing, start up of new businesses, repair of older commercial areas, with the objective of becoming economically self-sufficient;

2 Establish and fund an Urban Development Bank to approve loans and grants for each project under the Community Economic Development program, and to provide assistance with technical skills; this Urban Development Bank would also provide loans and grants to the City of Winnipeg for improvements in streets and open areas and for establishment of new public facilities and services;

3) Establish a Home Repair Program, funded with loans and grants from the Urban Development Bank, with the express purpose of home repair and purchase of older buildings in the inner city.

MOTION presented.

MR. AXWORTHY: Last evening in this House some members may have been here during the discussion of the Estimates of the Department of Health and Social Development. We got into a little bit of a discussion — it was late in the hour so perhaps not too many of them were around — concerning the conditions that were beginning to take place in the inner city and the ways to resolve those problems. At that time the Premier of the province got into the debate and expressed the feeling and agreed that many of the traditional conventional approaches towards assisting in the inner city renewal were in fact not working very well and that he was of the opinion if someone could propose solutions to him of different ways of approaching that problem, in fact said that he was agreed that the answer in many respects was to provide jobs, to provide economic opportunity, to provide for the economic redevelopment of that area, not to simply do the bricks-and-mortar physical reconstruction approach which has been the traditional conventional approach of inner city renewal.

Well, Mr. Speaker, I believe that the Premier has an answer in this resolution, that if he does agree, as I am pleased to say that he now does, that the traditional approaches are not able to solve the problem, then the kind of proposal that we are putting forward is to introduce a series of new institutions designed to provide economic incentive and capital loans for inner city redevelopment that would provide an opportunity for those residents and groups of people in the inner city to take on responsibility for their own renewal and not to have the renewal done for them.

One of the tragedies, Mr. Speaker, of the way that we have conducted ourselves in city renewal for the last 20 or 30 years, is that the public agencies, recognizing the flaws and inconsistencies of the private market, have decided that the way to recover those would be to intervene in a direct way designed usually on a public works kind of a formula, that they would come in, that they would, in the old days of renewal, tear down the buildings, put up new ones. In the somewhat more refined days of the 1970's, we don't tear down as many buildings although we are still actively doing that. We are still putting up buildings without realizing, Mr. Speaker, that the fundamental problem in the inner city has nothing to do with buildings really. It has to do with human motivation, attitudes, feelings that there is hope, feeling that one can affect one's own community, that one can affect one's own destiny, and that there is some opportunity to provide for oneself. But that is the problem in the inner city. It is an economic problem that many people simply don't have income. Many people do not have access to controlling the kinds of development that take place in the community. Someone from outside comes in and does it for them. The Department of Public Works comes in and decides they will build buildings for them. City planners come in and decide that they will fix up the area. Outside businessmen come in and decide that they will do the investments. And meanwhile the residents are simply pushed around, moved aside, allocated their proper support through the social welfare system, but not given the kind of opportunity to get a stake in their own community.

Therefore, Mr. Speaker, the approach that we have taken in this resolution is to put forward the notion that there should be a different way of using government capital than the way it's been used before, that through the existence of urban development corporations, urban development banks, that would be the way of transferring capital into the hands of residents themselves.

Now what is a Community Development Corporation? Basically, Mr. Speaker, this would be an organization that would come under the Companies Act of Manitoba any five or six people can organize one with \$30 or \$35 to go in the registry, but it's not the legal formation that is at stake. What it does mean is it gives people the ability to form a legal entity, to undertake a variety of enterprises of their own choosing. It may be a housing project, it may be the establishment of their own stores, it may be the development of small commercial areas, it may be the refurbishing of an old church or an old warehouse to provide for a new economic workshop. What prevents that from happening right now is that there is no means of providing the initial funding or financing of such operations.

It's interesting, Mr. Speaker, that the native community in downtown Winnipeg has been trying for a couple of years now to get sufficient capital to start their own restaurant. Well, Mr. Speaker, they're still looking. It may be that some special provision may be made but there is no continuous, permanent opportunity that those who have some incentive to improve their own community and themselves to say, who don't have a large amount of collateral behind them but want to develop, want to get into that activity, there is no way that they can presently do it. And yet, Mr. Speaker, there are many opportunities if given that capital to begin with.

