

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 35 students Grade 11 standing of the Pierre Radisson Senior High School. These students are under the direction of Mr. Senchuk. This school is located in the Constituency of the Honourable Member for Radisson.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills.

### BUSINESS OF THE HOUSE

**MR. SPEAKER:** The Honourable House Leader.

**HONOURABLE SIDNEY GREEN, Minister of Mines (Inkster):** Mr. Speaker, I wonder, with leave, if I could just go back to Ministerial Statements because I did want to announce that on Thursday it would be convenient to have the Public Utilities Committee deal with the report of Autopac which is not quite completed yet.

### ORAL QUESTIONS

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. STERLING LYON (Souris-Killarney):** Mr. Speaker, last week I asked a question of the Minister of Agriculture with respect to his determining whether any of the persons arrested on the Griffin picket line were members of his department. I wonder if the Minister has ascertained that information as yet.

**MR. SPEAKER:** The Honourable Minister for Agriculture.

**HONOURABLE SAMUEL USKIW (Lac du Bonnet):** Mr. Speaker, I would suggest to the Leader of the Opposition that if he has such information he should convey it to me. I am not about to go on a witch hunt.

**MR. LYON:** Mr. Speaker, to facilitate the Honourable Minister in answering a legitimate question in the House, would he like me to provide him with what is public information, a copy of the names of all the people who have been arrested on the picket line. I know nought except from press reports as to whether or not they are employees of any of the Ministeries of this government. I am merely seeking information.

**MR. USKIW:** Mr. Speaker, I do not know whether any member of my staff was involved in that picket line whatsoever. It is not important to me, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Rock Lake. Order please.

**MR. HENRY J. EINARSON:** Mr. Speaker, I direct a question to the Minister of Agriculture and ask him if he or any officials of his department presented a brief to the Senate Agricultural Committee that was held in Portage la Prairie last evening?

**MR. SPEAKER:** The Honourable Minister of Agriculture.

**MR. USKIW:** No, Mr. Speaker, we did not last evening. I wonder if the Member for Rock Lake would elaborate on whether that is a Committee dealing with the question of beef stabilization and so on.

**MR. EINARSON:** Mr. Speaker, I direct a question again to the Minister of Agriculture. The Senate Agricultural Committee meeting held in Portage last night pertaining to the marketing of our beef — I am wondering if the Minister of Agriculture, either through him or any officials of his department, presented a brief to that Committee in Portage la Prairie.

**MR. USKIW:** Well, Mr. Speaker, weeks ago I answered a similar question wherein I indicated that we had presented such a brief at Ottawa one month ago.

**MR. EINARSON:** Mr. Speaker, then I was wondering if there is any opportunity of getting a copy of that brief that has been presented in Ottawa.

**MR. USKIW:** Yes, Mr. Speaker, I don't think there is any problem in arranging for that.

**MR. SPEAKER:** The Honourable Member for River Heights.

**MR. SIDNEY SPIVAK:** Mr. Speaker, my question is to the Minister of Industry and Commerce. Yesterday I asked a question of the First Minister and he referred it to him. I wonder if he is in a position to indicate whether the Province of Manitoba will intercede on behalf of Polar Gas for the preferred route, before the National Energy Board in September.

**MR. SPEAKER:** The Honourable Minister for Industry and Commerce.

**HONOURABLE LEONARD S. EVANS (Brandon East):** Mr. Speaker, my information is that Polar Gas has not yet made any application to the National Energy Board for any routing of a line from the

high Arctic to southern markets. Until such time as an application is made, it is absolutely premature to make any . . . there's nothing to intercede thereon but I can advise the honourable member and other members of the House that at the appropriate time the Government of Manitoba will make any representation that is necessary in the best interest of the people of Manitoba.

**MR. SPEAKER:** The Honourable Member for River Heights.

**MR. SPIVAK:** Well either to the First Minister or to the Minister of Industry and Commerce, has not Polar Gas asked the Province of Manitoba to assist and intercede with them at the time of the application in September?

**MR. EVANS:** Mr. Speaker, I checked this matter out and there is no record of any official request or any request from Polar Gas of the Government of Manitoba to intercede, and as I indicated, Mr. Speaker, that a hearing has not yet been called, and it's something which may be well into the future.

**MR. SPIVAK:** Mr. Speaker, to the First Minister. I wonder if he can indicate whether, in an informal way rather than officially, Polar Gas has asked the Province of Manitoba to intercede on their behalf before the National Energy?

**MR. SPEAKER:** The Honourable First Minister.

**HONOURABLE EDWARD SCHREYER, Premier (Rossmere):** Mr. Speaker, there have been discussions as I've indicated on several occasions now, and these discussions have been of a general briefing nature, conversational nature, but at no time did Polar Gas ask specifically for an intercessionary position to be taken by Manitoba before the National Energy board for the principal reason that on the occasions when these discussions have taken place, the time frame was so indeterminate in their own minds that it would have been premature I suppose for them to have done so.

**MR. SPIVAK:** Mr. Speaker, to the Minister of Industry and Commerce, I wonder if he can indicate whether one of the alternative routes that the Polar Gas were examining not the preferred route, was the route on the east side of Lake Winnipeg, coming down the east side of Lake Winnipeg?

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

**MR. EVANS:** Mr. Speaker, if I recall the indication was not on the east side of Lake Winnipeg but rather in the Interlake region, namely the west, but they probably looked at the other as well but they did assure us, as I recall in these general discussions that were held on more than one occasion over the past couple of years, that they intended to seriously look at a route which would be through the Province of Manitoba in much greater degree than has been indicated more recently. They said that they would take a very close look at that, and I'm sure the information on the transport costs, the engineering costs involved will be made available very gladly by that company.

**MR. SPEAKER:** The Honourable Member for Assiniboia.

**MR. STEVE PATRICK:** Thank you, Mr. Speaker. I wish to direct my question to the Minister of Industry and Commerce. If he's not the appropriate Minister, perhaps the Minister of Agriculture can answer it. My question to the Minister is, could the Minister indicate what is the availability of grass seeds from McKenzie Seeds in Brandon to the suppliers and small merchants throughout the province?

**MR. SPEAKER:** The Honourable Minister for Industry and Commerce.

**MR. EVANS:** Well, that's a rather general question. I'm sure that the company is glad to sell any type of seed that it possibly has available. I might add that, Mr. Speaker, in case the honourable member is talking about a "field type" of seed, that the company is no longer in the "field seed" business, that was handled by Brett Young, which as the member should know, was sold or disposed of over a year ago but there is grass seed being sold of course in package form to the average consumer. The retail outlets across Canada, coast to coast, do sell package lawn seed, grass seed.

**MR. PATRICK:** A supplementary, Mr. Speaker, in view that the large suppliers are still getting their supplies, and all the small merchants have been cut off at the present time, would the Minister investigate into this situation?

**MR. EVANS:** Yes, well we can look into this, Mr. Speaker, but I'm sure the company is operating in a way to maximize its profits and to be as efficient as possible, and I'm glad to observe that its profitability has been improving very considerably in the last year and a half.

**MR. PATRICK:** A supplementary. Do I get it from the Minister's answer that he is satisfied that only two or three suppliers in the whole province can still get the supplies and all the other customers are now cut off?

**MR. EVANS:** Well, Mr. Speaker, I'm not aware of the matter that the honourable member is raising. We can look into it and perhaps the honourable member would like to question the chairman of the board in some detail when they appear as they are required to by the government before the Economic Development Committee of the Legislature.

**MR. SPEAKER:** The Honourable Member for Virden.

**MR. MORRIS MCGREGOR:** Mr. Speaker, I would like to direct this question to the Minister of Renewable Resources. Has the government firm plans regarding water bombers ready for emergency such as the farmstead fires in recent days?

**MR. SPEAKER:** The Honourable Minister for Renewable Resources.

**HONOURABLE HARVEY BOSTROM (Rupertstland):** Mr. Speaker, as I indicated in a question put to me yesterday, we do have water bombers. However they are float equipped water bombers and as such are not very useful at this time of the year when most of the lakes and streams are covered with ice. We have not been able to utilize them in the Interlake area. We do, however, have a helicopter in that area right now as well as another aircraft that is being used to assist the fire fighters working in that area. In addition to that we have approximately 150 extra staff in addition to those that we ordinarily have on staff in the department working to help in any way they can to extinguish and get those fires under control.

**MR. MCGREGOR:** A supplementary, Mr. Speaker, to the same Minister. Has the Minister prepared equipment to load water bombers from air strips, be it chemical or water?

**MR. BOSTROM:** Mr. Speaker, the float equipped aircraft cannot land on the air strips so as such there is not much possibility of utilizing those aircraft until the ice cover has gone from the lakes that they would be operating out of.

**MR. MCGREGOR:** Further supplementary. Are there extra forest rangers on duty at this critical time and are they indeed on 24-hour duty?

**MR. BOSTROM:** Mr. Speaker, we have staff on 24-hour call for the fire season throughout the summer and they are in particular in this case, on call and in fact extra staff are in that area. As I mentioned earlier, in addition to our regular staff that are on duty we have approximately 150 extra people working on those fires.

**MR. SPEAKER:** The Honourable Minister of Municipal Affairs.

**HONOURABLE BILLIE URUSKI (St. George):** Thank you, Mr. Speaker. Yesterday I took a question as notice from the Honourable Member for Lakeside concerning mobile home parks. I enquired about the status of the treatment of mobile home owners in those parks and I am informed that the legislation that is in effect leaves the option to municipalities as how they regulate the parks in their own area. They can either go by way of assessment or by monthly, either square footage or a flat fee. There are problems in the administration of it as a matter of fact. We are reviewing this whole matter right now because there are some inequities in the way there is in the matter of collections of the assessment or the municipal taxes long before the tax notices are out, if a trailer moves out. So there are some problems. They are being reviewed at the present time.

**MR. SPEAKER:** The Honourable Member for Brandon West.

**MR. EDWARD MCGILL:** Mr. Speaker, my question is to the Honourable the Minister of Renewable Resources and relates again to the subject introduced by the Member for Virden and that is the high risk which now exists all across the province of fire because of the tinder-dry conditions. Has the Minister given any consideration to extending the fire patrol flights to include the western grasslands of the province and the stubble areas which are now in an extremely dangerous and dry condition?

**MR. SPEAKER:** The Honourable Minister for Renewable Resources.

**MR. BOSTROM:** Well, Mr. Chairman, as I indicated we have an aircraft on patrol at the present time in that Interlake area and we will be using aircraft as required in the other areas of the province. We have made plans to bring these aircraft on approximately a month earlier than we normally would because of the extreme conditions this year.

**MR. MCGILL:** Mr. Speaker, has the Minister made any approach to the commercial operators' the commercial air operators in Manitoba to enlist their support and vigilance in reporting smoke and fire that they may observe in their regular flights over the province?

**MR. BOSTROM:** Yes, Mr. Speaker, we have quite a good working relationship with the private carriers in this province and the pilots are, of course, under no obligation to report such fires but they have indicated their intention to work co-operatively with us and to report any fires that they see from their regular flights.

**MR. MCGILL:** Mr. Speaker, do I understand the Minister to say that there has been a recent memo go out to all the commercial carriers reminding them of this important service which they can provide?

**MR. BOSTROM:** Well, Mr. Speaker, I have not sent one personally but my staff are in communication with the commercial carriers and this has worked well in the past, in more recent years, and I expect that they have contacted these carriers again. But I'll take the question as notice and I'm sure that that has in fact happened.

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. HARRY J. ENNS:** Mr. Speaker, I'm momentarily nonplussed with this . . . I ask the Honourable Minister of Municipal Affairs and I thank him for the response to that question, and I would ask him, this review that he mentions, is that contemplated that that would be taken, or some of the problems resolved prior to the next issuances of the property taxes which I think are due in September?

**MR. SPEAKER:** The Honourable Minister of Municipal Affairs.

**MR. URUSKI:** Mr. Speaker, I would hope that some of the administrative problems that arise

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between the operators and various municipal councils who may have employed the technique of assessment, that something can come about before then.

**MR. SPEAKER:** The Honourable Member for Wolseley.

**MR. ROBERT G. WILSON:** Yes, thank you, Mr. Speaker. I have a question to the Minister in charge of Tourism and supervision of trophy fishing lodges. Could the Minister enlighten the House if the Wrong Lake Lodge is operational, and what is the weekly charge per person for this fishing lodge?

**MR. SPEAKER:** The Honourable Minister for Tourism and Recreation.

**HONOURABLE BEN HANUSCHAK (Burrows):** Mr. Speaker, I have no knowledge of any lodge having its licence to operate being revoked, as of recent date. Insofar as rates are concerned, I would suggest to the honourable member that if he is interested in fishing there and staying there, that he contact the lodge. I'm sure that they will be happy to advise him of their rates, as any other tourist fishing, hunting establishment would also do.

**MR. WILSON:** Well since the Minister in charge of these lodges doesn't know, then I'll . . .

**MR. SPEAKER:** Order, please. Order, please. Let me suggest to the honourable member that his comments aren't necessary. The Honourable Member for Wolseley.

**MR. WILSON:** I have a supplementary question, Mr. Speaker. Would the Minister be able to tell us the estimated cash involvement of his government, besides the use of the land, and has the 3,000 foot airstrip been completed?

**MR. HANUSCHAK:** Mr. Speaker, insofar as the construction of the airstrip is concerned, if it's a private one then, of course one would have to turn to the owner of the lodge if one wishes to know its construction cost. If it is publicly owned then it is not my department that is responsible for the construction of it. If there was any public funds invested then one would have to go to the appropriate lending agency for that information, which is not my department.

**MR. SPEAKER:** The Honourable Member for River Heights

**MR. SPIVAK:** Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder if he can indicate whether the government, other than information supplied by Polar Gas, has any additional information on costs, environmental impact' or any other detail with reference to a proposed pipeline.

**MR. SPEAKER:** The Honourable Minister for Industry and Commerce.

**MR. EVANS:** Mr. Speaker, it is my understanding that various committees of government and various agencies of the Manitoba Government have been involved in many discussions with the Polar Gas people with regard to environmental concerns in particular, with questions of land usage, etc. I believe there is a Provincial Land Use Committee to name one agency which has been involved in these discussions.

**MR. SPIVAK:** Well, as the Minister in charge, I wonder if the Minister can indicate whether his department has any information that has been consolidated, aside from the request for information, which would deal with the question of costs, alternative routes, the impact of a pipeline in terms of the total economy of Manitoba and the direct effect of any environmental impact that would occur.

**MR. SPEAKER:** The Honourable First Minister.

**MR. SCHREYER:** Without intruding on any reply that my colleague may wish to make, I would like to make it clear to the Member for River Heights that if he is suggesting that the Province of Manitoba should have expended substantial amounts of money on a proposed route of pipeline, which route of pipeline was highly problematic until only recently, then I have to tell him that the policy of the Government of Manitoba has been to undertake only such information gathering as was relevant to the time frame. It is only now and in the course of the next two to three years that the final determination of the route of this pipeline will take place. And in that time frame there is ample opportunity for ascertaining all of the relevant part data.

**MR. SPIVAK:** Mr. Speaker, I ask the First Minister what information was gathered and who did the gathering and where is it?

**MR. SCHREYER:** I have just finished explaining, Sir, that as long as the time frame for Polar Gas is in the 1980s, as long as the question was unresolved as to whether it would go west or indeed east of Hudson's Bay, that there was no prudent reason for incurring substantial expenditures in ascertaining information which could well have been entirely hypothetical and academic. It is only now and in the course of the next couple of years that the systematic determination of route will take place under the aegis of the National Energy Board. We intend to make representation there to ensure that all relevant comparative cost data will be disclosed.

**MR. SPIVAK:** Mr. Speaker, is not the First Minister then telling us that in effect . . .

**MR. SPEAKER:** Question please.

**MR. SPIVAK:** Is your answer really suggesting that no information has in fact been assembled at this point?

**MR. SCHREYER:** No, I am not suggesting that but I am suggesting that it has been of a preliminary nature because, whatever my honourable friend may think, we did not deem it as a prudent

expenditure to engage in analysis in depth as long as the application itself had not even been filed yet. The process of determining all the facts is what the National Energy Board is all about. When that process begins and it still will be several months, Sir, before that process begins, we intend to be well represented.

**MR. SPEAKER:** The Honourable Member for Ste. Rose.

**MR. A.R. (Pete) ADAM:** Thank you, Mr. Speaker, my question is for the First Minister. I would like to ask him if everything possible is being done at the present time to assist farmers in obtaining water supplies during this severe drought period.

**MR. SPEAKER:** The Honourable First Minister.

**MR. SCHREYER:** Mr. Speaker, that question is as broad as it is long. In the kind of precipitation circumstance in which we are in, I think it would be well understood by all and assumed by all, that there is very little that can be done, indeed nothing, Sir, that can be done that would be relevant with respect to moisture requirements for surface production, for crop production.

With respect to livestock and other farm water requirements, there again I would have to say, Mr. Speaker, that so much depends on the particular nature of the operation and its location within the Province of Manitoba. Generally speaking, in many parts of the province, underground aquifer water supply is remaining remarkably firm and reliable. Unfortunately, in some parts of the province underground water aquifer reliability is problematic and particularly in a period of prolonged drought.

And it is in that context, Mr. Speaker, that I could indicate that an inter-departmental committee of the Departments of Water Control and Agriculture have been working closely together and in conjunction with PFRA; and in that context there are, I believe, some 70, approximately 70, it may be 65, it may be 72, some 70 community wells are now in operation or capable of being so. And that this, in conjunction with a program to provide for the pumping of water from one or two of the more major rivers into the headwaters of such rivers as the La Salle and possibly even the Boyne, if needed, will go some way towards alleviating the problem insofar as livestock and household requirements are concerned.