I can give an example of a non-profit company I helped organize about four years ago. Interestingly enough, Mr. Speaker, it's now held up by the Provincial Government as one of the stars in its constellation of work activity projects. And yet, I knew exactly the number of hours and the kinds of resources that were required to get it off the ground. I am pleased that the Premier says that the Winnipeg Home Improvement Project is a great success and it's a wonderful example and they're going to put more money into it, but we should really ask how it got started, Mr. Speaker. It got started because there was that kind of very heavy investment by a number of community organizations and, Mr. Speaker, it would be much more difficult to start that kind of organization today because the same kind of assistance is no longer available. So what we're really arguing for, Mr. Speaker, is a form

of community self-renewal to place into those communities the kind of institutions and organizations that would provide for a network of active opportunity for residents who live there and I think there's a question of "Where does the money come from?"

I think, Mr. Speaker, that we have seen enough capital I believe in the office building construction it's probably what — \$25 million or \$30 million, \$50 million as an outside figure — that's an awful lot of capital, Mr. Speaker, going into the production of public service buildings. Now, I'm not arguing that maybe public service buildings aren't needed although I doubt that when there's a million square feet of vacant office space on-track in the City of Winnipeg at the present time. But be that as it may, the point of fact is, those buildings will do absolutely nothing for the people in those areas.

I find it frankly a little bit of regret that this government undertook what I consider to be a worthwhile objective and that is putting capital back into these areas and yet did it in such a really obsolescent and non-effective way. It really was a bad expenditure of money. That same capital could have had an enormous impact on that area if it had gone in in different ways and had been used to build up the kinds of services, the jobs, the economic enterprises that area really needs, not to put up provincial office buildings. But that is an old story, it's too late, the ground is cleared and they're going ahead. It does demonstrate, Mr. Speaker, though that there is capital available for those kinds of investment opportunities.

Now along with that, Mr. Speaker, there have been tried a number of ways and means by which senior levels of government, federal and provincial, have attempted to assist municipalities in refurbishing and upgrading older neighborhoods. There's been the old Urban Renewal Program; there's the present NIP program which I've been fairly deeply involved with of late. I can tell you, Mr. Speaker, that one of the difficulties with those categorical grants programs is that they set the definition of what the problem is. They say you can get money for doing these kinds of things — you can get money for fixing sewers; you can get money for fixing streets; you can get money for building social recreation centres. But if the community comes along and says, "We don't want to do any of those things; we want to do something else, because we think that something else is much more important to our community," then the categorical grant/ program says, "Sorry, there's no funds available. You've got to do the things that we are prepared to help fund." In other words, the definition of the problem and the definition of the answer is being made by levels of government which are somewhat removed from the real circumstances. They are prejudging what the definitions are going to be.

Therefore, we think, Mr. Speaker, that a much more effective mechanism for delivering those funds would be to allow the deliberation of those plans to be made within the local community context, they come up with the proper arrangement or packaging. It may be for example, that what is needed on Logan Avenue is not those new office buildings but the refurbishing of small stores to provide for food outlets, laundromats, whatever it may be but there's no money available for that kind of thing under the NIP program. You can't pay for those things under NIP. And therefore, Mr. Speaker, it becomes very important to provide a kind of funding mechanism to allow the definition of problems and proposals and plans to be made in that local community and to give a much higher degree of autonomy.

I would simply suggest that the idea of the Urban Development Bank is really borrowed by analogy in part from the area of foreign aid which has gone through a number of metamorphosis and has now come to the point where groups like the World Bank or the International Development Bank say to the host country, "You define the problem and then we'll develop the financial criteria to meet it. We'll package the finances once you come up with a definition of the program." And therefore the funding fits the need not the other way around.