The problem is particularly acute — I am speaking now of underground water — in an area roughly from Gladstone, southeast past Portage la Prairie and on south, Treherne towards Winkler and Altona, in a belt and it is in that area that most of the 70 wells are spotted. That, in combination with some pipeline and pumping capacity — I am speaking of two and four-inch pipe — is making it possible to at least muster some contingency capability.

All the rest, Mr. Speaker, all I can say is that beyond that we must pray.

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. ENNS:** Mr. Speaker, I direct a question apropos to the statement just made by the First Minister to the First Minister. Would he concur that perhaps, in the past seven years, at least a few projects such as the Pembilier, that has been on the books, on the Pembina, or perhaps the Patterson on the Souris, major conservation projects, might indeed have stood us in good sense in years such as this?

**MR. SPEAKER:** The Honourable First Minister.

**MR. SCHREYER:** As the Honourable Member for Lakeside probably knows, I am as much an advocate, layman advocate, of reservoir capacity for the future as he is.

**A MEMBER:** I should have thrown in the Holland.

**MR. SCHREYER:** Yes, indeed, the Holland Dam, one would rather have wished that it were in place.

But, Sir, the facts of the matter are that in some parts of the province on some of the streams, what my honourable friend is suggesting makes sense and we could wish that it would have been. Let me put it that way. On the other hand, there are some reservoirs, smaller size, on some streams in which, even though they are in existence, they aren't helping much because the runoff has been so absolutely incredibly low this spring.

So, it is a bit of a patchwork quilt pattern, impoundments in the channel, impoundments in some rivers in some parts of the province are proving critically important and in some parts of the province, the runoff hasn't been there in any case.

**MR. SPEAKER:** The Honourable Member for Radisson.

**MR. HARRY SHAFRANSKY:** Mr. Speaker, my questions are along the lines of questions put forth by the Member for River Heights. I direct my question to the First Minister. Does the First Minister agree with the Honourable Member for River Heights that some investments of the Manitoba taxpayers' money — I believe he indicated some \$5 million — might have attracted the Polar Gas pipeline to be routed through southern Manitoba instead of through only northern Manitoba?

**MR. SPEAKER:** The Honourable First Minister.

**MR. SCHREYER:** Mr. Speaker, at no time did any of the representatives of Polar Gas leave the impression and I am sure they have too much integrity for that, Sir, to suggest that the taking up of an investment of \$5 million in the consortium or the company would predetermine the selection of a

route for a pipeline which runs in the order of \$1.7 to \$2 million a mile depending upon the amount of rock and rock-blasting and other problems having to do with terrain is concerned. That matter is determined by terrain and its nature, distance, the type of terrain and not by any other considerations.

**MR. SHAFRANSKY:** A supplementary question, Mr. Speaker, to the First Minister. Would the First Minister agree that it was this same kind of investment of taxpayers' dollars by the former Tory government that brought Alexander Kasser and CFI to Manitoba?

**MR. SPEAKER:** The Honourable Member for Rhineland.

**MR. ARNOLD BROWN:** Thank you, Mr. Speaker. My question is to the Minister of Mines and Natural Resources. Has any advancement been made in the past year towards construction of the Pembilier Dam?

**MR. SPEAKER:** The Honourable Minister of Mines.

**MR. GREEN:** Mr. Speaker, my recollection of the status of that Dam was that the Government of Manitoba indicated on the basis of cost benefits that it would be prepared to proceed with its share, that that was conveyed to Canada and Canada was dealing with United States authorities.

I want to emphasize, Mr. Speaker, that I am referring to one portion of the project; I am not referring to that portion of the project which was estimated at \$26 million and which did not show positive cost-plus benefits in the Province of Manitoba. I also want to indicate, Mr. Speaker, that there is no project which shows net cost benefit ratio which has not been proceeded with or advanced and pursued by the Government of Manitoba.

**MR. SPEAKER:** The Honourable Member for Fort Garry.

**MR. L. R. (Bud) SHERMAN:** Thank you, Mr. Speaker. My question is to the Honourable the Minister of Urban Affairs. I would ask him whether he can confirm that either he or officials of his Department will be meeting with officials of the City of Winnipeg tomorrow to consider the express desire on the part of some officials of the City of Winnipeg to get out of a land assembly program?

**MR. SPEAKER:** The Honourable Minister of Urban Affairs.

**HONOURABLE SAULA MILLER (Seven Oaks):** Mr. Speaker, no I can't confirm that. I have read about it in the newspapers; I haven't heard anything direct. I believe there may be a call in my office this afternoon sometime. I look forward to hearing about it.

**MR. SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOUGLAS WATT:** Mr. Speaker, I direct a question to the Minister of Mines. I wonder if the Minister could then indicate in light of his last statement if the Patterson Dam construction has been held up because of the cost benefit ratio or because of lack of flow on the North Antler River?

**MR. SPEAKER:** The Honourable Minister of Mines.

**MR. GREEN:** Mr. Speaker, I can't give my honourable friend a definitive answer; I'll take it as notice. What I can tell him is that if there was a plus-cost benefit ratio and I believe there was, then the project has been pursued by the Government of Manitoba. It has been pursued for federal financing or for federal cost sharing.

**MR. WATT:** Could the Minister indicate what the cost sharing would be with the Federal Government? Has that been established?

**MR. GREEN:** I hope that I am not recalling incorrectly but I believe that it is now being pursued and if established, is generally along the lines of 50-50.

**MR. WATT:** A further supplementary question. I want to ask the Minister then, if this has been established and a cost benefit has been established, whether it is feasible to build or not, could he indicate why this project has not gone forward in the past eight years?

**MR. GREEN:** Mr. Speaker, I have just indicated that my recollection is that the cost benefits have been established, that it has been pursued for cost sharing and if the cost sharing is confirmed, then the program will proceed.

**MR. SPEAKER:** The Honourable Member for River Heights.

**MR. SPIVAK:** Mr. Speaker, my question is to the First Minister. I wonder if he can confirm that had the Government of Manitoba loaned Polar Gas \$5 million as requested — I said loaned — joining Trans-Canada Pipeline, Pan-Artic Worlds Limited, . . .

**MR. SPEAKER:** Order please. The question is hypothetical.

**MR. SPIVAK:** Well, Mr. Speaker, I will put it another way.

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

**MR. SPIVAK:** Would the Government of Manitoba have been seized, having joined the consortium who are involved in Polar Gas and having loaned \$5 million, of the information which will be part of the submission supporting a pipeline from Melville Island to Long Lac, Ontario — 2300 miles — giving him sufficient information to be able at that point to argue against the proposal and have full knowledge of the facts?

**MR. CHAIRMAN:** The Honourable First Minister.

**MR. SCHREYER:** Mr. Speaker, it finally occurs to me why my honourable friend is so persistent and that is because he has — if I may say so — some misconception as to the time frames.

Point No. 1, Mr. Speaker, Manitoba is not precluded even now from taking up a \$5 million position should the Lieutenant-Governor-in-Council decide that it is prudent and meritorious to do so. Point No. 2 is the fact that there is no formal application before the National Energy Board to formally speak to, indeed there is no application before the National Energy Board to the best of my knowledge until sometime later this year, probably late September or early October. The determination as to whether a pipeline will or will not be built in the decade of the 1980s will not be made for at least two years and so all of the factors which my honourable friend is asking about are open questions; they will continue to be open questions for a couple of years, certainly adequate time in which to obtain and marshal all of the relevant information.

**MR. SPIVAK:** Mr. Speaker, I wonder if the First Minister is in a position to indicate whether it is the government's position that having interceded one way or the other in the application before the National Energy Board, that the results will be the same as the loss of the Air Canada Overhaul Base from Manitoba?

**MR. SPEAKER:** Hypothetical. The Honourable First Minister.

**MR. SCHREYER:** If I may be permitted, Mr. Speaker, one illustrative answer to my honourable friend's hypothesis — and I agree with you, Sir, it is hypothetical — it is to say that any suggestion which my honourable friend seems to be implying, as indeed one of the editorials in one of our metropolitan dailies has implied in the past, that had Manitoba taken up an equity position of \$5 million that this would somehow predetermine the location or the routing of the pipeline, that when you consider, Sir, by Polar Gas' own estimates that a route east of Hudson's Bay would have been \$1.7 billion more expensive, to suggest editorially or by way of question here, that \$5 million somehow would tip these balances is — I apologize for saying so — ludicrous.

**MR. SPIVAK:** Mr. Speaker, I wonder if the First Minister is in a position to confirm that the economic studies upon which the Air Canada Overhaul Base moved from Winnipeg to Montreal were not justified, were not correct, and that the information supplied to Manitoba came after the fact and not before the fact.

**MR. SCHREYER:** Mr. Speaker, on this rare occasion I have to agree with my honourable friend but if he will search the Hansard of May 1969, he will find that I indicated to the senior people of Air Canada in their presence that one of their officials was lying and I indicated why I thought so.

**MR. SPEAKER:** Orders of the Day. The Honourable Member for Portage la Prairie.

**MR. GORDON E. JOHNSTON:** Mr. Speaker, I direct my question to the Honourable the Minister of Industry and Commerce. Is there a significant expansion of the Neighborhood Improvement Program in the province this year? For example, is there one program going into Portage la Prairie?

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

**MR. EVANS:** Yes, Mr. Speaker, we would like to see a Neighborhood Improvement Program implemented in the City of Portage la Prairie and I believe there have been some preliminary discussions and some communication between the staff of the Manitoba Housing and Renewal Corporation and officials of the City of Portage la Prairie.

**MR. G. JOHNSTON:** Could the Minister inform the House if there is a dollar input value attached to that particular program that he can give now?

**MR. EVANS:** Yes, Mr. Speaker. This is a tri-level type of agreement involving moneys by the Federal and Provincial Governments and by the Municipal Government involved. There is a formula under which moneys are put up and the actual numbers of dollars depend on the specific projects that are undertaken. So the amount of money involved would not be known until discussions are further along so that we have a better idea exactly what could be included in a Portage la Prairie neighbourhood improvement program.

**MR. G. JOHNSTON:** Another question to the Minister, Mr. Speaker. Are there other communities in the province that have not had this benefit before who will be taken into the program and also can the Minister explain the formula percentage-wise if he doesn't have the dollar figures?

**MR. EVANS:** Mr. Speaker, I'll be glad to give the honourable member more detail on the formula. It does vary, the actual percentage input can vary depending on the nature of the specific neighbourhood improvement program, but I'll provide the honourable member with that information as it might apply to Portage. I would answer his other question by saying that it is a neighbourhood improvement program which is designed essentially to upgrade deteriorating sections of older urban portions of cities and very large towns. So we would hope that there will be other communities in Manitoba that might wish to take advantage of this program and we have been attempting to indicate this to some of the larger communities in the province. We have one under way in Brandon. We have three or four under way in the City of Winnipeg and I think there is some possibilities in the other larger communities as well.

**MR. SPEAKER:** The Honourable First Minister.

**MR. SCHREYER:** Mr. Speaker. Just for information and in further elaboration to my reply to the Honourable Member for Lakeside and Ste Rose, the availability in place of some 70 community wells, there is planning under way for additional numbers, perhaps five to ten, plus the 3,000 farms that have

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had a more reliable supply of farm water as a result of the farm water program and sometimes dubbed "samcan", plus the laying in of a supply of pipe and pump at capacity, I would estimate two and four inch pipe running at the order of 80 cents a linear foot. This is about all that thus far realistically seems relevant and helpful to the situation. There is some engineering analysis being made as to whether in certain circumstances — and every circumstance is a little different — it would seem that distances of some few miles can even be contemplated by way of untrenched aboveground two or likely four inch piping is also being considered.

### **ORDERS OF THE DAY**

#### **ADJOURNED DEBATES ON SECOND READING**

**MR. SPEAKER:** The Honourable House Leader.

**MR. GREEN:** Yes, Mr. Speaker, I wonder if we could now proceed with the Adjourned Debates on Second Reading in the order in which they appear on the order paper?

**MR. SPEAKER:** Thank you. Adjourned Second Reading Bill No. 5. The Honourable Member for Birtle-Russell.

**MR. WARNER H. JORGENSON (Morris):** Stand.

#### **BILL (NO. 11) - AN ACT TO AMEND THE LEGISLATIVE ASSEMBLY ACT.**

**MR. SPEAKER:** Bill No. 11. The Honourable Member for Fort Garry.

**MR. SHERMAN:** Mr. Speaker, we have considered the contents of this bill, are in favour of it and are prepared to move it on to committee stage.

**QUESTION put MOTION carried.**

**MR. SPEAKER:** Bill No. 22. The Honourable Member for Fort Rouge.

**MR. PATRICK (Assiniboia):** Stand.

**MR. SPEAKER:** Bill No. 27. The Honourable Member for Rhineland.

**MR. BROWN:** Stand, Mr. Speaker.

**MR. SPEAKER:** Bill No. 33. The Honourable Member for Minnedosa.

**MR. DAVID BLAKE:** Stand, Mr. Speaker, please.

**MR. SPEAKER:** Bill No. 44. The Honourable Member for Minnedosa.

**MR. BLAKE:** Stand.

**MR. SPEAKER:** Bill No. 45. The Honourable Member for Fort Garry.

**MR. SHERMAN:** Stand, Mr. Speaker, please.

**MR. SPEAKER:** The Honourable House Leader.

**MR. GREEN:** Mr. Speaker, I move, seconded by the Honourable the Minister of Industry and Commerce, 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 Consumer and Corporate Services and the Honourable Member for St. Vital in the Chair for Public Works.



CONCURRENT COMMITTEES OF SUPPLY  
ESTIMATES - PUBLIC WORKS

**MR. CHAIRMAN, Mr. D. James Walding (St. Vital):** We have a quorum, gentlemen, the committee will come to order. I would direct the attention of honourable members to Page 50 in their Estimates Book, the Department of Public Works, Resolution 99(c) Project Management (1) Salaries—pass; 99(c)(2) Other Expenditures. The Honourable Member for Crescentwood.

**MR. WARREN STEEN:** Mr. Chairman, some of the rambunctious noisy members that are on the same side of this table as I am, were wondering why we passed Salaries, under Project Management, so quickly but for those that weren't present last night, we did spend quite a lengthy period on it.

Under (c)(2) Other Expenditures, can the Minister indicate to us the reason why that has increased so sharply.

**MR. CHAIRMAN:** The Honourable Minister.

**HONOURABLE RUSSELL DOERN (Elmwood):** That's for an increase in staff from about 15 SMYs to 28.

**MR. CHAIRMAN:** The Honourable Member for Crescentwood.

**MR. STEEN:** Why, Mr. Chairman, through you to the Minister, would Other Expenditures be how you would list an increase in staff? Why would they not be under Salaries or is that the way it is done the first year, and then the second year it falls into the category of Salaries?

**MR. DOERN:** In the first instance, we have transferred in from other sections of the department some 13 SMYs and made suitable reductions in those areas. So I guess it's probably an absolute increase of two, and a transfer of thirteen.

**MR. STEEN:** That's fine, Mr. Chairman, for now.

**MR. CHAIRMAN:** Resolution 99(c)(2)—pass; (c)—pass; Resolution 99(d). The Honourable Member for Brandon West.

**MR. MCGILL:** Mr. Chairman, I think the Minister's explanations related to (c)(1) and I think the question posed by the Member for Crescentwood related to (c)(2), I think. Was not the question why has the expenditure doubled, apparently, in Other Expenditures under (c)(2)? And the Minister was relating that to increase of staff man years which I believe was (c)(1). Perhaps we could have the answer to the question in respect to Other Expenditures, now.

**MR. DOERN:** Under (c)(2) what went with the personnel was an operational cost in space inventory of \$6,600, automobiles \$6,700, and miscellaneous of \$2,500, for a total of \$15,800.00.

**MR. MCGILL:** Yes, I think that's the answer we were looking for, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 99(d) Design Services (1) Salaries. The Honourable Member for Crescentwood.

**MR. STEEN:** Mr. Chairman, through you to the Minister, can the Minister tell us under Salaries of \$860,000 how many persons are assigned to this branch and make up that particular sum of money.

**MR. DOERN:** Fifty-three.

**MR. STEEN:** Mr. Chairman, through you to the Minister again, is that the same number of persons as last year?

**MR. DOERN:** Well this is where there was the transfer. Last year there were 63, and there is therefore a reduction of 10. So we have clearly reduced the number of personnel in Design Services and increased it in Project Management.

**MR. STEEN:** Well therefore, Mr. Chairman, under Design Services last year there was a salary budget of \$828,700 and this year it is \$860,000 and yet there is 10 men less and yet in Project Management the salary went from \$391,000 to \$456,000 where the Minister told us last night there were 28 persons. Are the 10 that were transferred, Mr. Chairman, from Design Services to Project Management still being paid under Design Services? Has the bookkeeping not been updated?

**MR. DOERN:** Well, of course, they are annual increments and the figure that I have is a \$41,000 increase on annual increments.

**MR. STEEN:** My question then, again, and I'm sorry ' I believe I'm repeating myself, if there's 10 less people, I can see under the collective agreement the increase from \$828,000 to \$860,000 but if the Minister in his answer said the Design Services have 10 less people this year surely 10 on 53 would have showed a reduction. That's one-fifth of the total manpower.

**MR. DOERN:** The left-hand column that you are looking at in your book is with minus 10 staff man years. In other words, the 10 were taken off the left-hand column, not the right. So you start out with the number of people on the left at \$828,000 and then you get to \$860,000 with the annual increments.

**MR. STEEN:** Well then, Mr. Chairman, obviously this particular item in last year's Estimates must have been considerable higher in (d)(1) Salaries for Design Services. Is that so? And if so, can the Minister tell us what that figure was of a year ago?

**MR. DOERN:** We'll try to dig that out for you, if we could perhaps go on from there, or if you want to

wait.

**MR. STEEN:** Mr. Chairman, we can go on but we can stay within the same item. I can't find an item in the Minister's department report on Design Services. Perhaps the Minister can tell us the functions that the 53 persons perform.

**MR. DOERN:** Going back to your earlier question, the printed vote was 939,000, and that was cut down to 828,000 as a result of the transfer.

Now on the other question, the Design Services includes architectural and engineering services, sort of on a consulting basis, and they have in their shop, I suppose, hundreds of projects, many of them very small in scope. Some of them are designed in house; when we have small projects we don't call in outside architects or engineers' we do them internally.

**MR. STEEN:** Mr. Chairman, last night the Minister mentioned that under Administration there were 47 persons excluding himself, which is Deputy Ministers onward. Then we talked and discussed Project Management and under Project Management that is the particular aspect of his department that has a lot to deal with other departments and outside professional services, therefore, is my understanding of Design Services primarily an aspect of the Department of Public Works that looks after matters internally, that you don't have to go outside the department for professional help, matters that could be considered more minor than those that are administered and looked after by the Project Management team.

**MR. DOERN:** Well I think, you know, it's hard to make a simple distinction between larger and smaller projects but if you are going to over-simplify you could say that they tend to do the smaller project in house. But Project Management also interacts with them and although I'm reluctant to use the vocabulary in a way "oversees" them in the sense that they employ Design Services for projects as well.

**MR. CHAIRMAN:** The Honourable Member for Crescentwood.

**MR. STEEN:** Perhaps the Minister can answer this question. Your new government building being erected in Portage la Prairie or a building of the structure of the Woodsworth Building, would certainly involve personnel from Project Management, but if you were going to paint the hallways of the Norquay Building or do some minor renovations, would that be done by the personnel of the Design Services and therefore not use the services of Project Management?

**MR. DOERN:** We would use them both. The supervision would be sort of directly from Design Services and the . . . Well, that is sort of a difficult example but in effect the people who oversee the entire project would be Project Management and if necessary they would call on Design Services to do the layout, etc.

**MR. STEEN:** Under Design Services, Mr. Chairman, through you to the Minister, are the 53 persons primarily technical persons such as interior designers, architects, engineers, etc. and they wouldn't have such personnel as painters, plumbers and electricians?

**MR. DOERN:** That is correct.

**MR. STEEN:** I have no further questions.

**MR. CHAIRMAN:** Resolution 99(d)(1)—pass; 99(d)(2) Other Expenditures. The Honourable Member for Crescentwood.

**MR. STEEN:** Can the Minister give us a brief outline as to the \$60,300, how it is spent and for what goods and services?

**MR. DOERN:** Do you want a detailed breakdown?

**MR. STEEN:** Not item by item, but could he just touch on the highlights as to how the \$60,000 is being spent, some of the major items.

**MR. DOERN:** Well, I will give you let's say the three major parts: \$27,500 for printing and stationery supplies; \$12,000 for automobiles including pick-ups, vans and trucks; and \$10,000 miscellaneous. There is the whole business of educational assistance, travelling, freight express and cards, publications, advertising and exhibits, materials, equipment other than medical and automobile, furniture and furnishings, etc. etc.

**MR. STEEN:** Mr. Chairman, through you to the Minister, in Design Services where do the 53 persons primarily work out of?

**MR. DOERN:** They are all at 1700 Portage which is, if you know the area . . .

**MR. STEEN:** The old Co-op Insurance Building?

**MR. DOERN:** Yes. I don't know, is it 100 percent Public Works now? It was once less, but it is a building where we house our sort of professional staff.

**MR. STEEN:** That's fine, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 99(d)(2)—pass; (d)—pass. Resolution 100, Operation and Maintenance of Provincial Buildings and Grounds, (a) Senior Administration, (1) Salaries. The Honourable Member for Crescentwood.

**MR. STEEN:** Can the Minister, Mr. Chairman, tell us the number of personnel that make up this item?

**MR. DOERN:** Fourteen under Administration.

**MR. STEEN:** Mr. Chairman, through you to the Minister. Has that complement of fourteen changed from last year any?

**MR. DOERN:** It is up three from last year. I am getting clarification here. The adjustment apparently was made last year and although it appears that there is an increase of three, the adjustment was made the previous year.

**MR. STEEN:** Can the Minister tell us basically what the fourteen persons' job functions are and the types of professional persons that are employed in this particular aspect of his department?

**MR. DOERN:** I am now trying to reconcile another figure here which we will check out. I have a figure of 15. There is one cut. Okay, let's go on this basis then. Property Management Administration 5; Safety and Training 1; Technical Services 7; and grounds Maintenance 1.

**MR. STEEN:** On that item, Mr. Chairman, that is fine for now.

**MR. CHAIRMAN:** The Honourable Member for Minnedosa.

**MR. BLAKE:** Thank you, Mr. Chairman. I wonder if the Minister could tell us what outside security services are employed and how many and the cost involved.

**MR. CHAIRMAN:** I wonder if that question wouldn't be better asked under Security Services which is (f) in this appropriation.

**MR. BLAKE:** All right. I was just looking at the heading there, for maintenance and security.

**MR. CHAIRMAN:** Resolution 100(a)(1), the Honourable Member for Crescentwood.

**MR. STEEN:** The fourteen senior administrators under Operation of Grounds and Maintenance, can the Minister tell us the principal buildings that these people are looking after? Have you a list of them?

**MR. DOERN:** Well, they in fact are responsible for everything. This is our sort of working department. When I talked yesterday about people who get their hands dirty and make things run, this is the department. This is by far the largest department that we have.

**MR. STEEN:** All right. Mr. Chairman, what about . . . seeing the smiling face of the Minister of Highways reminds me of the Highway's service building. Does that come under the Minister of Highways for maintenance or under the Minister of Public Works?

**MR. DOERN:** It is under Public Works.

**MR. STEEN:** A building such as the Hydro building on Taylor would not come under his department or the Telephone building?

**MR. DOERN:** No, those are under the Crown corporations but the other ones are.

**MR. STEEN:** But 1700 Portage, the Fletcher Building . . .

**MR. DOERN:** Right.

**MR. STEEN:** . . . the Legislative Building, the Woodsworth, the Norquay, the Provincial Garage, etc., other such buildings . . .

**MR. DOERN:** Right, plus leased accommodation is also overseen.

**MR. STEEN:** Mr. Chairman, when accommodation is leased, is it persons in the senior administration of this particular branch that handle the negotiations?

**MR. DOERN:** Those negotiations are, again, under Project Management. Just to clarify further, under Project Management there is a Property Management section and those are the people who deal with outside businessmen, developers, etc., they check out the space, lease the space, etc.

In addition to the ones that you have mentioned there are the mental hospitals and the technical schools, those are major operations for us. Red River Community College . . .

**MR. STEEN:** And the Brandon and Selkirk hospitals. In the field of education, Mr. Chairman, therefore it would only be . . . Is it the Red River Community College and the one at Brandon and one at The Pas that would be under . . . ?

**MR. DOERN:** Keewatin, Assiniboine and Red River.

**MR. STEEN:** But, Mr. Chairman, in the field of continuing education . . .

**MR. DOERN:** I might also add again that some of Frontier School Division is also under our aegis, plus we do the building for Frontier School Division in the north.

**MR. STEEN:** Mr. Chairman, does the Department of Public Works have anything to do with the three Manitoba universities?

**MR. DOERN:** No, we are graduates of the universities.

**MR. STEEN:** That's fine, Mr. Chairman.

**MR. DOERN:** There is one exception as well, the Ag Services building in Brandon. We built it and also operate and maintain that particular facility.

**MR. STEEN:** Mr. Chairman, is that the building in Brandon that he is referring to when he refers to the Ag Services building?

**MR. DOERN:** No, that's at U of M.

**MR. STEEN:** What about the one in Brandon that is an extension . . .

**MR. DOERN:** Yes, that one as well.

**MR. STEEN:** That's fine, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 100(a)(1)—pass; 100(a)(2) Other Expenditures. The Honourable Member for Crescentwood.

**MR. STEEN:** Mr. Chairman, can the Minister, as he did under Design Services of Other Expenditures, just give us the highlights as to how the \$30,000 will be spent?

**MR. DOERN:** Well, I guess these are the same categories we mentioned . . .

**MR. STEEN:** Printing, cars . . .

**MR. DOERN:** That's right.

**MR. STEEN:** Automobile and Transportation and so on?

**MR. DOERN:** The main ones being postage, telephone etc. \$4,500; equipment \$4,000; automobile \$7,300; travelling \$7,500; miscellaneous \$3,000; educational assistance \$3,000.00.

**MR. CHAIRMAN:** The Honourable Member for Minnedosa.

**MR. BLAKE:** Yes. Where would we find the electric car?

**MR. DOERN:** That would be under the Central Provincial Garage, although if you look out on the street, you might find one as well.

**MR. CHAIRMAN:** Resolution 100(a)(2)—pass. (a)—pass. Resolution 100(b) Maintenance. (1) Salaries. The Honourable Member for Crescentwood.

**MR. STEEN:** Mr. Chairman, through you to the Minister, can the Minister tell us the complement of personnel in this particular branch?

**MR. DOERN:** 563 staff man years.

**MR. STEEN:** Mr. Chairman, can the Minister tell us if that is any change from the previous year's budget?

**MR. DOERN:** Up three from last year's printed estimates.

**MR. STEEN:** Mr. Chairman, can the Minister indicate why the increase of three? Is this just because of increased responsibilities or did you have to . . . ?

**MR. DOERN:** Okay. Apparently again, there was a further adjustment made last year so that the actual absolute increase was one and that was a person who was transferred over into a gardening position. So although I guess on one hand, you might say it is an increase, I would say that given 563 staff, I call that holding the line in the extreme.

**MR. STEEN:** Mr. Chairman, I would agree with the Minister that he is holding the line very well on 563 if there is only an increase of one.

**MR. CHAIRMAN:** Resolution 100(b)(1)—pass. (b)(2) Other Expenditures. The Honourable Member for Crescentwood.

**MR. STEEN:** On this item, can the Minister tell us how \$6,485,000 is being spent? Again, following the format that he has had before as touching on the highlights only.

**MR. DOERN:** Well I think we're essentially using those same categories again but I think you can get a better picture here. Fees . \$888,000 I am just going to read you the highlights again. Building Maintenance Supplies \$280,000; Utilities \$1,800,000; Fuel, heating \$1,600,000; Equipment \$348,000; Cost for Buildings, materials and related costs \$1 million and so on. Then the others are again, you know, travel, miscellaneous, freight, etc. etc., but if you really shake that down, it tends to come out to contract fees for security and janitorial — window cleaning — not security here, okay. Contract fees, janitorial and then supplies and then utilities and fuel. Those are the main components of that \$6 million.

**MR. STEEN:** Mr. Chairman, through you to the Minister, he talks about fees of \$880,000 and contracting out of janitorial services. What percentage of the janitorial services are contracted out and what percentage are done by in-house permanent staff people?

**MR. DOERN:** We have approximately 215 SMYs involved and about 90 on contract.

**MR. STEEN:** Another question. The Minister mentioned equipment as an item and I didn't get time to copy down the figure but this is obviously the replacement of equipment and the purchasing of new equipment to be used by this particular branch. My question to the Minister is, are they buying and I will cite an example, are they spending about a dollar a year in replacing ten dollars worth of assets in the way of equipment, meaning: are they spending approximately 10 percent each year in replacing existing equipment or is the figure more like 20 percent a year or 30? The purpose for asking the question is to evaluate the life span of existing equipment.

**MR. DOERN:** It is a difficult question to answer. The director indicates to me that some equipment lasts 15 years and longer, and some five or six we would only be making a wild guess and might say that an average is 10 but I really wouldn't want to be held to that.

**MR. STEEN:** What I was really meaning, Mr. Chairman, was I am sure the department takes an inventory of their equipment and has a value put on that equipment and what I was wondering is, if the value of that equipment was say \$2 million a year and they were spending one-quarter of a million in replacing it every year — I am trying to get some form of a ratio between yearly expenditures on replacing equipment in relation to the total value of the equipment.

**MR. DOERN:** No, I don't think we can answer that for you right now. Maybe we could have some time to reflect on that and try to get back to it.

**MR. STEEN:** That's fine for now, Mr. Chairman, on that item.

**MR. CHAIRMAN:** Resolution 100(b)(2)—pass; (b)—pass. Resolution 100(b)(3) Recoverable from Other Appropriations. The Honourable Member for Crescentwood.

**MR. STEEN:** Can the Minister give us an outline as to where they are recovering the \$3.6 million?

**MR. DOERN:** \$3.6 million recovery. From Red River \$1.9 million; Manitoba School for the Retardates at Portage \$727,000; Assiniboine Community College \$378,000; our district office at Brandon \$20,000 and Keewatin Community College \$583,000.00.

**MR. STEEN:** That's fine, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 100(b)(3). The Honourable Member for Brandon West.

**MR. MCGILL:** I am interested in this recovery procedure from other departments of government, some as coming from the Department of Education, and so forth. What is the policy of the Minister in that respect? From how many different departments of government does he recover all or part of this expenditure on their behalf?

**MR. DOERN:** In the total Public Works budget? Is that your question? Or just in this particular . . .

**MR. MCGILL:** Well, the policy relates to this particular recovery but I am anxious to know just how you arrive at the policy affecting education, affecting the public building in Brandon, and so on.

**MR. DOERN:** In this particular instances instance, first of all, they are interspersed throughout Supply and Services which is coming up and there are recoveries for automobiles, for office equipment, etc., here, and of course under land acquisition as well, but here this is a breakdown in education and I guess part of the reason is because there are federal moneys that are recoverable and I don't know if this is the precise answer but certainly it is the general answer that I suppose it is in our best interest to make these recoveries because we acquire federal dollars for so doing.

**MR. MCGILL:** Mr. Chairman, then there is no other policy involved that it is only in the case of some sharing of the costs involved with the Federal Government that inspires the Minister to then collect from that particular department of government? It appears here that it is almost entirely the Department of Education with the exception of the district office at Brandon. Are there any other departments that you recover from?

**MR. DOERN:** Not under this section but I think we recover from all departments under other sections coming up.

**MR. MCGILL:** Mr. Chairman, your department really is a service department for other . . .

**MR. DOERN:** Yes.

**MR. MCGILL:** . . . government portfolios?

**MR. DOERN:** Right.

**MR. MCGILL:** And no attempt has been made thus far to allocate all of the expense of the department to various other departments of government?

**MR. DOERN:** No.

**MR. MCGILL:** So that you, in providing that service, simply don't attempt to by bookkeeping entries disperse the cost in proportion to the service provided to the individual departments. There may be some departments that benefit in a much greater way from the services provided by the Public Works than by others.

**MR. DOERN:** I think you're opening up an interesting question. I think we have moved various ways even in my short period as Minister and, for instance, at one time the departments had their own budgets for the leasing of space and I think you are often confronted with a dilemma — there are those who argue that each department should know how much it is charged for various services provided by Public Works, etc., that they should see the dollars and it should be held in front of them so that they are conscious of those expenditures and so on. If you allow departments to have little bank accounts for various projects I think in some cases it is felt that nobody really has a handle on it, that they sort of have their own money, they can lease whatever space that they like and then sort of one department might be renting more expensive space than some other one, assuming that can happen.

So I think we've moved in various directions to either allow greater or lesser autonomy but the advantage of keeping it in one department is that somebody does have a handle on it and somebody can make the comparisons.

Now for example, we have established certain standards of space and there have been some loud groans and moans throughout the department. We have had some classic fights with certain departments who insist that they deserve greater prestige or greater level of furnishings, etc., etc., because of their status. Agriculture is very easy in that regard. The Minister is not a man of great pretence but we have had fights with some of our colleagues, not necessarily with the ministers themselves but with their personnel who are not happy with government standards on space and furnishings.

We now have tried to enforce. . . Now, some people say, well, you know, this gets to be ridiculous because somebody finds out that if they are entitled to a certain position they get three ashtrays so they are going to order an extra ashtray but it is really the other way. It is normally that somebody who

wanted twelve ashtrays now only gets three ashtrays and that if you are of a certain rank you may be entitled to one desk and three chairs, whereas before someone might have had a desk worth more money than the one we provide and maybe a couple of extra chairs. We are trying to standardize the kind of furnishings and the amount of space that is provided. In so doing, I really think we have saved probably hundreds of thousands of dollars and will continue to do so.

**MR. MCGILL:** Mr. Chairman, does the Minister consider that the present system of accounting which doesn't attempt to allocate very much of the actual expense undertaken by this department on behalf of other departments, does that present system encourage perhaps demands that are excessive for space and for kinds of furnishings? Would an alternative system that allocated all of these expenses directly and appeared in the budgets of these particular departments tend to eliminate that which, under the present accounting system, appears to be somewhat once attained not showing up on their own expense of operating their department?