So, Mr. Speaker, we feel that again that would be a different approach to that funding. By the way, we would see that kind of banking operation working in a way that would recruit capital from private sources. One of the interesting programs I worked on about two years ago was in one of the American cities on the West Coast where, in fact, they allowed certain of these public-type corporations to float their own bonds, which gave a certain preference on interest rates. They raised their own capital and they found that there was also an agreement by the banks in the area to do risk-pooling of capital that they were prepared to come forward with so that there was a combination of both public-private capital going into those investment purposes and we think that the same option could work here.

Interestingly enough, Mr. Speaker, there is already on the books of the Manitoba Statutes the vehicle by which that could be done. There is a thing called the Centennial Development Corporation which is presently a dead letter - it's not being used for anything — which could be employed very adequately for those kinds of purposes by a couple of changes in the wording of the legislation.

Finally, Mr. Speaker, in terms of a program that we're putting forward, we think that the whole area of home repair is something that has been overlooked. I have heard many speakers from the other side take some pride, and in part they should, with the Critical Home Repair Program, they should realize the limitations of that program. It's a program that only applies to single-detached homes. The

fact of the matter is that 60 percent of the accommodation in the Inner City is multiple dwellings and 60 percent of the dwellings are not available for repair purposes. There's no funding at all, whatsoever for them. So here's a program that simply doesn't apply and it would simply mean that that is the accommodation which provides a large part of lower cost moderate accommodation for older people, for students, for working people. The fact of the matter is that much of that is threatened by demolition.

The paper that was produced by a member of the Manitoba Government Secretariat indicated that close to 1800 units might be demolished next year. Many of them demolished because there is no way of finding financial assistance for repair, rehabilitation or improvement. Now, we have had many arguments in this House but surely when one of their own indicates the need, it obviously indicates a need to provide a program to meet it. And the fact of the matter, Mr. Speaker, that would be a cheap program compared to what's being done now. All you hear the Minister responsible for MHRC say with almost a mechanical repetition, "We have a public housing program." That's great. Fine. But what they don't have is any program to rescue those buildings which are in danger of being taken out of the housing market which they could rescue at one-tenth the cost that it takes to build a new public housing unit. A \$30,000 cost for a new public housing unit is an expensive piece of business. And if it means that you take one unit of rental accommodation that's eliminated for lack of any assistance on repairs, that could have been repaired for \$3,000, \$4,000 or \$5,000 and build a public housing unit to replace it at \$30,000, that's a ten to one ratio, and I think even in NDP Mathematics that makes sense. Therefore Mr. Speaker, it comes down to a simple economic fact that it is as important to keep housing in the market as it is to build new housing, because the two cancel one another out if it isn't taking place.

I was suggesting in this House before that the amount of public housing built is simply sufficient at this stage to replace what's been taken out of the market, therefore, there's no net gain. And one of the reasons is because there is no way of assisting those outside of it. The only forms of assistance are the Federal RAP Programs which are available only when an area is designated for neighbourhood improvement or when there is a non-profit corporation in existence, which means that we have four NIP areas now, and even if we multiplied that to ten, we would not touch many of the older neighbourhoods which need this kind of assistance.

So these three points in this proposal, are really designed to bring the kind of assistance into the inner city which I think would be much more realistic, much more economical and much more effective, because what it is simply doing is going back to basic principles. That those who wear the shoes know when they are too tight, and those who need to design solutions are those who have to wear the clothes, and I think that is what we have to do. So we have to give a much greater responsibility and assistance to those who live in the areas to undertake their own solution to their own problem. And to allow government not to be the intervener, not to be the doer, but to be the facilitator, to enable people to help themselves. That's the role that we see for government.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs. But before he goes, are you going to ask a question only?

MR. TOUPIN: No, I was asking if we could call it the hour of adjournment.

MR. CHAIRMAN: Very well. I'll consider that. But before I do, I'd like to indicate as a matter of procedure under these Private Members' Resolutions that Resolution 2 and 3 which are now numbered 11 and 12 were renumbered because when they came up previously they weren't debated, and so eventually fell off the Order Paper.

So if the members are wondering where 11 and 12 come from, they are actually 2 and 3. Is that clear?

In that case I'll call it 5:30. The House will now recess for the supper hour and reconvene at 8 p.m. in Committee of Supply with the Deputy Chairman in the Chair.