**MR. DOERN:** I think we have to look for guidance to our senior colleagues in Ottawa, and they apparently have been wrestling with this for ten years and have not come up with a satisfactory answer. I assume that one of the advantages that we have is in being able to control the buildings and the sort of the physical assets of government, which primarily, almost exclusively, come under our department. The automobiles, the machinery, office equipment, the materials, photo-copiers, furniture, furnishings, amount of space, levels of cleaning and maintenance, etc. I think we have a fairly good control in that regard.

**MR. MCGILL:** Well, I don't intend, Mr. Chairman, to pursue this line of questioning. I'm asking for opinions from the Minister. He admits that the problem is complex. I might just conclude by asking the Minister if he is satisfied that the present arrangement is the best arrangement that the department could adopt in terms of allocating financial responsibility for the kinds of services that his colleagues are demanding of him.

**MR. DOERN:** I think we have made progress but I think that this would be what I think is described by the Conservatives as "organic evolution", and I think that I would share that particular view here. That rather than making all sorts of drastic and new innovations as we have sort of built on what has gone before and will continue to make certain movements but I don't know whether we will ultimately achieve a Utopian state, in terms of Public Works. But I think we can only, sort of, advance slowly in that regard. I'm not calling for any drastic reforms here.

**MR. CHAIRMAN:** Resolution 100(b)(3). The Honourable Member for Crescentwood.

**MR. STEEN:** Before you leave this item, I have a question along the same lines as the Member from Brandon West. Do I understand the Minister to say that they have no actual yardstick that they use in evaluating the space used by other departments in terms of dollars and cents?

**MR. DOERN:** No, I think we have a pretty sharp handle on that. We can estimate now, you know, given so many employees, etc., we have a formula for working out the number of square feet that this would entitle that department to, and so on. But at the same time, you know, you have to look at other things' whether, for instance, there is heavy public access, and so on. If it's a department where there is a lot of activity like Highways, or where building for Autopac, and so on, we have to take into account a variety of factors. But when it comes to, say, providing office space for ten employees of any given department' say, who do clerical work well then we just put that in our computer and it spits out the answer. And that would be the same for any department.

**MR. CHAIRMAN:** Resolution 100(b)(3)—pass; 100(b)(4) Preventative Maintenance. The Honourable Member for Crescentwood.

**MR. STEEN:** Can the Minister tell us why the sharp reduction this year? Is it because they have caught up on previous years on maintenance, or are they shaving to the bone, or are we going to neglect some areas of maintenance?

**MR. DOERN:** Well I think this is a result of the restraint program by the government. We, you know, took our sort of standards and our level of operation from last year and actually asked for \$1.2 million and we were told to, in effect, take a \$150,000 cut. So the government was looking for places to make cuts, and they brought the axe down in this area. So that means a lowering of standards. It might mean, as I say, instead of cleaning so many nights a week it might be one night less, etc., etc.

**MR. STEEN:** Mr. Chairman, to the Minister' will we as taxpayers of Manitoba all have an investment in all the properties owned by the government? In his opinion, will our investment in properties deteriorate at all because of the major and drastic cut in maintenance budget?

**MR. DOERN:** I think, in the short-run, it is not a serious thing but I think if we extend this policy over a long period of time like, let's say 'to do it for a year or a couple of years, I think that would be tolerable. But I think if you tighten the screws too much and extend it, then I think it is not a good policy because we believe in preventative maintenance. I think it pays off in the long-run but if you're looking for a short-run way to save money I think you can do it. But not in the long-run; it's counter-productive.

**MR. STEEN:** Well the reduction, Mr. Chairman, this year is down from a million dollars of a year

ago. Can the Minister tell us what the previous two years, for example, were in the way of dollars spent on preventative maintenance? Has it been higher than the million dollars in the past?

**MR. DOERN:** Last year previous it was \$871,000 for 1975-76. . . Beyond that I don't think we have the figures handy but you can see there was an increase of what' 15 percent. Maybe not quite. No, not that much. No, 15? \$871,000 to \$1 million.

**MR. STEEN:** Mr. Chairman, is it safe to say, then, that the dollar figure used in maintenance has likely never been higher than \$1 million in the past?

**MR. DOERN:** Yes.

**MR. STEEN:** Mr. Chairman, can the Minister tell us why his department people wanted another million and a half in this particular budget, and then obviously Cabinet had to strike the million and a half out. Is this a common occurrence that the department people ask for a half about two and times one, and Cabinet looks after them and gives them one instead of two and a half times one each and every year? Is this a common game that is played between administration and policy makers?

**MR. DOERN:** Well I sort of lost your second question, but the first one . . . First of all, there are more buildings that we're responsible for, some leased and some built. And, of course, in addition to that if you look at what has been happening to wages and materials over the past number of years there have been sharp increases in salaries and in materials. I think the honourable member probably received a copy of my comments yesterday. I asked that they be forwarded, and in there we gave the construction price index over the last five years — up 66 percent. And, you know, that's a good example of what has been happening.

Now the second part of your comments I would ask you to repeat. I'm not quite sure what you said.

**MR. STEEN:** Well the Minister, Mr. Chairman, mentioned that about a million and a half dollars had to be deleted from this particular budget.

**MR. DOERN:** No, no, \$150,000.00.

**MR. STEEN:** Oh, \$150,000.00. Oh, it was my error then.

**MR. DOERN:** It was about \$870,000 to . . . It went from \$870,000 to a million. And as I said we requested another \$200,000 but we not only didn't get the \$200,000, we were knocked down to \$876,000 which is back to where we were a couple of years ago.

**MR. STEEN:** Mr. Chairman, I misunderstood the Minister. I thought he had said a million and a half was deleted, meaning that he would have lost a good-three-quarters of his total budget. My apology for my error.

**MR. DOERN:** That's fine.

**MR. CHAIRMAN:** The Honourable Member for Minnedosa.

**MR. BLAKE:** Mr. Chairman, I wonder if the Minister could tell us what portion of this preventative maintenance budget was spent on the sandblasting, or whatever you call it, that was done to the actual building itself, here.

**MR. DOERN:** This building?

**MR. BLAKE:** Yes.

**MR. DOERN:** There was no sandblasting.

**MR. BLAKE:** Well the cleaning, or whatever, the scaffolding that you had around here for a year.

**MR. DOERN:** Yes. Well what we did, basically, I think we were replacing the mortar around the building. It wasn't sandblasting. I guess it's the original mortar and it had to be done. Now I think we did this over several years. I'll have to ask my director. It was an expensive proposition, over a two-year period, about \$175,000, or slightly more, \$175,000 to \$200,000.00. We contracted that out. But it had to be done and it was a rather laborious job.

**MR. BLAKE:** Was this contracted on a tender basis?

**MR. DOERN:** Yes.

**MR. BLAKE:** That's fine, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 100(b)(4). The Honourable Member for Crescentwood.

**MR. STEEN:** That item' Mr. Chairman, a rather technical question but maybe the Minister can answer it. Regarding the sandblasting.

**MR. DOERN:** There was no sandblasting. What it was was the stones on the building have mortar around them, I guess behind them, and between them, and we were replacing the mortar to hold them in place. We didn't sandblast the surface.

**MR. STEEN:** Then two questions, Mr. Chairman. Has the building ever been sandblasted, and secondly, how often does the Minister expect that this mortar is going to have to be replaced? What is the lifespan of this particular job?

**MR. DOERN:** We don't believe the building has been sandblasted, and secondly, in terms of the mortar, I would hope that we'd get another fifty years out of it. But, you always have a problem with sandblasting, and with cleaning domes, and so on. When you look at certain, I guess, copper domes like on the Law Courts, etc. I assume that's copper, is it? The green dome? Turning that green colour, and so on. Some people would probably argue that aesthetically that's ugly; others would argue that it's beautiful. I tend to the view that it's beautiful, having seen a lot of older buildings in Canada and in

Europe, if not beautiful certainly acceptable and may be far worse to clean it. And you're always confronted with a building as to whether or not you should sandblast and I haven't heard the suggestion made in regard to this building. I've certainly thought of it and I'm sure others have, but I would assume that it's not necessary, I'd put it that way. But I have looked at some of our other buildings. I think the Land Titles building, I was looking at a few weeks ago and it strikes me that there could be some cause there for clean-up, in terms of staining and accumulation of pollution and dirt over a long period of time, but we do not have it in our budget or we do not intend at this time, to undertake that type of an activity.

**MR. STEEN:** Mr. Chairman, through you to the Minister and to his technical people, is sandblasting just for cleaning purposes and that's all that is derived from sandblasting?

**MR. DOERN:** Yes.

**MR. STEEN:** That's fine, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 100(b)(4)—pass; (b)—pass; Resolution 100(c) Improvements to Grounds, Alterations, Furniture, Furnishings and Incidental Expenses (1) Salaries and Wages. The Honourable Member for Crescentwood.

**MR. STEEN:** Mr. Chairman, can the Minister tell us how many persons make up this salary item?

**MR. DOERN:** 97.

**MR. STEEN:** And can the Minister tell me if this is the same complement as last year?

**MR. DOERN:** Yes, it's the same.

**MR. STEEN:** Can the Minister tell me what are the basic jobs of these 97 people because there is, in my opinion, Mr. Chairman, a difference between improvements to the grounds and maintenance. Perhaps the Minister can sort of define how these 97 people perform their jobs differently than the 563 under maintenance.

**MR. DOERN:** Maintenance people do the day-to-day work and the construction forces, I guess they do the renovations or new construction, the general distinction being that sort of smaller renovations are done internally and larger ones are done externally. Now you wanted a breakdown of the 97 SMYs and I'll just try to dig that out here. Here we go — 18 SMYs in administration, and then we have the trades — 22 carpenters, 8 electrical, 4 plumbing, 7 painting, 8 upholstery, 13 trades helpers, 6 miscellaneous, 11 contingency.

**MR. CHAIRMAN:** The Honourable Member for Crescentwood.

**MR. STEEN:** That's fine, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 100(c)(1)—pass; (c)(2) Workshop Operations. The Honourable Member for Crescentwood.

**MR. STEEN:** Mr. Chairman, could the Minister tell me what is really meant by Workshop Operations and give me a little description?

**MR. DOERN:** Well, there are construction forces there. We have, for example, some excellent people working on furniture' refinishing tables, upholstering chairs, etc. And then we have our materials management people who are getting into bulk buying, etc. They house their material out there. That's in our Vine Street workshop.

**MR. STEEN:** Mr. Chairman, under (c)(2) Workshop Operations, are there salaries in that figure of \$397,000, or the persons that he spoke of in his previous comment, are their salaries in the above item (c)(1)?

**MR. DOERN:** Salaries are (c)(1).

**MR. STEEN:** So, Mr. Chairman, the 97 persons that the Minister spoke of, that includes the persons working in the workshop operations as well?

**MR. DOERN:** Yes.

**MR. STEEN:** That's the full complement of persons all the way through items (c)(1) to (4)?

**MR. DOERN:** Yes.

**MR. STEEN:** All right. You can pass on to . . .

**MR. CHAIRMAN:** Resolution 100(c)(2)—pass.

This would be an opportune time for us, in accordance with Rule 19(2), to interrupt the proceedings of the Committee for Private Members' Hour. I will return to the Chair at 8:00 p.m.



**ESTIMATES - CONSUMER AND CORPORATE SERVICES**

**MR. CHAIRMAN, Mr. William Jenkins (Logan):** I would refer honourable members to Page 15 of their Estimates Book, Resolution 39, Rent Stabilization (a) Salaries \$491,900. The Honourable Minister of Consumer, Corporate and Internal Services.

**HONOURABLE RENE TOUPIN (Springfield):** Mr. Chairman, I took as notice a question from the Honourable Member for Wolseley that I would like to put on the record although we went past the item. It's pertaining to staff complement in the section of Communications. I indicated to the honourable member that my feeling was that the staff complement remained the same for the last four or five years. This was checked and it has proven to be true. The staff complement is the same since 1968. If you compare it with Public Accounts it sometimes shows a difference because of the way Public Accounts shows staff complements but apart from that, the statement that I made is true and it has been the same staff complement of 16 since 1968. I can have this sent over to the Honourable Member for Wolseley for his records.

The honourable members of the House have been circulated, Mr. Chairman, with an Annual Report from the Manitoba Rent Review. Hopefully some of them have reviewed the the following effect of the decisions made by the rent review office: rent rebates ordered \$1.5 million in phase one; rent increases denied \$1.6 million in phase two; total dollar change for both periods \$3.1 million. Since this reflects only two-thirds of the units, Mr. Chairman, dealt by the agency, it would be reasonable to assume that, upon completion of the analysis, the rent stabilization program would have prevented rent increases amounting to approximately \$4.6 million.

It should be further pointed out that 75 percent of the units did not pass through the agency and I repeat, 75 percent of the units did not pass through the agency. There are approximately 100,000 rental units in the province and only 25,000 were applied for to the agency. It is known that many rebates and rollbacks in rent were made to tenants by landlords on their own initiative, rather than make application for higher increases. The exact dollar figure is not available since landlords were not required to report this. Therefore, it is reasonable to assume that the amount of dollars transferred from landlord to tenants has been substantially higher than this report since this report reflects only approximately 25 perindicates' cent of the rental market.

Here's a few statistics, Mr. Chairman, pertaining to the two phases that we are discussing. Phase one: total number of decisions analyzed 782; total number of units analyzed in phase one 20,000; total number of decisions greater than 10 percent, phase one 385; total number of decisions equal to or less than 10 percent in phase one 427; average rent increase allowed per unit in phase one 12.5 percent.

In phase two: total number of decisions analyzed 723; total number of units analyzed 19,000; total number of decisions greater than 8 percent, 473; total number of decisions equal to or less than 8 percent 250, for an average rent increase allowed per unit in phase two of 10.6 percent.

Analysis of decision handed down by the Appeal Board in phase one: total number of decisions analyzed 305; total number of units analyzed 11,584; total number of RRO decisions varied upward in phase one 90; total number of decision equal to or less than that of the RRO 215; average rent increase allowed per unit on 305 appeals: RRO 11.15; the board 11.32 percent; average rent increase allowed per unit for those 90 decisions varied upward: RRO 11.45; the board 14.27 percent.

In phase two: total number of decisions analyzed 305; total number of units analyzed 11,524; total number of RRO decisions varied upward in phase two 90; total number of decisions equal to or less than that of the RRO 215; average rent increase allowed per unit on 305 appeals: RRO 9.93; the board 10.32 percent; average rent increase allowed per unit for those 90 decisions varied upward: RRO 9.77, and board 11.74 percent.

I did, Mr. Chairman, want to lay these few remarks in the record before we pursued this item.

**MR. CHAIRMAN:** The Honourable Member for Wolseley.

**MR. WILSON:** Well I realize the concept under this Rent Stabilization thing, however, we are under Salaries, and if I could possibly cover the whole works at once — well maybe not quite, but what I'm concerned about is what happens since this program is tied into the National AIB, what can the Minister crystal ball or indicate to us is going to happen when this program ends, does he have any idea what's going to happen to his 38 people that he has on contract — where is he going to disburse these people, are they going to be laid off, what plans does he have for them? I noticed in the media that they were planning on unionizing under CUPE and yet I wonder if the Minister could comment, how long he figures this Stabilization Program will continue, if he would. What's going to happen to protect the people on fixed incomes when this program ends? Does the Minister honestly feel that he has been successful in stabilizing the rental markets? I would just like a few of his suggestions and comments pertaining to what he feels will happen when these controls come off?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. TOUPIN:** First of all, Mr. Chairman, the amount of salary in the budget for 1977-78, there is no permanent positions, all people are on term contract (6 months). In regard to rent control, that's a

statement of the honourable member in regard to rent controls being tied into AIB provisions.

There was a question posed to the Honourable First Minister a couple of weeks ago I believe, in regard to either the ceasing or the continuation of rent control following the lifting of AIB provisions, and the answer of the First Minister was that rent controls would not necessarily be lifted when AIB has ceased. So that means two things: first of all, phase two goes up to September 30th, 1977; the government will have to decide when the third phase will take place and at what percentage increases will be allowed.

I'm not in a position at this stage to discuss government policy pertaining to continuation of rent control. I happen to believe, and I've said this publicly more than once, that rent controls in itself will not rectify the problem that we have in this province. I have just indicated some of the financial results of rent control for at least one segment of society, that doesn't mean that you would get all landlords pleased with that kind of result but at least some tenants — the majority of tenants should be, I believe that the stock of housing is the major problem that has to be dealt with by all three sectors, and I did discuss that on the Estimates of Co-operative Development. When I speak of the three sectors, I mean the private, the public, and the co-operative sector. Once the level of housing stock is at a stage where we can meet demand or need, then we can talk of lifting rent controls. I don't believe that it would be wise to discuss that possibility now.

In regard to the employees now with the office here, or those contemplated to be placed in employment, and wanting to have themselves represented by Union, that's their right — if they want to be represented by a Union nothing that I will do or staff in the rent office that will attempt to prevent that.

In regard to continuing to protect individual tenants following the lifting of rent controls, is something that I believe that either that will be had through the marketplace itself by means of an adequate stock of homes or apartment suites or it will have to be done by another type of control that we see elsewhere in Canada. The type of rent control that we have here or have been living with here for the last few years is necessarily not the ultimate, we can look at other provinces in Canada where they have had rent controls for many years. I believe that the Province of Quebec, as an example, and Montreal, goes back about twenty years. . . thirty years, I'm informed. But that's a completely different type of control based on complaint, and it doesn't necessarily involve everyone in the given block once a complaint is lodged. If we are to, and when we do contemplate changes in regard to control by means of the third phase, I have indicated that we'd either be looking at amendments to the Act, and/or regulations and the signs are out that regulation amendments are in order, and that will be considered very shortly. I'm not hoping to bring amendments by means of the Bill, but deal through amendments that are made permissive by the Act to be done by regulations.

**MR. WILSON:** Well continuing, the Minister of course . . . I wanted to get his comments as to whether he felt that the exercise and the expense had been worthwhile in controlling the rental markets. I notice in his figures that he talked about that a \$1.5 million windfall had been given to the tenants of the province; however, in his Order for Return which again the information probably is about six months old, but he quotes that, "The cost of operating the Rent Review Board is \$566,900.00. Mind you it did create 38 contract positions, I believe, but what we have done is spend \$600,000 to give back \$1.5 million. So we have to assume that . . . I'd like the Minister's views as to whether he thinks the exercise has indeed controlled the rental market.

One of the things I noticed about the advent of this, and again these are my personal views only, but it seems to me that what we have done by not looking at some tax concessions for property management people . . . I realize we were hoping in the Federal Budget there would be some capital cost allowance, a move to encourage investment in apartment blocks and building what have you, but it seemed that a lot of these older blocks because of rent stabilization or rent control that they're getting the same rents as new construction blocks because of the demand and also the shortage of accommodation, and also because the new construction is blessed with a Federal subsidy, and it seems to me that what you have is a lot of people on fixed incomes who, especially in my constituency, are finding that their older, gracious blocks are now as equally expensive even though they're 30 - 40 years of age, as newer blocks in the suburbs. I just wanted to make those comments to the Minister in that area.

Again, it seems that what we have done is gone complete circle and I think the way we had it before might have been the answer, but what we've come is rental property has now become a business, a profit and loss statement seemed to be the almighty factor and it's a tragedy that it had to come at this time because there's this pressure to put the apartment blocks as a business making a certain profit, and of course with high interest rates one can say they could invest in a nine percent Manitoba Hydro bond or something, and Manitoba Government bond, and why bother operating a block for four and five percent.

But under the old system many doctors and that would buy apartment blocks and not be concerned about gouging the tenants because they were buying that so that any loss they had could be deducted from other income. It would seem to me that if some type of concessions — and I say

these are my own personal opinions — I would suggest that if some tax concessions would mean no increase in rent because what would happen is there would be an encouragement for landlords to write off the improvements, and I think of many instances that I know in practical experience where if they could deduct these improvements . . . it's been suggested they would emphatically endorse smoke detectors and other things if they were allowed to use these as deductions.

I would also like to see the government get involved in five percent loans to upgrade some of these blocks that are 20 years of age and over, because a landlord thinks twice about borrowing money at 18 percent or even 14 to go out and fix up an apartment block. So if he had these types of low interest loans I'm sure that, together with the concessions, that we would have a very very interesting improvement in housing stock.

It just seems today we've gone complete circle because the Landlords Association and the landlords that I've met seem to be emphatic about the profit motive today, whereas the landlords that I met prior to 1969 when I was in that business of dealing with property management people, they seemed to be more of a professional type. There was a lot of very responsible people that seemed to own a lot of this revenue property as, not only a hedge against inflation, but as a life insurance policy, and what we've done is turned it sort of into a profit and loss statement which is bound to affect the tenants because they are then put in the position where they're going to have to pay. So this is a fact of life today, and I think the Provincial Government could look at something. If the Federal Government isn't interested in capital cost allowance there should be some concessions from the provincial level.

I also thought about the many blocks that I've been into, that I know the landlord if he could deduct the smoke detector, the new fridge or anything like that that he might put in as an expense, I'm sure rents wouldn't go up. So what I am doing is basically challenging the Minister to offer his own suggestions. I'm making mine. I'm not in a position to solve the dilemma. I've spoken to many property management people and not all the landlords in this town are members of the Landlords Association. In fact I would suggest less than half of them. But the ones I speak to seem to just feel that they need some leadership from government because they're tired of knocking on doors and they are just taking a wait-and-see attitude.

I would like to see the Minister again comment on this very important undertaking that he has had, as to whether he feels the exercise has been worthwhile, because while he did succeed through his program in giving back rebates of \$1.5 million, he talked about 75 percent of the 100,000 units solving their own problems. I think that it's an indication that most people in Manitoba are responsible and honest, that the heavy hand of the government's staff probably wasn't necessary because 75,000 units were solved without a heavy hand and we are talking about equity because many complaints that have come across my desk have referred to landlords who naturally are always looking to ways to compromise or to deal with a system. Say if they had a washer and dryer in the basement that was coin-operated that used to be 10 cents because they felt it was more of a convenience to their tenants, so they felt that well, I can't get the proper increases for my 50 percent hike in the water bill, so they changed the 10 cent laundromat machine to 25 cents. And what were we talking about, just a few dollars, but down would come the heavy hand of the Rent Stabilization staff. I'd like the Minister's comments as to whether he's heard that there's been a lack of equity amongst this new department; equity in dealing with landlords and tenants.

I also refer and I'll close off my remarks with — it's not really that important — but I always seem to be tripping the Minister up. I got him yesterday on the Christmas cards and today I'm going to try and get him on this one. —(Interjection)— Well, the point is that I have information and I just test the waters. I asked the Minister if any of these rent review officers hired were from another province prior to them being brought in here to work for his department, and the answer was "zero".

I have information, and again it was suggested to me, it's not my own research, that a good friend of Mr. Cy Gonick's a Mr. Ron McLaughlin was brought in as a rent review officer, and nobody needs to know what party Mr. Cy Gonick endorses.

I was kind of unfair to the Minister last year when I talked about nepotism, but now I'm talking about politicizing new positions on contract that are created. I remember in Mincome under the Minister of Health I proved that most of them were American citizens that were hired on contract and —(Interjection)— oh yes, again this is for information of the public. I just wondered — if this information is true that Mr. McLaughlin was brought in from the Dimensions Magazine or from whatever magazine he was working for in Alberta then the answer to the Minister's No. 5 question should be changed from "zero" to "one".

**MR. CHAIRMAN:** Resolution 39(a), the Honourable Minister.

**MR. TOUPIN:** Well, Mr. Chairman, it depends whose axe is being honed when we talk about rent controls being beneficial to one and/or the other.

If you talk to tenants that have had their case dealt with by rent review officers or by the board itself on appeals, results do indicate as I've laid them before the committee, that tenants have had a

beneficial effect because of rent controls.

If you talk to landlords who have been kept at a base that is considered by them to be inadequate financially, some of them are suffering. That's rough justice as I call it, to say the least, for some landlords.

If rent controls had not been established and they had premeditated a low base for a given period of time they could have lifted that say after one or two years. But that is not possible under the legislation that we operate under. We can't alter the base as far as I'm concerned by means of regulation. We would have to have an amendment to the Act. But we could allow by means of regulations pass through of costs that are considered to be a financial burden to some of the landlords under constraints, and that is being considered.

But again the results of rent control are rough justice to say the least for those making those types of accommodation available. It is not a mode to solve the problem of housing, far from it. It will only hold it in abeyance.

In regard to incentives, I happen to believe in incentives. I don't know if my conception of incentive is the same as the Honourable Member for Wolseley. I believe in offering incentive for people to provide for themselves. Now does that mean landlords? In some cases it may mean a landlord that is owner-occupied within a given facility, and that's something that I believe the Minister of Finance will be able to deal with when we get to the budget. But I happen to believe in that, whether it be for the landlord and certainly for the tenants or those desirous of building a home for themselves under sweat equity. I happen to prefer that system.

Presently there's a question of staff. There's 29 staff under contract. That's below the allotted amount for 1977-78. We have 35 staff man year allotted for. —(Interjection)— Yes, 29 total, all contract, 29 now, a total of 35 for the fiscal year we've now entered into, all told.

As an example, Ontario hired 600 staff with a budget of \$14 million. —(Interjection)— Yes, I know. The Honourable Member for Swan River talks about population. You could cut the ratio by ten and say \$1.4 million here and with 60 staff, if you go according to ratio. We're talking of a budget of a bit less than three-quarters of a million with about 35 staff. I say that if we went to the Montreal type of control of rent, that would be even less because it would be based on complaints which is totally different.

In regard to supposedly nepotism, I'm surprised that the Honourable Member for Wolseley didn't bring out the individual with a similar name as I have. I believe her name is "Toupin". I've never met her. I don't even know where she's from.

**A MEMBER:** You ought to, she's lovely.

**MR. TOUPIN:** I didn't hire her, she was there when I became Minister responsible. I hope she's doing a good job and that she remains with us for many years. It's unfortunate, I'm just told that she's gone, and I didn't even get a chance to meet her.

I am informed by the Director that people were not hired because they were friends of anyone. Mr. McLaughlin was not brought in. He moved to Manitoba and was not employed by any magazine to our knowledge. He has a degree in Commerce and Engineering.

I believe that deals with the questions of the Honourable Member for Wolseley.

**MR. WILSON:** Very quickly — well first of all dealing with Mr. McLaughlin — as I say it's nice to see that people with a Commerce degree are working in the Rent Stabilization area. I didn't realize the qualifications were that high, but I welcome him to the staff. However I did want to speak about Phase III the Minister alluded to, because I'm on the side of the tenants on fixed income and handicapped people, and I'm very concerned about the tenants in my area. I'm just wondering if Phase III will require a staff of 35. Could we not have a staff similar to the Rentalsman staff where we would be down around 10 to look after Phase III, once controls are off to look after people that are going to be in an area of dispute. In other words, if complaints come in from tenants from older blocks that rents have gone up, say the landlord takes advantage of the situation and tries to increase the rents by 20 percent, those are the kind of people that I am concerned about and I want to protect the tenants and see they have some vehicle, some government vehicle to go to for a hearing. So if the Minister would just clear that up we could get off this item.

**MR. TOUPIN:** Mr. Chairman, first of all I'm not in a position to talk about Phase III because we haven't decided in regard to what percentage increase will be allowed in Phase III, what the amendments to regulations will be, that hasn't been considered by Cabinet.

In regard to staff complement, I'm not interested more than the Honourable Member for Wolseley is with regard to having a staff complement in excess of what is considered to be advisable to deal with complaints and adequately with the appeals that we get. So right now I indicated that we haven't filled the staff complement as it is provided for within the Estimates, and I don't intend to fill it unless there is a specified need. If that means 20, if it means 30 or 35 we don't intend to exceed the 35. Yet we have to look at it in perspective, Mr. Chairman, in regard to complaints and being able to deal with appeals in a reasonable amount of time.

**MR. CHAIRMAN:** Resolution 39(a). The Honourable Member for Assiniboia.

**MR. PATRICK:** Thank you, Mr. Chairman. I want to make a few points under this item and I am concerned by some of the statements that the Minister has made to the House. He indicated that the rents are not tied to the AIB or will not be tied, and still he gives us no indication what the plans are going to be of the Minister. I think it's important.

I'm sure he's aware that the Province of Ontario has taken action and has dealt with Phase III and has at least indicated to the people, to the tenants and the landlords what will take place.

My concern is, and I'm sure that. . . I see the Member for Fort Rouge is here, perhaps my thinking on this is somewhat different than his but I am concerned what is happening in the housing stock — I'm concerned that there is no apartments being started, and there is no new starts, and surely the Minister should indicate and give the people, the construction industry, the investors, some indication, and as well to the tenants, what his intentions are. I'm sure that if come this September, that the Minister will not deal with Phase III then perhaps there should be some kind of a monitoring agency established that will deal with the abuses, and I want to indicate to the Minister there will be abuses, that's the reason I'm sure that in the first place there was a requirement of some rent stabilization program. I'm certain that the Minister knows that it's very few that perhaps do abuse the system. So I would like to know, what is the long-range objective for the rent stabilization as far as the Minister is concerned? I would have hoped that perhaps you know the Minister would have had a chance, and the Cabinet would have decided by now, what the course of action will be — what course of action the government will take? Will they deal with Phase III, will the rent stabilization disappear? If it disappears, fine — perhaps we will get more apartments in the market, but, at the same time I believe that the Minister will need some kind of monitoring agency to see that the abuses are curtailed to a minimum or as few as possible.

So the point that we were discussing, the staff here, and if we were able to manage the whole program with a staff of 35 — is that the total staff, the ones on contract and not on contract I wonder if. . . — (Interjection) — how many? Well I would have to say that they must have done a marvelous job, they must have been working like 18 to 20 hours a day, and perhaps catching abuses from both sides; the tenants and the landlords in the process because as the Minister indicated, in some instances, and perhaps in many instances, a Rent Stabilization Program was perhaps rough justice to many landlords, and perhaps some tenants as well when they felt that 10 percent or 8 percent was maximum, and somebody was able to increase over and above that ratio that was in legislation.

On the other hand the landlord had got himself in a fix and a real bind, in a real bind, that he did not have enough revenue to pass through his expenses and was caught in a dilemma. I can indicate to the Minister from personal experience where I see twelve or fifteen-year old apartments selling at \$8,500 per unit — some have sold as low as \$8,400 and \$8,300 per units. It's pretty hard to accept, there must be a problem in the industry, and serious problem because you can't replace those units today anywhere between \$25,000 or perhaps closer to \$30,000 per unit, and they are selling at \$8,400.00. In fact, it's probably the best investment that anyone can make, but the problem is there are varied difficulties that people have that made investments, that find themselves in a bind, and they can't meet their mortgage costs, and other expenses.

So again I say to the Minister, let's not hide and let's not wait till Fall and tell the industry nothing, let's start planning some constructive proposals. I'm sure the Minister can meet with the industry, and say well look — if we are going to phase out the Rent Stabilization Program, we are going to come in with some monitoring program to curtail abuses, very high increases but we want more units to be started and put on the market. The Minister has not indicated this to the House at all. Some of the other provinces I understand are already dealing with Phase III indicated if they are going to stay in the program or not. The Minister says it's a Cabinet decision, we haven't decided, because if you don't decide, and then you are going to decide in September, it may be quite late by then, and all you are going to do is increase the workload of your staff, if you stay in the program, tremendously. So all I can say to the Minister — he better start planning now, and tell the people, tell the landlords, meet with the industry, and tell them what you expect, and I'm sure that it could be — at least the industry will be satisfied that what you are trying to do is the right thing to do, and perhaps we can start getting some new units on the market.

But, I am concerned by the remarks of the Minister when he says that he hasn't planned, he doesn't know what he is going to do, and the Cabinet hasn't decided. I know he said that personally he would like to see some continued program of monitoring. Well, that's fine but that's not good enough for the people, it's not good enough for the tenants, and I believe it's not good enough for the landlords, and the industry itself. I think they would like to know, and surely the Minister at least during this session, I think must be more specific in this area.

As far as the staff at the department, perhaps I again, did not get the full information — what was the full staff during the summer of the department, was it 35 or 29 or. . . it must have been much more than that to deal with all the applications. Because surely the 29 people couldn't deal with all the applications from the tenants and landlords, and all the complaints, there must be much more than that. I have no argument with them, I know that many of the staff people, what they have to go

through, and I think they have handled the situation quite well, and probably worked beyond the call of duty. My concern is with the Minister's statement that at this stage we don't know where we are going, we don't where we are at, and I think that we have to start planning, not only to see what will happen if the Minister decides to drop the stabilization controls, will there be some monitoring of abuses? On the other hand I think that again he should start getting together with the industry as well so that they wouldn't have any fears, and perhaps we can start somebody getting interested to investing in apartment units. I know the Minister will say it doesn't apply to the new units, but I can tell the Minister now there's nothing going on, and when I see what the ones that are ten years old and twelve years old are selling at, it's pretty difficult to understand what's happened. And what happened is there's a lot of people perhaps run into difficulties, in administration, and when you see that the rental units are selling at the price per unit that they are, it's not good. So I hope that the Minister can be a little more specific.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. TOUPIN:** Well, Mr. Chairman, I'd like to be able to be more specific in regard to the Third Phase, but I can't because that has not been decided. I appreciate the fact that the Second Phase ends September 30th, and those concerned, being landlords and tenants, will have to be advised well in advance, and I say well in advance — say by the latest the end of May — in regards to the details pertaining to the Third Phase and the rent increase allowable, and under what conditions that would be exceeded.

As the honourable member realizes, not all of the provinces have decided to continue in regard to rent control, Alberta still has not decided — we've spoken to them today. For the benefit of the Member for Fort Rouge, I have laid a few statistics on the record before he came in, in regards to some of the effects of rent control over the two phases in question. And in regard to Legislation, well the honourable member is aware — he was in the House when we discussed the Legislation — that it was not tied then to AIB, it is not now, it can be terminated by the Lieutenant Governor-in-Council, and that's what was intended. If it is decided by the Federal Cabinet to withdraw from AIB say, in September or October 14th, 1977, the indication, by the answer of the Premier to a question in the House, is that rent controls would not be tied into that, and we have the power under the Legislation to continue to phase them out or to continue them under a different form. That will be announced I say, well in advance, so that both parties affected will know where they stand.

In regard to staff, at the peak period, when all appeals were in and staff had to deal with all the different complaints that I enumerated in my opening remarks, there was approximately 60 to 65 people — that's contractual and seconded. Instead of putting on all contractual people we seconded staff from other departments of government. We often do that in regard to emergency problems, without having to hire staff, we will take, if it's a slow period in a given department, we will second these people for a given period of time, and that happened in regard to rent control.

In regard to having no starts, I have to defer with my honourable friend from Assiniboia, there have been starts — I have two separate reports here; one from CMHC, and the other one is from an Association in Winnipeg here that indicates quite a few starts in 1977. —(Interjection)— No, I'm talking about public and private. I have statistics here, I don't believe that I should read all the statistics but CMHC indicates; as of September 30th, 1976, and I have figures here up to February 1977, but I'll read the figure as of September 30th, 1976 — 2,951 apartments were under construction compared with 2,542 units under construction on March 31st, 1976. However, it should be pointed out that apartment starts have been increasingly sensitive to government assistance. Of the 2,303 Winnipeg apartment starts recorded to the end of November 1976, 1,979 were public assisted. The assisted rental program was responsible for 1,285 of the apartment starts — only 12 units have been conventionally finalized. The other report deals with housing generally in regard to housing stock in the province up to the end of February 1977.

In regard to meeting with the industry, I personally have met with the industry on several occasions. By the way, I had a meeting set with them this afternoon at 3:15 p.m. that I had to set aside — the Premier has a meeting with them, with some of my colleagues but that's about the rate. But I've met with different sectors of the industry, I'm talking about HUDAM, I'm talking about those involved in co-op housing, I'm talking about tenants, individual tenants, groups in associations, and so on. So it's not a question of not wanting to discuss problems with those involved with controls, but it's a question of attempting to be equitable pertaining to both parties, the tenants and the landlords. And that's the reason I said in my opening remarks, that we are contemplating amendments to the regulations allowing for what we consider to be fair pertaining to pass through of certain costs that were not allowed under existing regulations.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. LLOYD AXWORTHY:** Well, Mr. Chairman, I apologize to the Minister for not being here when he introduced this particular topic, I think he knows that it's of some interest to me, and I regret that I wasn't here, so if any of my comments are redundant in terms of what he has answered, I hope he will

feel free to interrupt me and change the course, because I wouldn't want to waste any of his time nor mine.

But, I think, Mr. Chairman, that the position of the government generally still needs clarification, and just from what I heard in terms of his answer he gave to the Member for Assiniboia, that the uncertainty that still exists in the minds of both tenants and owners will not be relieved in any way by what they have heard today, and that uncertainty, Mr. Chairman, is already having very serious consequences. I can give a case in point where I guess in the last 3 or 4 weeks, I've had representations from a number of tenants who have received their new leases. As we know in the Winnipeg housing apartment market the majority of leases generally come due on a July 1st date. Because of the workings of the Landlord and Tenant Act — three month's notice must be given, and what is happening in many of those leases is that owners are assessing rents at a higher rate than the allowable eight percent that is presently existing under Phase II. In other words, they are already predicting their rents for the new rental period on grounds that there will not be any form of control program. I would think that if the representations that I have heard are in any way a sampling, that that is becoming a fairly widespread problem, and will only lead to a tremendous complication in administration later on, if in fact, a Phase III of some kind is brought in.

And I think in part, Mr. Chairman, the confusion is caused by the fact that the Premier, at the third day of this session, declared quite unequivocally that he was not going to continue with the Rent Control Program beyond October 1st of 1977. Since then there has been statements by some other Members of Cabinet that perhaps there would be some continuation, but, Mr. Chairman, when the Premier of the Province indicates, fairly straightforwardly, that there is not to be any continuation of the program, that I would believe is the signal that has been given generally to the industry and to tenants alike. That is done I think in the face of some pretty harsh realities of the housing market which I'm afraid the Minister glossed over pretty quickly in his statistics that he just recited. He should have recited the more recent ones that he has because I have them as well, dealing with the 1977 starts, and he conveniently used those that were in 1976 which was a more favourable year. But, if you look at the starts as of February 1977, which are the most recent ones, you notice that the apartment starts in the City of Winnipeg are down substantially from 1976, and in fact, there was only 96 apartment starts in the whole month of February compared to 403 the previous February, and all of those starts, all 96 were Assisted Rental Programs which is a Federal Housing Program. There wasn't one privately initiated housing start that didn't have some form of subsidy attached to it, and none of them were in locations that could be called central city or inner city of Winnipeg, they were all in the suburban areas. The vacancy rate in the City of Winnipeg is still hovering around one percent which means there is no market in housing, and in some sectors of the housing market there is almost virtually no vacancy rate at all, which means that if there is to be any reliance that if a control program is lifted, there is no market to control costs. You need, by most economists' assumptions, a minimum of 5 percent vacancy rate to have any kind of effective market control in the housing area. Now when you are hovering around one percent you don't have a market, and therefore, it's estimated, and I just did some rough calculations, that we will be in a situation of total catch-up which would mean that owners, if they so desired, would try to recapture all their losses over the past two years, which means that rent increases could go up as high as 30 percent, perhaps higher, and there would be no market system to control it otherwise. The clear lesson from that, Mr. Chairman, is that frankly some form of rent restraint program has to be maintained. And I don't know why the Minister and the government are so reluctant to say so frankly, because, by not saying so, they are only exaggerating the problem, compounding the error, and continuing the confusion, when in fact they know, and everyone else that has studied the problem, knows that there has to be — if nothing else, some continued form of restraint program beyond the October 1st deadline — if nothing else, as part of a transition period. And that transition period would have to continue as long as it takes to hype-up the housing market in Winnipeg so we would have sufficient starts, so we can raise our vacancy rate, so that if there is to be any market control it can come back into effect.

Now beyond that, Mr. Chairman, I think that the Minister is also backing away from one of the hard conclusions that are being drawn from our Rent Control Program, which is that there is going to have to be a substantial form of rent supplement program introduced. Because, even in many cases where there is a control program on and the control program is residing around 10 to 12 percent increases, many people simply don't have the income to afford those. I think I can provide him with pretty sufficient evidence to demonstrate that there are many families — in fact, I think I have it right here if he wants to see it — where perhaps about close to 30 percent of tenants are paying upwards of 40 to 50 percent of their income on housing in the apartment market. Which again leads to, I think, a very obvious conclusion.

So, Mr. Chairman, I would simply suggest to the Minister that I don't think he has a choice and all this attempt to say we are looking at it and studying it, investigating and examining, is wasting time. I don't think he has a choice in this case. I think he has got to maintain a form of restraint program.

Now, the form it takes could be different. It doesn't necessarily have to be the continuation of the

same kind of stabilization program. There are many variations, I think there are as many forms of rent control as there are housing designs or building forms. There is a wide variety of mechanisms available to him. And it would have been a much more productive exercise that rather than engaging in this sort of hamlet-like indecision of the government, if they had, in fact, put forward a couple of very specific propositions about changes in the mechanism or alternatives that might be looked at, so that they could be debated in this House, they could be examined by people in the industry and there could be some public intelligence brought to that today. This again hasn't happened and I think again we are going to pay a price for not having really opened up the issue of alternatives much more succinctly and directly than we have.

So, Mr. Chairman, that would be the point that I would first want to make because I think . . . attempt to suggest that they have a choice. It means that it is going to be a Hobson's choice, a choice that really isn't one at all and if there is to be one it will simply mean that you are going to suffer from either side. I would provide, in a sense, my condolences to the government. I know it is not an enviable position to be in but they are in it and they have to make the decision. Frankly, Mr. Chairman, every day that the Minister waits, he is asking for increasingly more trouble in the apartment market.

But not only is there uncertainty in terms of investment in the housing market to increase supply, there is also certainly a high degree of uncertainty in terms of what rent should or could be charged and will be charged. In the meantime the costs of administration, if, when and how, and I expect there will be a third phase program, in fact I would so predict there will have to be, will be even higher than those simply because of the time-gap that is being allowed to develop. And I would suggest that while Alberta which I think is somewhat of a special case, hasn't decided, almost every other province has so decided. The Province of Ontario in fact decided well over a month ago that it was going to continue a program at a six percent rate. Not at an eight percent rate, at a six percent rate. Considering that housing costs in much of the Ontario market are even more or equally inflated than they are here, then that would presumably be a standard that we would have to examine.

I am concerned, Mr. Chairman, that we are not being given that kind of assessment so that in this particular debate on these Estimates which are very crucial to 100,000 people who are tenants in the City of Winnipeg and probably another 100,000 families outside of it, they simply don't know what to do.

Now if we want to get down to looking at specific problems with the present program, I have a number of questions to raise on that but I would like to hear perhaps if the Minister would frankly concede that he is going to have to continue the program in whatever form it may take and that it would be much fairer and it would be far more productive if he could give us some of the options in terms of alternative mechanisms or formulas that could be used so that we might be able to talk about those.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. TOUPIN:** Mr. Chairman, again the Act itself, as we know, doesn't leave it to the House to discuss the provisions of phase one, phase two, phase three or whatever phase is to be considered, or when, if ever, controls will be lifted. That is the responsibility of the elected government, to be done by the Lieutenant-Governor-in-Council. I said that I was not in a position to discuss phase three at this time because we as a Cabinet have not decided. That doesn't mean that I as a person or I as a Minister and being the Minister responsible for the Act, will not have recommendations to Cabinet. I certainly will have based on some of the information that I laid before the House as my opening remarks. And I repeat, Mr. Chairman, that rent controls in themselves will not rectify the problem of housing, because we can't say that rent controls by themselves have prevented starts in regard to the housing stock in the province, because new starts, new accommodation is exempt from controls for a period of five years. So we can't blame rent controls because we had less starts in 1977 as compared to 1976, the honourable member is quite correct. And I do intend to have a decision made by Cabinet, I did say — I can't recall if the Honourable Member for Fort Rouge was in the House — by, say at the latest, the end of May. He talked about contracts becoming due in July, well obviously, if a decision is rendered in regard to the rate and conditions of the third phase by the end of May, that that would be adequate time to discuss same.

I have to differ with the Honourable Member for Fort Rouge, Mr. Chairman. We do have a choice. We do have a choice either to continue or to cease our rent controls. That is a power given by the Act to the Lieutenant-Governor-in-Council. Based on the results, at least of one segment of society being the tenants, yes, there is beneficial effects to tenants. On the other side of the ledger, you look at detrimental financial effects to landlords. And we have to try and weigh the consequences to society as a whole. That is what will be attempted to be done in regard to some possible amendments to the regulations, pertaining to some pass through. But the pass through costs that will be allowed to addition to what we had in phase one and phase two, for phase three, will have to be passed on to either of two sources, one the tenants or the other at the taxpayers' expense. These are the two only alternatives that we can look at pertaining to phase three in regard to additional costs.

I did indicate that Alberta had not decided pertaining to continuing in rent controls. Another



report that I get from Alberta two days ago indicates that if they withdrew from rent controls the suggestion is that the increase would be about 42 percent.

Now, you know, what do we do in cases like that? I think we have to deal with some of the problems caused by inflation. But you know what the Honourable Member for Fort Rouge is telling me as a Minister responsible for an Act, Mr. Chairman, can be said for other levels of government, being the Federal Government, when we talk about AIB controls and they talking of withdrawing late in 1977. You know, that is certainly their decision and that is not left in the bill, it is left up to the Federal Cabinet to decide, the same as it is in regard to rent controls. We can decide to continue by an Order-in-Council or to withdraw by an Order-in-Council. And what I did say, is that hopefully, based on factual information being provided to me now by both my Planning and Research secretariat and Consumer and Corporate Affairs, and staff in the Rent Review office itself, that we will be able to make a recommendation to Cabinet well in time in regard to phase three.

The honourable member indicates a statement made by the Premier pertaining to not continue rent controls. I have to agree with him that there were statements made by the Premier to that effect. But yet when asked in the House not too long ago, if rent controls would be tied in to AIB provisions, the Premier said no. And that to me indicates that we can look at a phase three and conditions of phase three. But I am not in a position to indicate what the conditions of phase three will be here.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, I think, in terms of the Minister's response, that in many ways and perhaps in more oblique fashion, he agreed with me although he didn't know it at the time. To begin with, when he suggests that the potential rent increase in Alberta would be 42 percent if they withdrew from a rent stabilization program, I think that figure in itself should be sufficient argument to suggest that when I say there is no choice, there isn't. The fact is it would be intolerable for almost every tenant to have to cope with that kind of rent increase all at once and therefore the requirement for a transition program is blatant and obvious. As I say, I don't see really what all the mucking around is about. I think that the commitment should be made now — this is the time to do it — that there will be a maintenance of some form of restraint program to alleviate the uncertainty that exists and then the details can be worked out. But to maintain the kind of state of limbo that we are in, I really think is frankly bad government right now. It is not good government. When the Minister suggests that somehow we shouldn't be discussing it, I have never heard that in the rules of this House, that in an area as important as this that somehow, simply because it is within the purview of an Order-in-Council, that we shouldn't be discussing a critical policy matter and I really think this is, frankly, trying to avoid facing up to the kind of issue that is obviously before us.

Mr. Chairman, I think that, as well, the Minister should realize again the supporting case that I would make to him, again was made in his own words when he referred to the decision of the Federal Government to try to phase out of its own AIB program, wage control program. The commitment made by the Minister of Finance in his budget speech was very clear and that is that there would only be a phase out when in fact there was something put in its place, where there were agreements made, whether through voluntary restraints or whatever, to ensure that prices would not exaggerate or jump way out of line. And if that would be the basis and only when those conditions were met would the AIB program be phased out. Now it would seem to me an equally cogent statement of policy in respect to this area would help to clarify the situation rather than to leave it as it now is, in an area of a high degree of murkiness.

At least, Mr. Chairman, I think that when the Minister states that he expects to have a decision by the end of May which is six weeks from now at most, that really does not help solve the problem because, as I point out, the majority, the large majority of leases, come due on July 1st. They are submitted three months in advance and usually the tenant only has a month to indicate whether in fact they agree or not to the terms of that lease. In many cases those terms of those leases are predicated upon the non-existence of a phase three program. Therefore I think, perhaps as a basic minimum, some instruction or guidance should be given to tenants as to what to do about their new leases that they are now receiving in large numbers. Should they, in fact, simply only agree to pay those portions of the lease which are under the present guidelines? Are we going to put an abeyance on The Landlord and Tenant Act provisions which are very clearly stated in the Act? Again, these are questions, Mr. Chairman, that have to be answered. It is something that is affecting the residential accommodation of tens of thousands of people.

Accepting that the Cabinet has not made a decision and won't, I think they could certainly indicate what their basic principle would be and if they can't even do that — I regret deeply that they can't — they should at least be able to suggest the kinds of steps that tenants and owners should be taking in the interim, in the transition or in the period until the time a decision is made to alleviate the confusion.

I would suggest this issue of what to do about the signing of new leases that extend beyond the October 1st period is something that is quite critical and I think the Minister, perhaps later in his Estimates or at some appropriate time, could make a statement to that effect if he isn't able to state it

now.

I also think, Mr. Chairman, that there are other issues involved. That if the Cabinet is considering a continuation of the program, then I think they will have to look at the issue of whether they will include those apartment units that are, in some form or other, supported by public funds, particularly Limited Dividends, Section 15, ARP programs. Because, the fact of the matter is that close to 60 or 70 percent of all our apartment units are now coming under those provisions. I think, as is now clear, at least it seems to be clear in many cases, these particular units have rent increases above and beyond those that are under the control program.

I would suggest that one of the really serious difficulties, if we look at the New York example, is to get into a situation where you have four or five different forms of rent control or rent stabilization or rent review programs. I think New York City has about four different kinds of programs all working in parallel and that simply only compounds the confusion. So it means, Mr. Chairman, that the issue of where we have decided to leave a number of units out of the program because they receive some form of public support, usually Section 15 money under the National Housing Act, and latterly the AIP program, what we are seeing now is that the way the housing market is going that will exclude most of the units that are being built in fact, because there is not really very many private apartment units that are being built without some form of public subsidy at this present time. Therefore we are in a situation, perhaps a paradoxical one, that the subsidized units in many cases are incurring heavier percentage rent increases than the non-subsidized units because they are under a control program. I certainly think the examination of that issue which has come to my attention, Limited Dividend projects in my area, and which have looked at the rent increases and it seems to be calculated — and I think Central Mortgage and Housing itself indicated that some of the units had a 20 percent increase over the past year — (Interjection) — Does the Minister have a question?

**MR. CHAIRMAN:** The Honourable Minister of Mines.

**MR. GREEN:** I gather that the program, as applies to all units whether private or public, would allow cost pass throughs of over the amount that is specified in the regulation. That is, if a person had a private dwelling or a private apartment building and was able to indicate cost increases beyond the eight percent or ten percent, that he would be able to apply those costs through the process and receive more than a ten percent increase in rent. So, if that is what is happening in the Limited Dividend Housing then they are being treated in exactly the same way and the Limited Dividend Housing, are they not dealing with cost pass throughs?

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, the Minister is correct that under Section 15 of the Limited Dividend Program that presumably the cost increases are simply passed through. What is interesting though and I think this is where the examination bears upon the increases allowed under the Rent Control Program, whether in fact the percent increases allowed are such that they take into account all those costs or are in fact being set on a fairly arbitrary figure of saying well, ten percent is the base and maybe in some cases we will allow, sort of, an extra three percent or four percent and that those kinds of shadings take place, so that there is in a full effect a pass through of all costs that would be included under the Limited Dividend Housing project. And that is the kind of examination that I think is required to determine whether, or in some cases, as we all notice in this kind of administrative system . . .

**MR. CHAIRMAN:** The Honourable Minister of Mines.

**MR. GREEN:** . . . agree that the public or Limited Dividend Housing should not be operating in such a way that the increased costs are not passed on in the same way as they would be allowed to a private landlord who applied for rental increase in accordance with the Rental Housing Program and in accordance with the other program. In other words, I don't think the honourable member is suggesting that in the limited dividend or public housing that they not be allowed to recover their costs.

**MR. AXWORTHY:** Mr. Chairman, I am not suggesting that. What I am saying is that the two sectors of housing are being subject to different tests right now in terms of pass through costs; two different bodies, two different agencies, two different groups of officials, perhaps applying different standards, that is the issue and there is a pass through cost in both cases but it is really being applied in different ways. I think that that is what we have to look at in terms of those sort of figures. I think that the question in part is going to bear upon the nature of housing production because I think as we get into the issue where almost virtually most of our apartments or multiple unit dwellings are subsidized in some form or other, sometimes by tax incentives, others through outright grants, others through different forms of subsidies and in the case of public housing where it is outright public ownership of it, then we should at least have a rent system that takes these different variations into account and applies some common standards to them. So that, if nothing else, there isn't the feeling — real or not — on the part of some tenants, well those guys are controlled but we're not and our rent is going up 20 percent and why is it, which in fact redounds to the ill benefit of the public, simply subsidized housing units. So I think that that is an issue that has to be taken into account in perhaps coming forward with a system. That is why I really believe that we need to examine more closely this issue of the longer

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term transition period moving out of perhaps the present stabilization program, perhaps moving into a form of a rent review program which is designed primarily to catch sort of the gouging phenomena that takes place in isolated areas. There should be that kind of program that we are moving towards now.

I have other questions if the Minister wants to answer those comments.

**MR. CHAIRMAN:** The Honourable Minister of Mines.

**MR. GREEN:** I noticed that when the honourable member was speaking as I was walking in, he indicated that there was a commitment that I had given and I can recall — just so that I am not being misunderstood — I recall being at the committee stage of the bill and there was some strong requests by opposition members — I won't say that it was my honourable friend but I believe that the opposition members were united, if I am wrong, I don't wish to belabour the point — that there be a cut-off date either at the AIB termination or six months following. The commitment that I gave or the intention that I expressed on behalf of the government was that although this was part and parcel of a total anti-inflationary program and was being brought in consistent with the other Act, that we would not arbitrarily indicate when it was going to terminate because we would have to examine the circumstances at the time to make sure that it wouldn't terminate under circumstances which would greatly operate to the detriment of the tenants. My recollection is that my argument wasn't well accepted by members of the Opposition but, nevertheless, we proceeded on that basis. That was the only commitment that I can recall and if that is what the honourable member is referring to, then I certainly accept that.

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

PRIVATE MEMBERS' HOUR  
SECOND READINGS — PRIVATE BILLS

**MR. SPEAKER:** Order please. The first item Private Members' Hour today is Bill No. 37. The Honourable Member for Morris.

**MR. JORGENSON:** Stand.

**BILL NO. 24)**

**MR. SPEAKER:** Second reading Bill No. 24. The Honourable Member for Radisson.

**MR. SHAFRANSKY:** Mr. Speaker, I would like to move, seconded by the Honourable Member for Emerson, that Bill (No. 24) — An Act to provide for the Amalgamation of La Centrale des Caisses Populaires du Manitoba Ltee and La Centrale des Caisses Populaires du Manitoba Credit Union Limited be now read a second time.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Member for Radisson.

**MR. SHAFRANSKY:** Slowly, in French . . .

Mr. Speaker, as possibly the members are aware, the La Centrale des Caisses Populaires du Manitoba Ltee was initially brought into existence in this House in 1975 with the intention that it would take over the business and undertakings of La Centrale des Caisses Populaires du Manitoba Credit Union Limited. However, by virtue of some unforeseen adverse income tax consequences which would result if the transaction had proceeded as originally contemplated, they have been advised that the desired end could be more satisfactorily accomplished by virtue of amalgamation similar to the type of amalgamation that had been established with the Credit Union Societies of Manitoba — I forget the two groups — several years ago. So basically what this bill purports to do is to amalgamate the two, La Centrale des Caisses Populaires and the La Centrale des Caisses Populaires du Manitoba Credit Union Limited. —(Interjection)— Well, to be very brief about this, I received the information on this only a few minutes ago. The counsel for the Caisses Populaires du Manitoba Ltee will be available when the bill goes to committee.

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. JORGENSON:** Mr. Speaker, I move, seconded by the Member for Brandon West that the debate be adjourned.

**MOTION presented and carried.**

**BILL (NO. 38)**

**MR. SPEAKER:** Bill No. 38. The Honourable Member for Emerson.

**MR. STEVE DEREWIANCHUK:** Mr. Speaker, I move, seconded by the Honourable Member for Radisson, that Bill (No. 38) An Act to Amend an Act to incorporate "Winnipeg Bible Institute and College of Theology" be now read a second time.

**MOTION presented.**

**MR. DEREWIANCHUK:** Mr. Speaker, the Winnipeg Bible College was founded in 1925 and was granted a Charter by the Province of Manitoba in 1948. This Charter was later amended by a Private Members' Bill in 1964. Since 1964, however, there have been significant changes in the size, the location and the programs of the College. In 1970, the College moved from its former location opposite the Legislative Buildings to a 93 acre campus in Otterburne. The College presently employs 20 full-time faculty members and eight part-time faculty members as well as 32 support staff members. The Winnipeg Bible College, which is the only inter-denominational Bible College in Manitoba, now offers a Bachelor's Degree in religious studies, a Bachelor of Music degree and a seminary program of studies for those who wish to enter the Ministry.

The Winnipeg Bible College is a member of both the American Association of Bible Colleges and the Canadian Association of Bible Colleges. The expansion of the College is evident in the fact that the enrolment has increased from a total of 149 students in 1971 to 398 students in 1977. Keeping these developments in mind then, it should be self-evident that the proposed amendments are both desirable and necessary. The proposed amendment to the 1964 Act changing the name of the College would recognize the graduate division in the official name and Charter of the College and would be a more accurate listing for all government and educational publications.

The proposed amendment to the 1948 Act pertaining to the holding of property is made necessary by the new location of the College and the fact that future expansion is presently hampered by the 1948 Act which places unrealistic limitations on the holdings of the property due to the obsolete real estate values used as a criteria.

The proposed amendment to the 1948 Act to substitute the word "Corporation" for the word "Institute" is desirable as the word corporation more suitably describes the present status of the

College.

The proposed amendment to the 1948 Act to substitute the word "degrees" for the term "theological degrees" is also desirable and necessary due to the fact that the College has expanded its program of degrees offered. By the same token, the proposed amendment to the 1948 Act to read "to grant degrees including honorary degrees, diplomas and certificates which must be deemed necessary or useful for carrying into effect the object and purposes of the corporation," is also desirable and necessary. Thus it is evident, honourable colleagues, that the proposed amendments to an Act to incorporate "Winnipeg Bible Institute and College of Theology" assented to in 1948 and an Act to amend an Act to incorporate "Winnipeg Bible Institute and College of Theology" assented to in 1964 are necessary and desirable due to the change in location of the College and due to the expansion of the College itself and its programs.

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. BOB BANMAN:** I beg to move, seconded by the Member for Rhineland that the debate be adjourned.

**MOTION presented and carried.**

**MR. SPEAKER:** Bill No. 46. The honourable member is absent. Bill No. 9. The Honourable Member for Flin Flon.

**MR. THOMAS BARROW:** Stand, Mr. Speaker.

### **BILL (NO. 17) — THE FREEDOM OF INFORMATION ACT**

**MR. SPEAKER:** Thank you. Bill No. 17. The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Speaker, I beg to move, seconded by the Member for Assiniboia that Bill (No. 17) The Freedom of Information Act be now read a second time.

**MOTION presented.**

**MR. AXWORTHY:** Thank you, Mr. Speaker. As the members will recognize, this is the second time that I have introduced a measure such as this into the Legislature. I am hopeful that members this time around will give it more favourable consideration than was received in the last hearing. I think, Mr. Speaker, that the bill itself is still basically designed to serve the same purpose and that is to provide statutory rights in the Province of Manitoba to ensure access to government information and thereby promote a more full and open system of democracy.

The reasons for introducing the bill are also about the same. And it simply goes back to the fact that government over the years changes, alters itself, goes through a number of metamorphoses and certainly if there has been any one major recognition about the role of government in the last decade or so is that, as it has grown larger and more complicated and complex in its activities, the ability of the more conventional and traditional institutions of accountability and responsibility are thereby weakened in terms of maintaining a strong sense of control and a strong sense of understanding on the part of the public as to exactly what government is doing and also a sense of confidence that what is being done is being done with the public interest in mind. There are just so many areas of activity requiring so many different hands to be disposed that the ability of the traditional institutions of the Legislative Chambers and other instruments are not always careful of coping. I think that recognition has been displayed in a number of jurisdictions both in this country and in other countries. The idea is not so new; it goes back 200 years to the Swedish system where in fact they fundamentally altered the whole notion of access to government information and rather than working on the theory that we do here which is that you need to know only what you need to know and that's the bureaucratic standard, the onus there is that everything is open until otherwise so stated.

It was also recognized, Mr. Speaker, in the United States about four or five years ago with the passage of the Freedom of Information Bill in that country and almost all reports of the workings in that country have been fairly laudatory in the way in which it has enabled a variety of people, private citizens, legislators, and others, to be able to find out more accurately what is happening, to use the vast amounts of data and research that government possesses for a broader sort of interest and to ensure that in many individual cases, the rights of individuals are more fully protected.

I think it is also important to note, Mr. Speaker, that in parliamentary systems similar to our own, and in our own country in fact, there have been a number of initiatives taken in the past. The initiative taken by the Honourable Jed Baldwin, a Conservative Member of Parliament in the House of Commons, where he introduced a bill of similar nature to this into that body about two years ago and has since acquired a fair degree of recognition and acknowledgement of its importance and a fair degree of debate and discussion. In the Ontario Legislature, a New Democratic Party in that caucus has put forward a similar bill into the Ontario Legislature and reports in the Toronto newspapers of only a few weeks ago indicated that the government of that province is prepared to accept a bill of that kind and is sending it on to committee.

In the Australian system which combines both features of our own, which is both a federal system and a British parliamentary system . . . . When members' I spoke to the bill last year, I brought to the attention that the idea of freedom of information at that time was being discussed so I can report now that it is going to be on that stage and in fact now is past the second reading and is being examined by

both Chambers of the Australian Parliament to determine whether in fact and how it might be implemented in that particular state.

I think it is also important, Mr. Speaker, to note that the development and evolution of parliamentary institutions themselves have never been studied and that if some members are bothered by the possibility that borrowing another idea from somewhere else is something that one shouldn't do, we should recognize that in this House ourselves, we have borrowed foreign ideas and incorporated them and I think to our betterment. . The whole idea of the Office of Ombudsman is something that was introduced for a period of years by different private members, I think something like ten or fifteen years before it was finally introduced. I believe the government opposite was responsible for bringing it in. The idea of Ombudsman which was developed basically in European countries, I think has served a very useful purpose in our system. It provides a recourse for private citizens. It has been added on to the set of institutions that we have had. So I think that we have attempted, from time to time, to evolve our own system to take into account the changing nature of society that we deal with and the kind of problems that we deal with.

And I think, Mr. Speaker, that this whole question of freedom of information centres in one of the more critical issues of the role and responsibility of government because I think many complainants have come to recognize that one of the most serious potential abuses of power is in the use of information. Information itself is a form of power, increasingly a more important source of power and like any democratic system we must be concerned about the control of powers. And when you consider that this province of our own, 12,000 or 13,000 civil servants or 17 or 18 different regulatory agencies or wide variety of advisory boards, that there is a vast amount of activity which is almost impossible for any one member, Minister, whatever, to maintain some control over, even to know from day to day what their activities would be. And even to try to do that would kind of compound the workload of government, that they are not able, therefore, to monitor and deal with the day by day, hour by hour workings of the vast apparatus that they have with them.

Now I suppose one solution to that is to cut the apparatus in half, but we have decided that there are a number of necessities that the government wants and therefore they are now there. And they do impinge, Mr. Speaker' in a number of ways upon the lives of citizens. I can think of one case where it was brought to my attention where an individual who has his disputes with the Department of Health and Social Development concerning certain claims he makes against social assistance and appears before the Welfare Advisory Board and is not allowed to see any portions of the those files in which charges are made against him so he knows what they are. So in fact he appears before a board to answer charges which he doesn't really know what they are nor knows what substantiating evidence there is to support them, whether it's heresay, whether it's based upon fact and therefore finds himself incapable of providing a proper defence by that example.

Similarly, Mr. Speaker, in cases before the Workmen's Compensation Board. The injured workers find it difficult to receive the kind of files detailing what doctors have said is the extent of their injuries and therefore find decisions are being made which affect their livelihood for many years without having access to the kind of information which would enable them to provide for a proper defence of their own individual interests. So I think in the case of individual rights there is a potential for abuse on the part of different government boards or organizations in terms of holding back on certain pieces of information and not divulging it and therefore people not really being able to know what is happening.

Just a case in point, Mr. Speaker. I was discussing things with a group of people from the University this morning who said that they have been unable to get the information through the University Grants Commission, that talks about certain budgeting matters and so on that affect the University, but again there is a reluctance and unwillingness to provide that information and yet it devolves upon their responsibility as a faculty association to try to protect the interest of their members, and protecting them without having full acquisition of the knowledge and information that they otherwise would have.

I think, Mr. Speaker, it's also important in matters of policy discussion that one of the things that we are learning now as we get into massive expenditures of major capital works, public projects, involving billions upon billions of dollars, that those are complicated fields and one of the few agencies which has the money or can command the money to do the research that provides enlightenment on those subjects is government itself and yet oftentimes this information is not provided and therefore any attempt to get a public debate about the merits of one project over another, one program over another' is oftentimes hindered simply because the information that would provide a proper basis and foundation for that debate is not available, is not accessible. You can find cases even where very specific decisions taken by government, the reasons for it are not divulged. I can think of one case, a newspaper report about three months ago, where a reporter asked, I believe it was the Premier of the province, what were the guidelines that would be applied to the environmental studies of nuclear development in the province and he said that those guidelines would not be made available, would not be made public. It's hard to figure out, Mr. Speaker, why not?

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What basis would that refusal to provide basic environmental guidelines on nuclear power development be withheld? Well' there may be a reason but the reason didn't have to be justified. It was just simply a matter of saying, "You can't have it, don't bother me, go away. It's my decision." And I think therefore, Mr. Speaker, that again on an issue of great public importance in the province of Manitoba, the development of nuclear power is the debate about that is to a degree limited, but the fact that there is certain pertinent information is not being made available.

I think, Mr. Speaker' there are a number of examples. I suppose members of this House that deal on a daily basis with constituency concerns could not take their own examples and many of them don't even come to light because many citizens are simply told that, you know, in the first instance they can't have it, they accept it *ipso facto* and don't appear again, because there is not the basic conditioning on the part of the public servant to say that it is his responsibility to provide information. The way it is oftentimes worked now is that is his responsibility not to provide the information and that there is a tendency, informal oftentimes, sometimes based upon directives which you never see, to say these things shall not be divulged. One of the interesting results of the American Freedom of Information Bill has been that it's not only in terms of the actual cases that have been involved, but it has changed the general tenor of public service acknowledgement of the need to provide information. The system is much more open simply because the bill is on the books. It has provided that kind of impulse initiative in its own right.

So, Mr. Speaker, I think those purposes still are retained and the evidence of a number of initiatives being taken in our own country in another jurisdiction I think indicates that there is a strong and compelling need by governments of all political flavours and parties and stripes to recognize that something should be done, something to ensure that there is greater access of information held by government.

So Mr. Speaker, the purposes and reasons for the bill are identical to what they were last year. What has been changed? Certain conditions in the bill, taking into account some of the objections that were raised last year — not all of them because some of the objections I did not agree with — I have introduced certain amendments to the bill to take into account some of the objections. One is, the question of certain areas where information may be excluded, which in the bill last year, if members will recall, were specifically set out in the bill. In this case, the conditions are now changed and what it simply means that in those areas, I'm not saying the bill, that if there is a refusal on the part of a government person to provide information and the complainant takes the issue to a county court then it is the onus, in this case it is upon the complainant, to demonstrate why government must so provide that information. In all other areas the onus is upon government to show why it shouldn't. In those areas where there is exclusion, particularly relating to matters of personnel and so on, the complainant would have to demonstrate good cause and a judge could then decide, and if there are features in the bill, taking that into account.

Another change in the bill which was brought to my attention by legal counsel here, pardon me, the Legislative counsel, was the problem of perhaps a certain contradiction between issues that might be going to the Ombudsman. Also under these procedures, and so in the Act itself, we have not necessarily allowed that the two can proceed simultaneously. So that change is in.

Now what does remain, Mr. Speaker? I know that certain members of this House take exception that there is still the line of defence in terms of ensuring that the purpose of these bills are fulfilled still rests with the court system and it is to provide the independent analysis and provide the forum in which the judgement would be made concerning the arguments made as to whether the information should or should not be provided. Mr. Speaker, in doing a little research on it and asking people who have been involved in these cases, I again found that this is not particularly unusual to the parliamentary system. In fact, Mr. Speaker, I went so far as to consult a former Minister of Justice in the Federal Government and I would quote from his reply: "The courts of Great Britain and all other Commonwealth countries have always had jurisdiction over government documents when they relate to individual rights or constitute evidence in a private lawsuit. The issue of whether a Minister can refuse production of documents to a court has been the subject of numerous legal decisions and there is nothing new here. The issue is what matter should be or might be excluded by the courts."

Mr. Speaker, discussing this with members of the Bar, it is very clear that they accept that as being a legitimate exercise by the court and I would say, Mr. Speaker, that that is a major change. But that goes even further that is, I think, in the area of public opinion and public attitude. Certain members of this House made serious charges last year that this particular bill was a radical innovation, that it was a borrowed hybrid instrument of the devil somehow that was going to be smuggled in in alien ways to disrupt the fine-tuned workings of our system. I think, Mr. Speaker, since that time we have seen that there are a number of very august and venerable people and organizations in this country which do not agree with that stand and in fact have made public recommendation. The Canadian Bar Association probably most notably, held a conference here in Winnipeg last summer in which the issue was debated fully by proponents of both sides and the issue was taken to the floor of that

convention and passed and since then the Canadian Bar Association has, through its local provincial association, including the Manitoba Bar Association, have made specific requests to a variety of governments that the Freedom of Information Bill be brought into effect. And I note with some interest that the Attorney-General of our own province has indicated his own sympathy with such a stand.

I think Mr. Speaker' as well, that locally you can see through the editorials written in papers, the letters to the editor, that a number of individuals again have indicated that the time is now much more propitious for this kind of introduction of this legislation, that it is time that we moved. And I would suggest, Mr. Speaker, that if one looks at the Order Paper in Legislatures across this province and in the House of Commons, one will find that it is now something that is becoming a matter of debate in a variety of jurisdictions. This suggests to me, Mr. Speaker, as I hope it would suggest to other members, that the importance of this bill is something that should not be neglected or avoided by this House. And the case that we're trying to make in this bill is that it is the principle that is important, that there can certainly be some arguments over the mechanics for implementation. As I said last year, and as I would repeat full well this year, my interest is having this bill passed in principle, allowing it to go to committee, whereupon a variety of invitations and requests can be made for people, the legal fraternity and the public and other organizations affected, to make their case. To talk about how it would work. To examine and deal with some of the concerns raised by public servants. But to ensure that at least as a Legislature we firmly endorse the principle that this is an important addition to the instrumentation of the Legislature, that it is an important adjunct to the way in which we govern ourselves, that it does provide better protection for rights of people in the province of Manitoba. And by accepting that basic principle and then trying to work through in a fairly serious hard fashion in committee, we could come up with a bill which suits our needs. I certainly accept the motion that we need to design a program or a freedom of information statute that fits adequately and comfortably the conditions of our own system in the province of Manitoba. We needn't borrow from anyone else, but I think that the principle is universal, the application can be specific.

That is the position I would put forward to members of the House in asking for their support, that they accept this bill in principle in second reading, forward it to committee so that we can examine it in greater detail, change the mechanics and work out the way in which it could be applied particularly in our own province. This I think is the important first step to be taken in the second reading and that we are not engaged in some activity to borrow or steal or graft on a hybrid notion. I think it is a demonstration that our own system can evolve its institutions to meet demands of changing times and I think the times do demand that this kind of change be made. Thank you.

**MR. SPEAKER:** The Honourable Member for Flin Flon.

**MR. BARROW:** I beg to move, seconded by the Member for Churchill, that debate be adjourned, Mr. Speaker.

**MOTION presented and carried.**

### **BILL (NO. 49) - AN ACT TO AMEND THE LIQUOR CONTROL ACT.**

**MR. SPEAKER:** Bill (No. 49). The Honourable Member for La Verendrye.

**MR. BANMAN** presented Bill No. 49 (No. 49), an Act to amend The Liquor Control Act, for second reading.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. BANMAN:** Thank you, Mr. Speaker. I introduced this bill after a great deal of consideration, a great deal of discussion with people, both the young people in my riding and throughout Manitoba and also the adults throughout Manitoba. Because deciding to bring this piece of legislation forward was not an easy decision and because I anticipate that other members of the House will themselves find the decision on how to vote on this bill a matter of some difficulty and maybe some matter of conscience, I'd like to begin by outlining briefly some of the objections that might be voiced against this particular bill. I hope that in this way we can begin a useful and frank discussion here on the question which all of us must recognize is of concern to Manitobans. Saskatchewan passed a similar bill last year, and many of the states in the United States, including the state to the south of us, Minnesota, have recognized that the problems that the dropping of the drinking age to 18 has caused, has brought them to the decision to bring their drinking ages back up to 19. Members of the Ontario Legislature, I understand, are also considering similar moves but have, as yet, not brought this type of legislation before their Legislative Body.

One of the first problems that I had to reach in making my decision and bringing this piece of legislation before the House, was the simple fact that if passed this bill will remove from a group in Manitoba a privilege that they have enjoyed under the law for some years. And although the bill has been drafted so that it will ensure that no individual will lose his or her right, or that he or she will receive, by virtue of turning 18 years of age prior to this bill coming into force, it is entirely possible that individuals who miss this cut-off date by a few days or months or weeks will find themselves to



have been deprived, and it's very difficult to argue against that.

And if this bill is passed we will have returned in a minor but significant way to the state of affairs that existed before where a group in society, people between the legal age of majority and the age when legal alcohol consumption occurs, have all the obligations of adulthood without having the privileges that are accompanying those privileges. That, too, deserves some concern and some consideration by members of this Legislature.

And of course, there is an absurdity, at least on the individual level, in a law that adds 365 days to a time an individual must live before he or she is legally entitled to consume alcoholic beverages. To suggest that there is some magical change in an individual's ability to handle alcohol that occurs the moment he or she turns 19, or 18, or 21 for that matter, is, I believe, ridiculous. And it is almost certainly true that there are many 18-year-old Manitobans who are at least as capable of coping with alcohol as many people in their thirties, forties, or fifties. And this argument can be raised against any limitation this Chamber might decide ought to be imposed prior to legal consumption of alcohol.

In fact, that argument can be applied against any of the many lines that government is called upon to draw, whether it is the upper-income line drawn as part of a means test on a minimum income drawn for access to government granted mortgages, or income ceilings for the entrance into public housing. At the margin all of these lines government draw can be said to be absurd. And in this bill, Mr. Speaker, the change we are proposing is a marginal change. We are, according to the bill, raising the drinking age, if we support this legislation, by one year from 18 to 19.

People who argue against it do so on the grounds of the differential of responsibility. But I think many of the members in the Legislature, I believe, are concerned with the problems and the abuses of alcohol in Manitoba.

I think one of the questions that the members of the Legislature will have to ask themselves is the very simple question, "The change is really a small one, and will it really have any significant difference upon the life styles of our young people in Manitoba?" And the answer to that question, we have to ask just why we are changing the limits to raise them up to 19. And if it is difficult to reach a consensus as to what exactly it is that people are mature enough to be exposed to legal access to alcohol, with some reasonable chance of being able to cope sensibly with it, I think we are at least able to agree that many young people of the ages of 15, 16 and 17 are unlikely to be that mature.

There have been dramatic increases in the number of alcohol-related traffic fatalities involving 16' 17 and 18 year olds, and in a widely quoted study by Richard Douglas of the University of Michigan it was concluded that a significant increase in the number of alcohol-related traffic crashes occurred among drivers 18 to 20. In Michigan, according to the study, there was an 18 percent increase in the involvement in fatal traffic crashes in this age group since the state lowered its minimum drinking age.

When trying to get background information and some hard statistics with regard to the problems of juveniles and alcohol, I started gathering a number of months ago different reports that are coming out, Detained Juveniles and Alcohol Use, sponsored through the School of Social Work, University of Manitoba. It's a fairly extensive document dealing with different tables as far as the frequency and use of alcohol among the people involved with juvenile crimes. It is a good report but one of the ones that I ran across that seemed to spell it out the best was an Aware Program on the study on the lowering of the drinking age in Saskatchewan and the effect on collision among young drivers.

The Saskatchewan Department of Health put out this particular study. It has many references in it to different studies done throughout the United States. And I'd like to just briefly quote several parts of the particular study, and it has to do specifically with the problem that the Saskatchewan Legislature was dealing with, the lowering of the drinking age and the possible effects the increase back to 19 would have with regard to traffic-related incidents and also abuses among the young people in their particular province. "However recent evidence strongly suggests that the sentiments for lowering the drinking age were naive and misguided. As early as 1973," this is in Saskatchewan, "dramatic increases in alcohol related collisions among young drivers were reported from jurisdictions affected by this legal change. A study done by a Mr. Williams in 1975 examined the incidence of fatal crashes in three states, and in one province affected by the change in the drinking age, and in three states where no change took place. Both 18 to 20-year-olds and 15 to 17-year-olds experienced significant increases in fatal crashes in those areas that the law was changed. Even larger increases were noted for nighttime and single vehicle collisions which are more likely to involve alcohol."

The findings of this particular Saskatchewan study led to two major inferences. Firstly, the lowering of the drinking age has had the effect of increasing rates of alcohol involved collisions among young drivers who become illicit drinkers. Secondly, the lowering of the drinking age has had the effect of increasing rates of alcohol involved collisions among drinkers who remain under the legal drinking age even after it is reduced. And finally, the final summation of this particular report says, "First, young drivers aged 18 and 19 already have the highest accident rates of any group prior

to the change in drinking. Lowering the drinking age has further increased this margin. Second, allowing 18-year-olds to drink has introduced legal drinking to high school students. Thus under-aged drinkers have increased opportunity to obtain alcohol beverages and borrow forms of identification from their slightly older schoolmates and classmates. Thus raising the drinking age would do much to reduce the excessive incidence of collision among young drivers and halt the spread of drinking and driving to even younger age groups."

As I mentioned, this is a study that was done by the Saskatchewan Department of Health and has many references to different studies and I don't intend to go into them at this time but I think it is pretty concrete stuff.

What will a one-year increase in the legal age achieve? We cannot seriously pretend that it will mean that young people will necessarily find it easier to accustom themselves to the difficulties inherent in the handling of alcohol. It is an increasingly difficult thing for people to achieve in our society whether they are in the age group of 21 or 41 and that surely points out the need for better alcohol education in our schools.

But increasing the age from 18 to 19 will mean that a vast majority of young Manitobans will be learning to cope with alcohol after they graduate from high school. They will be learning to cope with alcohol after they have stopped being Grade 12s emulated by Grade 11s, Grade 10s and Grade 9s. The question we must ask ourselves is, in light of the fact that alcoholism is now considered to be the third most serious illness in North America, should we make it more accessible to the younger people? Eighteen-year-olds are in the high school system associating with younger people in their schools. By lowering the age from 21 to 18, we have brought alcohol into the schools and made it more accessible to the 15, 16 and 17-year-olds.

**MR. DOERN:** Would the member submit to a question?

**MR. BANMAN:** No. No. After I'm finished, Mr. Speaker. Mr. Speaker' in order to try and get a feeling from the different people that would be directly affected by the this legislation, what I did during the month of February, I conducted a poll, a survey, where I enclosed a questionnaire, a ballot, and I sent these out to nine different schools. Now there was a total of roughly about 600 high school students, Grade 12 students, that were asked to fill out the ballot and return it. There was a format set as far as the introduction of and the reasoning for this particular ballot and I would at this time like to provide the Legislature with the findings of that particular study.

**MR. SPEAKER:** Five minutes.

**MR. BANMAN:** When the ballots were returned, we found that 44 percent of the students were in favour of seeing the drinking age raised and this the Grade 12 students who are 18 or just turning 18 and 56 percent of them were against. Now that was a clear indication to me, Mr. Speaker, that the students themselves appreciate that there is a problem here and that they would like to see something done with regard to this problem.

I appreciate that this is only one side of the coin and that the enforcement of the drinking age, whether it be 18 or 19, is the other side. Right now, the onus is on the hotel owners and I agree with that but this is, I think, one-sided to a certain extent in that juveniles caught in beverage rooms should be, I think' more severely reprimanded and fined to an extent that it becomes a more serious offence to be caught in a facility where the law says he or she has no business being.

I would like to also say that the I.D. program which is being undertaken I think is a positive step in the right direction and one that should be encouraged also so that we don't have the problems of people borrowing somebody else's I.D.

The government to its credit has already taken some important steps in limiting the amount of advertising with regard to beer and wines and I think this is an effort that should help shape the attitudes of the general public. But we must, I believe, make every effort to protect our young people and I believe this bill by raising the drinking age above the age at which most young people graduate from high school will help us to do that.

I would ask the government and I have asked my own leader and my caucus and I would ask the members of the Liberal Party — and particularly the government — to permit a free vote on this bill and I would ask the government to permit this bill to come to a vote here, not on a party or partisan lines but because I believe, and I know many of the members on both sides of this House, believe that we have an obligation to take an action with regard to this particular problem and an action which, I believe, will protect the young people in our province. Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Minister of Public Works.

**MR. DOERN:** Mr. Speaker, I wanted to ask the member a question. I assume he is a high school graduate of the late '50s or early '60s. I wonder if he could comment, in his experience was it common for high school students in his area or in his experience to drink prior to the age of 18 or prior to the age of 21?

**MR. BANMAN:** I think the Minister has hit on exactly the crux of this particular problem. When the legal drinking age was 21, it was not uncommon that the 19, 20 or even 18-year-olds had a certain amount of accessibility to alcohol and they were involved but what we have done by lowering the

drinking age to 18, we have made it more accessible — and I don't think the Minister can argue that — I think it is much easier for a 15-year-old to get alcohol now when the drinking age is 18 than it was when it was 21. I don't think there is any argument.

**MR. DOERN:** Perhaps I could just re-phrase my question again. In the experience of the honourable member as a high school student, was it not true, was it not the case, that when the drinking age was 21 that many 15 and 16-year-olds drank then and continue to drink now?

**MR. BANMAN:** Well, not in my experience and not from what I have noted in the past now. I think that the member just has to talk to a lot of school teachers who have been supervising school socials and school dances and ask them what has happened since the drinking age has been lowered and I think you'll see the accessibility to the young people is much more significant now than it was before. No question about it.

**MR. SPEAKER:** The Honourable Member for Portage la Prairie.

**MR. G. JOHNSTON:** Mr. Speaker, through you I would like to congratulate the Member for La Verendrye on a well thought out and a factually backed speech that supports the position he has taken. I think as I speak it will probably be evident that I don't have the support of my colleagues necessarily. I'm saying just what my thoughts are and perhaps express the fact that I am going to go along with the principle that the Member for La Verendrye has espoused.

The matter of legislators setting drinking ages, I suppose it is one of the most distasteful duties we have but there has to be some control. —(Interjection)— Well, one of the members opposite says, "Why?" I wonder if he allows his five or six-year-old children in his family to do as they wish in this regard.

**MR. SPEAKER:** Order please.

**MR. G. JOHNSTON:** I believe the Minister that his children are not drunkards; I wish he had not said that.

**MR. SPEAKER:** Order please.

**MR. G. JOHNSTON:** Well, what we are now talking about is parental control and responsible parents take the attitude, I'm sure, that the Minister takes but with perhaps different approaches.

I think experience has taught us that maturity in drinking may perhaps be arrived at at the age of 14 or 15 or five or six, depending on the family upbringing and depending upon the feeling of the individual. But then on the other hand there are individuals at the age of 30 who have no maturity whatsoever in this field and we see this.

There was a study conducted in Ontario some time ago, a \$2 million study and the results of that study, some of the information is almost terrifying, it scares one to see what is happening in Canada. For example, Mr. McMurtry, the Attorney-General made the statement that on a weekend night, a Friday or a Saturday night, one out of every four cars coming towards you has someone behind the wheel who is under the influence of alcohol to some degree. It was also found that of a number of people who are stopped who are under age, 6.4 percent were impaired and 22 percent of that age category had been drinking.

There's all sorts of accident statistics which I will not burden the members with, but I'd like to refer members to a letter dated April 10th, and I think every group in the Legislature received it. It was addressed to our party and I'm presuming the other parties received it also. It is from Margaret Trott, President of the Manitoba Association of School Trustees. She says: "I am sending a resolution passed at the Annual General Meeting of School Trustees held in Winnipeg, March 24th to 26th, 1977, dealing with the question of legal drinking age in Manitoba. The Trustees in Manitoba would appreciate the support of the members of your party when voting on a Private Members' bill relating to this same topic."

The resolution goes on to say: "Be it Resolved that MAST petition the Premier and the Government of Manitoba to raise the legal age for consumption and purchase of alcoholic beverages from the age of 18 years to the age of 20."

Then the comments that follow: "The legal age for purchasing and consuming alcoholic beverages in the Province of Manitoba is 18 years of age. The lowering of the drinking age to 18 years of age seems to have contributed directly to a greater number of young people under the age of 18 consuming alcoholic beverages.

"Schools, homes, social service agencies and the community are facing the consequences of a lower drinking age." —(Interjection)— Mr. Speaker, I do look forward to hearing the comments of the Minister of Public Works when he stands.

But as I said earlier I support the principle but I don't think it quite solves the whole problem of drinking in the schools. The member who had just spoken said that whenever there's a limit on a drinking age, the group below that — whether it be 17, 16, 15 — tend to be fringe drinkers because of their association with the legal drinkers who in this case are 18. So by raising the drinking age by one year, I don't think it will solve the problems that are faced with the administrators and the teachers in the school system.

I know it sounds a little wishy-washy to say that that isn't good enough, that it should be one year

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more perhaps. I'm seriously considering if the bill gets to committee, to bring in an amendment to raise it one more year more than my honourable friend from La Verendrye indicates that he would be satisfied with. That is namely, I seriously consider and I am bringing in an amendment to raise that age from 19 to 20.

**MR. SPEAKER:** The Honourable Member for Point Douglas.

**MR. DONALD MALINOWSKI:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Ste. Rose that the debate be adjourned.

**MOTION presented and carried.**

**MR. SPEAKER:** The hour being 5:30, I will call it 5:30, it is too late to go into Private Members' Resolutions. I am now leaving the Chair and the House will reconvene at 8 p.m. with the Chairman of Committee of Supply in the Chair.